

North Springs Improvement District

Basic Financial Statements
and Additional Information
For the Year Ended September 30, 2024

North Springs Improvement District

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
North Springs Improvement District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Springs Improvement District (the "District"), as of and for the year ended September 30, 2024, 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 governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2024, and the respective changes in its financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Auditing 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 North Springs Improvement 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 opinions.

Correction of an Error

As discussed in Note 12 to the financial statements, certain errors in the accounting for assets held for sale and capital assets were discovered by management of the District during the year ended September 30, 2024. Accordingly, the reporting of the business-type activities and proprietary fund have been restated in the financial statements now presented and an adjustment to net position as of October 1, 2023 has been made. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 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, general fund budgetary comparison schedule, and the schedules related to pensions and other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

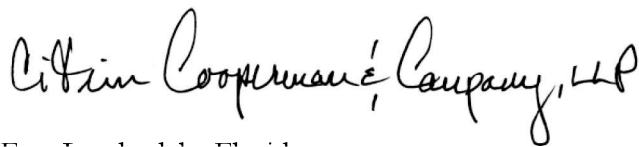
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Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements on pages 53 through 62 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 combining nonmajor fund financial statements are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 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, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the District's internal control over financial reporting and compliance.



Fort Lauderdale, Florida
May 16, 2025

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Our discussion and analysis of North Springs Improvement District's (the "District") financial performance provides an objective and easily readable 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.

Financial Highlights

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

- The District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$ 194,514,202 (net position). Unrestricted net position for governmental activities was \$ 5,578,462. Unrestricted net position for business-type activities was \$ 27,272,711.
- Governmental activities revenues totaled \$ 13,837,089, while governmental activities expenses totaled \$ 11,704,329. Business-type revenues totaled \$ 22,065,645, while business-type expenses totaled \$ 20,616,784.

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 basic 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 basic financial statements provide additional information concerning the District's finances that are not disclosed in the government-wide or fund financial statements.

Government-Wide Financial Statements: The Government-wide financial statements are 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 business-type activities and the change in net position. Governmental activities are primarily supported by property tax assessments. Business-type activities are supported by charges to the users of those activities, such as water and sewer services.

The statement of net position presents information on all assets and liabilities of the District, with the difference between assets, deferred inflows/outflows of resources 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 separate from the assets, liabilities, and net position of business-type activities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or declining.

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 or business-type activities. Governmental activities financed by the District include physical environment and general government. Business-type activities financed by user charges include water and sewer services.

Fund Financial Statements: Fund financial statements present financial information for governmental funds and proprietary 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 fund, changes in current financial resources (revenues and expenditures), and current available resources. The proprietary fund financial statements provide information on all assets and liabilities of the fund, changes in the economic resources (revenues and expenses), and total economic resources.

Fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balance for the governmental funds. A statement of revenues, expenditures and change in fund balance - budget and actual, is provided for the District's General Fund. For proprietary funds, a statement of net position; a statement of revenues, expenses and change in net position; and a statement of cash flows are presented. 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 and to comply with legal requirements.

The government-wide financial statements and the fund financial statements provide different pictures of the District. The government-wide financial statements provide an overall picture of the District's financial standing, split between governmental activities and business-type activities. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including buildings, land, machinery and equipment, construction-in-progress and infrastructure are reported in the statement of net position. All liabilities, including principal outstanding on bonds, and future employee benefits, obligated but not paid by the District, are included. The statement of activities includes a provision for depreciation of all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The fund financial statements provide a picture of the major funds of the District. In the case of governmental activities, outlays for long-lived assets are reported as expenditures and long-term liabilities, such as general obligations bonds, are not included in the fund financial statements. To provide a link from the fund financial statements to the government-wide financial statements, reconciliations are provided from the fund financial statements to the government-wide financial statements.

Notes to the Basic Financial Statements: The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 46 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's budget to actual and Other Post-Employment Benefits Plan and Pensions, which can be found on pages 47 through 52.

The combining statements of nonmajor governmental funds are presented immediately following the required supplementary information. The nonmajor governmental funds overview and combining fund statements can be found on pages 53 through 62.

**North Springs Improvement District
Management's Discussion and Analysis
September 30, 2024**

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. During the year ended September 30, 2024, the District determined that land held for resale belonging to the business-type activities was previously recorded in a sale transaction in error. Therefore, business-type activities net position, and related amounts shown below, were restated for the fiscal year ended September 30, 2023.

The following table reflects the condensed government-wide statements of net position as of September 30, 2024 and 2023:

**North Springs Improvement District
Statements of Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023 (As Restated)	2024	2023 (As Restated)
Assets:						
Current and other assets	\$ 7,315,380	\$ 6,077,999	\$ 34,216,166	\$ 35,978,183	\$ 41,531,546	\$ 42,056,182
Restricted assets	9,136,130	9,044,735	7,626,103	8,059,511	16,762,233	17,104,246
Capital assets (net)	156,881,083	158,762,356	106,489,345	107,690,032	263,370,428	266,452,388
Total assets	173,332,593	173,885,090	148,331,614	151,727,726	321,664,207	325,612,816
Total deferred outflows of resources	711,386	655,448	1,470,639	848,645	2,182,025	1,504,093
Liabilities:						
Current liabilities	6,405,355	6,941,916	2,258,097	5,166,731	8,663,452	12,108,647
Noncurrent liabilities	88,177,203	92,457,853	31,354,405	30,787,351	119,531,608	123,245,204
Total liabilities	94,582,558	99,399,769	33,612,502	35,954,082	128,195,060	135,353,851
Total deferred inflows of resources	342,432	306,977	794,538	523,500	1,136,970	830,477
Net position:						
Net investment in capital assets	67,073,150	67,971,680	86,938,612	81,948,093	154,011,762	149,919,773
Restricted	6,467,377	2,073,248	1,183,890	5,950,357	7,651,267	8,023,605
Unrestricted	5,578,462	4,788,864	27,272,711	28,200,339	32,851,173	32,989,203
Total net position	\$ 79,118,989	\$ 74,833,792	\$ 115,395,213	\$ 116,098,789	\$ 194,514,202	\$ 190,932,581

Governmental activities increased the District's net position by \$ 4,285,197, due to revenues and other income exceeding expenses. Current and other assets increased by \$ 1,237,381 resulting from revenues exceeding expenditures and interest income from favorable market conditions.

Business-type activities decreased the District's net position by \$ 703,576, resulting mainly from a large decrease in revenues because of a sale that occurred in 2023 resulting in a gain that was not recurring in 2024. Current and other assets decreased by \$ 1,762,017 mainly as a result of the decrease of cash and investments from principal payments. Current liabilities were reduced by \$ 2,908,634 for principal payments and refunding associated with the Series 2024 Water and Sewer Bond.

**North Springs Improvement District
Management's Discussion and Analysis
September 30, 2024**

**North Springs Improvement District
Statements of Activities**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023 (As Restated)	2024	2023 (As Restated)
Revenues:						
Program revenues:						
Charges for services	\$ 33,121	\$ 134,338	\$ 20,331,452	\$ 20,276,764	\$ 20,364,573	\$ 20,411,102
Capital grants and contributions	-	-	85,197	102,351	85,197	102,351
General revenues:						
Special assessments	12,973,484	12,911,063	-	-	12,973,484	12,911,063
Gain on sale of land held for resale	-	-	-	17,191,506	-	17,191,506
Investment earnings	796,724	423,393	32,457	28,037	829,181	451,430
Miscellaneous	33,760	169,406	1,616,539	722,712	1,650,299	892,118
Total revenues	13,837,089	13,638,200	22,065,645	38,321,370	35,902,734	51,959,570
Expenses:						
General government	601,102	461,924	-	-	601,102	461,924
Physical environment	6,852,362	6,313,765	-	-	6,852,362	6,313,765
Water and sewer	-	-	20,616,784	21,039,769	20,616,784	21,039,769
Interest expense and other fiscal charges	4,250,865	4,608,219	-	-	4,250,865	4,608,219
Total expenses	11,704,329	11,383,908	20,616,784	21,039,769	32,321,113	32,423,677
Increase in net position before transfers	2,132,760	2,254,292	1,448,861	17,281,601	3,581,621	19,535,893
Transfers	2,152,437	4,234,340	(2,152,437)	(4,234,340)	-	-
Increase (decrease) in net position	4,285,197	6,488,632	(703,576)	13,047,261	3,581,621	19,535,893
Net position, beginning of the year (2023 restated)	74,833,792	68,345,160	116,098,789	103,051,528	190,932,581	171,396,688
Net position, end of the year	\$ 79,118,989	\$ 74,833,792	\$ 115,395,213	\$ 116,098,789	\$ 194,514,202	\$ 190,932,581

Governmental activities total revenues increased mainly as a result of higher investment income from favorable market conditions. Expenses increased from additional one time costs for canal cleaning and excavations.

Business-type activities total revenues decreased due to a sale that occurred in 2023 resulting in a gain that was not recurring in 2024. Expenses decreased due to decreased rates for wastewater treatment from Broward County.

Analysis of the Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focuses of the District’s governmental funds are to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District’s governmental funds reported an ending fund balance of \$ 15,968,101.

Capital Assets and Debt Administration

The District's capital assets less accumulated depreciation for its governmental activities and business-type activities at September 30, 2024 amounts to \$ 156,881,083 and \$ 106,489,345, respectively, and mostly consists of land, buildings and improvements, infrastructure, equipment, meters in the field and construction-in-progress.

At the end of the year, the District's governmental activities had debt outstanding of \$ 90,820,102, and the District's business activities had debt outstanding of \$ 25,405,000. Additional information on the District's debt can be found in Note 5 on pages 27 through 32 of this report.

General Fund Budgetary Highlights

An operating budget for the General Fund was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The General Fund budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The budget to actual comparisons for the General Fund, including the original and final adopted budget, is shown on page 47.

Economic Factors and Next Year's Utility Rates

The Water and Sewer Fund's expenditures decreased due to decrease in wastewater treatment costs and also reduction in transferring out funds to the General Fund to cover expenditures for North Springs Preserve project.

The General Fund's expenditures decreased due to decrease in project costs for North Springs Preserve.

Requests for Information

This financial report is designed to provide a general overview of North Springs Improvement 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 North Springs Improvement District, 9700 NW 52nd Street, Coral Springs, Florida 33076.

