

Deering Park Stewardship District

ANNUAL FINANCIAL REPORT

September 30, 2024

Deering Park Stewardship District

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Deering Park Stewardship District
Brevard and Volusia Counties, Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of Deering Park Stewardship District (the "District"), as of and for the year ended September 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Deering Park Stewardship District as of September 30, 2024, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

To the Board of Supervisors
Deering Park Stewardship District

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 one year beyond the financial statement date, including currently known information that may raise substantial doubt thereafter.

Auditor's Responsibility 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 GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement 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 judgement, 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.

To the Board of Supervisors
Deering Park Stewardship District

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis 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 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 a report dated June 6, 2025 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 and contracts.

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 effectiveness of the District's 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 Deering Park Stewardship District's internal control over financial reporting and compliance.

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 6, 2025

Deering Park Stewardship District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024

Management's discussion and analysis of Deering Park Stewardship District (the "District") financial performance provides an analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* include the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by developer contributions.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities funded by the District include general government and debt service.

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

**Deering Park Stewardship District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* are designed to provide the reader with a broad overview of the District's finances, in a manner similar to a private sector business. In the government-wide **statement of net position**, the governmental activities column is presented on a consolidated basis and is reported on a full-accrual economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations. The effect of interfund activity has been eliminated from the *government-wide financial statements*. In contrast, the governmental fund financial statements are grouped into funds to account for and to maintain control over resources that have been segregated for specific activities or objectives. The *fund financial statements* are presented using the current financial resources measurement focus and the modified accrual basis where as revenues are recorded when collected in the current period or within 90 days of year-end and expenditures are recorded when a liability is incurred. The difference between the two statements arises primarily from the long-term economic focus of the *government-wide statements* versus the current financial resources focus of the *fund financial statements*. A reconciliation of the *government-wide* and the *fund financial statement* is provided to illustrate these differences.

Notes to financial statements provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2024.

- ◆ The District's total assets were exceeded by total liabilities by \$(30,640) (net position). Net investment in capital assets were \$852,875. Unrestricted net position was \$(883,515).
- ◆ Governmental activities revenues totaled \$119,268 while governmental activities expenses totaled \$140,376.

**Deering Park Stewardship District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category.

Net Position

	Governmental Activities	
	2024	2023
Current assets	\$ 437,178	\$ 24,867
Capital assets	852,875	-
Total Assets	1,290,053	24,867
 Current liabilities	 1,320,693	 34,399
 Net Position		
Net investment in capital assets	852,875	-
Unrestricted	(883,515)	(9,532)
Total Net Position	\$ (30,640)	\$ (9,532)

The increase in current assets is related to the increase in cash and due from developer.

The increase in capital assets is related to the new capital project that began in the current year.

The increase in current liabilities is related to the increase in due to developer as a result of the new capital project.

**Deering Park Stewardship District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

Change In Net Position

	Governmental Activities	
	2024	2023
Program Revenues		
Operating contributions	\$ 74,492	\$ 52,442
General Revenues		
Intergovernmental revenues	44,776	-
Total Revenues	119,268	52,442
Expenses		
General government	73,226	50,882
Interest and other charges	67,150	8,318
Total Expenses	140,376	59,200
Change in Net Position	(21,108)	(6,758)
Net Position - Beginning of Year	(9,532)	(2,774)
Net Position - End of Year	\$ (30,640)	\$ (9,532)

The increase in operating contributions and general government is related to the continued development of the District.

The increase in intergovernmental revenues is related to State of Florida grant funds received in the current year.

The increase in interest and other charges is related to the payment of certain costs in anticipation of issuing long-term debt.

**Deering Park Stewardship District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets activity as of September 30, 2024 and 2023:

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Construction in progress	\$ 852,875	\$ -

During the year, additions to construction in progress were \$852,875.

General Fund Budgetary Highlights

The budget exceeded actual governmental expenditures primarily due to less supervisor fees and management fees than were anticipated.

There were no amendments to the September 30, 2024 budget.

Economic Factors and Next Year's Budget

Deering Park Stewardship District will continue development and construction within the District. The District also anticipates issuing debt in the next year. At this time, the District does not anticipate any economic factors to have a significant effect on operations in fiscal year 2025.

