Melbourne-Tillman Water Control District

Board Agenda

Melbourne-Tillman Water Control District

MEETING OF THE BOARD OF DIRECTORS

TUESDAY, APRIL 23, 2024

9:00 AM

Call to Order Phil Weinberg, President

Pledge of Allegiance Phil Weinberg, President

Roll Call Lisa Blackett

Board Members:

Joseph Hale (Palm Bay September 30, 2025)
Brant Hoffman (Brevard County September 30, 2025)
Keith Jerdon, (West Melbourne September 30, 2024)
Don Jordan, (Palm Bay September 30, 2026)
Drew Powshok (Brevard County September 30, 2025)
Philip Weinberg, (Palm Bay September 30, 2024)
Jay Woltering (Brevard County September 30, 2025)

Staff & Support:

Rick Nipper, District Manager
Lisa Blackett, Assistant Manager/Admin, Secretary/Treasurer
Jim Beadle, Attorney

Recognition of Guests and Support Staff

Lindsay Aviles, Carr, Riggs & Ingram
Bo Rainbolt, Assistant Manager/ Operations
Mike McCabe, District Engineer

Announcements

- District's legislation - HB821
- Staff to Attend Aquatics Seminar May 13-16, 2024

Public Comments

Presentations

- Lindsay Aviles, Carr, Riggs & Ingram will present the District's 2023 Communication Letter (Attachment 1), Comparative Statement (Attachment 2) and Audited Financial Statements (Attachment 3). *The printed, bound copies will be provided at the meeting.*

9:00 AM

- Lindsay Aviles, Carr, Riggs & Ingram will present the District's 2024 letter of engagement for consideration of continuing the annual audit services. (Attachment 4)

Regular Business

- Approval of the February 27, 2024 minutes of the MTWCD Board of Director's Meeting (Attachment 5)
- Approval of the Operating Statement through March 31, 2024 (Attachment 6)

New Business

Old Business

- AT&T Installation on C-51 West of Emerson without a permit, continued from June 27, 2023
- City of Palm Bay request to install fiber optic cable within the District's right of way, continued from February 27, 2024
- Florida Retirement System Contributions

Budget

- FY 2023/2024 Budget
    - Board consideration to approve the $20,800 for repairs to the District's Site II North pole barn. The funds are within budget in account #5460000 Repair & Maintenance Services.

    - Board consideration to purchase of a six-way dozer blade ($7534.40) and a smooth vibratory roller ($12,237.55) for the District's John Deere 331G Skid Steer. The purchase is offset by the lower cost of the John Deere 331G Skid Steer ($5981) and the John Deere Slope Mower ($22,756). The purchase is within the approved budget for #5640000, Machinery & Operating Equipment.

- FY 2024/2025 Budget
  Two options are presented for the District's FY 2024/2025 Budget.

    - Option 1 (attachment 7) Includes an 3.1% increase in all classifications of the District's User Fees based on the CPI for FY 2023, contingent on approval of the District's legislation. In the event the legislation is vetoed, the User Fee rates would revert to the current fee structure. (attachment 8)

    - The proposed 2024/2025 budget includes District staff of 18, capital purchases consisting of a dump truck ($178,282) and two heavy-duty pick-up trucks ($51,156) each

The Current User Fee classifications:

• Residential	$25.00 per acre or portion thereof
• Agricultural	$ 8.50 per acre or portion thereof
• Commercial	$52.50 per acre or portion thereof

The Proposed User Fee classifications:

• Residential	$25.78 per acre or portion thereof
• Agricultural	$ 8.77 per acre or portion thereof
• Commercial	$54.13 per acre or portion thereof

Staff Reports

- District Manager's Report, Rick Nipper
- Engineer's Report, Mike McCabe
- Assistant Manager, Operations Report, George Rainbolt
- Attorney's Report, Jim Beadle
- Secretary/Treasurer's Report, Lisa Blackett

Closing

- Meeting Schedule – The next Board Meeting is scheduled for Tuesday, June 25, 2024 at 9:00 am in the City of West Melbourne Council Chambers.
- Board Member Reports

  Joe Hale
  Brant Hoffman
  Keith Jerdon
  Don Jordan
  Drew Powshok
  Phillip Weinberg
  Jay Woltering

- Adjourn

If a Board Member has a request for any agenda item you may raise it at any time or you may let staff know and it will be formally included in the agenda package distributed to the Board prior to each meeting. As usual, staff is available in person, by telephone, or by e-mail to discuss the agenda prior to each and every Board Meeting.

Attachment
1

Melbourne-Tillman Water Control District

REQUIRED COMMUNICATIONS

Year Ended September 30, 2023

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940
(321) 255-0088
(321) 259-8648 (fax)
www.cricpa.com

April 9, 2024

To the Board of Directors
Melbourne-Tillman Water Control District, Florida

We are pleased to present the results of our audit of the financial statements of Melbourne-Tillman Water Control District (the "District"), a dependent special District of Brevard County, Florida, for the year ended September 30, 2023.

This report to the Board of Directors summarizes our audit, the reports issued and various analyses and observations related to the District's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the District's 2023 financial statements. We considered the District's current and emerging needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you, the Board of Directors, expect. We received the full support and assistance of District personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Board of Directors and management and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 321-255-0088 or laviles@cricpa.com.

Very truly yours,

Lindsay J. Aviles, CPA
Partner
Carr, Riggs & Ingram, LLC

As discussed with management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the District. Specifically, we planned and performed our audit to:

- Perform audit services, as required by Section 218.39 of the Florida Statutes, in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* and Chapter 10.550 of the Rules of the Florida Auditor General, in order to express an opinion on the District's basic financial statements for the year ended September 30, 2023;

- Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*;

- Communicate directly with the Board of Directors and management regarding the results of our procedures;

- Address with the Board of Directors and management any accounting and financial reporting issues;

- Anticipate and respond to concerns of the Board of Directors and management; and

- Address other audit-related projects as they arise and upon request.

We have audited the financial statements of Melbourne-Tillman Water Control District, Florida for the year ended September 30, 2023, and have issued our report thereon dated April 9, 2024. Professional standards also require that we communicate to you the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Auditor's responsibility under Generally Accepted Auditing Standards, *Government Auditing Standards* and Chapter 10.550, Rules of the Florida Auditor General	As stated in our engagement letter dated November 29, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP) and to report on the fairness of supplementary information as described in the engagement letter when considered in relation to the financial statements as a whole. Our audit of the financial statements does not relieve you or management of your responsibilities. As part of our audit, we considered the internal control and compliance with laws, regulations, contracts and grants of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
Client's responsibility	Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management, with oversight from those charged with governance, is responsible for the design and implementation of programs and controls to prevent and detect fraud. Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

<table>
<tr><th>MATTER TO BE COMMUNICATED</th><th>AUDITOR’S RESPONSE</th></tr>
<tr><td>Planned scope and timing of the audit</td><td>Our initial audit plan was not significantly altered during our fieldwork.</td></tr>
<tr><td>Management judgments and accounting estimates
The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor’s conclusion regarding the reasonableness of those estimates.</td><td>Please see the following section titled “Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality.”</td></tr>
<tr><td>Potential effect on the financial statements of any significant risks and exposures
Major risks and exposures facing the District and how they are disclosed.</td><td>No such risks or exposures were noted.</td></tr>
<tr><td>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor’s judgment about the quality of accounting principles
• The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
• The auditor should also discuss the auditor’s judgment about the quality, not just the acceptability, of the Company's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied by the Company in its financial statements and our assessment of management’s disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;
• Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment</td><td>Significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:
• The disclosure of pension retirement plans in Note 4 to the financial statements since this represents a future liability to the District.
• The disclosure of Post-Employment Benefit Obligations in Note 5 to the financial statements since this represents a future liability to the District.

The financial statement disclosures are neutral, consistent, and clear.</td></tr>
</table>

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.	
Significant difficulties encountered in the audit *Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.*	We encountered no significant difficulties in dealing with management in performing and completing our audit.
Disagreements with management *Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditor's report. This does not include those that came about based on incomplete facts or preliminary information.*	We are pleased to report that no such disagreements arose during the course of our audit.
Other findings or issues *Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.*	None noted.
Matters arising from the audit that were discussed with, or the subject of correspondence with, management *Conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.*	None noted.
Corrected and uncorrected misstatements *All significant audit adjustments arising from the audit, whether or not recorded by the District, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.*	See "*Summary of Audit Adjustments*" section.

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Major issues discussed with management prior to retention *Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.*	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Consultations with other accountants *When management has consulted with other accountants about significant accounting or auditing matters.*	To our knowledge, there were no such consultations with other accountants.
Written representations *A description of the written representations the auditor requested (or a copy of the representation letter).*	See "*Management Representation Letter - Draft*" section.
Internal control deficiencies *Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditor's attention during the audit.*	See "*Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*." See also the "*Independent Auditor's Management Letter*."
Fraud and illegal acts *Fraud involving senior management or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving senior management and any other illegal acts, unless clearly inconsequential.*	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Other information in documents containing audited financial statements *The external auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.*	Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether: • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.
Significant unusual accounting transactions *Auditor communication with governance to include auditor's views on policies and practices management used, as well as the auditor's understanding of the business purpose.*	No significant unusual accounting transactions were noted during the year.
Required Supplementary Information *The auditor's responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.*	We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We are required to communicate our judgments about the quality, not just the acceptability, of the District's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Board of Directors may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Investments	Except as noted below, the District reports their investments at fair value. Certain external investment pools meeting criteria set forth in the accounting standards may be reported at amortized cost. The District follows the provisions of Section I50: *Investments*, of the GASB Codification when reporting investments.	X	The District relies information from investment pool sponsors based on financial market information.	The District's policies are in accordance with all applicable accounting guidelines and GASB.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Depreciation of Capital Assets	Based on the audit procedures we performed with respect to the District's capital assets, we noted that the District estimates the useful lives of capital assets in accordance with all applicable standards and guidelines of GASB. The District follows the provisions of Section 1400: *Reporting Capital Assets*, of the GASB Codification when reporting depreciation of its capital assets.	X	Management's estimate of the useful lives of capital assets is based on the historical lives of similar assets and market prices.	The District's recognition methods and disclosures appear appropriate.
Compensated Absences	District policy is to permit full-time employees to accumulate earned but unused vacation and sick pay benefits. Full-time employees will only be allowed to carry forward a maximum of 300 hours of vacation and 960 hours of sick from year to year. If an employee resigns in good standing, they are paid half of any unused sick pay. All vacation and half of sick pay is accrued when incurred in the financial statements.	X	Management's estimate of the compensated absences liability is based on compensation rates and employment assumptions developed by management.	The District's policies are in accordance with all applicable accounting guidelines and GASB.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Other Post-Employment Benefits (OPEB)	Based on the audit procedures we performed with respect to the District's OPEB Plan, we noted that it appears the District accounts for its OPEB liability and related costs in accordance with all applicable standards and guidelines of GASB. The District follows the provisions of Section P52: *Postemployment Benefits Other Than Pensions – Employer Reporting*, of the GASB Codification when reporting its OPEB liability and related costs.	X	Management's estimate of the other postemployment benefit liability is based on healthcare costs and employment assumptions developed by management. A third party actuary utilized these assumptions to calculate the year-end liability.	The District is following the requirements of GASB 75 and has noted in Note 5, that the liability of the District may vary. We evaluated the key factors and assumptions in determining they are reasonable in relation to the financial statements taken as a whole.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Net Pension Liability	Based on the audit procedures we performed with respect to the District's FRS, we noted that the District uses an actuary to determine the pension obligation in accordance with all applicable standards and guidelines of GASB. The District follows the provisions of Section P20: *Reporting Liabilities*, of the GASB Codification when reporting pension liabilities.	X	The estimate of current pension expense and future net pension obligation are based on actuarially determined factors. The actuary estimates certain future conditions in their conclusions. These estimates include factors such as market performance and life expectancy. Actual results may differ from projections.	The District is following the requirements of GASB 68 and has noted in Note 4, that the liability of the District may vary. We evaluated the key factors and assumptions in determining they are reasonable in relation to the financial statements taken as a whole.

During the course of our audit, we accumulate differences between amounts recorded by the District and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the District or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditor's judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

The following entries were posted to the District's records

Adjusting Journal Entries		Debit	Credit
Adjusting Journal Entries JE # 1			
To record a receivable and revenue for intergovernmental work since services were performed before year-end September 30, 2023.			
133000	Due from other governments	$218,362	
3300100	Intergovernmental Revenue		$218,362
Total		**$218,362**	**$218,362**

Adjusting Journal Entries JE # 2		Debit	Credit
To reverse revenue for services performed in the prior year that were incorrectly recognized in the current year.			
3300100	Intergovernmental Revenue	$262,544	
271000	Fund Balance		$262,544
Total		**$262,544**	**$262,544**

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the District's operating environment that has been identified as playing a significant role in the District's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

April 9, 2024

Carr Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, FL 32940

This representation letter is provided in connection with your audit of the basic financial statements of Melbourne Tillman Water Control District (the "District"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the basic financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 9, 2024, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 29, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and consist of only the one enterprise fund in the financial reporting entity. The District has no component units.
3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5) The methods, significant assumptions and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8) We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims or assessments.

9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of the District or summaries of actions of recent meetings for which minutes have not yet been prepared.

11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13) We have no knowledge of any fraud or suspected fraud that affects the District and involves—

    - Management,
    - Employees who have significant roles in internal control, or
    - Others where the fraud could have a material effect on the financial statements.

14) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.

15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

16) There are no known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

17) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements, of which we are aware.

Government-specific

18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

19) We have a process to track the status of audit findings and recommendations.

20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

22) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

23) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or net position.

24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

25) There are no conduit debt obligations in accordance with GASBS No. 91.

26) There were no instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

28) As part of your audit, you assisted with preparation of the financial statements and related notes, preparation of the fixed asset depreciation schedule and preparation of the GASB 68 and GASB 75 entries related to the Florida Retirement System (FRS) and OPEB. You also provided QuickBooks training services as needed. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, Lisa Blackett (Assistant Manager/Administrative Operations Secretary/Treasurer to the Board of Directors), who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes, and for the fixed asset depreciation schedule and the GASB 68 and GASB 75 entries related to the FRS and OPEB.

29) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

30) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

31) There are no component units, majority equity interests in legally separate organizations and joint ventures with an equity interest that would be required to be disclosed in the financial statements.

32) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.

33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

34) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.

35) Investments are properly valued.

36) Provisions for uncollectible receivables have been properly identified and recorded.

37) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

38) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

39) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

40) With respect to the Additional Information Required By Rules of the Auditor General 10.554(1)(i) 6-8:

    a) We acknowledge our responsibility for presenting the Additional Information Required By Rules of the Auditor General 10.554(1)(i) 6-8 in accordance with accounting principles generally accepted in the United States of America, and we believe the Additional Information Required By Rules of the Auditor General 10.554(1)(i) 6-8, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.