BASIC
FINANCIAL STATEMENTS

North Springs Improvement District
Statement of Net Position
September 30, 2024

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 4,619,207	\$ 7,180,104	\$ 11,799,311
Investments	4,252,528	21,946,031	26,198,559
Accounts receivable	24,584	2,846,119	2,870,703
Internal balances	(1,606,152)	1,606,152	-
Prepaid items	25,213	117,263	142,476
Restricted cash	224,562	-	224,562
Restricted investments	8,911,568	7,626,103	16,537,671
Assets held for resale	-	520,497	520,497
Capital assets:			
Depreciable (net)	99,917,240	101,438,898	201,356,138
Nondepreciable	56,963,843	5,050,447	62,014,290
Total assets	<u>173,332,593</u>	<u>148,331,614</u>	<u>321,664,207</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	45,877	-	45,877
Deferred outflows related to pensions	645,061	1,389,432	2,034,493
Deferred outflows related to OPEB	20,448	81,207	101,655
Total deferred outflows of resources	<u>711,386</u>	<u>1,470,639</u>	<u>2,182,025</u>
Liabilities:			
Accounts payable	308,584	172,314	480,898
Accrued liabilities	24,825	229,421	254,246
Retainage payable	-	301,189	301,189
Due to developer	-	286,757	286,757
Customer deposits	150,000	1,198,110	1,348,110
Accrued interest	1,715,463	-	1,715,463
Long-term liabilities:			
Due in One Year:			
Compensated absences payable	6,258	45,535	51,793
Bonds payable	4,195,000	-	4,195,000
Total other post-employment benefits (OPEB) liability	5,225	24,771	29,996
Due in More Than One Year:			
Compensated absences payable	56,327	409,820	466,147
Total other post-employment benefits (OPEB) liability	160,480	509,691	670,171
Net pension liability	1,335,294	5,029,894	6,365,188
Bonds payable	86,625,102	25,405,000	112,030,102
Total liabilities	<u>94,582,558</u>	<u>33,612,502</u>	<u>128,195,060</u>
Deferred Inflows of Resources:			
Deferred inflows related to pensions	246,745	334,856	581,601
Deferred inflows related to OPEB	95,687	459,682	555,369
Total deferred inflows of resources	<u>342,432</u>	<u>794,538</u>	<u>1,136,970</u>
Net Position:			
Net investment in capital assets	67,073,150	86,938,612	154,011,762
Restricted for debt service	6,467,377	1,183,890	7,651,267
Unrestricted	5,578,462	27,272,711	32,851,173
Total net position	<u>\$ 79,118,989</u>	<u>\$ 115,395,213</u>	<u>\$ 194,514,202</u>

See accompanying notes to financial statements.

**North Springs Improvement District
Statement of Activities
For the Year Ended September 30, 2024**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:						
Governmental activities:						
General government	\$ 601,102	\$ -	\$ -	\$ (601,102)	\$ -	\$ (601,102)
Physical environment	6,852,362	-	-	(6,819,241)	-	(6,819,241)
Interest expense and other fiscal charges	4,250,865	-	-	(4,250,865)	-	(4,250,865)
Total governmental activities	<u>11,704,329</u>	<u>-</u>	<u>-</u>	<u>(11,671,208)</u>	<u>-</u>	<u>(11,671,208)</u>
Business-type activities:						
Water and sewer	20,616,784	-	85,197	-	(200,135)	(200,135)
Total business-type activities	<u>20,616,784</u>	<u>-</u>	<u>85,197</u>	<u>-</u>	<u>(200,135)</u>	<u>(200,135)</u>
Total primary government	<u>\$ 32,321,113</u>	<u>\$ 20,364,573</u>	<u>\$ 85,197</u>	<u>(11,671,208)</u>	<u>(200,135)</u>	<u>(11,871,343)</u>
General revenues:						
Special assessments				12,973,484	-	12,973,484
Investment earnings				796,724	32,457	829,181
Miscellaneous				33,760	1,616,539	1,650,299
Transfers				2,152,437	(2,152,437)	-
Total general revenues and transfers				<u>15,956,405</u>	<u>(503,441)</u>	<u>15,452,964</u>
Change in net position				<u>4,285,197</u>	<u>(703,576)</u>	<u>3,581,621</u>
Net position, Beginning, as Previously Presented				74,833,792	115,878,587	190,712,379
Error corrections (Note 12)				-	220,202	220,202
Net position, Beginning, as Restated				74,833,792	116,098,789	190,932,581
Net position, Ending				<u>\$ 79,118,989</u>	<u>\$ 115,395,213</u>	<u>\$ 194,514,202</u>

See accompanying notes to financial statements.

**North Springs Improvement District
Balance Sheet - Governmental Funds
September 30, 2024**

	<u>General</u>	<u>219 Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and cash equivalents	\$ 3,602,164	\$ -	\$ 1,017,043	\$ 4,619,207
Investments	4,252,528	-	-	4,252,528
Accounts receivable	24,584	-	-	24,584
Due from other funds	833	-	224,562	225,395
Prepaid items	25,213	-	-	25,213
Restricted cash and investments	224,562	1,699,389	7,212,179	9,136,130
Total Assets	<u>\$ 8,129,884</u>	<u>\$ 1,699,389</u>	<u>\$ 8,453,784</u>	<u>\$ 18,283,057</u>
Liabilities:				
Accounts payable	\$ 308,584	\$ -	\$ -	\$ 308,584
Accrued liabilities	24,825	-	-	24,825
Customer deposits	150,000	-	-	150,000
Due to other funds	815,946	-	15,601	831,547
Advance from other fund	-	-	1,000,000	1,000,000
Total liabilities	<u>1,299,355</u>	<u>-</u>	<u>1,015,601</u>	<u>2,314,956</u>
Fund Balances:				
Nonspendable	25,213	-	-	25,213
Restricted for:				
Debt service	-	1,699,389	6,483,451	8,182,840
Capital projects	-	-	954,732	954,732
Assigned to:				
Parkland Isles operating reserve	14,477	-	-	14,477
First quarter operating reserves	55,275	-	-	55,275
Unassigned	6,735,564	-	-	6,735,564
Total fund balances	<u>6,830,529</u>	<u>1,699,389</u>	<u>7,438,183</u>	<u>15,968,101</u>
Total Liabilities and Fund Balances	<u>\$ 8,129,884</u>	<u>\$ 1,699,389</u>	<u>\$ 8,453,784</u>	<u>\$ 18,283,057</u>

See accompanying notes to financial statements.

**North Springs Improvement District
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
September 30, 2024**

Fund Balances - Total Governmental Funds \$ 15,968,101

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of capital assets	\$ 232,951,851	
Accumulated depreciation	<u>(76,070,768)</u>	156,881,083

The net pension liability and related deferred inflows and outflows are not an available resource and, therefore, are not reported in the funds.

Net pension liability	\$ (1,335,294)	
Deferred inflows related to pensions	(246,745)	
Deferred outflows related to pensions	<u>645,061</u>	(936,978)

The other post-employment benefits (OPEB) liability and related deferred inflows and outflows are not an available resource and, therefore, are not reported in the funds.

Total OPEB liability	\$ (165,705)	
Deferred inflows related to OPEB	(95,687)	
Deferred outflows related to OPEB	<u>20,448</u>	(240,944)

Certain assets and liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	\$ (90,820,102)	
Deferred charge on refunding	45,877	
Accrued interest payable on long term debt	(1,715,463)	
Compensated absences	<u>(62,585)</u>	<u>(92,552,273)</u>

Net Position of Governmental Activities \$ 79,118,989

See accompanying notes to financial statements.

North Springs Improvement District
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2024

	<u>General</u>	<u>219 Debt Service</u>	<u>325 Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Special assessments	\$ 3,680,215	\$ 1,737,067	\$ -	\$ 7,556,202	\$ 12,973,484
Permit fees	33,121	-	-	-	33,121
Investment earnings	264,379	96,600	-	435,745	796,724
Miscellaneous revenues	33,760	-	-	-	33,760
Total revenues	<u>4,011,475</u>	<u>1,833,667</u>	<u>-</u>	<u>7,991,947</u>	<u>13,837,089</u>
Expenditures:					
Current:					
General government:					
Personnel services	267,205	-	-	-	267,205
Operating	327,985	-	-	-	327,985
Physical environment:					
Personnel services	753,029	-	-	-	753,029
Operating	1,231,053	-	-	-	1,231,053
Capital outlay	2,930,044	-	-	62,893	2,992,937
Debt service:					
Principal	-	1,585,000	-	3,270,000	4,855,000
Interest	-	161,303	-	4,121,964	4,283,267
Other fiscal charges	-	4,940	-	70,339	75,279
Total expenditures	<u>5,509,316</u>	<u>1,751,243</u>	<u>-</u>	<u>7,525,196</u>	<u>14,785,755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,497,841)</u>	<u>82,424</u>	<u>-</u>	<u>466,751</u>	<u>(948,666)</u>
Other Financing Sources (Uses):					
Transfers in	2,439,401	-	-	10,835	2,450,236
Transfers out	(650)	-	-	(297,149)	(297,799)
Total other financing sources (uses), net	<u>2,438,751</u>	<u>-</u>	<u>-</u>	<u>(286,314)</u>	<u>2,152,437</u>
Net change in fund balances	<u>940,910</u>	<u>82,424</u>	<u>-</u>	<u>180,437</u>	<u>1,203,771</u>
Fund Balances, Beginning, as Previously Presented	5,889,619	1,616,965	29,113	7,228,633	14,764,330
Change Within Financial Reporting Entity (Note 12)	<u>-</u>	<u>-</u>	<u>(29,113)</u>	<u>29,113</u>	<u>-</u>
Fund Balances, Beginning as Adjusted	<u>5,889,619</u>	<u>1,616,965</u>	<u>-</u>	<u>7,257,746</u>	<u>14,764,330</u>
Fund Balances, Ending	<u>\$ 6,830,529</u>	<u>\$ 1,699,389</u>	<u>\$ -</u>	<u>\$ 7,438,183</u>	<u>\$ 15,968,101</u>

See accompanying notes to financial statements.

**North Springs Improvement District
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 1,203,771

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 2,185,767	
Less: net book value of disposed capital assets	(34,885)	
Less: current year depreciation	<u>(4,032,155)</u>	(1,881,273)

The issuance of long-term debt (e.g. bonds and notes payable) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Principal payments		4,855,000
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Some expenses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources.

Amortization of premium	\$ 65,870	
Amortization of deferred charge	(28,062)	
Change in accrued interest payable	69,873	
Change in compensated absences	19,178	
Change in net pension liability	(60,538)	
Change in deferred outflows related to pensions	86,314	
Change in deferred inflows related to pensions	(39,711)	
Change in total OPEB liability	(7,167)	
Change in deferred outflows related to OPEB	(2,314)	
Change in deferred inflows related to OPEB	<u>4,256</u>	<u>107,699</u>

Change in Net Position of Governmental Activities \$ 4,285,197

See accompanying notes to financial statements.

North Springs Improvement District
Statement of Net Position - Proprietary Fund
September 30, 2024

	Water and Sewer Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 7,180,104
Investments	21,946,031
Accounts receivable	2,846,119
Due from other funds	606,152
Prepaid items	117,263
Restricted investments	7,626,103
Noncurrent assets:	
Advance to other fund	1,000,000
Assets held for resale	520,497
Capital assets:	
Depreciable (net)	101,438,898
Nondepreciable	5,050,447
Total assets	<u>148,331,614</u>
Deferred Outflows of Resources:	
Deferred outflows related to pensions	1,389,432
Deferred outflows related to OPEB	81,207
Total deferred outflows of resources	<u>1,470,639</u>
Liabilities:	
Current liabilities:	
Accounts payable	172,314
Accrued liabilities	229,421
Retainage payable	301,189
Due to developer	286,757
Customer deposits	1,198,110
Compensated absences payable	45,535
Total other post-employment benefits (OPEB) liability	24,771
Noncurrent liabilities:	
Compensated absences payable	409,820
Total other post-employment benefits (OPEB) liability	509,691
Net pension liability	5,029,894
Bonds payable	25,405,000
Total liabilities	<u>33,612,502</u>
Deferred Inflows of Resources:	
Deferred inflows related to pensions	334,856
Deferred inflows related to OPEB	459,682
Total deferred inflows of resources	<u>794,538</u>
Net Position:	
Net investment in capital assets	86,938,612
Restricted for:	
Debt service	1,183,890
Unrestricted	27,272,711
Total Net Position	<u>\$ 115,395,213</u>

See accompanying notes to financial statements.