Request for Information

The financial report is designed to provide a general overview of Deering Park Stewardship District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Deering Park Stewardship District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

Deering Park Stewardship District
STATEMENT OF NET POSITION
September 30, 2024

	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 177,615
Due from other governments	44,776
Due from developer	214,787
Total Current Assets	437,178
Non-current Assets	
Capital assets, not being depreciated	
Construction in progress	852,875
Total Assets	1,290,053
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	386,350
Due to developer	934,343
Total Liabilities	1,320,693
 NET POSITION	
Net investment in capital assets	852,875
Unrestricted	(883,515)
Total Net Position	\$ (30,640)

See accompanying notes to financial statements.

**Deering Park Stewardship District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2024**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 177,615	\$ -	\$ -	\$ 177,615
Due from other funds	-	-	173,089	173,089
Due from other governments	-	-	44,776	44,776
Due from developer	12,997	14,936	186,854	214,787
	<u>12,997</u>	<u>14,936</u>	<u>186,854</u>	<u>214,787</u>
Total Assets	<u>\$ 190,612</u>	<u>\$ 14,936</u>	<u>\$ 404,719</u>	<u>\$ 610,267</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued expenses	\$ 11,471	\$ 14,936	\$ 359,943	\$ 386,350
Due to other funds	173,089	-	-	173,089
Due to developer	6,000	75,468	852,875	934,343
Total Liabilities	<u>190,560</u>	<u>90,404</u>	<u>1,212,818</u>	<u>1,493,782</u>
Fund balances				
Unassigned	<u>52</u>	<u>(75,468)</u>	<u>(808,099)</u>	<u>(883,515)</u>
Total Liabilities and Fund Balances	<u>\$ 190,612</u>	<u>\$ 14,936</u>	<u>\$ 404,719</u>	<u>\$ 610,267</u>

See accompanying notes to financial statements.

Deering Park Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2024

Total Governmental Fund Balances	\$ (883,515)
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, not being depreciated, which include construction in progress, used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	<u>852,875</u>
Net Position of Governmental Activities	<u><u>\$ (30,640)</u></u>

See accompanying notes to financial statements.

Deering Park Stewardship District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues				
Developer contributions	\$ 79,278	\$ -	\$ -	\$ 79,278
Intergovernmental revenues	-	-	44,776	44,776
Total Revenues	<u>79,278</u>	<u>-</u>	<u>44,776</u>	<u>124,054</u>
Expenditures				
Current				
General government	73,226	-	-	73,226
Capital outlay	-	-	852,875	852,875
Debt service				
Other	-	67,150	-	67,150
Total Expenditures	<u>73,226</u>	<u>67,150</u>	<u>852,875</u>	<u>993,251</u>
Net change in fund balances	6,052	(67,150)	(808,099)	(869,197)
Fund Balances - October 1, 2023	<u>(6,000)</u>	<u>(8,318)</u>	<u>-</u>	<u>(14,318)</u>
Fund Balances - September 30, 2024	<u>\$ 52</u>	<u>\$ (75,468)</u>	<u>\$ (808,099)</u>	<u>\$ (883,515)</u>

See accompanying notes to financial statements.

Deering Park Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$	(869,197)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of capital outlay in the current period.</p>		852,875
<p>At the fund level, revenues are recognized when they become available, however, revenues are recognized when they are earned at the government-wide level. This is the change in unavailable revenues in the current period.</p>		<u>(4,786)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(21,108)</u></u>

See accompanying notes to financial statements.

Deering Park Stewardship District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND
For the Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Developer contributions	\$ 126,421	\$ 126,421	\$ 79,278	\$ (47,143)
Expenditures				
Current				
General government	126,421	126,421	73,226	53,195
Net change in fund balances	-	-	6,052	6,052
Fund Balances - October 1, 2023	-	-	(6,000)	(6,000)
Fund Balances - September 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ 52</u>

See accompanying notes to financial statements.

Deering Park Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Deering Park Stewardship District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

1. Reporting Entity

The District was established on September 4, 2020 by Brevard and Volusia Counties, Florida pursuant to Florida House Bill #1303 and Chapter 2005-338, Laws of Florida, as amended (the "Act"), as a Stewardship District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or without the boundaries of the Deering Park Stewardship District. The District is governed by a five-member Board of Supervisors who are elected for two and four year terms.

In October 2021, two Districts, Deering Park Center Community Development District and Farnton-Brevard Community Development District located within the boundaries of Deering Park Stewardship District, merged with Deering Park Stewardship District, the surviving entity.

As required by GAAP, these financial statements present the Deering Park Stewardship District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth by the Governmental Accounting Standards Board the District has identified no component units.

2. Measurement Focus and Basis of Accounting

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole.