41) The District is in compliance with Florida Statute 218.415, *Local Government Investment Policies*, in all respects.

    a) We are responsible for establishing and maintaining effective internal control over compliance.

    b) We have performed an evaluation of the District's compliance with Florida Statute 218.415, *Local Government Investment Policies.*

    c) All relevant matters are reflected in the measurement or evaluation of District's compliance with the specified requirements.

    d) We are responsible for selecting the specified requirements and for determining that the specified requirements are appropriate for our purposes.

e) We have provided you with all relevant information and access to information and personnel in connection with your examination of compliance with Florida Statute 218.415, *Local Government Investment Policies.*

f) We have disclosed to you all known matters that may contradict District's compliance with the specified requirements and we have disclosed to you all communications from regulatory agencies, internal auditors, other independent accountants or consultants, and others regarding possible noncompliance with Florida Statute 218.415, *Local Government Investment Policies*, including communications received between September 30, 2023 and the date of the examination report.

g) We have responded fully to all inquiries made to us by you during the engagement.

h) Our interpretation of the Florida Statute 218.415, *Local Government Investment Policies*, is as follows: As the District has elected to invest surplus funds in compliance with Section 218.514(17) of the Florida Statutes, the provision of section 218.415(14) requiring a minimum number of hours of completion of continuing professional education does not apply.

Signature: ______________________________ Signature: ______________________________

Title: District Manager Title: Assistant Manager / Administrative Operations Secretary / Treasurer to the Board of Directors

Attachment 2

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940

321.255.0088
386.336.4189 (fax)
CRIcpa.com

INDEPENDENT AUDITOR'S REPORT ON COMPARATIVE INFORMATION

To the Board of Directors
Melbourne-Tillman Water Control District

We have audited the basic financial statements of Melbourne-Tillman Water Control District, Florida (the "District"), as of September 30, 2023 and 2022 and for the years then ended, and have issued our 2023 report thereon dated April 9, 2024, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Comparative Statements of Net Position and the Comparative Statements of Revenue, Expenses and Changes in Net Position are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Comparative Statements of Net Position and Comparative Statements of Revenues, Expenses and Changes in Net Position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Comparative Statements of Net Position and Comparative Statements of Revenues, Expenses and Changes in Net Position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 9, 2024

September 30,		2023		2022		$ Change	% Change
ASSETS							
Current assets							
Cash and cash equivalents	$	**161,477**	$	184,510	$	(23,033)	-12.48%
Investments, current		**3,397,619**		2,947,979		449,640	15.25%
Due from other governments, net		**472,410**		461,549		10,861	2.35%
Inventories		**45,126**		39,736		5,390	13.56%
Prepaid expenses		**134,131**		-		134,131	100.00%
Total current assets		**4,210,763**		3,633,774		576,989	15.88%
Noncurrent assets							
Investments, noncurrent		**764,801**		747,801		17,000	2.27%
Property and equipment, at cost less accumulated depreciation		**1,244,932**		827,980		416,952	50.36%
Total noncurrent assets		**2,009,733**		1,575,781		433,952	27.54%
Total assets		**6,220,496**		5,209,555		1,010,941	19.41%
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows - other post-employment benefits		**52,332**		26,418		25,914	98.09%
Deferred outflows - pension		**236,949**		288,279		(51,330)	-17.81%
Total deferred outflows of resources		**289,281**		314,697		(25,416)	-17.81%
LIABILITIES							
Current liabilities							
Accounts payable		**37,067**		35,350		1,717	4.86%
Accrued wages payable		**48,540**		50,269		(1,729)	-3.44%
Accrued compensated absences		**119,598**		155,199		(35,601)	-22.94%
Total current liabilities		**205,205**		240,818		(35,613)	-14.79%
Noncurrent liabilities							
Net other post-employment benefit liability		**107,788**		80,451		27,337	33.98%
Net pension liability		**1,277,580**		1,141,219		136,361	11.95%
Total noncurrent liabilities		**1,385,368**		1,221,670		163,698	13.40%
Total liabilities		**1,590,573**		1,462,488		128,085	8.76%
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows - pension		**147,947**		147,463		484	0.33%
Total deferred inflows of resources		**147,947**		147,463		484	0.33%
NET POSITION							
Invested in capital assets		**1,244,932**		827,980		416,952	50.36%
Unrestricted		**3,526,325**		3,086,321		440,004	14.26%
Total net position	**$**	**4,771,257**	$	3,914,301	$	856,956	21.89%

See Independent Auditor's Report on Comparative Information.

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the years ended September 30,	2023	2022	$ Change	% Change
Operating Revenues				
User fees	**$ 2,274,381**	$ 2,222,956	$ 51,425	2.31%
Permit fees	**124,995**	291,795	(166,800)	-57.16%
Intergovernmental revenues	**616,748**	132,683	484,065	364.83%
Total operating revenues	**3,016,124**	2,647,434	368,690	13.93%
Operating Expenses				
Wages and benefits	**1,709,243**	1,515,631	193,612	12.77%
Material and supplies	**294,030**	366,416	(72,386)	-19.76%
Depreciation expense	**311,407**	470,565	(159,158)	-33.82%
Repairs, maintenance and other expenses	**315,143**	329,734	(14,591)	-4.43%
Total operating expenses	**2,629,823**	2,682,346	(52,523)	-1.96%
Operating Income (Loss)	**386,301**	(34,912)	421,213	-1206.50%
Non-operating Revenues (Expenses)				
Interest income	**209,085**	47,199	161,886	342.99%
Gain (loss) on disposal of fixed assets	**(974)**	210,775	(211,749)	-100.46%
Total non-operating revenues	**208,111**	257,974	(49,863)	-19.33%
Changes in net position	**594,412**	223,062	371,350	166.48%
Net position, beginning of year, as previously reported	**3,914,301**	3,691,239	223,062	6.04%
Prior period adjustment	**262,544**	-	262,544	100.00%
Net position, beginning of year, as restated	**4,176,845**	3,691,239	485,606	13.16%
Net position, end of year	**$ 4,771,257**	$ 3,914,301	$ 856,956	21.89%

See Independent Auditor's Report on Comparative Information.

Attachment
3

Melbourne-Tillman Water Control District

FINANCIAL STATEMENTS

Year Ended September 30, 2023

Melbourne-Tillman Water Control District
Board of Directors
As of September 30, 2023

President

Philip Weinberg

Vice President

Joseph N. Hale

Other Directors

Brant Hoffman

Keith Jerdon

Don Jordan

Drew Powshok

John Woltering

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FINANCIAL SECTION

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CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Melbourne-Tillman Water Control District

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Melbourne-Tillman Water Control District (the "District"), a dependent special district of Brevard County, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditory Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the District did not accrue for grant revenues earned but not received in fiscal year 2022 in accordance with generally accepted accounting principles, resulting in a prior period adjustment. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information, as noted in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 9, 2024

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The Melbourne Tillman Water Control District, a dependent special district of Brevard County, operates as an enterprise fund. A discussion of the District's financial performance for the year ending September 30, 2023 can be best understood given a brief background of the District.

History

The Melbourne-Tillman Water Control District is a dependent water control district of Brevard County reorganized in 1986 from its initial authorization as an independent district by the Florida Legislature in 1922. The District contains 100.8 square miles within its boundaries, approximately 64,500 acres. It is located in southern Brevard County and includes portions of the City of Palm Bay and the City of West Melbourne.

The District was initiated in the summer of 1921 through the presentation of a petition to the Circuit Court of Brevard County. This petition was for land reclamation for agricultural development and was signed by the required majority of landowners, by acreage, within the proposed boundaries of the District. After proper legal advertisement, a Decree was issued January 7, 1922 organizing and establishing the Melbourne-Tillman Drainage District under Chapter 6458, Laws of Florida, Acts of 1913. The proposed plan called for a network of canals that would, in conjunction with a western levee separating surface flows from the St. Johns River, divert runoff eastward to Turkey Creek. Construction of the approved canal and levee system began in November of 1922.

Construction of the canals and levee system continued through 1928 when operations ceased due to funding difficulties. Work was estimated to be 85 percent complete and did not include the outfall dam. Throughout the following decades the District persevered and was reorganized in 1986 as a dependent district of Brevard County under Chapter 86-418, Florida Statutes and later codified under its current authorization as Chapter 2001-336, Laws of Florida, as amended by Chapter 2003-334, Chapter 2010-235, and Chapter 2019-175, Laws of Florida.

Today, the District successfully operates and maintains seventy-five canals, totaling over 163 miles, and a major water control structure. The primary canal serving the District, Canal C-1, traverses the District from the western levee, east to the primary water control structure at the outfall to Turkey Creek, a distance of approximately 9 miles.

Legislative Authority

The District operates under the authority of Chapter 2001-336, Laws of Florida, as amended by Chapter 2003-334, Chapter 2010-235, and Chapter 2019-175, Laws of Florida. In 1986, the Florida Legislature "declared and determined … that a special district … would be the most responsive, efficient, and effective local government entity to secure, operate, and maintain an adequate, dependable surface water management system …". The Legislature created and incorporated the Melbourne-Tillman Water Control District as a dependent special district for the purpose of constructing, reconstructing and repairing, maintaining, and operating a surface water management system, previously managed by an independent district of the same name created pursuant to Chapter 298, Florida Statutes.

The District is governed by a seven (7) member Board appointed by the City of Palm Bay (3 members), Brevard County (3 members), and the City of West Melbourne (1 member). The singular qualification is that members must reside within District boundaries for the tenure of their service. The Board of Directors has the power to establish a water management system to prevent damage from flooding, soil erosion, and excessive drainage; to promote the conservation, development, and proper utilization of surface and ground water; to preserve natural resources, fish, and wildlife; maintain water quality; and to preserve and protect natural systems within and surrounding the District.

The Board may authorize the cleaning, straightening, widening or the change of course or flow, alter or deepen any canal, ditch, drain, watercourse or natural stream within the District boundaries. The building and construction of other works and improvements to preserve and maintain the works of the District are also authorized.

Funding

As a dependent district, the Board of Directors adopts a tentative annual operating budget for each fiscal year, to be approved by the Board of County Commissioners as an Enterprise Fund under the County's budget process.

District revenues consist of Operating Revenues (User Fee Charges for Services, Interest Income and Permit Fees) and Non-Operating Revenues (Balance Forward from Reserves for Operating and Capital). The User Fee Charges for Services, a non-ad valorem fee based on the County's assessment of property size and use, represents the largest component of the District's revenues, generally 90 to 95 percent.

Basic Financial Statements: This and Past Fiscal Years

The most recent fiscal year, 2023, concluded with operations within the approved budget limitations; similar to the performance of the previous year, 2022.

Assets

As of September 30, 2023, the District's total assets include cash, investments, due from other governments, inventories, prepaids and property and equipment. Total assets increased from $5,210k in 2022 to $6,221k in 2023, an increase of $1,011k, due mainly to a $450k increase in current investments and $17k increase in noncurrent investments, a $417k increase in property and equipment as a result of current year additions offset by depreciation expense, an $11k increase in due from other governments as a result of revenues received from the Save Our Indian River Lagoon cost share agreement and $5k increase in inventories, offset by a $23k decrease cash and cash equivalents.

Liabilities

As of September 30, 2023, total liabilities of approximately $1,591k include accounts payable, wages payable, accrued compensated absences, post-employment benefit obligations, and pension liability. Total liabilities increased approximately $128k from 2022 to 2023, due to an increase of $136k in the net pension liability, as well as a $27k increase in net other post-employment benefit obligations offset by a $36k decrease in current liabilities.

Revenues

The District's total operating revenues for 2023 increased from 2022, with $3,016k received in revenue in 2023 compared with $2,647k received in 2022. The increase in revenue was caused by an increase in intergovernmental revenues from the Save Our Indian River Lagoon – Cost Share Program of $484k, a $52k increase in user fees revenue, and an offsetting decrease of $167k in permit fees revenue.

Program Expenses

The District's expenses are divided into four areas: wages and benefits; material and supplies; depreciation expense; repairs, maintenance and other expenses.

Wages and benefits cover salaries and benefits for the District's budgeted staff of twenty. These costs increased $194k from 2022 to 2023. Total wages and benefits expenditures in 2023 were $1,709k compared with $1,515k in 2022. The increase in 2023 was due to the annual required adjustments for the Florida Retirement System liability and for the other post-employment benefit obligations liability of $190k.

Material and supplies expense decreased $72k from $366k to $294k from 2022 to 2023, and includes primarily aquatic herbicide, parts for in-house repairs, fuels, tax assessment and tax collection fees, and transfer expenses. The decrease was due to less costs in Fuel, Gas & Oil and the decreased usage of Aquatic materials.

Repair and maintenance expenses include vehicle and equipment repair, facility and canal maintenance, repair and supply, and general insurance. Other expenses include communications, utilities, travel, training, professional services and administrative requirements. Total repair, maintenance and other expenses decreased $15k from $330k in 2022 to $315k in 2023. The decrease is mainly due to a $4k decrease in administrative requirements and a $3k decrease in maintenance repair and supply.

Overall Financial Position

The District's net position increased by $857k due mostly to the $617k in intergovernmental revenue from the Save Our Indian River Lagoon – Cost Share Program, as well as $209k in interest income. As of September 30, 2023, the District has an unrestricted net position of $3,526k and $1,245k invested in capital assets.

The overall financial position of the District is good. No significant change is anticipated.

Significant Capital Assets and Long-Term Debt Activity

The District's capital assets in 2023 increased slightly through major repairs and replacement of aged equipment. The District's planned purchase of assets was lower than expected due to delayed vendor production and delivery issues. New purchases included six 1 ½" x 50' hoses ($4k) for the District's pumps, a Gravely Zeroturn Mower ($11k), a 2023 John Deere mowing tractor ($94k), an HP Victus laptop ($1k), and, due to a lightning strike, two Sonic Firewall TZ470W and switches ($2k). The District's chemical storage building was replaced with a Polystar non-fire storage building ($35k), the District's office building roof was replaced ($16k), the ice machine was replaced ($4k) and the District's phone system was replaced with a Gulfstream internet phone system ($4k). Repairs to equipment included replacement of the mast and turret on the 2017 Diamond 22' mower ($5k) and repair of the boom, boom cylinders, stick and cab bushings on the 2010 Komatsu PC200LC-8 excavator ($35k). Equipment purchases include 2023 International HV dump truck ($148k), 2023 LinkBelt 210X4LF long reach excavator ($191k), 2023 John Deere 75G excavator with attachments ($141k) and 2022 Ford F-350 flatbed truck ($42k).

"New" means a piece of equipment not previously inventoried by the District – the actual equipment may be new or used. "Replacement" means a piece of equipment currently inventoried is being replaced. "Repair" means an existing piece of vehicle/equipment underwent significant repair work to keep it functioning.

No additional long-term debt was incurred and current long-term debt is zero ($0).

Description of Currently Known Facts Expected To Have a Significant Effect on Financial Position

The District's user fee structure does not differentiate between developed and undeveloped parcels. Therefore, future growth or lack thereof, is not significant to the District's revenue stream. Growth, as defined by the development of agricultural lands or the build-out of large tracts of undeveloped residential parcels (not platted), can have a minor impact on increased revenues.

The completion of the St. Johns Heritage Parkway from Malabar Road to Ellis Road has increased development of agricultural portions of the District. Commercial development and expected growth in the area from future development have the potential to increase the District's revenue as agricultural properties are reclassified as residential or commercial.

The District retains 20 acres in the western portion of the District. The District has no immediate plans for developing the 20 acres.

Requests for Information

Questions concerning any of the information provided or requests for additional financial information should be addressed to Lisa Blackett, Assistant Manager/Administrative Operations, (321) 723-7233, 5990 Minton Road, Palm Bay, Florida 32907.