North Springs Improvement District
Statement of Revenues, Expenses and Change in Net Position - Proprietary Fund
For the Year Ended September 30, 2024

	<u>Water and Sewer Fund</u>
Operating Revenues:	
Charges for services:	
Water	\$ 9,960,027
Sewer	9,770,378
Other utility fees	<u>601,047</u>
Total operating revenues	<u>20,331,452</u>
Operating Expenses:	
Personnel services	6,687,218
Materials, supplies and services	7,638,763
Depreciation	<u>4,992,223</u>
Total operating expenses	<u>19,318,204</u>
Operating income	<u>1,013,248</u>
Nonoperating Revenues (Expenses):	
Other revenues	32,457
Interest earnings	1,616,539
Interest expense and other fiscal charges	(1,119,986)
Loss on disposal of capital assets	<u>(178,594)</u>
Total nonoperating revenue, net	<u>350,416</u>
Income before capital contributions and transfers	<u>1,363,664</u>
Capital Contributions and Transfers:	
Capital contributions	85,197
Transfers to other funds	<u>(2,152,437)</u>
Total capital contributions and transfers	<u>(2,067,240)</u>
Change in net position	<u>(703,576)</u>
Net Position, Beginning, as Previously Presented	115,878,587
Error corrections (Note 12)	<u>220,202</u>
Net Position, Beginning, as Restated	<u>116,098,789</u>
Net Position, Ending	<u>\$ 115,395,213</u>

See accompanying notes to financial statements.

**North Springs Improvement District
Statement of Cash Flows - Proprietary Fund
For the Year Ended September 30, 2024**

	<u>Water and Sewer Fund</u>
Cash Flows from Operating Activities:	
Receipts from customers	\$ 20,418,161
Payments to suppliers for goods and services	(8,256,272)
Payments to employees for services	<u>(6,860,956)</u>
Net cash provided by operating activities	<u>5,300,933</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from other miscellaneous activities	32,457
Transfers to other funds	<u>(2,152,437)</u>
Net cash used in noncapital financing activities	<u>(2,119,980)</u>
Cash Flows from Capital and Related Financing Activities:	
Capital contributions	85,197
Proceeds from bond issuance	25,405,000
Proceeds from sale of capital assets	36,701
Interest and other charges paid	(1,595,656)
Principal payments on bonds payable	(27,685,000)
Purchases of capital assets	<u>(3,885,273)</u>
Net cash used in capital and related financing activities	<u>(7,639,031)</u>
Cash Flows from Investing Activities:	
Interest received	1,616,539
Purchases and sales of investments, net	<u>(1,034,183)</u>
Net cash provided by investing activities	<u>582,356</u>
Net decrease in cash and cash equivalents	(3,875,722)
Cash and Cash Equivalents, Beginning	<u>11,055,826</u>
Cash and Cash Equivalents, Ending	<u>\$ 7,180,104</u>

See accompanying notes to financial statements.

North Springs Improvement District
Statement of Cash Flows - Proprietary Fund
(continued)
For the Year Ended September 30, 2024

	<u>Water and Sewer Fund</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ <u>1,013,248</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Provision for depreciation	4,992,223
(Increase) decrease in assets:	
Accounts receivable	60,585
Due from other funds	(596,863)
Prepaid items	(109,836)
Deferred outflows related to pensions	(632,962)
Deferred outflows related to OPEB	10,968
Increase (decrease) in liabilities:	
Accounts payable	89,190
Accrued liabilities	39,405
Customer deposits	26,124
Compensated absences	(340,111)
Total other post-employment benefits (OPEB) liability	33,978
Net pension liability	443,946
Deferred inflows related to pensions	291,213
Deferred inflows related to OPEB	<u>(20,175)</u>
Total adjustments	<u>4,287,685</u>
Net cash provided by operating activities	\$ <u><u>5,300,933</u></u>
Schedule of non-cash capital and related financing activities:	
Increase in contracts payable	\$ <u><u>121,558</u></u>

See accompanying notes to financial statements.

Note 1 - Organization and Operations

North Springs Improvement District (the "District") was established pursuant to Chapter 71-580, Laws of Florida, as amended, and Chapter 298, Florida Statutes, in 1971. Chapter 71-580 was replaced by Chapter 2005-341, Laws of Florida, which has been amended by Chapter 2007-285, Laws of Supplement No. 2, Supplement No. 3, a revised Supplement No. 3 and other laws, respectively. The District was created to undertake a variety of improvements, including the reclamation and drainage of land, to establish roads and highways, to provide access thereto, to provide water and sewage facilities and to promote and create favorable conditions for the development of land within the District.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. 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.

Reporting entity: The criteria used for including component units consist of the identification of legally separate organizations for which the Board of Supervisors of the District (the "Board") are financially accountable. This criteria, also includes the identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete. Based upon this review, there were no potential component units of the District.

Government-wide and fund financial statements: The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District has both governmental and business-type activities.

In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis, if applicable, 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.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The net costs, by function, are also supported by general revenues, other revenue, etc. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflect capital-specific grants.

This government-wide focus is more on the ability to sustain the District as an entity and the change in the District's net position resulting from the current year's activities.

The accounts of the District are organized on the basis of 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, net position, revenues and expenditures (expenses). Major individual governmental funds and the major individual proprietary fund are reported as separate columns in the fund financial statements.

Note 2 - Summary of Significant Accounting Policies (continued)

The District reports the following major governmental funds:

General Fund - The General Fund is established to account for all financial transactions not properly accounted for in another fund.

Parkland Golf and Country Club Debt Service Fund (219 Debt Service) - The Parkland Golf and Country Club Debt Service Fund accounts for debt service requirements for the District's Special Assessment Refunding Bond, Series 2016.

The District reports the following major proprietary fund:

Water and Sewer Fund - The Water and Sewer Fund is a proprietary fund established to account for operations that are to be financed and operated in a manner similar to private business enterprises. The costs of providing services to customers are to be recovered primarily through user charges.

Measurement focus, basis of accounting, and presentation: Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus, and the government-wide statements use the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred, regardless of the timing of related cash flows.

The governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available for use. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers revenues available if they are collected within 60 days after year end. Expenditures are generally recognized when the liability is incurred, except that interest payable on debt is recognized only when due.

The Proprietary Fund uses the accrual basis of accounting. Revenue is recognized when earned and, expenses are recognized when incurred.

Budgets and budgetary accounting: The District's annual budgets are adopted for the General Fund and Water and Sewer Fund and approved by the Board. The budget amounts presented in the accompanying basic financial statements are as originally adopted by the District's Board. Any amendments to the budget are reflected in the amended budget.

The General Fund budget is prepared on a basis consistent with U.S. GAAP. The budget is a financial plan approved in the manner authorized by law but not subject to appropriation.

Encumbrances: The District does not utilize encumbrance accounting.

Note 2 - Summary of Significant Accounting Policies (continued)

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 when purchased to be cash equivalents.

Investments: Investments consist of funds deposited in certain money market funds and the State Board of Administration (“SBA”) Florida Prime external investment pool. Investments are stated at amortized cost.

Accounts receivable: Accounts receivable reflected in the Water and Sewer Fund consist of charges to customers for service including sewer revenues on services which have been rendered whether billed or not. Management believes all accounts to be fully collectible; therefore, no allowance for doubtful accounts is considered necessary.

Prepaid items: Certain payments reflect costs applicable to a future accounting period and are recorded as prepaid items in both the government-wide and fund financial statements.

Interfund receivables and payable: Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds (i.e., amounts owed for goods/services rendered to a particular fund by another fund in the reporting entity) are reported as “due to/from other funds” (current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Capital assets: Capital assets, which include land, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress, are reported in the governmental or business-type activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated cost when actual historical cost is not available. Donated capital assets are valued at acquisition value, rather than fair market value at the date of the donation. The District defines capital assets as assets with an initial individual cost of more than \$ 5,000 and an estimated useful life in excess of one year. Depreciation on all capital assets is charged to operations using the straight-line method over the assets’ estimated service lives as follows:

<u>Capital Assets</u>	<u>Years</u>
Buildings and improvements	10-50
Infrastructure	10-50
Machinery and equipment	3-20

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

In accordance with U.S. GAAP, interest costs incurred during the construction phase of capital assets is expensed as incurred.

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Note 2 - Summary of Significant Accounting Policies (continued)

The District has three items that qualify for reporting in this category. The first is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is deferred outflows related to pensions and is discussed in further detail in Note 8. The third item is the deferred outflows related to OPEB and is discussed in further detail in Note 10.

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 assets 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 two items that qualify for reporting in this category. The first item is deferred inflows related to pensions and is discussed in further detail in Note 8. The second item is deferred inflows related to OPEB and is discussed in further detail in Note 10.

Net position: Net position is classified in three categories. The general meaning of each is as follows:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows or inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are also included in this component of net position.
- b. Restricted - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

Fund balance: In the fund financial statements, governmental funds report fund balance amounts in accordance with GASB. Under these guidelines, the breakdown includes the following classifications:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the bonds and are restricted through debt covenants.

Note 2 - Summary of Significant Accounting Policies (continued)

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned: This classification includes the residual fund balance for the General Fund, or any deficit fund balance within the other governmental fund types.

When the District has expenditures for which committed, assigned or unassigned fund balance is available, the District would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

Property tax calendar (assessments): District assessments are certified with the Broward County Property Appraiser and collected by the Broward County Tax Collector. The key dates in the property tax cycle are as follows:

Preceding Fiscal Year:

Enforceable lien date	January 1
Tax roll validated	June 1 and July 1
Taxes levied	November 1

Current Fiscal Year:

Beginning of fiscal year for which Assessments have been levied	October 1
Property tax bills rendered	Prior to November 1
Property tax bill due date	March 31
Delinquent tax lien	April 30
Tax certificates sold	On or before June 1

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Adoption of new standard: During the current year, the District implemented GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. This statement will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. See Note 12 for current year related disclosures.

Note 2 - Summary of Significant Accounting Policies (continued)

Date of management review: Subsequent events were evaluated by management through May 16, 2025, which is the date the financial statements were available for issuance.

Note 3 - Deposits and Investments

Deposits: The District’s deposits must be placed with banks and savings and loans which are qualified as public depositories prior to receipt of public monies under Chapter 280, Florida Statutes. At year end, the carrying amount of the District’s bank deposits was \$ 12,022,373, and the bank balance was \$ 12,357,417. In addition, the District had \$ 1,500 in petty cash.

As of September 30, 2024, all deposits are insured by the Federal Deposit Insurance Corporation up to \$ 250,000. Monies deposited in amounts greater than the insurance coverage are secured by the banks pledging securities with the State Treasurer in the collateral pool. The District’s deposits of \$ 28,449,135, which are in excess of the federal insured level of \$ 250,000, are held in a qualified public depository and are covered by the covered by collateral held in the District's name.

Investments: The investment of funds is authorized by Florida Statutes, which allows the District to invest in the Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, SEC registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the United States Treasury. Certain investments are governed by Bond Indentures.

Investments at September 30, 2024 consist of the following:

Investment	Reported Amount - Amortized Cost	Maturity
Money market funds	\$ 16,841,718	N/A
State Board of Administration: Florida Prime	<u>25,894,512</u>	Weighted average days to maturity is 39 days
Total	<u>\$ 42,736,230</u>	

Credit risk: Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency. The Florida Prime is rated AAAM by Standard and Poor’s.

Interest rate risk: Florida Statutes state that the investment portfolio be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. The District’s investments are not subject to interest rate risk.

Custodial credit risk: For an investment, custodial credit risk 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. None of the District’s investments are subject to custodial credit risk.