**Deering Park Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements (Continued)

Governmental activities normally are supported by operating contributions. Program revenues include operating contributions, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

b. Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

Governmental Funds

The District has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Assigned Fund Balance – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Deering Park Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

The District classifies fund balance according to Governmental Accounting Standards Board Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund Balance Spending Hierarchy – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Deering Park Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation

a. Governmental Major Funds

General Fund – The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the certain preliminary costs associated with the issuance of new debt.

Capital Projects Fund – The Capital Projects Fund accounts for construction of infrastructure improvements within the boundaries of the District.

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as construction in progress, and non-current governmental liabilities, such as special assessment bonds be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

a. Cash and Investments

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Deering Park Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

b. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its general fund. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general fund. As a result, deficits in the budget variance columns of the accompanying financial statements may occur.

c. Capital Assets

Capital assets, which include construction in progress, are reported in the applicable governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

d. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District only has one item that qualifies for reporting in the category. Unavailable revenues are reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

**Deering Park Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024**

NOTE B – CASH

All deposits are held in qualified public depositories and are included on the accompanying balance sheet and statement of net position as cash.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned. The District does not have a formal deposit policy for custodial credit risk. The District does, however, follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2024, the District’s bank balance was \$63,051 and the carrying value was \$177,615. The District controls its exposure to custodial credit risk because it maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

The District had no investments at September 30, 2024.

NOTE C – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2024 was as follows:

	Balance October 1, 2023	Additions	Deletions	Balance September 30, 2024
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 852,875	\$ -	\$ 852,875

NOTE D – ECONOMIC DEPENDENCY

A significant portion of the District’s activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District’s operations. During the fiscal year, two voting members of the Board of Supervisors were employed by a developer or a related entity. The District recognized \$79,278 in developer contributions for the year ended September 30, 2024. Additionally, the District has a net balance due to the developer of \$719,556 as of September 30, 2024.

**Deering Park Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024**

NOTE E – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The District has not filed any claims under this commercial coverage.

NOTE F – INTERFUND BALANCES

Interfund balances at September 30, 2024, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>
	<u>General Fund</u>
Capital Projects Fund	<u>\$ 173,089</u>

Interfund balances relate to funds received in the General Fund on behalf of the Capital Projects Fund that were not yet remitted.



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INDEPENDENT AUDITORS' 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 Supervisors
Deering Park Stewardship District
Brevard and Volusia Counties, Florida

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, as listed in the table of contents, of Deering Park Stewardship District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated June 6, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Deering Park Stewardship 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Deering Park Stewardship District's internal control. Accordingly, we do not express an opinion on the effectiveness of Deering Park Stewardship 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

To the Board of Supervisors
Deering Park Stewardship District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Deering Park Stewardship District's financial statements are free of 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 determination of financial statement amounts. 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*.

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 results 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.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 6, 2025



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MANAGEMENT LETTER

To the Board of Supervisors
Deering Park Stewardship District
Brevard and Volusia Counties, Florida

Report on the Financial Statements

We have audited the financial statements of the Deering Park Stewardship District as of and for the year ended September 30, 2024, and have issued our report thereon dated June 6, 2025.

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 Florida Auditor General.

Other Reports and Schedule

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 Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated June 6, 2025, 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 made to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding financial audit report.

To the Board of Supervisors
Deering Park Stewardship District

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not Deering Park Stewardship District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Deering Park Stewardship District has not met one 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 conditions assessment procedures as of September 30, 2024 for the Deering Park Stewardship District. It is management's responsibility to monitor the Deering Park Stewardship District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the 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

The information below was provided by management and has not been audited by us; therefore, we do not express an opinion or provide any assurance on the information.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, Deering Park Stewardship District reported:

- 1) The total number of District elected officials receiving statutory compensation, reported as employees for the purposes of the audit: 5
- 2) The total number of independent contractors, defined as individuals or entities that receive 1099s, to whom nonemployee compensation was paid in the last month of the District's fiscal year: 3
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$3,229.50
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$105,937.02
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2023, together with the total expenditures for such project: N/A
- 6) 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: The budget was not amended.

To the Board of Supervisors
Deering Park Stewardship District

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)9, Rules of the Auditor General, the Deering Park Stewardship District reported:

- 1) The rate or rates of non-ad valorem special assessments imposed by the District: N/A – District currently fully funded by contributions.
- 2) The amount of special assessments collected by or on behalf of the District was \$0.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds as: There were no outstanding bonds as of September 30, 2024.

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 fraud, waste, or abuse, that has occurred, or are likely to have occurred, that has 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 Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 6, 2025