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MELBOURNE-TILLMAN
WATER CONTROL DISTRICT

Basic Financial Statements

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Melbourne-Tillman Water Control District
Statement of Net Position

September 30,		2023
Assets		
Current assets		
Cash and cash equivalents	$	**161,477**
Investments, current		**3,397,619**
Due from other governments, net		**472,410**
Inventories		**45,126**
Prepaid expenses		**134,131**
Total current assets		**4,210,763**
Noncurrent assets		
Investments, noncurrent		**764,801**
Capital assets		
Non-depreciable		**277,821**
Depreciable, net		**967,111**
Total noncurrent assets		**2,009,733**
Total assets		**6,220,496**
Deferred Outflows of Resources		
Deferred outflows - other post-employment benefits		**52,332**
Deferred outflows - pension		**236,949**
Total deferred outflows of resources		**289,281**
Liabilities		
Current liabilities		
Accounts payable		**37,067**
Accrued wages payable		**48,540**
Compensated absences		**119,598**
Total current liabilities		**205,205**
Noncurrent liabilities		
Net other post-employment benefit liability		**107,788**
Net pension liability		**1,277,580**
Total noncurrent liabilities		**1,385,368**
Total liabilities		**1,590,573**
Deferred Inflows of Resources		
Deferred inflows - pension		**147,947**
Total deferred inflows of resources		**147,947**
Net Position		
Invested in capital assets		**1,244,932**
Unrestricted		**3,526,325**
Total net position	**$**	**4,771,257**

The accompanying notes are an integral part of these financial statements.

Melbourne-Tillman Water Control District
Statement of Revenues, Expenses and Changes in Net Position

For the year ended September 30,		**2023**
Operating Revenues		
User fees	$	2,274,381
Permit fees		124,995
Intergovernmental revenues		616,748
Total operating revenues		3,016,124
Operating Expenses		
Wages and benefits		1,709,243
Material and supplies		294,030
Depreciation expense		311,407
Repairs, maintenance and other expenses		315,143
Total operating expenses		2,629,823
Operating Income		386,301
Non-operating Revenues (Expenses)		
Interest income		209,085
Loss on disposal of fixed assets		(974)
Total non-operating revenues		208,111
Change in Net Position		594,412
Net position, beginning of year, as previously reported		3,914,301
Prior period adjustment (see Note 2)		262,544
Net position, beginning of year, as restated		4,176,845
Net position, end of year	$	4,771,257

The accompanying notes are an integral part of these financial statements.

Melbourne-Tillman Water Control District
Statement of Cash Flows

For the year ended September 30,		2023
Cash Flows from Operating Activities		
Cash received from users and government agencies	$	3,133,676
Cash paid to suppliers for goods and services		(612,846)
Cash paid to employees for services		(1,556,975)
Net cash provided by operating activities		963,855
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets		(729,332)
Net cash used in capital and related financing activities		(729,332)
Cash Flows from Investing Activities		
Interest on investments		209,085
Purchase of investments		(466,641)
Net cash used in investing activities		(257,556)
Decrease in cash and cash equivalents		(23,033)
Cash and cash equivalents, beginning of year		184,510
Cash and cash equivalents, end of year	$	161,477

The accompanying notes are an integral part of these financial statements.

For the year ended September 30,		**2023**
Reconciliation of Operating Income to Net Cash Provided By Operating Activities		
Operating income	**$**	**386,301**
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation		**311,407**
Changes in assets, deferred outflows, liabilities and deferred inflows:		
(Increase) decrease in assets and deferred outflows		
Inventories		**(5,390)**
Due from other governments, net		**251,683**
Deferred outflows - pension		**51,330**
Deferred outflows - other post-employment benefits		**(25,914)**
Increase (decrease) in liabilities and deferred inflows		
Accounts payable		**1,717**
Net pension liability		**136,361**
Deferred inflows - pension		**484**
Net other post-employment benefit liability		**27,337**
Accrued wages payable		**(37,330)**
Total adjustments		**577,554**
Net cash provided by operating activities	**$**	**963,855**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Melbourne-Tillman Water Control District (the "District"), a dependent special district of Brevard County, Florida as defined under Sections 165.031(5) and 200.001(8)(d), Florida Statutes, was restructured October 1, 1986 by Chapter 86-418, Special Acts of Florida, from an independent district to a dependent district, to continue to provide a surface water management system by means of dikes and canals for 62,000 acres of land in South Brevard County. The District was originally organized and established by decree of the Circuit Court of Brevard County on January 7, 1922 as the Melbourne-Tillman Drainage District under Chapter 6458, Laws of Florida, Acts of 1913.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The more significant of these accounting policies are described below.

Reporting Entity

The Melbourne-Tillman Water Control District, a dependent special district of Brevard County, is governed by a seven member Board of Directors comprised of three members appointed by the Brevard County Board of Commissioners, three members appointed by the City of Palm Bay and one member appointed by the City of West Melbourne. Melbourne-Tillman Water Control District does not meet the fiscal dependency and financial benefit or burden criteria and the County has determined that it would not be misleading to exclude the District from its reporting entity; therefore it is not included in the County's financial statements. The District remains a dependent special district of the County because the County approves the user fees.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The proprietary funds are reported using the *economic resource measurement* focus and the *accrual basis of accounting.*

The District uses the proprietary fund basis of presentation for its financial statements. The focus of proprietary fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles are those applicable to similar businesses in the private sector. These funds are maintained on the accrual basis of accounting. The following is a description of the sole proprietary fund of the District.

Enterprise Fund - The District operates as an enterprise fund that accounts for the construction, operation and maintenance of the District.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

This fund is used to account for the acquisition, operation and maintenance of District facilities and services that are entirely or predominantly self-supported by user fees. The operations of enterprise funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises.

Basis of accounting refers to the point at which revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when incurred.

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund is user fees charged to customers for services. Operating expenses include the cost of services, which mainly consists of wages, benefits, and materials, as well as administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgetary Information

Budgetary Basis of Accounting

The budgetary policy for the Board of Directors of the District involves establishing an annual operating expense budget. A tentative annual operating expense budget is to be adopted prior to July 1 of each year, and approved by the Brevard County Board of County Commissioners. Brevard County Board of County Commissioners action is required for the approval of a supplemental or amended budget.

Budgetary control is maintained at the line item level. The budget is prepared on an accrual basis of accounting, which is consistent with generally accepted accounting principles. All appropriations that are not expensed or committed lapse at year end.

Actual results of operations presented in accordance with generally accepted accounting principles (GAAP basis) and the District's accounting policies do not recognize encumbrances as expenditures until the period in which the actual goods or services are received and a liability is incurred. It is necessary to include budgetary encumbrances to reflect actual revenues and expenditures on a basis consistent with the District's legally adopted budget.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

The investing of public funds with the State Board of Administration ("Florida Prime") is governed by Section 218.407, Florida Statutes. The investments with the State Board of Administration and Florida Counties Investment Trust consist largely of Federal Agency Obligations, Certificates of Deposit, Repurchase Agreements, Bankers Acceptance and Commercial Paper.

The District's investment in the Florida Prime is reported at amortized cost. The fair value of the District's position in the pool is equal to the value of pooled shares. As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The District also invests in certificates of deposit held by a bank, which are held to maturity and are nonparticipating interest-earning investment contracts. These certificates of deposit are valued at cost plus accrued interest per GASBC I50: Investments.

Inventories and Prepaid Items

Inventories are valued at the lower of cost (first-in, first-out) or market method. Inventories consist of herbicides and supplies held for use in maintaining the canals. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, and equipment are valued at historical cost or at fair market value for those assets contributed. Capital assets are defined by the District as assets with an initial, individual cost of more than $750 and an estimated useful life in excess of two years.

Land and rights of way are not depreciated. The other property, plant, equipment are depreciated using the straight line method.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position (Continued)

Capital Assets (Continued)

Depreciation of the District's exhaustible fixed assets is charged as an expense against their operations and is closed to net position. Accumulated depreciation is reported on the District's statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Capital assets	Lives
Buildings	25 years
Improvements other than buildings	5-25 years
Equipments	5-7 years

Deferred Outflows/ Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The District has two (2) items that qualify for reporting as deferred outflows of resources, the *deferred outflows related to pensions and* the deferred outflows related to *other post-employment benefits,* both reported on the statement of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria.* The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. The deferred outflows related to other post-employment benefits are an aggregate of items related to other post-employment benefits as calculated in accordance with GASB Codification Section P52: *Other Post-employment Benefits.* The deferred outflows related to other post-employment benefits will be recognized as either benefits expense or a reduction in the net other post-employment benefits liability in future reporting years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one (1) item that qualifies for reporting as deferred inflows of resources. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*.

The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position (Continued)

Compensated Absences

All regular full-time employees of the District are eligible for vacation leave. Each employee working a normal week earns vacation leave at certain rates depending on the employee's length of service. All vacation leave is accrued when earned in the statement of net position. Earned vacation leave may be accumulated provided the leave balance at the end of the calendar year does not exceed 300 hours. Hours in excess of 300 at the end of the calendar year are forfeited. Employees may trade earned vacation leave for payment one time annually under certain guidelines.

Sick leave is accumulated at a rate of 8 hours per month with less than 10 years of service, and at a rate of 12 hours per month with greater than 10 years of service. Sick leave may be accumulated up to 960 hours. Employees may trade earned sick leave for vacation leave or for payment up to a total of 320 hours annually under certain guidelines. Employees who resign in good standing will be paid for half of any unused sick leave up to a maximum of 480 hours.

Defined Benefit Pension Plans

The District participates in cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State, the Florida Retirement System. For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plan's fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The District's employer contributions are recognized when due, and the District has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plan.

Other Post-employment Benefits (OPEB) Liability

The District participates in a single employer, defined benefit, other post-employment plan. The District does not have a trust for the plan, and there is no actuarial determined contribution. The OPEB liability is determined in accordance with GASBC P52: Other Post-employment Benefits.

Revenues

The District is permitted by state law to levy user fees. The user fees assessed are computed by the designation of land classification to parcels of land, based on three different classifications of land use, multiplied by a specified billing rate. The billing rate used has been determined by the Board of Directors and approved by the Brevard County Commission.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues (Continued)

User fee assessment and collection have been consolidated with Brevard County. A service fee is paid to the County for a proportionate share of the tax roll cost. The County tax collector periodically remits collections and their fees are deducted from the disbursement received by the District. Brevard County's assessments calendar is as follows:

Lien date	-	January 1
Levy date	-	Prior to September 30
Due date	-	November 1
Delinquent date	-	April 1

All user fees considered part of the County tax for enforcement and collection purposes remaining unpaid at May 30 are subject to a tax certificate sale by the Tax Collector.

The District also recognizes revenue from the issuance of permits, interest earnings on investments, charges for services and other miscellaneous sources.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the the defined benefit pension plans and OPEB.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 9, 2024, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

The District implemented the following standard during the current year:

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. There were no significant impacts of implementing this statement.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101*, Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The District is evaluating the requirements of the above statements and the impact on reporting.

Note 2: PRIOR PERIOD RESTATEMENTS

Correction of an Error

In Fiscal 2023, the District restated opening net position to correct an error in the prior year's financial statements.

Adjustments to opening net position are enumerated below:

Net position, September 30, 2022, as previously reported	$	3,914,301
Adjustment for error correction		262,544
Net position, September 30, 2022, restated	$	4,176,845

The closing balance of intergovernmental revenue and due from other governments as reported in the prior year financial statements did not include a grant receivable and the intergovernmental revenue for which services were performed and should have been recorded as a receivable in 2022 even though the revenue was actually collected in fiscal year 2023.

Note 3: DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS

Deposits and Investments

At September 30, 2023, the District's carrying amount of cash deposits was $161,277 and the bank balance was $358,940. In addition, the District reported petty cash of $200. As of September 30, 2023, the District maintains cash balances at several banks that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the District pursuant to Section 280.08, Florida Statutes.

The investment program is established in accordance with the District's investment policy, pertinent bond resolutions and Section 218.415, Florida Statutes, which allows the District to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories.

The investing of public funds with the Florida State Board of Administration (SBA) - Local Government Surplus Funds Trust Fund is governed by Section 218.407, Florida Statutes. The SBA is under regulatory oversight of the State of Florida. The investment pool consists largely of corporate notes and commercial paper. On September 30, 2023, the District had $3,397,619 invested. The fair value of the District's position in the pool is equal to the value of the pooled shares or net asset value.

Note 3: DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (Continued)

Deposits and Investments (Continued)

At September 30, 2023, the District had the following investments:

		Investment Maturities (in years)					
Investment type	Cost Plus Accrued Interest	Less than 1	1 - 5	6 - 10	More than 10	Rating	Agency
Certificates of Deposit	$ 764,801	$ -	$ -	$ 764,801	$ -	NR	
Total	$ 764,801	$ -	$ -	$ 764,801	$ -		

The Florida Prime investments in external pools, though measured at fair value, are not categorized within the fair value hierarchy. The District had $3,397,619 in investments in the SBA Florida Prime at September 30, 2023.

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the District places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of September 30, 2023, the District's pension investments are held in street name in the form of stock, debt securities and U.S. government bonds through a financial brokerage firm and are segregated out from the assets and investments held by other clients of the investment firm and their own assets.

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The District's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, investments of current operating funds are required to have maturities of no longer than twelve months. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. A portfolio's WAM is the dollar weighted average maturity. The WAL of the Florida Prime was 75 days and the WAM was 35 days at September 30, 2023.

Credit risk – Section I50: Investments of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The District's investment policy limits investments to securities with specific ranking criteria.

Note 3: DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (Continued)

Deposits and Investments (Continued)

Concentration risk – Section I50: Investments of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The District's investment policy does not address concentration risk.

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2023:

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 277,820	$ -	$ -	$ 277,820
Rights-of-way	1	-	-	1
Total capital assets, not being depreciated	277,821	-	-	277,821
Capital assets, being depreciated:				
Buildings	417,997	50,400	-	468,397
Improvements other than buildings				
Outfalls	7,043,643	-	-	7,043,643
Water control structure	1,105,535	-	-	1,105,535
Site plan improvements	510,278		-	510,278
Equipment				-
Vehicles and heavy equipment	3,346,324	652,300		3,998,624
Small equipment	72,346	14,412	(10,079)	76,679
Office furniture and fixtures	57,398	12,220	(2,621)	66,997
Total capital assets being depreciated	12,553,521	729,332	(12,700)	13,270,153
Less accumulated depreciation for:				
Buildings	(353,806)	(14,766)	-	(368,572)
Improvements other than buildings				
Outfalls	(7,043,643)		-	(7,043,643)
Water control structure	(1,105,535)	-	-	(1,105,535)
Site plan improvements	(489,304)	(4,573)	-	(493,877)
Equipment				
Vehicles and heavy equipment	(2,895,080)	(283,958)		(3,179,038)
Small equipment	(66,051)	(5,732)	10,079	(61,704)
Office furniture and fixtures	(49,943)	(2,378)	1,648	(50,673)
Total accumulated depreciation	(12,003,362)	(311,407)	11,727	(12,303,042)
Total capital assets being depreciated, net	550,159	417,925	(973)	967,111
Business-type activities capital assets, net	$ 827,980	$ 417,925	$ (973)	$ 1,244,932

Note 3: DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS (Continued)

Capital Assets (Continued)

Depreciation expense for the year ended September 30, 2023 was $311,407.