North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2024

Note 3 - Deposits and Investments (continued)

Restricted cash and investments: The governmental funds maintain cash and investments restricted for the following purposes:

Capital outlay	\$ 966,292
Future debt service	<u>8,169,838</u>
Total restricted cash and investments	\$ <u>9,136,130</u>

The proprietary fund maintains investments restricted for the following purposes:

Future debt service	\$ 1,183,890
Construction	4,635,799
Renewal and replacement of capital assets	<u>1,806,414</u>
Total restricted cash and investments	\$ <u>7,626,103</u>

Note 4 - Capital Assets

The following is a schedule of changes in capital assets during the year ended September 30, 2024:

	Balance October 1, 2023	Additions	Deletions	Transfers	Balance September 30, 2024
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 34,413,392	\$ -	\$ -	\$ -	\$ 34,413,392
Construction in progress	<u>21,996,574</u>	<u>1,960,525</u>	<u>-</u>	<u>(1,406,648)</u>	<u>22,550,451</u>
Total capital assets, not depreciated	<u>56,409,966</u>	<u>1,960,525</u>	<u>-</u>	<u>(1,406,648)</u>	<u>56,963,843</u>
Capital assets, being depreciated:					
Infrastructure	171,338,823	-	-	-	171,338,823
Buildings and improvements	710,124	-	-	-	710,124
Machinery and equipment	<u>2,378,750</u>	<u>225,242</u>	<u>71,579</u>	<u>1,406,648</u>	<u>3,939,061</u>
Total capital assets, being depreciated	<u>174,427,697</u>	<u>225,242</u>	<u>71,579</u>	<u>1,406,648</u>	<u>175,988,008</u>
Less accumulated depreciation for:					
Infrastructure	71,116,256	3,947,635	-	-	75,063,891
Buildings and improvements	315,886	30,452	-	-	346,338
Machinery and equipment	<u>643,165</u>	<u>54,068</u>	<u>36,694</u>	<u>-</u>	<u>660,539</u>
Total accumulated depreciation	<u>72,075,307</u>	<u>4,032,155</u>	<u>36,694</u>	<u>-</u>	<u>76,070,768</u>
Total capital assets depreciated, net	<u>102,352,390</u>	<u>(3,806,913)</u>	<u>34,885</u>	<u>1,406,648</u>	<u>99,917,240</u>
Governmental activities capital assets, net	\$ <u>158,762,356</u>	\$ <u>(1,846,388)</u>	\$ <u>34,885</u>	\$ <u>-</u>	\$ <u>156,881,083</u>

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2024**

Note 4 - Capital Assets (continued)

	Balance October 1, 2023 (As Restated)	Additions	Deletions	Transfers	Balance September 30, 2024
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 181,585	\$ -	\$ -	\$ -	\$ 181,585
Easements	82,785	-	-	-	82,785
Construction in progress	<u>12,823,036</u>	<u>2,828,757</u>	<u>162,500</u>	<u>(10,703,216)</u>	<u>4,786,077</u>
Total capital assets, not depreciated	<u>13,087,406</u>	<u>2,828,757</u>	<u>162,500</u>	<u>(10,703,216)</u>	<u>5,050,447</u>
Capital assets, being depreciated:					
Buildings and improvements	14,794,744	89,751	-	1,112,395	15,996,890
Infrastructure	127,305,914	22,600	-	9,590,821	136,919,335
Machinery and equipment	<u>10,927,845</u>	<u>1,065,723</u>	<u>212,915</u>	<u>-</u>	<u>11,780,653</u>
Total capital assets, being depreciated	<u>153,028,503</u>	<u>1,178,074</u>	<u>212,915</u>	<u>10,703,216</u>	<u>164,696,878</u>
Less accumulated depreciation for:					
Buildings and improvements	2,348,067	583,752	-	-	2,931,819
Infrastructure	52,159,568	3,555,110	-	-	55,714,678
Machinery and equipment	<u>3,918,242</u>	<u>853,361</u>	<u>160,120</u>	<u>-</u>	<u>4,611,483</u>
Total accumulated depreciation	<u>58,425,877</u>	<u>4,992,223</u>	<u>160,120</u>	<u>-</u>	<u>63,257,980</u>
Total capital assets depreciated, net	<u>94,602,626</u>	<u>(3,814,149)</u>	<u>52,795</u>	<u>10,703,216</u>	<u>101,438,898</u>
Business-type activities capital assets	<u>\$ 107,690,032</u>	<u>\$ (985,392)</u>	<u>\$ 215,295</u>	<u>\$ -</u>	<u>\$ 106,489,345</u>

Depreciation expense is charged to the following functions:

Governmental activities:	
Physical environment	\$ <u>4,032,155</u>
Business-type activities:	
Water and sewer	\$ <u>4,992,223</u>

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2024**

Note 4 - Capital Assets (continued)

Construction Contracts

The District has the following active construction commitments with contractors at September 30, 2024:

<u>Projects</u>	<u>Remaining Commitment</u>
Governmental Activities:	
Improvements to Heron Bay Stormwater Preserve Phase II	\$ 900,133
Welcome Center Preserve Heron Bay VLC Phase II	2,914,172
Other	729,850
Business-type Activities:	
BPS Storage Bldg (VLC)	2,000,000
CIP-AMI Conversion (Conquest)	5,055,683
Other	<u>1,646,291</u>
	<u>\$ 13,246,129</u>

Note 5 - Long-Term Debt

The following is a summary of the long-term debt activity of the governmental activities for the year ended September 30, 2024:

	<u>Balance October 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2024</u>	<u>Due Within One Year</u>
Water management bonds	\$ 64,550,000	\$ -	\$ 1,695,000	\$ 62,855,000	\$ 965,000
Water management premium	1,439,194	-	51,752	1,387,442	-
Special assessment bonds	29,540,000	-	3,160,000	26,380,000	3,230,000
Special assessment premium	<u>211,778</u>	<u>-</u>	<u>14,118</u>	<u>197,660</u>	<u>-</u>
	<u>\$ 95,740,972</u>	<u>\$ -</u>	<u>\$ 4,920,870</u>	<u>\$ 90,820,102</u>	<u>\$ 4,195,000</u>

Note 5 - Long-Term Debt (continued)

Water Management Bonds payable at September 30, 2024 are comprised of the following:

<p>\$ 7,770,000 Series 2014A-2 Water Management Bonds, principal is due annually beginning May 2035 through May 2044. Interest at 6.50% is due each year in May and November through May 2044. Current portion is \$ 0. The bonds are secured primarily from special assessments levied by the District.</p>	<p>\$ 7,710,000</p>
<p>\$ 6,010,000 Series 2014B-2 Water Management Bonds, principal is due annually beginning May 2035 through May 2044. Interest at 6.625% is due each year in May and November through May 2044. Current portion is \$ 0. The bonds are secured primarily from special assessments levied by the District.</p>	<p>6,010,000</p>
<p>\$ 7,495,000 Series 2015 Water Management Bonds, principal is due annually through May 2035. Interest at 3.10% is due in May and November each year. Current portion is \$ 365,000. The bonds are secured primarily from special assessments levied by the District.</p>	<p>4,690,000</p>
<p>\$ 8,710,000 Series 2017 Water Management Bonds, principal is due annually beginning May 2039 through May 2048. Interest at 5.00% is due in May and November each year. Current portion is \$ 0. The bonds are secured primarily from special assessments levied by the District.</p>	<p>8,710,000</p>
<p>\$ 8,065,000 Series 2018 Water Management Bonds, principal is due annually beginning May 2039 through May 2048. Interest at 5.00% is due in May and November each year. Current portion is \$ 0. The bonds are secured primarily from special assessments levied by the District.</p>	<p>8,025,000</p>
<p>\$ 18,665,000 Series 2021-1 Water Management Bonds, principal is due annually beginning May 2023 through May 2052. Interest ranging from 2.00% to 4.00% is due in May each year. Current portion is \$ 380,000. The bonds are secured primarily from special assessments levied by the District.</p>	<p>17,930,000</p>
<p>\$ 10,210,000 Series 2021-2 Water Management Bonds, principal is due annually beginning May 2023 through May 2052. Interest ranging from 1.00% to 3.70% is due in May each year. Current portion is \$ 220,000. The bonds are secured primarily from special assessments levied by the District.</p>	<p><u>9,780,000</u></p>
	<p><u>\$ 62,855,000</u></p>

North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2024

Note 5 - Long-Term Debt (continued)

The annual debt service requirements through maturity for the Water Management Bonds outstanding at year end are as follows:

Year Ending September 30,	Principal	Interest	Total
2025	\$ 965,000	\$ 2,828,034	\$ 3,793,034
2026	985,000	2,805,269	3,790,269
2027	1,010,000	2,781,332	3,791,332
2028	1,045,000	2,752,257	3,797,257
2029	1,080,000	2,717,583	3,797,583
2030-2034	5,990,000	13,007,840	18,997,840
2035-2039	12,085,000	11,231,761	23,316,761
2040-2044	21,130,000	6,981,760	28,111,760
2045-2049	14,170,000	2,245,668	16,415,668
2050-2052	4,395,000	288,766	4,683,766
Total	\$ <u>62,855,000</u>	\$ <u>47,640,270</u>	\$ <u>110,495,270</u>

Special Assessment Bonds payable at September 30, 2024 are comprised of the following:

<p>\$ 6,330,000 Series 2014A-1 Special Assessment Bonds, principal is due annually through May 2034. Interest ranging from 6.00% to 6.25% is due in May and November. Current portion is \$ 305,000. The bonds are secured primarily from special assessments levied by the District.</p>	\$ 4,040,000
<p>\$ 4,765,000 Series 2014B-1 Special Assessment Bonds, principal is due annually through May 2034. Interest ranging from 6.125% to 6.375% is due in May and November. Current portion is \$ 225,000. The bonds are secured primarily from special assessments levied by the District.</p>	3,045,000
<p>\$ 15,460,000 Series 2016 Special Assessment Bonds, principal is due annually through May 2026. Interest at 3.35% is due in May and November. Current portion is \$ 1,580,000. The bonds are secured primarily from special assessments levied by the District.</p>	3,250,000
<p>\$ 4,165,000 Series 2016 Special Assessment Bonds, principal is due in annually through May 2027. Interest at 2.71% is due in May and November. Current portion is \$ 355,000. The bonds are secured primarily from special assessments levied by the District.</p>	1,095,000
<p>\$ 8,650,000 Series 2017 Special Assessment Bonds, principal is due annually through May 2038. Interest ranging from 3.50% to 5.00% is due in May and November. Current portion is \$ 355,000. The bonds are secured primarily from special assessments levied by the District.</p>	6,785,000

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2024**

Note 5 - Long-Term Debt (continued)

\$ 3,180,000 Series 2018 Special Assessment Bonds, principal is due annually through May 2038. Interest ranging from 3.75% to 4.85% is due in May and November. Current portion is \$ 130,000. The bonds are secured primarily from special assessments levied by the District. \$ 2,490,000

\$ 7,145,000 Series 2018 Special Assessment Bonds, principal is due annually through May 2038. Interest ranging from 3.875% to 4.875% is due in May and November. Current portion is \$ 280,000. The bonds are secured primarily from special assessments levied by the District. 5,675,000

\$ 26,380,000

The annual debt service requirements through maturity for the Special Assessment Bonds outstanding at year end are as follows:

Year Ending September 30,	Principal	Interest	Total
2025	\$ 3,230,000	\$ 1,292,082	\$ 4,522,082
2026	3,390,000	1,169,166	4,559,166
2027	1,800,000	1,036,396	2,836,396
2028	1,500,000	950,818	2,450,818
2029	1,580,000	874,982	2,454,982
2030-2034	9,350,000	2,967,230	12,317,230
2035-2038	<u>5,530,000</u>	<u>718,477</u>	<u>6,248,477</u>
Total	<u>\$ 26,380,000</u>	<u>\$ 9,009,151</u>	<u>\$ 35,389,151</u>

Summary of significant bond covenants: The following is a schedule of required reserve deposits as of September 30, 2024:

	Reserve Requirement	Reserve Balance
Series 2014A-1 Special Assessment Bond	\$ 245,826	\$ 245,826
Series 2014A-2 Water Management Bond	401,689	401,690
Series 2014B-1 Special Assessment Bond	190,899	190,899
Series 2014B-2 Water Management Bond	297,074	297,074
Series 2015 Water Management Bond	252,706	252,706
Series 2016 Special Assessment Bond	854,191	854,191
Series 2016 Special Assessment Bond	220,135	220,135
Series 2017 Water Management Bond	292,282	292,283
Series 2017 Special Assessment Bond	336,275	336,275
Series 2018 Water Management Bond	513,125	513,125
Series 2018 Special Assessment Bond	285,369	285,369
Series 2018 Special Assessment Bond	61,738	61,738
* Series 2021-1 Water Management Bond	123,013	123,013
* Series 2021-2 Water Management Bond	69,885	69,885

* As per bond indenture, reserve requirement was not expected to be met.