The rights-of-way consist of canals and rights of access to the canals acquired by the District at the inception of the District. Due to the uncertainty of the fair market value, management determined all the rights-of-way were recorded at a nominal value of $1 in total, as of inception of the District.

Due From Other Governments, Net

Due from other governments, net, consists of receivables from the Federal Emergency Management Agency (FEMA) and the Save Our Indian River Lagoon-Cost Share Funding Program. FEMA receivables are passed through the Florida Division of Emergency Management for Hurricane Irma costs that were obligated for payment in prior fiscal years but not yet paid. $241,346 is due from the federal government and $12,702 due from the State of Florida. These costs are net of an allowance of $4,351 for questioned contract costs. The receivables from the Save Our Indian River Lagoon-Cost Share Funding Program is for work completed and invoiced in the current year but not yet paid. $218,362 is also due from Brevard County, Florida.

Compensated Absences

Following is a summary of changes in compensated absences for the year ended September 30, 2023.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 155,199	$ 60,312	$ (95,913)	$ 119,598	$ 119,598

Note 4: RETIREMENT PLAN

Defined Benefit Plan

The District participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

Note 4: RETIREMENT PLAN (Continued)

Defined Benefit Plan (Continued)

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to Section 112.363, Florida Statutes.

Note 4: RETIREMENT PLAN (Continued)

Defined Benefit Plan (Continued)

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2023, were as follows:

	FRS	HIS
Regular class	11.57%	2.00%
Special risk class	30.67%	2.00%
Senior management service class	32.52%	2.00%
Elected officials	56.68%	2.00%
DROP from FRS	19.13%	2.00%

The employer's contributions for the year ended September 30, 2023 were $115,690 to the FRS Pension Plan and $17,968 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2023, the District reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2023. The District's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 858,838	$ 418,742
Proportion at:		
Current measurement date	0.002155348%	0.002636696%
Prior measurement date	0.002292426%	0.002721516%
Pension expense	$ 155,892	$ 150,645

Note 4: RETIREMENT PLAN (Continued)

Defined Benefit Plan (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outlfows of Resources	Deferred Inflows of Resources	Deferred Outlfows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 80,637	$ -	$ 6,130	$ (983)
Changes in assumptions	55,986	-	11,009	(36,285)
Net difference between projected and actual earnings on pension plan investments	35,867	-	216	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,989	(90,888)	6,238	(19,791)
Employer contributions subsequent to the measurement date	21,382	-	4,495	-
Total	$ 208,861	$ (90,888)	$ 28,088	$ (57,059)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2023. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2024	$ 13,164	$ (5,847)
2025	(5,216)	(3,545)
2026	78,991	(5,899)
2027	7,503	(11,570)
2028	2,149	(6,129)
Thereafter	-	(476)
Total	$ 96,591	$ (33,466)

Note 4: RETIREMENT PLAN (Continued)

Defined Benefit Plan (Continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2022. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2022. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2021. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.65%

Mortality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2018.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2023:

HIS: The discount rate used in calculation of the pension liability increased from 3.54% to 3.65%.

HIS: Chapter 2023-193, Laws of Florida (Senate Bill 7024), increased the level of monthly benefits from $5 times years of service to $7.50, with an increased minimum of $45 and maximum of $225. This change applies to all years of service for both members currently receiving benefits and members not yet receiving benefits.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Note 4: RETIREMENT PLAN (Continued)

Defined Benefit Plan (Continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.0%	2.9%	2.9%
Fixed income	19.8%	4.5%	4.4%
Global equity	54.0%	8.7%	7.1%
Real estate	10.3%	7.6%	6.6%
Private equity	11.1%	11.9%	8.8%
Strategic investments	3.8%	6.3%	6.1%
Total	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.65% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Employer's proportionate share of the net pension liability	$ 1,467,070	$ 858,838	$ 349,979	$ 477,720	$ 418,742	$ 369,854

Note 4: RETIREMENT PLAN (Continued)

Defined Benefit Plan (Continued)

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2023, totaled $24,491.

Note 5: OTHER POST EMPLOYMENT BENEFITS

Plan description

As a dependent District of Brevard County, Florida (the "County"), the District is a member of the County's benefit plan. The Brevard County Board of County Commissioners (the "Board") administers a single employer defined benefit healthcare plan (the "Plan") that provides health care benefits including medical coverage and prescription drug benefits to its employees and their eligible dependents. Pursuant to Section 112.0801 Florida Statutes, the District is required to provide eligible retirees (as defined in the County's pension plan) the opportunity to participate in this Plan at the same cost that is applicable to active employees.

Employees who are active participants in the Plan at the time of retirement and are either age 62 with completion of six years of service or have 30 years of service are eligible to receive benefits. The District's portion of the Plan includes 7 inactive retirees and a total of 19 active participants.

Benefit provisions can only be amended by the Board. On at least an annual basis, and prior to the enrollment process, the Board approves the rates for the coming year for the retiree, employee and County contributions. The Board or District does not issue stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the District's basic financial statements.

Note 5: OTHER POST EMPLOYMENT BENEFITS (Continued)

Funding policy

The maximum employer contribution target is 56% of the annual premium cost of the Plan. The annual premium costs are between $7,711 and $12,921 for retirees and spouses under age 65 and between $1,993 and $5,945 for retirees and spouses over age 65. Employees hired prior to January 1, 2006 are eligible to receive 100% of the earned percentage of benefits for their lifetime upon attainment of age 62 and completion of six years of service or upon completing 30 years of service, if earlier. Employees hired on or after January 1, 2006 are eligible to receive a graduated earned percentage of benefits upon retirement based on years of service.

For the year ended September 30, 2023, none of the contribution was attributed to the District.

Actuarial assumptions and other inputs

The total OPEB liability in the September 30, 2023 actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	100.00 percent of the rate of medical inflation.
Salary increases	2.00 percent projected annual salary increase
Discount rate	4.77 percent investment rate of return
Healthcare cost trend rates	5.50 percent using Society of Actuaries Long-Term Model
Retirees' share of benefit-related costs	44.00 percent of annual premium cost

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2022 actuarial valuation, the Entry Age Normal, Level Percent of Pay cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 5.50% initially, reduced by decrements to an ultimate rate of 5.00% after one year. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

At September 30, 2023 the District reported a Net OPEB liability of $107,788. The GASB 75 information has been provided as of the September 30, 2023 measurement date.

Note 5: OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial assumptions and other inputs (Continued)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of October 1, 2022 for FYE 2022	$ 80,451	$ -	$ 80,451
Changes for the year:		-	
Service cost	8,719	-	8,719
Interest	4,643	-	4,643
Changes of assumptions	39,230	-	39,230
Difference between expected and actual experience	-	-	-
Benefit payments	(25,255)	-	(25,255)
Net changes	27,337	-	27,337
Balance as of October 1, 2023 for FYE 2023	$ 107,788	$ -	$ 107,788

The discount rate, 4.77% as of September 30, 2023 remains consistent with period end September 30, 2022. The methods, assumptions, and participant data used are detailed in the actuarial valuation report dated October 1, 2022 with the exception of the actuarial cost method. These calculations are based on the Entry Age Normal cost method required by GASBC P52.

Sensitivity of the OPEB liability

The following table represents the District's total OPEB liability calculated using the discount rate of 4.77%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.77%) or one percentage point higher (5.77%) than the current rate:

	1% Decrease (3.77%)	Discount Rate (4.77%)	1% Increase (5.77%)
Total OPEB Liability	$ 117,750	$ 107,788	$ 99,085

Note 5: OTHER POST EMPLOYMENT BENEFITS (Continued)

Sensitivity of the OPEB liability (Continued)

The following table represents the District's total and net OPEB liability calculated using the health care cost trend rate of 5.5%, as well as what the District's net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower (4.5%) or one percentage point higher (6.5%) than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 98,863	$ 107,788	$ 117,997

OPEB expense and deferred outflows of resources and deferred inflows of resourced related to OPEB

For the fiscal year ended September 30, 2023, the District recognized an OPEB expense of $20,506. In addition the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,713	$ -
Change of assumptions	33,619	-
Total	$ 52,332	$ -

Other amounts reported as deferred outflows of resources related to the OPEB plan will be recognized in the expense as follows:

Year ending September 30,	
2024	$ 7,144
2025	7,144
2026	7,144
2027	8,673
2028	8,451
Thereafter	13,776
Total	$ 52,332

Note 6: RELATED PARTY TRANSACTIONS

Due to the District's structure and the nature in which Board Members are appointed, the County is considered a related party to the District. During the year ended September 30, 2023, the District paid tax assessment and collection fees to the County of $51,803.

Note 7: RISK MANAGEMENT

The District is exposed to various risks of loss including, but not limited to theft, natural disasters, damage to or destruction of assets, equipment, and monetary assets as well as liability for personal injury, property damage and consequence of public officials. In order to limit this exposure, the District purchases insurance related to property and inland marine coverage, general liability, public officials and employment practices liability, automobile, crime, workers' compensation, pollution liability and common declaration and endorsements to cover heavy equipment. Settled claims have not exceeded the coverage in any of the past three fiscal years and there has not been a reduction in coverage levels for the fiscal year ended September 30, 2023.

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REQUIRED SUPPLEMENTARY INFORMATION

Melbourne-Tillman Water Control District
Schedule of Proportionate Share of Net Pension Liability
Last Ten Fiscal Years

Florida Retirement System (FRS)*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	**0.0022%**	0.0023%	0.0023%	0.0027%	0.0026%	0.0024%	0.0024%	0.0027%	0.0025%	0.0026%
District's proportionate share of the net pension liability	**$ 858,838**	$ 852,967	$ 177,301	$ 1,159,891	$ 893,828	$ 724,584	$ 717,706	$ 684,373	$ 327,442	$ 156,994
District's covered payroll	**$ 1,035,061**	$ 941,085	$ 916,635	$ 902,650	$ 884,895	$ 775,202	$ 639,294	$ 758,656	$ 769,218	$ 767,263
District's proportionate share of the net pension liability as a percentage of its covered payroll	**82.97%**	90.64%	19.34%	128.50%	101.01%	93.47%	112.27%	90.21%	42.57%	20.46%
Plan fiduciary net position as a percentage of the total pension liability	**82.38%**	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Health Insurance Subsidy (HIS)*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	**0.0027%**	0.0027%	0.0027%	0.0029%	0.0028%	0.0027%	0.0028%	0.0031%	0.0030%	0.0029%
District's proportionate share of the net pension liability	**$ 418,742**	$ 288,252	$ 335,408	$ 353,278	$ 312,696	$ 290,607	$ 297,028	$ 356,596	$ 307,877	$ 266,699
District's covered payroll	**$ 1,035,061**	$ 941,085	$ 916,635	$ 902,650	$ 884,895	$ 775,202	$ 639,294	$ 758,656	$ 769,218	$ 767,263
District's proportionate share of the net pension liability as a percentage of its covered payroll	**40.46%**	30.63%	36.59%	39.14%	35.34%	37.49%	46.46%	47.00%	40.02%	34.76%
Plan fiduciary net position as a percentage of the total pension liability	**4.12%**	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30.

Melbourne-Tillman Water Control District
Schedule of Contributions
Last Ten Fiscal Years

Florida Retirement System (FRS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	**$ 115,690**	$ 107,951	$ 89,935	$ 95,347	$ 86,121	$ 71,994	$ 64,704	$ 69,492	$ 61,808	$ 56,361
Contributions in relation to the contractually required contribution	**(115,690)**	(107,951)	(89,935)	(95,347)	(86,121)	(71,994)	(64,704)	(69,492)	(61,808)	(56,361)
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	**$ 1,072,499**	$ 922,748	$ 906,146	$ 902,496	$ 903,111	$ 830,246	$ 610,069	$ 726,968	$ 769,218	$ 767,263
Contributions as a percentage of covered payroll	**10.79%**	11.70%	9.93%	10.56%	9.54%	8.67%	10.61%	9.56%	8.04%	7.35%

Health Insurance Subsidy (HIS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	**$ 17,968**	$ 16,726	$ 15,220	$ 16,677	$ 16,043	$ 14,925	$ 14,523	$ 15,432	$ 11,540	$ 9,771
Contributions in relation to the contractually required contribution	**(17,968)**	(16,726)	(15,220)	(16,677)	(16,043)	(14,925)	(14,523)	(15,432)	(11,540)	(9,771)
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	**$ 1,072,499**	$ 922,748	$ 906,146	$ 902,496	$ 903,111	$ 830,246	$ 610,069	$ 726,968	$ 769,218	$ 767,263
Contributions as a percentage of covered payroll	**1.68%**	1.81%	1.68%	1.85%	1.78%	1.80%	2.38%	2.12%	1.50%	1.27%

Schedule of Changes in the District's Total Other Postemployment Benefits Liability and Related Ratios – Last Six Fiscal Years

	2023	2022	2021	2020	2019	2018
Service cost	**$ 8,719**	$ 4,357	$ 1,774	$ 4,051	$ 3,843	$ 7,250
Interest	**4,643**	2,003	2,706	1,277	1,731	2,636
Difference between expected and actual experience	**-**	16,715	(14,656)	57,143	(8,304)	(33,870)
Changes of assumptions	**39,230**	(13,168)	(4,187)	49,463	1,669	(1,948)
Benefit payments	**(25,255)**	(23,792)	(35,474)	(5,714)	(3,630)	(8,101)
Net change in total OPEB liability	**27,337**	(13,885)	(49,837)	106,220	(4,691)	(34,033)
Total OPEB liability - beginning	**80,451**	94,336	144,173	37,953	42,644	76,677
Total OPEB liability - ending	**$ 107,788**	$ 80,451	$ 94,336	$ 144,173	$ 37,953	$ 42,644
Covered-employee payroll	**$ 978,750**	$ 961,835	$ 878,833	$ 1,077,851	$ 1,021,337	$ 926,931
Total OPEB liability as a percentage of covered-employee payroll	**11.01%**	8.36%	10.73%	13.38%	3.72%	4.60%

Note 1: Only six years of data are available for other post-employment benefits in accordance with GASBC P52: Other Post-employment Benefits.

ADDITIONAL ELEMENTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND THE RULES OF THE AUDITOR GENERAL

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Melbourne-Tillman Water Control District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Melbourne-Tillman Water Control District as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Melbourne-Tillman Water Control District's basic financial statements, and have issued our report thereon dated April 9, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Melbourne-Tillman Water Control District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Melbourne-Tillman Water Control District's internal control. Accordingly, we do not express an opinion on the effectiveness of Melbourne-Tillman Water Control District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described below as item 2023-001, that we consider to be a material weakness.

IC 2023-001 REVENUE RECOGNITION – *Material Weakness*

Criteria: GASB Codification (GASBC) 1600, Basis of Accounting requires the use of full accrual basis of accounting when recognizing revenue for enterprise funds.

Condition: The District did not properly accrue revenue and receivables at September 30, 2022 totaling $262,544, consistent with GAAP, for services performed in fiscal year 2022 for the Save Our Indian River Lagoon cost sharing program. This resulted in an understatement of both revenue and receivables in the prior year 2022 and an overstatement in revenues in the current year 2023, prior to audit adjustment. The District also did not accrue for revenue and receivables at September 30, 2023 totaling $218,362 for services performed in fiscal year 2023, resulting in an understatement of revenue and receivables in the current year, prior to audit adjustment.

Cause: The District recorded the grant revenues in the periods in which the payments were collected rather than accruing for the grant receivables in the periods in which the services were performed and the revenues were earned.

Effect: Intergovernmental revenue and due from other governments was understated in the prior period 2022, and intergovernmental revenue was overstated in the current year 2023 by $262,544. Also, intergovernmental revenue and due from other governments was understated in the current year 2023 by $218,362. As a result, audit adjustments were made to correct revenue recognized in fiscal year 2023 as well as to record a prior period adjustment to beginning net position to correct for 2022.

Recommendation: We recommend the District review grant contracts and grant reimbursement requests at year-end to evaluate if there is work performed during the year that need to be recognized as earned revenue and receivables per the contracts.

Management's Response: The District agrees with the recommendation and will implement an internal control process to include financial reporting integrity in the District's grant contract and reimbursement agreement compliance practices. The District Manager will evaluate the grant contracts and reimbursement agreements prior to the end of the fiscal year to ensure all revenue and receivables are properly recognized according to the appropriate accounting standards.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Melbourne-Tillman Water Control District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Melbourne-Tillman Water Control District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Melbourne-Tillman Water Control District's response to the finding identified in our audit and described above. Melbourne-Tillman Water Control District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 9, 2024

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Directors
Melbourne-Tillman Water Control District

Report on the Financial Statements

We have audited the financial statements of Melbourne-Tillman Water Control District (the "District"), a dependent special district of Brevard County, Florida, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 9, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 9, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. The District did not have any findings in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority of the Melbourne-Tillman Water Control District is disclosed in the footnotes. Melbourne-Tillman Water Control District has no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Melbourne-Tillman Water Control District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Melbourne-Tillman Water Control District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Melbourne-Tillman Water Control District. It is management's responsibility to monitor the Melbourne-Tillman Water Control District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information (Unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Melbourne-Tillman Water Control District reported the schedule below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

a.	Total number of District employees compensated in the last pay period of the District's fiscal year as	16
b.	Total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as	None
c.	All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as	$ 1,072,184
d.	All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as	None
e.	Each construction project with a total cost of at least $65,000 approved by the District that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures for such projects as	None
f.	A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes as follows:	

Year ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues				
User fees	$ 2,384,346	$ 2,384,346	$ 2,274,381	$ (109,965)
Permit fees	30,000	30,000	124,995	94,995
Intergovernmental revenues	-	162,169	616,748	454,579
Total operating revenues	2,414,346	2,576,515	3,016,124	439,609
Operating Expenses				
Wages and benefits	1,673,856	1,673,856	1,709,243	(35,387)
Material and supplies	407,802	421,148	294,030	127,118
Depreciation expense	-	-	311,407	(311,407)
Repairs, maintenance and other expenses	1,234,840	1,777,373	315,143	1,462,230
Total operating expenses	3,316,498	3,872,377	2,629,823	1,242,554
Operating Income (Loss)	(902,152)	(1,295,862)	386,301	1,682,163
Non-operating Revenues (Expenses)				
Interest income	25,000	25,000	209,085	184,085
Loss on disposal of fixed assets	-	-	(974)	(974)
Total non-operating revenues	25,000	25,000	208,111	183,111
Change in net position	(877,152)	(1,270,862)	594,412	1,865,274
Net position, beginning of year, as previously reported	3,914,301	3,914,301	3,914,301	-
Prior period adjustment	-	-	262,544	-
Net position, beginning of year, as restated	3,914,301	3,914,301	4,176,845	262,544
Net position, end of year	$ 3,037,149	$ 2,643,439	$ 4,771,257	$ 2,127,818

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the Melbourne-Tillman Water Improvement District reported:

a. The rate or rates of non-ad valorem special assessments imposed by the District as	None
b. The total amount of special assessments collected by or on behalf of the District as	None
c. The total amount of outstanding bonds issued by the District and the terms of such bonds as	None

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 9, 2024

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

To the Board of Directors
Melbourne-Tillman Water Control District

We have examined Melbourne-Tillman Water Control District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management of Melbourne-Tillman Water Control District is responsible for Melbourne-Tillman Water Control District's compliance with the specified requirements. Our responsibility is to express an opinion on Melbourne-Tillman Water Control District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Melbourne-Tillman Water Control District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Melbourne-Tillman Water Control District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including as assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the examination engagement.

Our examination does not provide a legal determination on Melbourne-Tillman Water Control District's compliance with specified requirements.

In our opinion, Melbourne-Tillman Water Control District complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023.

This report is intended solely for the information and use of management, the Board of Directors, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 9, 2024

Attachment
4

To Management and Those Charged with Governance
of Melbourne-Tillman Water Control District

This Engagement Letter and its attachments, if any, are governed by the Master Services Agreement 1.0 (“MSA”) between Carr, Riggs & Ingram, L.L.C. (“CRI”, “we”, “us”, or “our”) and the Client; the terms of which are hereby incorporated into this Engagement Letter by reference. By executing this Engagement Letter, the parties agree to and intend to be bound by the terms of the MSA.

This Engagement Letter confirms and specifies the terms of our engagement and clarifies the nature and extent of the services we will provide for Melbourne-Tillman Water Control District (“Client”, "Entity", “you”, or “your”) as of September 30, 2024 (the “Selected Period”).

SCOPE AND OBJECTIVES

For the purposes of this Engagement Letter, the subject matter consists of the following: The Entity's Compliance with Florida Statute 218.415 *Local Government Investment Policies* and Compliance with Chapter 10.550, Rules of the Auditor General (collectively referred to as the "Subject Matter").

The Subject Matter is presented in accordance with compliance requirements with Florida Statute 218.415 *Local Government Investment Policies* and Chapter 10.550, Rules of the Auditor General (the “Selected Criteria”).

We will examine the Subject Matter of the Entity as of the Selected Period.

The objectives of our examination are to (1) obtain reasonable assurance about whether the Subject Matter is free from material misstatement based on the Selected Criteria; and (2) to express an opinion as to whether the Subject Matter is presented, in all material respects, in accordance with the Selected Criteria.

OUR RESPONSIBILITIES

Our examination will be conducted in accordance with attestation standards established by the AICPA. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

We will plan and perform the examination to obtain reasonable assurance about whether the Subject Matter is free from material misstatement, based on the Selected Criteria. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, or known and suspected fraud or noncompliance with laws or regulations, or internal control deficiencies, that may exist. However, we will inform you of any known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

Our examination does not relieve you of your responsibilities.

OTHER SERVICES

You agree to assume all management responsibilities for these non-attest services and any other non-attest services we provide; oversee the services by designating an individual with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

The non-attest services, if any, are limited to those previously defined in this letter, or as identified in a separate Engagement Letter. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

CLIENT RESPONSIBILITIES

In addition to your responsibilities identified in the MSA, our engagement will be conducted on the basis that you acknowledge and understand your responsibility for:

- the presentation of the Subject Matter in accordance with the Selected Criteria
- selecting the Selected Criteria
- determining the Selected Criteria are suitable, will be available to intended users, and are appropriate for the purpose of the engagement
- a written assertion about whether the Subject Matter is presented in accordance with the Selected Criteria; failure to provide such assertion may result in withdrawal from our engagement
- providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the Subject Matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the Entity from whom we determine it necessary to obtain evidence

- required written representations from you in the form of a representation letter, at the conclusion of the engagement

- informing the engagement partner before entering into any substantive employment discussions with any of our personnel, to ensure our independence is not impaired under the AICPA Code of Professional Conduct

- the accuracy and completeness of that information required for our examination

ENGAGEMENT ADMINISTRATION

Lindsay J. Aviles is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We understand that you will provide us with the information required for our examination. A request list of information we expect to need for our examination will be provided to you. Your prompt attention to and timely return of the requested items will significantly contribute to the efficiency of our examination process.

We will provide copies of our reports to the Entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

In accordance with certain regulations, we, as your examiners, are required to make the following commitments:

- The documentation for this engagement is the property of CRI and constitutes confidential information. However, we may be requested to make certain documentation available to regulators, federal or state agencies, governmental agencies, etc. ("regulators" or "agencies") pursuant to authority given to it by law or regulation. If requested, access to such documentation will be provided under the supervision of CRI personnel. Furthermore, upon request, we may provide copies of selected documentation to these regulators or agencies. These regulators or agencies may intend, or decide, to distribute the copies or information contained therein to others.

- We will file a copy of our most recent peer review report with any applicable regulators or agencies.

- As appropriate, we will meet with those charged with governance before the examination report is filed with any required regulators or agencies.

The information that we obtain in this examination is confidential, as required by the AICPA Code of Professional Conduct. Therefore, your acceptance of this Engagement Letter will serve as your advance consent to our compliance with above commitments.

REPORTING

As part of our engagement, we will issue a written report upon completion of our examination. Our report will be addressed to management, those charged with governance, or both, as appropriate, of the Entity. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance.

TERMINATION

If for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We reserve the right and sole discretion to withdraw for any reason from this engagement immediately upon written notice to you. Our withdrawal will release us from any obligation to complete the services covered by this Engagement Letter and will constitute completion of this engagement.

Our engagement with you will terminate upon the earlier of our delivery of your report or withdrawal. In either case, you agree to compensate us for our services, fees, and costs to the date of withdrawal.

CORPORATE TRANSPARENCY ACT/BENEFICIAL OWNERSHIP INFORMATION REPORTING

Assisting you with your compliance with the Corporate Transparency Act ("CTA"), including beneficial ownership information ("BOI") reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at https://www.fincen.gov/boi. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

OUR FEES

Our fee for the examination is included in the fee for our audit for the year ended September 30, 2024.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

CLIENT ACKNOWLEDGEMENT(S)

If you acknowledge and agree with the terms of our agreement as described in this Engagement Letter, please indicate by executing.

Very truly yours,

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Signature
Rick Nipper
Melbourne-Tillman Water Control District

<signature>

<sign date>

Authorized Signer(s)

MASTER SERVICES AGREEMENT

We are pleased that you have chosen to engage Carr, Riggs & Ingram, L.L.C. (“CRI”, “we,” “our” or “us”) to provide certain accounting, advisory, assurance, consulting, tax, and/or related services.

This Master Services Agreement 1.0 (“MSA”), shall govern, throughout the entirety of our contractual relationship(s), including the provision of our services and deliverables as set forth in one or more Engagement Letters from CRI (the “services”).

CLIENT

“Client” (collectively referred to as “Client”, “you”, or “your”) for the purposes of this MSA, shall mean the party or parties specifically listed as the Client(s) on the applicable Engagement Letter. As examples, the Client might include (ONLY AS SPECIFICALLY IDENTIFIED OR LISTED IN THE ENGAGEMENT LETTER(S)):

- For Individual Client(s): you, your spouse (if filing jointly), your dependent children, other dependents, any grantor trusts for which you act as trustee, and any investment partnership or limited liability company if all of the ownership interests are owned by the foregoing persons; and

- For Business Client(s) (e.g. for-profit, not-for profit, or governmental entities; fiduciary clients, etc.): the primary business and any subsidiaries or controlled affiliates.

With respect to each Engagement Letter, our Client(s) for a particular engagement will include only those individuals and entities specifically identified and listed under the Client Acknowledgement section of an Engagement Letter. Neither this MSA nor any Engagement Letter will create any client relationship nor any service-related obligation between us and any natural person or entity not specifically listed or identified in an Engagement Letter.

AUTHORITY TO BIND

BY EXECUTING AN ENGAGEMENT LETTER THAT REFERENCES AND INCORPORATES THIS MSA, CLIENT ACCEPTS AND AGREES TO THE TERMS OF THIS MSA. ANY INDIVIDUAL EXECUTING OR ACCEPTING THIS MSA ON BEHALF OF ANY INDIVIDUAL, COMPANY, OR OTHER LEGAL ENTITY, REPRESENTS THAT THEY HAVE THE AUTHORITY TO BIND SUCH INDIVIDUAL, ENTITY, AND ITS AFFILIATES TO THESE TERMS AND CONDITIONS, WILL PROVIDE UPON REQUEST ANY INFORMATION OR DOCUMENTATION VERIFYING, IN CRI’S SOLE DISCRETION, SUCH AUTHORITY, IN WHICH CASE THE TERM “CLIENT” SHALL REFER TO EACH REPRESENTED INDIVIDUAL, ENTITY, OR AFFILIATES. IF THE EXECUTING INDIVIDUAL DOES NOT HAVE SUCH AUTHORITY, OR DOES NOT AGREE WITH THESE TERMS AND CONDITIONS, THEY MUST NOT EXECUTE OR ACCEPT THIS MSA AND MAY NOT USE THE SERVICES.

ENGAGEMENT LETTERS

All services to be performed by us must be described in an Engagement Letter executed by CRI and the Client(s). Each Engagement Letter will provide details on the nature of the work and any expected deliverable. Our services will be limited to the services specifically described in that Engagement Letter. Our agreement to perform services under any particular Engagement Letter does not obligate us to perform any future services under any additional Engagement Letters.

Engagement Letters are subject to the terms and conditions outlined in this MSA. Upon execution of an Engagement Letter, this MSA is incorporated into each Engagement Letter executed by the parties.

OUR RESPONSIBILITIES

We will perform the services detailed in the Engagement Letter(s) in accordance with applicable professional standards. Our responsibility is limited to the period(s) covered by the service(s) detailed in the Engagement Letter(s) and does not extend to any later periods for which we are not engaged to provide applicable services, unless evidenced by a separate Engagement Letter.

We are available to provide you with business advice, but we are not obligated to do so unless you specifically engage us to do so via an Engagement Letter for this purpose. The parties agree that Client will only rely on written, not oral, statements or advice from CRI. We believe written advice is necessary to avoid confusion and to make clear the specific nature and limitations of our advice. You should not rely on any advice unless it has received a full supervisory review and is provided by us in writing directly to you.

Unless otherwise stipulated in the Engagement Letter:

1. we will not perform any procedures designed to:
    a. discover defalcations or other irregularities,
    b. audit or otherwise verify the information you give us,
    c. detect immaterial misstatements or violations of laws or government regulations;
2. our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within your entity or noncompliance with laws and regulations; and our services are not designed to provide assurance on internal control or to identify deficiencies in internal control.

We are not investment counselors or brokers. Our advice concerning a particular investment shall be limited to advising you with regard to any applicable tax ramifications of the investment. It shall not include advising you regarding the economic viability or consequences of the investment or whether or not you should make the investment. Our advice regarding any applicable tax ramifications of the investment shall be based on documents and information that you provide us regarding the investment. However, if you would like investment advice, we are happy to provide contact information for (a) qualified investment advisor(s).

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. Our services do not relieve you of your responsibilities.

CLIENT RESPONSIBILITIES

Our services will be conducted on the basis that you acknowledge and understand your responsibility for (as and if applicable):

- assuming all management responsibilities; overseeing any services we provide by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience;
- evaluating the adequacy and results of services (including non-attest services) performed by us; and accepting responsibility for the results of such services; designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error, including monitoring ongoing activities;
- the selection and application of accounting principles and framework;
- the preparation and fair presentation of the financial information in conformity with the applicable accounting framework;
- making drafts of financial information or financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers);
- timely providing us with:
  1) access to all information of which you are aware or have in your possession, custody, or control that is relevant to the services for which we are engaged, including but not limited to items such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters;
  2) additional information that we may request;
- unrestricted access to persons within the entity from whom we determine it necessary to perform our services;
- the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting you or your entity involving:
  1) management,
  2) employees who have significant roles in internal control, and
  3) others where the fraud could have a material effect on the financial information or financial statements;
- informing us of your knowledge of any allegations of fraud or suspected fraud affecting you or your entity received in communications from employees, former employees, regulators, or others;
- identifying and ensuring compliance with applicable laws and regulations;
- the safeguarding of assets, the proper recording of transactions in the book(s) of accounts; and the substantial completeness and accuracy of the financial records, and the full and accurate disclosure of all relevant facts to us.