North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2024

Note 5 - Long-Term Debt (continued)

The following is a summary of the long-term debt activity of the business-type activities for the year ended September 30, 2024:

	Balance October 1, 2023	Additions	Deletions	Balance September 30, 2024	Due Within One Year
Water and sewer revenue and refunding bonds	\$ 27,685,000	\$ 25,405,000	\$ 27,685,000	\$ 25,405,000	\$ -
Total bonds payable	\$ 27,685,000	\$ 25,405,000	\$ 27,685,000	\$ 25,405,000	\$ -

During September 2024, the District issued \$ 25,405,000 in Series 2024 Water and Sewer Refunding Revenue Bonds (“Series 2024 bonds”) with an interest rate of 3.82% to current refund \$ 25,405,000 of outstanding Series 2011 Water and Sewer Refunding Revenue Bonds (“Series 2011 bonds”) with an interest rate of 3.38%. There was no gain or loss between the reacquisition price and the net carrying amount of the old debt at the time of issuance of the current refunding. Accordingly, no gain or loss has been recognized in the accompanying financial statements.

The District completed the current refunding to extend debt service payment terms through October 1, 2034, as opposed to the Series 2011 debt which had a balloon payment due October 1, 2026. At the time of issuance, the Series 2011 bonds had future remaining debt service payments of approximately \$ 26,838,000, whereas the Series 2024 bonds have future debt service payments of approximately \$ 31,140,000, resulting in additional interest payments of approximately \$ 4,302,000 over the next 10 years.

The Series 2024 bonds are due in annual principal installments beginning in October 2026 through October 2034, and interest at 3.82% due in semi-annual installments every April and October beginning April 2025. There is no current portion due at September 30, 2024. As of September 30, 2024, the outstanding principal balance of the Series 2024 bonds was \$ 25,405,000. Future annual debt service payments on the Series 2024 bonds are as follows:

Year Ending September 30,	Principal	Interest	Total
2025	\$ -	\$ 501,410	\$ 501,410
2026	2,120,000	943,008	3,063,008
2027	2,210,000	859,161	3,069,161
2028	2,300,000	773,821	3,073,821
2029	2,385,000	681,107	3,066,107
2030-2034	13,390,000	1,918,211	15,308,211
2035	3,000,000	58,254	3,058,254
Total	\$ 25,405,000	\$ 5,734,972	\$ 31,139,972

The Series 2024 bonds are secured by a pledge of net revenues under the indenture, which are defined as all income and monies received by the District from the rates, fees, rentals, charges and other income collected by the District, less costs of operations and maintenance. The Series 2024 bonds also include events of default, mainly failure to pay or stay solvent.

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2024**

Note 5 - Long-Term Debt (continued)

Upon default, the lender may seek remedy by declaring all unpaid amounts immediately due and payable, and the bonds' interest rate increases to the sum of the lender's prime rate plus 2.00% or the maximum rate permitted by law. The following is a schedule of required reserve deposits as of September 30, 2024:

	<u>Reserve Requirement</u>	<u>Reserve Balance</u>
Series 2024 Water and Sewer Refunding Revenue Bond	\$ <u>779,062</u>	\$ <u>779,062</u>

Note 6 - Interfund Transactions

Interfund activity balances for the District as of and for the fiscal year ended September 30, 2024 are summarized as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental funds:		
General Fund	\$ 2,439,401	\$ 650
Nonmajor Funds	<u>10,835</u>	<u>297,149</u>
Governmental totals	<u>2,450,236</u>	<u>297,799</u>
Proprietary funds:		
Water and Sewer Fund	<u>-</u>	<u>2,152,437</u>
Proprietary totals	<u>-</u>	<u>2,152,437</u>
Totals	\$ <u>2,450,236</u>	\$ <u>2,450,236</u>

The amounts transferred into the general fund were for the Heron Bay land sale and additional tax revenues received. The amounts transferred into the 326 and 327 Capital Projects Fund were for reimbursement for capital projects.

Note 6 - Interfund Transactions (continued)

Due to/from Other Funds:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General Fund	\$ 833	\$ 815,946
Nonmajor Funds	<u>224,562</u>	<u>15,601</u>
Governmental totals	<u>225,395</u>	<u>831,547</u>
Proprietary funds:		
Water and Sewer Fund	<u>606,152</u>	<u>-</u>
Proprietary totals	<u>606,152</u>	<u>-</u>
Totals	\$ <u><u>831,547</u></u>	\$ <u><u>831,547</u></u>

Amounts due from the General Fund to the Debt Service Funds represent monies held for future bond payments. Amounts due from the General Fund to the Water and Sewer Fund represent monies owed for fees paid by the Water and Sewer Fund.

Advances to/from Other Funds:

	<u>Advance From</u>	<u>Advance To</u>
Governmental funds:		
220 Debt Service	\$ -	\$ 1,000,000
Governmental totals	<u>-</u>	<u>1,000,000</u>
Proprietary funds:		
Water and Sewer Fund	<u>1,000,000</u>	<u>-</u>
Proprietary totals	<u>1,000,000</u>	<u>-</u>
Total long term balances	\$ <u><u>1,000,000</u></u>	\$ <u><u>1,000,000</u></u>

Advances from the Water and Sewer Fund to the 220 Debt Service Fund represent deposits made for bond compliance. This amount is not expected to be repaid by the end of 2027.

Note 7 - Compensated Absences Payable

Employees of the District accumulate unused vacation time up to a specified number of hours, depending on the employee's length of employment. Accumulated vacation time can be redeemed in cash at retirement.

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2024**

Note 7 - Compensated Absences Payable (continued)

The following is a schedule of the changes in compensated absences of the Governmental Funds:

	Balance October 1, 2023	Increase	(Decrease)	Balance September 30, 2024	Due Within One Year
Compensated absences	\$ 81,763	\$ 51,711	\$ (70,889)	\$ 62,585	\$ 6,258
Total	\$ <u>81,763</u>	\$ <u>51,711</u>	\$ <u>(70,889)</u>	\$ <u>62,585</u>	\$ <u>6,258</u>

The following is a schedule of the changes in compensated absences of the Water and Sewer Fund:

	Balance October 1, 2023	Increase	(Decrease)	Balance September 30, 2024	Due Within One Year
Compensated absences	\$ 795,466	\$ 413,935	\$ (754,046)	\$ 455,355	\$ 45,535
Total	\$ <u>795,466</u>	\$ <u>413,935</u>	\$ <u>(754,046)</u>	\$ <u>455,355</u>	\$ <u>45,535</u>

Note 8 - Florida Retirement System

As provided by Chapters 121 and 112, Florida Statutes, the Florida Retirement System (“FRS”) provides two cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”) and a defined contribution pension plan (“Investment Plan”) (see Note 9). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments (“COLA”), and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (844) 377-1888 or by visiting the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Note 8 - Florida Retirement System (continued)

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of creditable service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of creditable service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary.

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service. Senior Management Service class members who retire at or after age 62 with at least six years of creditable service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service (3.33% for judges and justices) times their final average compensation based on the five highest years of salary for each year of creditable service.

For plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of creditable service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before August 1, 2011, the annual COLA is 3% percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year.

Note 8 - Florida Retirement System (continued)

The employer contribution rates by job class for the periods from October 1, 2023 through June 30, 2024 and from July 1, 2024 through September 30, 2024, respectively, were as follows: Regular - 13.57% and 13.63%; Special Risk Administrative Support - 39.82% and 39.82%; Special Risk - 32.67% and 32.79%; Senior Management Service - 34.52% and 34.52%; Elected Officers' - 58.68% and 58.68%; and DROP participants - 21.13% and 21.13%. These employer contribution rates include 2.00% HIS Plan subsidy for the period October 1, 2023 through September 30, 2024. During the year ended September 30, 2024, the District contributed \$ 662,262 to the Pension Plan.

HIS Plan:

Plan Description - The HIS Plan is a cost-sharing, multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$ 7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$ 45 and a maximum HIS payment of \$ 225 per month. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2024, the HIS contribution was 2.00%. The District contributed 100% of its statutorily required contributions for the current and preceding five years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled. During the year ended September 30, 2024, the District contributed \$ 97,201 to the HIS Plan.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2024, the District reported liabilities of \$ 4,716,241 for its proportionate share of the Pension Plan's net pension liability and \$ 1,648,947 for the HIS Plan's net pension liability for a total pension liability of \$ 6,365,188. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. At June 30, 2024, the District's proportionate share was .012191489 % for the Pension Plan and .010992261 % for the HIS Plan, which was an increase of .001417241 % and an increase of .001122139 % respectively, from the proportionate share measured as of June 30, 2023.

For the year ended September 30, 2024, the District recognized pension expense of \$ 839,116 for the Pension Plan and \$ 90,855 for the HIS Plan for a total pension expense of \$ 929,971. At September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2024**

Note 8 - Florida Retirement System (continued)

Description	Deferred Outflows of Resources		
	Pension Plan	HIS Plan	Total
Difference between expected and actual experience	\$ 476,467	\$ 15,922	\$ 492,389
Changes of assumptions	646,404	29,182	675,586
Changes in proportion and differences between District contributions and proportionate share of contributions	480,206	182,579	662,785
District contributions subsequent to the measurement date	<u>178,690</u>	<u>25,043</u>	<u>203,733</u>
Total	<u>\$ 1,781,767</u>	<u>\$ 252,726</u>	<u>\$ 2,034,493</u>

Description	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Difference between expected and actual experience	\$ -	\$ 3,166	\$ 3,166
Changes of assumptions	-	195,214	195,214
Net difference between projected and actual earnings on pension plan investments	313,466	596	314,062
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>20,509</u>	<u>48,650</u>	<u>69,159</u>
Total	<u>\$ 333,975</u>	<u>\$ 247,626</u>	<u>\$ 581,601</u>

Note 8 - Florida Retirement System (continued)

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 subsequent reporting period ending September 30, 2025. The amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Plan will be recognized in pension expense as follows:

Year Ended September 30,	Employer share of deferred Outflow/ Inflow		
	Pension Plan	HIS Plan	Total
2025	\$ 40,769	\$ (6,585)	\$ 34,184
2026	906,457	(8,554)	897,903
2027	163,899	(15,833)	148,066
2028	89,674	(4,054)	85,620
2029	68,303	10,970	79,273
Thereafter	-	4,113	4,113

Actuarial Assumptions - The Florida Retirement System Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of both pension plans pursuant to section 216.136 (10), Florida Statutes. The Pension Plan’s valuation is performed annually. The HIS Plan has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the Pension Plan was completed in 2019 for the period July 1, 2013 through June 30, 2018. Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the Pension Plan. The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Pension Plan	HIS Plan
Inflation	2.40%	2.40%
Salary increase	3.50%, average, including inflation	3.50%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation	N/A
Actuarial cost method	Individual entry age	Individual entry age
Mortality table	PUB-2010 with Projection Scale MP-2021	PUB-2010 with Projection Scale MP-2021

Long-term Expected Rate of Return - The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

Note 8 - Florida Retirement System (continued)

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate property	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
Total	<u>100%</u>			
Assumed Inflation - Mean			2.4%	1.5%

(1) As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 6.70% for the Pension Plan. The Pension Plan's 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.