You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting our services.

USE OF FOREIGN AFFILIATES AND THIRD-PARTY SERVICE PROVIDERS

In performing our services to you, and so long as this MSA remains in effect, you agree and consent that we may (i) use affiliate and/or third-party service providers located both within, and outside, the United

States, and (ii) disclose and share your confidential information with these service providers. We maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. We also secure and require confidentiality agreements with these service providers to maintain the confidentiality of your information and take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. We remain responsible for the work provided by any such third-party service providers. By executing this MSA, and for so long as it remains in effect, you consent to the use of international service providers, including disclosure of your confidential financial information, if applicable, to our service providers located abroad.

RECORD RETENTION

We retain records in accordance with our record retention policy. We do not keep any of your original records, so we will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies. You acknowledge and agree that upon the expiration of the applicable retention periods reflected within our record retention policy, available upon request, we are free to destroy our records related to the relevant or affected engagement(s).

REQUEST FOR DISCLOSURE

In the event that we are requested or required to disclose any confidential information by law, a subpoena or order issued by a court of competent jurisdiction, other governmental or regulatory authority, or professional standards (each, an "Order") or are requested or required to disclose any of the confidential information by a non-governmental third party ("Third-Party Demand"), we shall, where legally permissible and reasonably practicable, give you reasonable notice of the Order or Third-Party Demand so that you may seek a protective order or other appropriate remedy at your sole expense, or waive our compliance with the applicable confidentiality provisions of this MSA. In the event you direct us not to make the disclosure, you agree to defend, reimburse, and hold us harmless from any costs or expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, out-of-pocket expenses of any kind, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege; provided, however, we retain the sole discretion, after consultation with our legal counsel, to determine whether or not, and to what extent, to comply with or otherwise address any Order or Third-Party Demand.

DATA SECURITY

In the interest of facilitating our services to you, we may send data over the Internet, securely store electronic data via computer software applications hosted remotely on the Internet or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to you may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In using these data communication and storage methods, we employ measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require our third-party vendors to do the same.

You recognize and accept that we have no control over, and shall not be responsible for, the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this relationship.

To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network, other collaborative virtual workspaces, or other online tools or environments. Access through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows the parties hereto to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use certain of these tools and in addition to execution of this MSA or any related Engagement Letter(s), you may be required to execute a separate client acknowledgement or agreement and agree to be bound by the terms, conditions, and limitations of such agreement. You agree that we have no responsibility for the activities of third-party vendors supplying these tools and agree to indemnify and hold us harmless with respect to any and all claims arising from or related to the operation of these tools. While we may back up your files to facilitate our services, you are solely responsible for the backup of your files and records; therefore, we recommend that you also maintain your own backup files of these records. In the event you suffer a loss of any files or records due to accident, inadvertent mistake, or force majeure, copies of which you have provided to us pursuant to this MSA or any related Engagement Letter(s), we shall not be responsible or obligated to provide you a copy of any such file or record which we may retain in our possession.

DISPUTE RESOLUTION

In the event of a dispute between the parties, which arises out of or relates to this MSA or any related Engagement Letter(s), the breach thereof or the services provided or to be provided hereunder or in the related Engagement Letter(s), if the dispute cannot be settled through negotiation, the parties agree that before initiating arbitration, litigation, or other dispute resolution procedure, they will first try, in good faith, to resolve the dispute through non-binding mediation. All parties agree that an alternative form of dispute resolution shall not be undertaken by either party until the expiration of fifteen (15) calendar days following notice being provided to the other party indicating that the dispute cannot be settled through mediation. The mediation will be administered by the American Arbitration Association under its *Dispute Resolution Rules for Professional Accounting and Related Services Disputes*. The costs of any mediation proceedings shall be shared equally by all parties.

LIMITATION OF LIABILITY

EXCEPT AS PROVIDED IN THIS MSA, WE SHALL NOT BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, SPECIAL, PUNITIVE, OR ANCILLARY DAMAGES OF ANY KIND ALLEGED AS A RESULT OF ANY CAUSE OF ACTION ARISING FROM OR IN ANY WAY RELATED TO THIS MSA (WHICH INCLUDES, FOR CLARIFICATION, ALL RELEVANT AND AFFECTED ENGAGEMENT LETTER(S)), WHETHER FOR BREACH OF CONTRACT, TORT, OR OTHERWISE. UNLESS OTHERWISE STATED IN THIS AGREEMENT, THE PARTIES AGREE THAT OUR TOTAL CUMULATIVE LIABILITY (INCLUDING OUR EMPLOYEES, DIRECTORS, OFFICERS, OR AGENTS), SHALL NOT EXCEED THE AMOUNT OF FEES EARNED BY US RELATED TO THE RELEVANT SERVICE(S) (AS SPECIFIED IN THE AFFECTED ENGAGEMENT LETTER(S)) DURING THE TWELVE MONTHS PRECEDING THE EVENT GIVING RISE TO THE CLAIM, AS SUCH AMOUNT SHALL SERVE AS A REASONABLE PROSPECTIVE ESTIMATE OF ANY DAMAGES WHICH YOU MAY SUFFER THROUGH ANY BREACH BY US OF

THE TERMS OF THIS MSA, AS SUCH DAMAGES MAY BE SPECULATIVE OR IMPOSSIBLE TO CALCULATE. IF THERE ARE UNPAID FEES OWED TO US, THIS CUMULATIVE LIABILITY WILL BE REDUCED BY THE VALUE OF THE UNPAID FEES WITH NO ADDITIONAL INTEREST OR CHARGES, AS WE RETAIN THE RIGHT TO OFFSET ANY SUMS CLAIMED AS DUE AND OWED BY YOU, BY ANY SUMS TO WHICH WE ARE LEGALLY ENTITLED. THIS LIMITATION SHALL APPLY WHETHER OR NOT FURTHER DAMAGES ARE FORESEEABLE, OR WHETHER EITHER PARTY (OR ITS EMPLOYEES, AGENTS, OFFICERS, OR DIRECTORS) HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CLIENT(S) AGREE TO DEFEND, INDEMNIFY, AND HOLD CRI HARMLESS AGAINST ALL CLAIMS OF ANY KIND ARISING FROM IMPROPER THIRD-PARTY DISCLOSURE OF CRI REPORTS OR WORK PRODUCT.

GOVERNING LAW AND VENUE

This MSA and any underlying Engagement Letter(s), including but not limited to, any act or omission of CRI pursuant to the MSA and/or any work by CRI shall be governed by the laws of the State of Alabama, without reference to any conflict of laws rules or principles. Any claim, civil action, or legal proceeding arising out of or in any way relating to this MSA or any underlying Engagement Letter(s), any act or omission of CRI pursuant to the MSA, and/or any other agreement(s) with CRI, must be brought in a state court having jurisdiction in Coffee County, Alabama, Enterprise Division, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding and agrees to waive any defenses or objections to venue and jurisdiction within Coffee County, Alabama, including *forum non conveniens*.

STATUTE OF LIMITATIONS

The parties agree that there shall be a one-year statute of limitation (from the delivery of the service or termination of the MSA or Engagement Letter(s)) for the filing of any requests for arbitration, lawsuit, or proceeding related to this MSA. If such a claim is filed more than one year, or the minimum durational period having been determined as permissible by applicable statutory law or by a court of competent jurisdiction, subsequent to the delivery of the service or termination of the MSA or Engagement Letter(s), whichever occurs first in time, then it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

TERMINATION

The MSA shall continue in full force and effect until terminated in accordance with this section. We have the right and sole discretion to terminate and withdraw from this MSA immediately upon written notice to you for any reason including, but not limited to, if you do not provide us with requested information in a timely manner, refuse to cooperate with our reasonable requests, or misrepresent any facts. Withdrawal or termination of this MSA constitutes withdrawal and termination from any and all related Engagement Letter(s).

We also have the right and sole discretion to withdraw for any reason from any specific engagement covered by an Engagement Letter immediately upon written notice to you. Our withdrawal will release us from any obligation to complete the services covered by that Engagement Letter and will constitute completion of that engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of any termination and withdrawal of this MSA or any Engagement Letter(s).

DISCLOSURE TO AFFILIATES

You consent to us using your financial, tax, and personal information to send to you by any medium: firm newsletters, surveys, press releases, invitations to our seminars, information regarding related services from affiliated companies and/or portfolio companies, and any other communication sent to some or all of our clients. You also consent to us sharing your financial, tax, and personal or confidential information with our affiliated companies and/or portfolio companies. This consent is not conditioned upon our providing services to you.

CORPORATE TRANSPARENCY ACT/BENEFICIAL OWNERSHIP INFORMATION REPORTING

Assisting you with your compliance with the Corporate Transparency Act ("CTA"), including beneficial ownership information ("BOI") reporting, is not within the scope of this MSA. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at https://www.fincen.gov/boi. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

SEVERABILITY

If any provision of this MSA or any underlying Engagement Letter(s) is found by any court to be void or otherwise unenforceable, the remainder of this MSA and any underlying Engagement Letter(s) will remain valid and enforceable as though such void or unenforceable provision were absent upon the date of its execution.

COUNTERPARTS

This MSA may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument and shall become a binding agreement when one or more of the counterparts have been signed by each of the parties and delivered to the other party. Signatures provided by facsimile or electronically shall be valid and binding.

MODIFICATION

This MSA may be amended, modified, or supplemented only by written agreement executed by all parties. In the event of a conflict between the terms of this MSA and any Engagement Letter(s), the terms of this MSA shall supersede, unless the applicable Engagement Letter(s) specifically states otherwise and references this MSA.

LATE FEES AND INTEREST

Client agrees to pay all services, fees, and costs of any underlying engagement, and payment is due upon receipt of our invoice. We reserve the right, in our sole discretion, to impose late fees or interest on any balance that is past due. Failure to make timely payments may, upon notice, result in our termination of this MSA and any Engagement Letter(s).

ENTIRE AGREEMENT

This Agreement, including all Engagement Letter(s) and all attachments, schedules, and exhibits hereto or thereto, all of which are incorporated herein by reference, constitutes the full and complete agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous understandings and writings with respect thereto. No additional terms contained in any purchase order, order acknowledgement, confirmation, delivery acknowledgement, similar document, other correspondence, or written or oral communication between the parties will be valid and such additional or conflicting terms are deemed rejected by the parties.

CLIENT ACKNOWLEDGEMENT(S)

If you acknowledge and agree with the terms of our agreement as described in this MSA, please indicate by executing.

Very truly yours,

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Signature
Rick Nipper
Melbourne-Tillman Water Control District

<signature>

<sign date>

Authorized Signer(s)

To Management and Those Charged with Governance
of Melbourne-Tillman Water Control District

This Engagement Letter and its attachments, if any, are governed by the Master Services Agreement 1.0 (“MSA”) between Carr, Riggs & Ingram, L.L.C. (“CRI”, “we”, “us”, or “our”) and the Client; the terms of which are hereby incorporated into this Engagement Letter by reference. By executing this Engagement Letter, the parties agree to and intend to be bound by the terms of the MSA.

This Engagement Letter confirms and specifies the terms of our engagement and clarifies the nature and extent of the services we will provide for Melbourne-Tillman Water Control District (“Client”, "Entity", “you”, or “your”) as of and for the year ended September 30, 2024 (the “Selected Period(s)”).

SCOPE AND OBJECTIVES

The Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") (the "Selected Basis").

We will perform an audit engagement with respect to the Financial Statements of the Entity. As and if applicable and indicated in the following paragraphs, we will also perform the appropriate procedures related to either supplementary information ("Supplementary Information") and/or required supplementary information ("RSI").

The objectives of our audit are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor’s report that includes our opinion about whether your Financial Statements are fairly presented, in all material respects, in conformity with the Selected Basis. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("GAAS") will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the Financial Statements.

The Selected Basis provides for certain RSI, such as management's discussion and analysis ("MD&A"), to supplement Entity's Financial Statements. Such information, although not a part of the Financical Statements, is required by the Governmental Accounting Standards Board ("GASB") who considers it to be an essential part of the financial reporting for placing the Financial Statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Entity's RSI in accordance with GAAS. These limited proceedures will consist of inquires of management regarding methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the Financial Statements, and other knowledge we obtained during our audit of the Financial Statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. This RSI is required by the Selected Basis and will be subjected to certain limited procedures, but will not be audited: the following, Management's Discussion and Analysis, Schedule of Proportional Share of Net Pension Liability, Schedule of Contributions, Schedule of Changes in the District's Total Other Post-Employment Benefits.

OUR RESPONSIBILITIES

We will conduct our audit in accordance with GAAS. We will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the Financial Statements and determine whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Entity or to acts by management or employees acting on behalf of the Entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS . In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the Financial Statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Entity and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the Financial Statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion.   The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.

An audit is not designed to provide assurance on internal control or to identify deficiencies internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning: management override of controls and improper revenue recognition due to fraud.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

AUDIT PROCEDURES - COMPLIANCE

As part of obtaining reasonable assurance about whether the Financial Statements are free of material misstatement, we will perform tests of the Entity's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Our audit does not relieve you of your responsibilities.

OTHER SERVICES

We will perform the following non-attest services for the Entity, based upon information provided by you and in accordance with professional standards:

- Assist management in preparing the Financial Statements
- Assist management by preparing, proposing and/or recording the following **client-approved** activities and/or journal entries: depreciation calculations, lease calculations, SBITA calculations, net pension calculations, and OPEB calculations

You agree to assume all management responsibilities for these non-attest services and any other non-attest services we provide; oversee the services by designating an individual with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

The non-attest services, if any, are limited to those previously defined in this letter, or as identified in a separate Engagement Letter. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

CLIENT RESPONSIBILITIES

In addition to your responsibilities identified in the MSA, our engagement will be conducted on the basis that you acknowledge and understand your responsibility for:

- designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error, and monitoring ongoing activities

- the selection and application of accounting principles; for the preparation and fair presentation of the Financial Statements and all accompanying information in conformity with the Selected Basis

- the preparation and fair presentation of the Financial Statements in conformity with the Selected Basis

- making drafts of Financial Statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers)

- providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the Financial Statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Entity from whom we determine it necessary to obtain audit evidence (4) if applicable, you will provide us with the final version of all documents comprising the annual report which includes other information, prior to the date of our auditor's report. If the final version of these documents are not available prior to the date of our auditor's report, they will be provided as soon as practical and the Entity will not issue the annual report prior to providing them to the auditor

- required written representations from you about the Financial Statements and related matters, at the conclusion of our audit

- adjusting the Financial Statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the Financial Statements taken as a whole

- the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the Financial Statements

- informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants

- if publishing Financial Statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document

- disclosing the date through which subsequent events have been evaluated and whether that date is the date the Financial Statements were issued or were available to be issued

- informing the engagement partner before entering into any substantive employment discussions with any of our personnel, to ensure our independence is not impaired under the AICPA Code of Professional Conduct

ENGAGEMENT ADMINISTRATION

Lindsay J. Aviles is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We understand that your employees will prepare all confirmations and schedules we request and will locate any documents selected by us for testing. A request list of information we expect to need for our audit will be provided to you. Your prompt attention to and timely return of the requested items will significantly contribute to the efficiency of our audit process.