The discount rate used to measure the total pension liability was 3.93% for the HIS Plan. In general, the discount rate for calculating the HIS Plan's total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 3.93% was used to determine the total pension liability. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following table presents the sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis below shows the impact to the District's proportionate share of the net pension liability if the discount rate was one percentage-point lower or one percentage-point higher than the current discount rate at June 30, 2024:

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
District's proportionate share of the net pension liability for Pension Plan	\$ <u>8,295,703</u>	\$ <u>4,716,241</u>	\$ <u>1,717,683</u>

Note 8 - Florida Retirement System (continued)

	<u>1% Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
District's proportionate share of the net pension liability for HIS Plan	\$ <u>1,877,114</u>	\$ <u>1,648,947</u>	\$ <u>1,459,531</u>

Note 9 - Defined Contribution Plans

Section 457(b) Plan

The District has a money purchase contribution plan qualified under Section 457(b) of the Internal Revenue Code. The plan is administered by an independent trustee. No contributions are made by the District to this plan.

Investment Plan

The District offers to its employees a defined contribution pension plan, as a part of the Florida Retirement System (Note 8). The SBA administered the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Defined Benefit Plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members' accounts, are defined by law, but the ultimate benefit depends, in part, on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates, based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 % of payroll and by forfeited benefits of plan members. Allocations to the investment members' accounts during the 2023-2024 fiscal year, as established by Section 121.72, Florida Statutes, are based on percentage of gross compensation, by class, as follows:

<u>Class</u>	<u>Allocated Rate</u>
Elected Officials	16.34%
Senior Management	12.67%
Special Risk	19.00%
Regular Employees	11.30%

Note 9 - Defined Contribution Plans (continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan vesting is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on these funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his or her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2024, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's pension expense for the Investment Plan totaled \$ 183,366 for the year ended September 30, 2024.

Note 10 - Other Post-Employment Benefits

Plan description: The District provides post-employment health insurance benefits, also known as other post-employment benefits ("OPEB") to its retired employees through a single-employer plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District or its major component unit and eligible dependents may continue to participate in the District's fully-insured benefit plan for medical insurance coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided until the retiree's attainment of age 62 (or until such time at which retiree discontinues coverage under the District sponsored plans, if earlier). There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and as a result, there is no separate financial report issued.

Funding policy: Currently, the District's OPEB benefits are unfunded. That is, the District has not determined if a separate Trust Fund or equivalent arrangement will be established into which the District would make contributions to advance-fund the obligation. Current and future retirees will be required to pay 100% of the blended premium to continue coverage under the District's group health insurance program.

Note 10 - Other Post-Employment Benefits (continued)

The following table provides a summary of the number of participants in the plan as of the measurement date:

Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	51
Total plan members	54

Actuarial methods and assumptions: The actuarial valuation of the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the District and plan members) and include the types of benefits in force at the valuation date. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The total OPEB liability at September 30, 2024 was based on an actuarial valuation dated October 1, 2022 with a measurement date of September 30, 2023 using the following actuarial assumptions:

Discount Rate	4.91%
Salary Increases	3.00%
Retirement Age	Earlier of any age with at least 30 years of service or age 62 with at least 6 years of service
Mortality	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general employees with full generational improvements in mortality using Scale MP-2020
Healthcare Cost Trend Rates	Trend rates for 2023 assumed to be 7.50%, graded down by 0.50% per year, decreasing to an ultimate trend rate of 5.00% for the 2027/28 and later fiscal years
Aging Factors	Healthcare costs are assumed to increase at the rate of 3.50% for each year of age

Since the prior measurement date, the discount rate was increased from 4.77% per annum to 4.91% per annum, and the implied monthly subsidy at age 62 was decreased from \$ 486 to \$ 475.

Discount rate: The discount rate used to measure the total OPEB liability at September 30, 2023 was 4.91%. Because the District’s OPEB costs are funded on a pay-as-you-go funding structure, the discount rate was based on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.

Note 10 - Other Post-Employment Benefits (continued)

Total OPEB liability of the District: The components of the District’s net OPEB liability at September 30, 2024 are as follows:

Total OPEB liability	\$ 700,167
OPEB Plan fiduciary net position	<u>-</u>
District's net OPEB liability	<u>\$ 700,167</u>
OPEB Plan fiduciary net position as a percentage of total OPEB liability	<u>0.00%</u>

Changes in Total OPEB Liability

Measurement year ended September 30, 2023

Total OPEB liability:	
Service cost	\$ 59,818
Interest on total OPEB liability	35,048
Demographic experience	(16,973)
Benefit payments	(10,175)
Assumption changes	<u>(26,573)</u>
Net change in total OPEB liability	41,145
Total OPEB liability, beginning	<u>659,022</u>
Total OPEB liability, ending	<u>\$ 700,167</u>

Sensitivity of net OPEB liability to changes in the discount rate: The following table presents the total OPEB liability, calculated using a discount rate of 4.91%, 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 or one percentage-point higher than the current discount rate:

	1% Decrease (3.91%)	Current Discount Rate (4.91%)	1% Increase (5.91%)
Total OPEB liability	\$ <u>765,062</u>	\$ <u>700,167</u>	\$ <u>641,700</u>

Sensitivity of net OPEB liability to changes in the healthcare cost trends rate: The following table presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower or one percentage-point higher than the current trend rate:

	1% Trend Decrease 6.50% Decreasing to 4.00%	Trend Rate Assumption 7.50% Decreasing to 5.00%	1% Trend Increase 8.50% Decreasing to 6.00%
Total OPEB liability	\$ <u>615,997</u>	\$ <u>700,167</u>	\$ <u>800,126</u>

Note 10 - Other Post-Employment Benefits (continued)

OPEB expense and deferred outflows and deferred inflows of resources related to OPEB: For the year ended September 30, 2024, the District recognized OPEB expense of \$ 29,996. At September 30, 2024, the District has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	\$ 101,655	\$ 307,406
Demographic experience	-	247,963
Total	\$ 101,655	\$ 555,369

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,	
2025	\$ (54,695)
2026	(54,695)
2027	(54,695)
2028	(54,695)
2029	(54,695)
Thereafter	<u>(180,239)</u>
	\$ <u>(453,714)</u>

Note 11 - Risk Management

The District 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 District carries commercial insurance.

Claims, expenditures and liabilities would have been reported if it were probable that a loss in excess of policy limits had occurred and the amount of that loss could be reasonably estimated.

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2024**

Note 12 - Adjustments and Restatements of Beginning Balance

For the fiscal year ended September 30, 2024, the District had a change within the financial reporting entity that resulted in an adjustment to beginning fund balances as follows:

	Funds	
	325 Capital Projects	Nonmajor Governmental Funds
September 30, 2023, as previously reported	\$ 29,113	\$ 7,228,633
Change from major to nonmajor fund	<u>(29,113)</u>	<u>29,113</u>
September 30, 2023, as adjusted	<u>\$ -</u>	<u>\$ 7,257,746</u>

During the year ended September 30, 2024, the District discovered an error made in the prior year related to the recording of the sale of land from the Water and Sewer Fund. The District originally reported that all of the land was sold as part of that transaction, however 3.78 acres remained under the ownership of the District and should have been reported on the statement of net position. The related gain on sale reported in the 2023 financial statements should have been \$520,497 more than originally reported. Therefore, business-type activities and the Water and Sewer Fund’s net position and assets held for sale were understated by \$ 520,497 for the fiscal year ended September 30, 2023.

In addition, the District discovered three capital assets, one building and two infrastructure assets, within the business-type activities attributable to the Water and Sewer Fund who’s depreciation expense was understated since the assets were placed in service during the year ended September 30, 2021. As such, business-type activities and the Water and Sewer Fund’s net position were overstated by \$ 300,295 for the fiscal year ended September 30, 2023, and the business-type activities and the Water and Sewer Fund’s change in net position were overstated by \$ 100,098 for the fiscal year ended September 30, 2023.

Had the errors not occurred, the change in net position of the business-type activities and the Water and Sewer Fund would have been \$13,047,261 instead of \$ 12,626,862, as reported. As a result of the above, restatements to beginning net position and fund net position are as follows:

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2024**

Note 12 - Adjustments and Restatements of Beginning Balance (continued)

	<u>9/30/2023 As Previously Reported</u>	<u>Land Held For Resale</u>	<u>Accumulated Depreciation</u>	<u>9/30/2023 As Restated</u>
Governmental Activities Net Position	\$ <u>74,833,792</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>74,833,792</u>
Business-Type Activities Net Position	\$ <u>115,878,587</u>	\$ <u>520,497</u>	\$ <u>(300,295)</u>	\$ <u>116,098,789</u>
Total Governmental Funds Balances	\$ <u>16,566,391</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>16,566,391</u>
Proprietary Fund - Water and Sewer Fund	\$ <u>115,878,587</u>	\$ <u>520,497</u>	\$ <u>(300,295)</u>	\$ <u>116,098,789</u>

Additionally, the restatements had the following impact on the prior year's respective changes in net position and fund balances:

	<u>9/30/2023 As Previously Reported</u>	<u>Land Held For Resale</u>	<u>Depreciation Expense</u>	<u>9/30/2023 As Restated</u>
Governmental Activities Change in Net Position	\$ <u>6,488,632</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6,488,632</u>
Business-Type Activities Change in Net Position	\$ <u>12,626,862</u>	\$ <u>520,497</u>	\$ <u>(100,098)</u>	\$ <u>13,047,261</u>
Total Governmental Funds Change in Fund Balances	\$ <u>(7,790,568)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(7,790,568)</u>
Proprietary Fund - Water and Sewer Fund Change in Net Position	\$ <u>12,626,862</u>	\$ <u>520,497</u>	\$ <u>(100,098)</u>	\$ <u>13,047,261</u>

REQUIRED SUPPLEMENTARY
INFORMATION

**North Springs Improvement District
Schedule of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual - General Fund
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ 3,607,342	\$ 3,607,342	\$ 3,680,215	\$ 72,873
Permit fees	5,000	5,000	33,121	28,121
Investment earnings	-	-	264,379	264,379
Miscellaneous revenues	11,000	11,000	33,760	22,760
Total revenues	3,623,342	3,623,342	4,011,475	388,133
Expenditures:				
Current:				
General government:				
Personnel	400,340	400,340	267,205	133,135
Operating	348,840	348,840	327,985	20,855
Physical environment:				
Personnel	990,500	990,500	753,029	237,471
Operating	1,510,600	1,510,600	1,231,053	279,547
Capital outlay	10,324,670	10,324,670	2,930,044	7,394,626
Allocation of fund balance	48,392	48,392	-	48,392
Total expenditures	13,623,342	13,623,342	5,509,316	8,114,026
Excess (deficiency) of revenues over (under) expenditures	<u>(10,000,000)</u>	<u>(10,000,000)</u>	<u>(1,497,841)</u>	<u>8,502,159</u>
Other Financing Sources (Uses):				
Transfers in	10,000,000	10,000,000	2,439,401	(7,560,599)
Transfers out	-	-	(650)	(650)
Total other financing sources, net	10,000,000	10,000,000	2,438,751	(7,561,249)
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	940,910	\$ <u>940,910</u>
Fund Balance, Beginning			<u>5,889,619</u>	
Fund Balance, Ending			<u>\$ 6,830,529</u>	