In accordance with certain regulations, we, as your auditors, are required to make the following commitments:

- The audit documentation for this engagement is the property of CRI and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators, federal or state agencies, governmental agencies, etc. ("regulators" or "agencies") pursuant to authority given to it by law or regulation. If requested, access to such audit documentation will be provided under the supervision of CRI personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these regulators or agencies. These regulators or agencies may intend, or decide, to distribute the copies or information contained therein to others.

- We will file a copy of our most recent peer review report with any applicable regulators or agencies.

- As appropriate, we will meet with those charged with governance before the audit report(s) are filed with any required regulators or agencies.

The information that we obtain in auditing is confidential, as required by the AICPA Code of Professional Conduct. Therefore, your acceptance of this Engagement Letter will serve as your advance consent to our compliance with above commitments.

REPORTING

As part of our engagement, we will issue a written report upon completion of our audit of the Entity's Financial Statements. Our report will be addressed to management, those charged with governance, or both, as appropriate, of the Entity. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance.

TERMINATION

If for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We reserve the right and sole discretion to withdraw for any reason from this engagement immediately upon written notice to you. Our withdrawal will release us from any obligation to complete the services covered by this Engagement Letter and will constitute completion of this engagement.

Our engagement with you will terminate upon the earlier of our delivery of your report or withdrawal. In either case, you agree to compensate us for our services, fees, and costs to the date of withdrawal.

CORPORATE TRANSPARENCY ACT/BENEFICIAL OWNERSHIP INFORMATION REPORTING

Assisting you with your compliance with the Corporate Transparency Act ("CTA"), including beneficial ownership information ("BOI") reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at https://www.fincen.gov/boi. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

OUR FEES

We estimate that our fees for these services will be $15,400 for the audit. If a state or federal single audit is required, there will be an additional $5,000 fee for each major program that requires an audit. By mutual agreement of both parties, this contract can be extended beyond this initial contract period.

We will also charge you for applicable out-of-pocket expenses incurred in the course of our engagement, including, but not limited to: technology costs, travel expenses (meals, lodging, transportation, etc.), third party technical resources, administrative costs (courier services, report preparation, copying), and any other direct engagement expenses. We may also charge a fee for applications, subscriptions, hosting, or technology we utilize in providing services to you.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

CLIENT ACKNOWLEDGEMENT(S)

If you acknowledge and agree with the terms of our agreement as described in this Engagement Letter, please indicate by executing.

Very truly yours,

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Signature
Rick Nipper
Melbourne-Tillman Water Control District

<signature>

<sign date>

Authorized Signer(s)

Attachment
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MELBOURNE-TILLMAN WATER CONTROL DISTRICT

MINUTES

February 27, 2024

CALL TO ORDER

The regular scheduled meeting of the Melbourne-Tillman Water Control District (MTWCD) Board of Directors was called to order by Philip Weinberg, President on Tuesday, February 27, 2024 at 9:00 AM in the City of West Melbourne Council Chambers, Veterans Memorial Complex, 2285 Minton Road, West Melbourne, Florida.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was recited by all present.

ROLL CALL

The following Board Members were present:

Philip Weinberg, Board President
Joe Hale, Vice President
Drew Powshok
Don Jordan
Brant Hoffman
Jay Woltering
Keith Jerdon

Also present:

Rick Nipper, District Manager
Lisa Blackett, Assistant Manager/Administration/Secretary/Treasurer
Jim Beadle, District Attorney

RECOGNITION OF GUESTS/VISITORS/STAFF

Bo Rainbolt, Assistant Manager/Operations
Mike McCabe, District Engineer
Chris Little, CPB Utilities Director
Brian Robinson, CPB IT Director
Jim Poirier, Palm Bay Utilities

ANNOUNCEMENTS

None

PUBLIC COMMENTS

None.

PRESENTATIONS

The District Attorney advised that Board members Hale and Hoffman are Board members appointed by the City of Palm Bay and must leave the room during the presentation.

Brian Robinson, City of Palm Bay IT Director requested Board approval to install fiber optic cables within the District's Rights of Way and consider waiving the cost of the permit fee. Mr. Robinson stated the project was previously permitted but had expired. He said the installation would be Phase IV of the project to provide the City of Palm Bay with reliable internet connectivity, cyber security postures and would not be franchised to any other source. Mr. Robinson stated the potential over $600,000 cost of the permit would be a burden to the taxpayers of Palm Bay.

At 9:10 am, Joe Hale and Brant Hoffman left the room in order for discussion to begin. Keith Jerdon asked what the cost of the permit fees were and the Manager advised $625,526.

The Manager offered an alternative to waiving the permit fee for parallel use at $24/LF would be to issue a temporary access permit at a cost of $30/LF with $15/LF refunded once the right of way was restored or a flat fee charged to compensate for the extensive amount of time the Engineer would spend on the project review. The Manager added the discussion regarding the permit fees would not imply approval of the permit as the City of Palm Bay would need to meet all permitting requirements. The Manager stated he would like to see a timeline for completion be 2 years since the last permit was issued more than 10 years ago without action and suggested that would allow other potential installations. He also clarified that the project was funded by the City of Palm Bay in conjunction with Palm Bay Utilities, which collects revenue and does not rely on tax payer provided funds.

The President asked how much the permit fee would be should the Board approve a temporary access permit and the Engineer said the permit fee would be in the $400,000 range. He stated the plans submitted for consideration lacked details and he would not be comfortable approving the installation based on those presented. The Engineer advised that since the original permit was issued in 2010, the District's permit policies have changed significantly and he would not be comfortable to issue a permit or waive the permit fees without the City submitting additional plans for compliance review.

After discussion, Mr. Robinson stated as a first step the City of Palm Bay would like to obtain a consensus conserving a waiver of fees prior to moving forward with the design plans but assured the Board the plans would meet all of the District's permit requirements within the 2 year timeline. The President asked Mr. Robinson if other installation routes were considered and he stated the City of Palm Bay staff had researched other avenues for the installation but there were several complexities, conflicts and competition with other utilities for space.

The Manager asked what the cost difference would be between the alternate route and the right of way route and Mr. Robinson advised a cost analysis had not been completed due to the amount of complexities. The Manager stated he was concerned the request may be the cost of the path of least resistance versus a real hardship other than paying a permit fee. The President asked the Board to consider to waive the fee completely, charge $30/LF with $15/LF refundable, or to wait until the City of Palm Bay has submitted more complete detailed plans to be certain their plans meet the District's requirements. Jay Woltering stated he preferred to know what the cost of the Manager and Engineer's time would be for compensation. The President stated he would not be in favor of waiving the fees completely. Drew Powshok stated he would be in favor of charging $15/LF instead of $30/LF with $15/LF refundable to save the cost of presenting that half of the fees and charging 40-60% of the $381,000 cost to manage. The President stated he understands the City's desire to cut costs however his loyalty in this case was to the District but he would amenable to a considerable reduction of the $625,000 fee to somewhere in the $200,000 range to cover review and management costs.

The Manager offered an alternative of in-kind work to connect the SCATA system at the MS-1 structure to the District's office to monitor the water levels remotely. Mr. Robinson agreed if there is a mutual benefit for this project the City of Palm Bay would be open to that conversation. The consensus was reached for Mr. Robinson to work with staff to obtain as much information necessary for the Board to make a decision to be presented at the April 23, 2024 Board of Director's meeting.

Joe Hale and Brant Hoffman rejoined the Board meeting at 9:40 am.

REGULAR BUSINESS

The President presented the minutes from the December 5, 2023 Board meeting for approval. Jay Woltering **motioned to approve the minutes of the December 5, 2023 Board meeting.** Don Jordan **seconded the motion.** The Board **voted 7-0 to approve the minutes.**

The President presented the Operating Statement through December 31, 2023 for Board approval. Joe Hale asked the Manager if the slowdown in permit applications would affect the District's budget goals. The Engineer stated there were outstanding permit applications that he anticipated would push the permit fees collected above the budgeted amount. Drew Powshok **motioned to approve the Operating Statement through January 31, 2023.** Joe Hale **seconded the motion**. The Board **voted 7-0 at approve the motion.**

NEW BUSINESS

The President announced the District Manager's annual review and added he felt the Manager had been doing an exceptional job. He stated he had been impressed with the Manager's experience, professionalism, knowledge and skills before he was hired and that he had not been disappointed. Joe Hale stated he has been very pleased with the Manager's efforts to streamline the coordination process with the City of Palm Bay Public Works and agreed he has done a good job. Keith Jerdon stated he appreciated all of the hard work the Manager has done and added in his opinion there was a world of difference from previous Manager until now. The President suggested to increase the Manager's salary by 3% based on his merit. Joe Hale **motioned to increase the District Manager's salary by 3%, effective today or at his annual.** Don Jordan **seconded the motion.** The Board **voted 7-0 to approve the motion.**

The Manager requested the Board discontinue the annual 3% pay adjustment to employees for the Florida Retirement System and proposed the current 3% adjustment be permanent to offset potential increases in the required employee contributions and to avoid a decrease in employee pay should the Board opt to end the adjustment. The Manager stated in the future, any changes made by FRS would be absorbed by the employees. Keith Jerdon asked if there were other options to FRS retirement and the Manager stated he did not believe there were options more favorable than FRS and he believed as a dependent District of Brevard County participation was required. After discussion, Joe Hale **motioned to increase to 4% the contribution starting July 1st.** Don Jordan **seconded the motion.** The Board **voted 7-0 to approve the motion.**

OLD BUSINESS

The Manager stated that the letter drafted by the District Attorney in response to the installation on C-51 without a permit had been sent to the legal staff of AT&T but no response had been received. The District Attorney stated due to his workload, the letter was sent last week and that he would bring any response to the Board.

BUDGET

None.

MANAGER'S REPORT

The Manager updated that work along C-69 looked great and the Assistant Manager/Operations would have photos to share in his report. He shared that the District's legislative bill to increase the user fee cap was moving through the legislature and Mike Haridopolos was confident the bill would be approved. Joe Hale stated he had concerns about the cost of contracting with Mr. Haridopolos but he felt like he was doing a good job for the District and asked the Manager if he agreed. The Manager said he had some future goals such as the ability to issue fines for violations of District policies which are a growing issue.

Joe Hale asked the Manager if in his opinion would the legislation make it to the Governor for consideration. The Manager stated he was confident due to the impacts on the Indian River Lagoon. He added the Secretary/Treasurer had been following the bill and all of the votes throughout the committees have been in favor unanimously due to Rep. Thad Altman's presentation of the bill. The Manager agreed Rep Altman was a great sponsor. The President agreed and stated Sen Haridopolos worked diligently to present the District's position to the delegation as well.

ENGINEER'S REPORT

The District Engineer suggested the District begin the legislative process to update the District boundaries, especially to the East as development in that area of Babcock Street has expanded discharges into the system. The Engineer stated he had received an increasing number of plans for development west of the Parkway at 192.

The Engineer updated that the City Gas directional bore of C-37 had been modified to not drill parallel on the canal right of way but to instead stay within the road right of way. He stated he recently attended a meeting regarding the Southern Brevard Trail Master Plan. The Engineer added the goal was to expand the trail system to include crossings of C-69, C-37, C-10 and C-61 but the timeline is down the road. Keith Jerdon asked the Engineer to update the progress of in-puting the data for the C-84 Basin. The Engineer stated progress had been made but not all six basins were completed at this time. The President asked the Engineer if the District had updated the modeling software used and he replied he was using ICPR 4 but plans to put the data on GIS to track any changes in a database which could be brought into ICPR models.

ASSISTANT MANAGER/OPERATIONS REPORT

The Assistant Manager/Operations presented photos of the District's staff project to clear the banks of C-69 from Palm Bay Road to C-74 to improve water flow by working on the slopes. He added these upgrades will benefit C-70 and the Westbrook area as well. The Manager added the staff worked for two days to make the improvements and the project will be a model for other canals. The President stated the project was an improvement and Jay Woltering asked what the right of way width on the east side was and the Assistant Manager/Operations responded there was approximately 34' from the top of the bank to the residential fences.

The Assistant Manager/Operations reported the harvester had been operational however the weed growth during the dry season has resulted in less use but approximately 1200 pounds of nitrogen and 275 pounds of phosphorous had been removed. He stated that the District's new mower was expected to be delivered around April 1st, 2024 and the Aquatics group had been on its normal operational schedule. He added District staff had completed Sonar planning and expected to apply it soon. The Assistant Manager/Operations said the annual drawdown and maintenance of the MS-1 structure would begin soon as well.

ATTORNEY'S REPORT

None.

SECRETARY/TREASURER'S REPORT

The Secretary/Treasurer reported that the District's annual audit had neared completion and the auditors would present the final audit at the April Board meeting. She added they would submit a letter of engagement for the Board to consider continuing their services. The Secretary/Treasurer updated the FEMA claim was still moving toward the final payout.

CLOSING

The Board President stated that the next Board meeting would be Tuesday, April 23, 2024 at 9:00 AM in the City of West Melbourne Council Chambers, Veterans Memorial Complex, 2285 Minton Road, West Melbourne, Florida.

DIRECTOR'S REPORTS

Joe Hale – Mr. Hale thanked the District Staff for inviting the Board to the Christmas party and congratulated the Manager for being an effective leader and communicator.

Brant Hoffman – Mr. Hoffman shared that the Manager has had great communication with the City of Palm Bay staff to resolve some canal issues previously unresolved and he appreciated his cooperation.

Keith Jerdon – Mr. Jerdon thanked the Manager for his hard work and he appreciated the Manager showing him the work that has been done. He added he felt the Manager was doing a great job.

Don Jordan – Mr. Jordan said he thinks that the Manager is doing a great job.

Drew Powshok – Mr. Powshok congratulated the Manager for completing his first year and agreed the entire staff are coming together in the right direction being creative in solving issues.

Jay Woltering – Mr. Woltering agreed the communication has improved and has been helpful.

Philip Weinberg –The Board President agreed the Manager has done an exceptional job and the District was fortunate to have hired him. He agreed the Manager is doing a great job and is pleased with the communication and cooperation with the cities of West Melbourne and Palm Bay has improved in the last year.

ADJOURN

Philip Weinberg, Board President, adjourned the meeting at 10:00 am.