**North Springs Improvement District
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Seven Years* (Unaudited)**

Fiscal Year: Measurement Date:	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017
Total OPEB liability							
Service cost	\$ 59,818	\$ 63,309	\$ 85,021	\$ 94,028	\$ 92,582	\$ 98,252	\$ 72,330
Interest	35,048	36,687	21,340	17,335	29,166	30,051	23,889
Demographic experience	(16,973)	5,511	(15,342)	(133,309)	(69,402)	(176,505)	-
Benefit payments and refunds	(10,175)	(8,832)	(8,033)	(8,348)	(2,197)	(8,639)	(10,691)
Assumption changes	(26,573)	(147,829)	(169,981)	107,317	(53,197)	48,437	-
Net change in total OPEB liability	41,145	(51,154)	(86,995)	77,023	(3,048)	(8,404)	85,528
Total OPEB liability - beginning	659,022	710,176	797,171	720,148	723,196	731,600	646,072
Total OPEB liability - ending	<u>\$ 700,167</u>	<u>\$ 659,022</u>	<u>\$ 710,176</u>	<u>\$ 797,171</u>	<u>\$ 720,148</u>	<u>\$ 723,196</u>	<u>\$ 731,600</u>
Covered-employee payroll	\$ 3,733,469	\$ 3,576,675	\$ 3,281,830	\$ 2,905,811	\$ 3,246,531	\$ 3,310,583	\$ 2,929,916
Total OPEB liability as a percentage of covered-employee payroll	18.75%	18.43%	21.6%	27.4%	22.2%	21.8%	25.0%

Notes to Schedule:

* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Plan Assets. No assets are accumulated in a trust that meets all of the criteria of GASB No. 75, paragraph 4, to pay benefits.

**North Springs Improvement District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of
 Net Pension Liability
 Florida Retirement System
 Last Nine Fiscal Years* (Unaudited)**

Fiscal Year: Measurement Year:	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016
The District's proportion of the net pension liability	0.012191489%	0.010774248%	0.010660042%	0.01002481%	0.00990476%	0.01043249%	0.01016063%	0.00936699%	0.00698971%
The District's proportionate share of the net pension liability	\$ 4,716,241	\$ 4,293,197	\$ 3,966,392	\$ 757,260	\$ 4,292,868	\$ 3,592,804	\$ 3,060,436	\$ 2,770,692	\$ 1,764,907
The District's covered payroll	\$ 3,669,627	\$ 3,058,629	\$ 2,933,681	\$ 2,749,087	\$ 2,883,887	\$ 2,938,618	\$ 3,041,839	\$ 2,828,795	\$ 2,511,615
The District's proportionate share of the net pension liability as a percentage of its covered payroll	128.52%	140.36%	135.20%	27.55%	148.86%	122.26%	100.61%	97.95%	70.27%
Plan fiduciary net position as a percentage of total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

**North Springs Improvement District
Required Supplementary Information
Schedule of the District's Proportionate Share of
Net Pension Liability
Health Insurance Subsidy Program
Last Nine Fiscal Years* (Unaudited)**

Fiscal Year: Measurement Year:	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016
The District's proportion of the net pension liability	0.010992261%	0.009870122%	0.010161448%	0.00975036%	0.01004054%	0.01026268%	0.01065483%	0.01042309%	0.00942846%
The District's proportionate share of the net pension liability	\$ 1,648,947	\$ 1,567,507	\$ 1,076,260	\$ 1,196,029	\$ 1,225,933	\$ 1,148,291	\$ 1,127,719	\$ 1,114,485	\$ 1,098,848
The District's covered payroll	\$ 4,652,060	\$ 3,910,282	\$ 3,705,069	\$ 3,451,848	\$ 3,470,776	\$ 3,442,235	\$ 3,459,191	\$ 3,322,331	\$ 2,910,629
The District's proportionate share of the net pension liability as a percentage of its covered payroll	35.45%	40.09%	29.05%	34.65%	35.32%	33.36%	32.60%	33.55%	37.75%
Plan fiduciary net position as a percentage of total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

**North Springs Improvement District
 Required Supplementary Information
 Schedule of the District's Contributions
 Florida Retirement System
 Last Nine Fiscal Years* (Unaudited)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 662,262	\$ 478,672	\$ 409,782	\$ 353,575	\$ 297,041	\$ 291,939	\$ 262,736	\$ 230,724	\$ 181,314
Contributions in related to the contractually required contribution	<u>(662,262)</u>	<u>(478,672)</u>	<u>(409,782)</u>	<u>(353,575)</u>	<u>(297,041)</u>	<u>(291,939)</u>	<u>(262,736)</u>	<u>(230,724)</u>	<u>(181,314)</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
The District's covered payroll	\$ 3,827,986	\$ 3,085,092	\$ 2,968,295	\$ 2,864,656	\$ 2,883,887	\$ 2,938,618	\$ 3,041,839	\$ 2,934,026	\$ 2,726,099
Contributions as a percentage of covered payroll	17.30%	15.52%	13.81%	12.34%	10.30%	9.93%	8.64%	7.86%	6.65%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

**North Springs Improvement District
 Required Supplementary Information
 Schedule of the District's Contributions
 Health Insurance Subsidy Program
 Last Nine Fiscal Years* (Unaudited)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 97,201	\$ 69,061	\$ 62,412	\$ 60,223	\$ 57,615	\$ 57,141	\$ 57,423	\$ 56,791	\$ 52,491
Contributions in related to the contractually required contribution	<u>(97,201)</u>	<u>(69,061)</u>	<u>(62,412)</u>	<u>(60,223)</u>	<u>(57,615)</u>	<u>(57,141)</u>	<u>(57,423)</u>	<u>(56,791)</u>	<u>(52,491)</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
The District's covered payroll	\$ 4,860,063	\$ 3,946,507	\$ 3,759,766	\$ 3,627,875	\$ 3,470,776	\$ 3,442,235	\$ 3,459,191	\$ 3,421,121	\$ 3,161,389
Contributions as a percentage of covered payroll	2.00%	1.75%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

OTHER
FINANCIAL INFORMATION

North Springs Improvement District

Nonmajor Governmental Funds Overview

Debt Service Funds:

2014A-1 Debt Service Fund (213 Debt Service) - The 2014A-1 Debt Service Fund accounted for debt service requirements for the District's Outstanding Special Assessment Bonds, Series 2014A-1.

2014A-2 Debt Service Fund (214 Debt Service) - The 2014A-2 Debt Service Fund accounted for debt service requirements for the District's Outstanding Water Management Bonds, Series 2014A-2.

2014B-1 Debt Service Fund (215 Debt Service) - The 2014B-1 Debt Service Fund accounted for debt service requirements for the District's Outstanding Special Assessment Bonds, Series 2014B-1.

2014B-2 Debt Service Fund (216 Debt Service) - The 2014B-2 Debt Service Fund accounted for debt service requirements for the District's Outstanding Water Management Bonds, Series 2014B-2.

2014 Debt Service Fund (217 Debt Service) - The 2014 Debt Service Fund accounts for debt service requirements for the District's outstanding Water Management Bond, Series 2014.

2015 Debt Service Fund (218 Debt Service) - The 2015 Debt Service Fund accounts for debt service requirements for the District's outstanding Water Management Bond, Series 2015.

2016 Debt Service Fund (220 Debt Service) - The 2016 Debt Service Fund accounts for debt service requirements for the District's outstanding Special Assessment Bond, Series 2016.

2017 Debt Service Fund (221 Debt Service) - The 2017 Debt Service Fund accounts for debt service requirements for the District's outstanding Water Management Bond, Series 2017.

2017 Debt Service Fund (222 Debt Service) - The 2017 Debt Service Fund accounts for debt service requirements for the District's outstanding Special Assessment Bond, Series 2017.

2018 Debt Service Fund (223 Debt Service) - The 2018 Debt Service Fund accounts for debt service requirements for the District's outstanding Special Assessment Bond, Series 2018.

2018 Debt Service Fund (224 Debt Service) - The 2018 Debt Service Fund accounts for debt service requirements for the District's outstanding Water Management Bond, Series 2018.

Parkland Bay Area Debt Service Fund (225 Debt Service) - The Parkland Bay Area Debt Service Fund accounts for debt service requirements for the District's Special Assessment Bond, Series 2018.

2021-1 Heron Bay Water Management Debt Service Fund (226 Debt Service) - The Heron Bay Water Management Debt Service Fund accounts for debt service requirements for the District's outstanding Water Management Bond, Series 2021-1.

North Springs Improvement District
Nonmajor Governmental Funds Overview
(Continued)

Capital Projects Funds:

2016 Parkland Golf and Country Club Renewal and Replacement Capital Projects Fund (318 Capital Projects) - 2016 Parkland Golf and Country Club Renewal and Replacement Capital Projects Fund accounts for the renewal and replacement of infrastructure improvements within the boundaries of Parkland Golf and Country Club.

2018-2 Capital Projects Fund (325 Capital Projects) - The 2018-2 Capital Projects Fund accounts for the construction of infrastructure improvements within the boundaries of Parkland Bay Area.

2021-1 Capital Projects Fund (326 Capital Projects) – The 2021-1 Capital Projects Fund accounts for the construction of a stormwater preserve and the trail on Heron Bay golf course.

2021-2 Capital Projects Fund (327 Capital Projects) – The 2021-2 Capital Projects Fund accounts for the construction of a stormwater preserve and the trail on Heron Bay golf course.