Respectfully,

Lisa Blackett
Secretary
Board of Directors

Attachment
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MELBOURNE-TILLMAN WATER CONTROL DISTRICT

Operating Statement Through March 31, 2024

	Actual $ To Date	FY 2024 Approved Budget	Approved Budget Adjustment		FY 2024 Modified Budget	Over/Under Budget	Percentage Budget	
Revenue								
User Fees	$ 2,025,895	$ 2,416,125			$ 2,416,125	$ (390,230)	84%	
Permits	$ 27,153	$ 40,000			$ 40,000	$ (12,847)	68%	
Miscellaneous Income	$ 129,888	$ 50,000			$ 50,000	$ 79,888	260%	
Other Income	$ -	$ -		2		$ -		
	$ 2,182,936	$ 2,506,125	$ -		$ 2,506,125	$ (323,189)	87%	
Balance Forward Operating		$ 2,199,679		2	$ 2,199,679	$ (2,199,679)	0%	
Balance Forward Capital			$ 44,892	2	$ 44,892	$ (44,892)	0%	
TOTAL REVENUE	**$ 2,182,936**	**$ 4,705,804**	**$ 44,892**		**$ 4,750,696**	**$ 2,567,760**	**46%**	
Expenses								
Uniform Reimbursement								
Salaries	$ 514,881	$ 1,147,842			$ 1,147,842	$ 632,961	45%	
Health Insurance	$ 154,960	$ 282,960			$ 282,960	$ 128,000	55%	
Retirement	$ 56,561	$ 182,736			$ 182,736	$ 126,175	31%	
FICA/Medicare	$ 38,110	$ 87,465			$ 87,465	$ 49,355	44%	
Workers' Comp	$ 8,271	$ 35,755			$ 35,755	$ 27,484	23%	
SALARY & BENEFITS	$ 772,784	$ 1,736,758	$ -		$ 1,736,758	$ 963,974	44%	
Professional Services	$ 28,250	$ 53,100			$ 53,100	$ 24,850	53%	*Legal, Drug Testing, Accounting & Court Reporting, Engineering Testing, Miscellaneous Professional Services*
Contract Services	$ 3,156	$ 7,300			$ 7,300	$ 4,144	43%	*Uniforms, Garbage Service*
Travel	$ 20	$ 1,200			$ 1,200	$ 1,180	2%	*Travel*
Communications	$ 4,073	$ 10,500			$ 10,500	$ 6,427	39%	*Postage, Telephone Service*
Utilities	$ 3,543	$ 8,375			$ 8,375	$ 4,832	42%	*Utility, Solid Waste Assessment*
Rentals	$ 5,684	$ 13,500			$ 13,500	$ 7,816	42%	*Rentals*
Liability Insurance	$ 130,407	$ 144,098	$ (10,928)	1	$ 133,170	$ 2,763	98%	*Insurance*
Repair & Maintenance	$ 39,128	$ 188,507	$ -		$ 188,507	$ 149,379	21%	*Repair & Maintenance Service, Repair & Maintenance Supplies, Auto & Equipment Parts, Maintenance Agreements*
Current Charges	$ 50,866	$ 50,323			$ 50,323	$ (543)	101%	*Unemployment*
Office Supplies	$ 6,802	$ 6,600			$ 6,600	$ (202)	103%	*Office Supplies*
Operating Supplies	$ 85,828	$ 293,750			$ 308,750	$ 222,922	28%	*Operating Supplies, Fuel,Gas & Oil, Aquatics*
Books & Training	$ 2,649	$ 7,000			$ 7,000	$ 4,351	38%	*Books,Pubs.,Memberships, Training Costs*
Restricted Reserves	$ -	$ 1,831,129			$ 1,831,129	$ 1,831,129		
OPERATIONS	$ 360,405	$ 2,615,382			$ 2,615,382	$ 2,254,977	14%	
Improvements Other than Buildings	$ 16,806	$ 25,000	$ 10,928	1	$ 35,928	$ 19,122	47%	
Machinery	$ -	$ 324,164	$ 44,892	2	$ 369,056	$ 369,056	0%	
Computer Equipment	$ 303	$ 2,000			$ 2,000	$ 1,697	15%	
Computer Software	$ 2,438	$ 2,500			$ 2,500	$ 62	98%	
CAPITAL OUTLAY	$ 19,547	$ 353,664	$ 44,892		$ 398,556	$ 379,010	5%	
TOTAL EXPENSE	**$ 1,152,735**	**$ 4,705,804**			**$ 4,750,696**	**$ 3,597,961**	**24%**	

1 Approved 10-24-23 — $10928.00 from #5450000 Insurance to #5630001 Improvements other than Buildings to purchase 2 floats

2 Approved 10-24-23 — $44,892.40 from #3015000 Balance Forward Capital to #5640000 Machinery & Operating Equipment for Versa Flail Mower not received in FY 22/23

Attachment
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Melbourne-Tillman Water Control District

FY 2024/2025 Budge - 3.1% User Fee Increase

		2023-2024		2024-2025	
Staff Count		**20**		**18**	
5120000 SALARIES	**$**	**1,147,842**	**$**	**1,191,415**	3.80%
5210100 FICA-SOCIAL SECURITY	**$**	**87,466**	**$**	**91,143**	4.20%
5220100 RETIREMENT	**$**	**182,736**	**$**	**217,800**	19.19%
5230100 HEALTH & LIFE INSURANCE	**$**	**282,960**	**$**	**286,388**	1.21%
5240100 WORKERS COMPENSATION	**$**	**35,755**	**$**	**37,000**	3.48%
Compensation & Benefits	**$**	**1,736,759**	**$**	**1,823,746**	5.01%
531 Professional Services	**$**	**39,100**	**$**	**39,100**	0.00%
Legal Services	*$*	*9,000*	*$*	*9,000*	
Drug testing	*$*	*100*	*$*	*100*	
Other Professional Services	*$*	*30,000*	*$*	*30,000*	
532 Accounting & Auditing	**$**	**14,000**	**$**	**15,500**	10.71%
Auditing Services	*$*	*14,000*	*$*	*15,500*	
534 Other Contractual Services	**$**	**7,300**	**$**	**4,400**	-39.73%
Uniform Rental	*$*	*5,900*	*$*	*3,000*	
Garbage Service	*$*	*1,400*	*$*	*1,400*	
540 Travel & Per Diem	**$**	**1,200**	**$**	**2,000**	0.00%
Travel	*$*	*1,200*	*$*	*2,000*	
541 Communications & Freight Servives	**$**	**10,500**	**$**	**10,450**	-0.48%
Telephone	*$*	*8,000*	*$*	*8,450*	
Postage, Freight	*$*	*2,500*	*$*	*2,000*	
543 Utility Services	**$**	**8,375**	**$**	**8,500**	1.49%
Water & Electricity	*$*	*7,875*	*$*	*8,000*	
Solid Waste Assessment	*$*	*500*	*$*	*500*	
544 Rentals & Leases	**$**	**13,500**	**$**	**2,500**	-81.48%
Rentals & Leases	*$*	*13,500*	*$*	*2,500*	
545 Insurance	**$**	**144,098**	**$**	**165,713**	15.00%
General Liability	*$*	*144,098*	*$*	*165,713*	
546 Repair & Maintenance Services	**$**	**188,507**	**$**	**149,000**	-20.96%
Repair & Maintenance Services	*$*	*93,170*	*$*	*65,000*	
Repair & Maintenance Supply	*$*	*29,282*	*$*	*28,000*	
Auto & Equipment Parts	*$*	*60,005*	*$*	*50,000*	
Maintenance Agreements	*$*	*6,050*	*$*	*6,000*	
549 Other Current Charge & Obligations	**$**	**50,322**	**$**	**63,500**	26.19%
Bank Service Fees	*$*	*-*	*$*	*-*	
Licenses/Permits	*$*	*500*	*$*	*500*	
Advertising	*$*	*1,500*	*$*	*1,500*	
Tax Collector/Property Appraiser	*$*	*48,322*	*$*	*61,500*	
551 Office Supplies	**$**	**6,600**	**$**	**5,000**	-24.24%
Office Supplies	*$*	*6,600*	*$*	*5,000*	
552 Operating Supplies	**$**	**293,750**	**$**	**195,000**	-33.62%
Fuel, Gas & Oil	*$*	*125,000*	*$*	*100,000*	
Aquatic Treatment	*$*	*150,000*	*$*	*75,000*	
Operating Supplies	*$*	*18,750*	*$*	*20,000*	
554 Books, Publications, Subscriptions, Memberships	**$**	**7,000**	**$**	**7,000**	0.00%
Books, Pubs, Subs, Member	*$*	*3,500*	*$*	*3,500*	
Training	*$*	*3,500*	*$*	*3,500*	
Operations Expense	**$**	**784,252**	**$**	**667,663**	-14.87%
5610001 Capital Outlay - Land	**$**	**-**	**$**	**-**	
5620001 Capital Outlay - Buildings	**$**	**-**	**$**	**-**	
5630001 Capital Outlay - Improvements other than Buildings	**$**	**25,000**	**$**	**15,000**	-40.00%
5640001 Capital Outlay - Machinery & Equipment	**$**	**369,056**	**$**	**280,670**	-23.95%
Slope Mower	*$*	*226,000*	*$*	*178,282*	*International Dump Truck*
Bobcat	*$*	*98,164*	*$*	*51,194*	*Heavy Duty Pickup Truck*
flail mower	*$*	*44,892*	*$*	*51,194*	*Heavy Duty Pickup Truck*
5640200 Computer Hardware	**$**	**2,000**	**$**	**7,500**	275.00%
	$	2,000	$	7,500	
5640300 Computer Software	**$**	**2,500**	**$**	**7,500**	200.00%
Capital Outlay	**$**	**398,556**	**$**	**310,670**	-22.05%
5700001 Debt Service	**$**	**-**	**$**	**-**	
5990011 Reserves	**$**	**1,831,129**	**$**	**2,151,972**	17.52%
Emergency Reserves	*$*	*268,484*	*$*	*355,000*	32.22%
Capital Outlay Reserves	*$*	*261,897*	*$*	*300,000*	
Operating Reserves	*$*	*53,757*	*$*	*100,000*	
Pipe & Outfall Reserves	*$*	*25,321*	*$*	*11,605*	
OPEB Reserves	*$*	*80,451*	*$*	*107,788*	33.98%
Net Pension (FRS) Reserves	*$*	*1,141,219*	*$*	*1,277,579*	11.95%
TOTAL PROJECTED EXPENSE	**$**	**4,750,696**	**$**	**4,954,051**	4.28%
3400000 CHARGES FOR SERVICE	$	2,416,125	$	2,395,580	-0.85%
3200000 Licensing & Permits	$	40,000	$	40,000	0.00%
3600000 Interest	$	50,000	$	180,000	260.00%
3013000 Balance Forward - Operating	$	2,199,679	$	2,338,471	6.31%
3013000 Balance Forward - Operating	$	44,892			-100.00%
TOTAL PROJECTED REVENUE	**$**	**4,750,696**	**$**	**4,954,051**	4.28%

Attachment
8

Melbourne-Tillman Water Control District

FY 2024/2025 Budge - No User Fee Increase

		2023-2024		2024-2025	
Staff Count		20		18	
5120000 SALARIES	$	1,147,842	$	1,191,415	3.80%
5210100 FICA-SOCIAL SECURITY	$	87,466	$	91,143	4.20%
5220100 RETIREMENT	$	182,736	$	217,800	19.19%
5230100 HEALTH & LIFE INSURANCE	$	282,960	$	286,388	1.21%
5240100 WORKERS COMPENSATION	$	35,755	$	37,000	3.48%
Compensation & Benefits	$	1,736,759	$	1,823,746	5.01%
531 Professional Services	$	39,100	$	39,100	0.00%
Legal Services	$	*9,000*	$	*9,000*	
Drug testing	$	*100*	$	*100*	
Other Professional Services	$	*30,000*	$	*30,000*	
532 Accounting & Auditing	$	14,000	$	15,500	10.71%
Auditing Services	$	*14,000*	$	*15,500*	
534 Other Contractual Services	$	7,300	$	4,400	-39.73%
Uniform Rental	$	*5,900*	$	*3,000*	
Garbage Service	$	*1,400*	$	*1,400*	
540 Travel & Per Diem	$	1,200	$	2,000	0.00%
Travel	$	*1,200*	$	*2,000*	
541 Communications & Freight Servives	$	10,500	$	10,450	-0.48%
Telephone	$	*8,000*	$	*8,450*	
Postage, Freight	$	*2,500*	$	*2,000*	
543 Utility Services	$	8,375	$	8,500	1.49%
Water & Electricity	$	*7,875*	$	*8,000*	
Solid Waste Assessment	$	*500*	$	*500*	
544 Rentals & Leases	$	13,500	$	2,500	-81.48%
Rentals & Leases	$	*13,500*	$	*2,500*	
545 Insurance	$	144,098	$	165,713	15.00%
General Liability	$	*144,098*	$	*165,713*	
546 Repair & Maintenance Services	$	188,507	$	149,000	-20.96%
Repair & Maintenance Services	$	*93,170*	$	*65,000*	
Repair & Maintenance Supply	$	*29,282*	$	*28,000*	
Auto & Equipment Parts	$	*60,005*	$	*50,000*	
Maintenance Agreements	$	*6,050*	$	*6,000*	
549 Other Current Charge & Obligations	$	50,322	$	57,800	14.86%
Bank Service Fees	$	-	$	-	
Licenses/Permits	$	*500*	$	*500*	
Advertising	$	*1,500*	$	*1,500*	
Tax Collector/Property Appraiser	$	*48,322*	$	*55,800*	
551 Office Supplies	$	6,600	$	5,000	-24.24%
Office Supplies	$	*6,600*	$	*5,000*	
552 Operating Supplies	$	293,750	$	195,000	-33.62%
Fuel, Gas & Oil	$	*125,000*	$	*100,000*	
Aquatic Treatment	$	*150,000*	$	*75,000*	
Operating Supplies	$	*18,750*	$	*20,000*	
554 Books, Publications, Subscriptions, Memberships	$	7,000	$	7,000	0.00%
Books, Pubs, Subs, Member	$	*3,500*	$	*3,500*	
Training	$	*3,500*	$	*3,500*	
Operations Expense	$	784,252	$	661,963	-15.59%
5610001 Capital Outlay - Land	$	-	$	-	
5620001 Capital Outlay - Buildings	$	-	$	-	
5630001 Capital Outlay - Improvements other than Buildings	$	25,000	$	15,000	-40.00%
5640001 Capital Outlay - Machinery & Equipment	$	369,056	$	280,670	-23.95%
Slope Mower	$	*226,000*	$	*178,282*	*International Dump Truck*
Bobcat	$	*98,164*	$	*51,194*	*Heavy Duty Pickup Truck*
flail mower	$	*44,892*	$	*51,194*	*Heavy Duty Pickup Truck*
5640200 Computer Hardware	$	2,000	$	7,500	275.00%
	$	2,000	$	7,500	
5640300 Computer Software	$	2,500	$	7,500	200.00%
Capital Outlay	$	398,556	$	310,670	-22.05%
5700001 Debt Service	$	-	$	-	
5990011 Reserves	$	1,831,129	$	2,088,064	14.03%
Emergency Reserves	$	*268,484*	$	*300,000*	11.74%
Capital Outlay Reserves	$	*261,897*	$	*295,000*	
Operating Reserves	$	*53,757*	$	*100,000*	
Pipe & Outfall Reserves	$	*25,321*	$	*7,697*	
OPEB Reserves	$	*80,451*	$	*107,788*	33.98%
Net Pension (FRS) Reserves	$	*1,141,219*	$	*1,277,579*	11.95%
TOTAL PROJECTED EXPENSE	$	4,750,696	$	4,884,443	2.82%
3400000 CHARGES FOR SERVICE	$	2,416,125	$	2,325,972	-3.73%
3200000 Licensing & Permits	$	40,000	$	40,000	0.00%
3600000 Interest	$	50,000	$	180,000	260.00%
3013000 Balance Forward - Operating	$	2,199,679	$	2,338,471	6.31%
3013000 Balance Forward - Operating	$	44,892			-100.00%
TOTAL PROJECTED REVENUE	$	4,750,696	$	4,884,443	2.82%