North Springs Improvement District
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2024

	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 1,017,043	\$ -	\$ 1,017,043
Due from other funds	224,562	-	224,562
Restricted investments	<u>6,245,887</u>	<u>966,292</u>	<u>7,212,179</u>
Total Assets	\$ <u><u>7,487,492</u></u>	\$ <u><u>966,292</u></u>	\$ <u><u>8,453,784</u></u>
Liabilities:			
Due to other funds	\$ 4,041	\$ 11,560	\$ 15,601
Advance from other fund	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total liabilities	<u><u>1,004,041</u></u>	<u><u>11,560</u></u>	<u><u>1,015,601</u></u>
Fund Balances:			
Restricted for:			
Debt service	6,483,451	-	6,483,451
Capital projects	<u>-</u>	<u>954,732</u>	<u>954,732</u>
Total fund balances	<u><u>6,483,451</u></u>	<u><u>954,732</u></u>	<u><u>7,438,183</u></u>
Total Liabilities and Fund Balances	\$ <u><u>7,487,492</u></u>	\$ <u><u>966,292</u></u>	\$ <u><u>8,453,784</u></u>

North Springs Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Special assessments	\$ 7,556,202	\$ -	\$ 7,556,202
Investment earnings	385,527	50,218	435,745
Total revenues	<u>7,941,729</u>	<u>50,218</u>	<u>7,991,947</u>
Expenditures:			
Capital outlay	-	62,893	62,893
Debt service:			
Principal	3,270,000	-	3,270,000
Interest	4,121,964	-	4,121,964
Other fiscal charges	70,339	-	70,339
Total expenditures	<u>7,462,303</u>	<u>62,893</u>	<u>7,525,196</u>
Excess (deficiency) of revenues over (under) expenditures	<u>479,426</u>	<u>(12,675)</u>	<u>466,751</u>
Other Financing Sources (Uses):			
Transfers in	650	10,185	10,835
Transfers out	(297,149)	-	(297,149)
Total other financing sources (uses), net	<u>(296,499)</u>	<u>10,185</u>	<u>(286,314)</u>
Net change in fund balances	<u>182,927</u>	<u>(2,490)</u>	<u>180,437</u>
Fund Balances, Beginning, as Previously Presented	6,300,524	928,109	7,228,633
Change Within Financial Reporting Entity (Note 12)	<u>-</u>	<u>29,113</u>	<u>29,113</u>
Fund Balances, Beginning, as Adjusted	<u>6,300,524</u>	<u>957,222</u>	<u>7,257,746</u>
Fund Balances, Ending	<u>\$ 6,483,451</u>	<u>\$ 954,732</u>	<u>\$ 7,438,183</u>

North Springs Improvement District
Combining Balance Sheet - Nonmajor Debt Service Funds
September 30, 2024

	<u>213</u> <u>Debt</u> <u>Service</u>	<u>214</u> <u>Debt</u> <u>Service</u>	<u>215</u> <u>Debt</u> <u>Service</u>	<u>216</u> <u>Debt</u> <u>Service</u>	<u>217</u> <u>Debt</u> <u>Service</u>	<u>218</u> <u>Debt</u> <u>Service</u>
Assets:						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-
Restricted investments	<u>393,815</u>	<u>675,257</u>	<u>309,343</u>	<u>511,233</u>	<u>-</u>	<u>469,968</u>
Total Assets	<u>\$ 393,815</u>	<u>\$ 675,257</u>	<u>\$ 309,343</u>	<u>\$ 511,233</u>	<u>\$ -</u>	<u>\$ 469,968</u>
Liabilities:						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advance from other fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Restricted for:						
Debt service	<u>393,815</u>	<u>675,257</u>	<u>309,343</u>	<u>511,233</u>	<u>-</u>	<u>469,968</u>
Total fund balances	<u>393,815</u>	<u>675,257</u>	<u>309,343</u>	<u>511,233</u>	<u>-</u>	<u>469,968</u>
Total Liabilities and Fund Balances	<u>\$ 393,815</u>	<u>\$ 675,257</u>	<u>\$ 309,343</u>	<u>\$ 511,233</u>	<u>\$ -</u>	<u>\$ 469,968</u>

220 Debt Service	221 Debt Service	222 Debt Service	223 Debt Service	224 Debt Service	225 Debt Service	226 Debt Service	Total Nonmajor Debt Service Funds
\$ 1,017,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,017,043
186,946	-	25,908	-	-	11,708	-	224,562
<u>506,412</u>	<u>529,258</u>	<u>634,087</u>	<u>149,608</u>	<u>797,952</u>	<u>497,130</u>	<u>771,824</u>	<u>6,245,887</u>
<u>\$ 1,710,401</u>	<u>\$ 529,258</u>	<u>\$ 659,995</u>	<u>\$ 149,608</u>	<u>\$ 797,952</u>	<u>\$ 508,838</u>	<u>\$ 771,824</u>	<u>\$ 7,487,492</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,041	\$ -	\$ -	\$ 4,041
<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,041</u>	<u>-</u>	<u>-</u>	<u>1,004,041</u>
<u>710,401</u>	<u>529,258</u>	<u>659,995</u>	<u>149,608</u>	<u>793,911</u>	<u>508,838</u>	<u>771,824</u>	<u>6,483,451</u>
<u>710,401</u>	<u>529,258</u>	<u>659,995</u>	<u>149,608</u>	<u>793,911</u>	<u>508,838</u>	<u>771,824</u>	<u>6,483,451</u>
<u>\$ 1,710,401</u>	<u>\$ 529,258</u>	<u>\$ 659,995</u>	<u>\$ 149,608</u>	<u>\$ 797,952</u>	<u>\$ 508,838</u>	<u>\$ 771,824</u>	<u>\$ 7,487,492</u>

North Springs Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Debt Service Funds
For the Year Ended September 30, 2024

	213	214	215	216	217	218
	Debt	Debt	Debt	Debt	Debt	Debt
	Service	Service	Service	Service	Service	Service
Revenues:						
Special assessments	\$ 559,657	\$ 515,937	\$ 426,795	\$ 407,883	\$ 758,419	\$ 516,978
Investment earnings	24,646	34,444	19,046	26,103	21,507	28,781
Total revenues	<u>584,303</u>	<u>550,381</u>	<u>445,841</u>	<u>433,986</u>	<u>779,926</u>	<u>545,759</u>
Expenditures:						
Debt service:						
Principal	285,000	-	210,000	-	730,000	350,000
Interest	267,188	501,150	205,181	398,163	21,894	156,240
Other fiscal charges	4,932	4,933	4,934	4,931	5,556	4,906
Total expenditures	<u>557,120</u>	<u>506,083</u>	<u>420,115</u>	<u>403,094</u>	<u>757,450</u>	<u>511,146</u>
Excess of revenues over expenditures	<u>27,183</u>	<u>44,298</u>	<u>25,726</u>	<u>30,892</u>	<u>22,476</u>	<u>34,613</u>
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	650	-
Transfers out	-	-	-	-	(286,964)	-
Total other financing uses, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(286,314)</u>	<u>-</u>
Net change in fund balances	27,183	44,298	25,726	30,892	(263,838)	34,613
Fund Balances, Beginning	<u>366,632</u>	<u>630,959</u>	<u>283,617</u>	<u>480,341</u>	<u>263,838</u>	<u>435,355</u>
Fund Balances, Ending	<u>\$ 393,815</u>	<u>\$ 675,257</u>	<u>\$ 309,343</u>	<u>\$ 511,233</u>	<u>\$ -</u>	<u>\$ 469,968</u>

<u>220 Debt Service</u>	<u>221 Debt Service</u>	<u>222 Debt Service</u>	<u>223 Debt Service</u>	<u>224 Debt Service</u>	<u>225 Debt Service</u>	<u>226 Debt Service</u>	<u>Total Nonmajor Debt Service Funds</u>
\$ 434,243	\$ 448,728	\$ 692,970	\$ 252,388	\$ 411,406	\$ 556,437	\$ 1,574,361	\$ 7,556,202
<u>30,260</u>	<u>26,853</u>	<u>36,671</u>	<u>9,794</u>	<u>42,835</u>	<u>31,194</u>	<u>53,393</u>	<u>385,527</u>
<u>464,503</u>	<u>475,581</u>	<u>729,641</u>	<u>262,182</u>	<u>454,241</u>	<u>587,631</u>	<u>1,627,754</u>	<u>7,941,729</u>
345,000	-	340,000	125,000	30,000	270,000	585,000	3,270,000
39,024	435,500	337,750	121,718	402,000	280,663	955,493	4,121,964
4,598	5,955	5,955	5,956	5,690	6,156	5,837	70,339
<u>388,622</u>	<u>441,455</u>	<u>683,705</u>	<u>252,674</u>	<u>437,690</u>	<u>556,819</u>	<u>1,546,330</u>	<u>7,462,303</u>
<u>75,881</u>	<u>34,126</u>	<u>45,936</u>	<u>9,508</u>	<u>16,551</u>	<u>30,812</u>	<u>81,424</u>	<u>479,426</u>
-	-	-	-	-	-	-	650
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,185)</u>	<u>(297,149)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,185)</u>	<u>(296,499)</u>
75,881	34,126	45,936	9,508	16,551	30,812	71,239	182,927
<u>634,520</u>	<u>495,132</u>	<u>614,059</u>	<u>140,100</u>	<u>777,360</u>	<u>478,026</u>	<u>700,585</u>	<u>6,300,524</u>
<u>\$ 710,401</u>	<u>\$ 529,258</u>	<u>\$ 659,995</u>	<u>\$ 149,608</u>	<u>\$ 793,911</u>	<u>\$ 508,838</u>	<u>\$ 771,824</u>	<u>\$ 6,483,451</u>

**North Springs Improvement District
Combining Balance Sheet - Nonmajor Capital Projects Funds
September 30, 2024**

	318 Capital Projects	325 Capital Projects	326 Capital Projects	327 Capital Projects	Total Nonmajor Capital Projects Funds
Assets:					
Restricted investments	\$ <u>925,974</u>	\$ <u>30,687</u>	\$ <u>5,510</u>	\$ <u>4,121</u>	\$ <u>966,292</u>
Total Assets	\$ <u><u>925,974</u></u>	\$ <u><u>30,687</u></u>	\$ <u><u>5,510</u></u>	\$ <u><u>4,121</u></u>	\$ <u><u>966,292</u></u>
Liabilities:					
Due to other funds	\$ <u>11,560</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>11,560</u>
Total liabilities	<u>11,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,560</u>
Fund Balances:					
Restricted for: Capital projects	<u>914,414</u>	<u>30,687</u>	<u>5,510</u>	<u>4,121</u>	<u>954,732</u>
Total fund balances	<u>914,414</u>	<u>30,687</u>	<u>5,510</u>	<u>4,121</u>	<u>954,732</u>
Total Liabilities and Fund Balances	\$ <u><u>925,974</u></u>	\$ <u><u>30,687</u></u>	\$ <u><u>5,510</u></u>	\$ <u><u>4,121</u></u>	\$ <u><u>966,292</u></u>

**North Springs Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2024**

	<u>318 Capital Projects</u>	<u>325 Capital Projects</u>	<u>326 Capital Projects</u>	<u>327 Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:					
Investment earnings	\$ 45,845	\$ 1,574	\$ 122	\$ 2,677	\$ 50,218
Total revenues	<u>45,845</u>	<u>1,574</u>	<u>122</u>	<u>2,677</u>	<u>50,218</u>
Expenditures:					
Capital outlay	<u>59,540</u>	<u>-</u>	<u>1,107</u>	<u>2,246</u>	<u>62,893</u>
Total expenditures	<u>59,540</u>	<u>-</u>	<u>1,107</u>	<u>2,246</u>	<u>62,893</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,695)</u>	<u>1,574</u>	<u>(985)</u>	<u>431</u>	<u>(12,675)</u>
Other Financing Sources:					
Transfers in	<u>-</u>	<u>-</u>	<u>6,495</u>	<u>3,690</u>	<u>10,185</u>
Net change in fund balances	<u>(13,695)</u>	<u>1,574</u>	<u>5,510</u>	<u>4,121</u>	<u>(2,490)</u>
Fund Balances, Beginning, as Previously Presented	928,109	-	-	-	928,109
Change Within Financial Reporting Entity (Note 12)	<u>-</u>	<u>29,113</u>	<u>-</u>	<u>-</u>	<u>29,113</u>
Fund Balances, Beginning as Adjusted	<u>928,109</u>	<u>29,113</u>	<u>-</u>	<u>-</u>	<u>957,222</u>
Fund Balances, Ending	<u>\$ 914,414</u>	<u>\$ 30,687</u>	<u>\$ 5,510</u>	<u>\$ 4,121</u>	<u>\$ 954,732</u>

OTHER REPORTS OF
INDEPENDENT AUDITORS

**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***

The Board of Supervisors
North Springs Improvement 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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Springs Improvement District (the "District"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 16, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as 2024-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-002 to be a significant deficiency.

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Report on Compliance and Other Matters

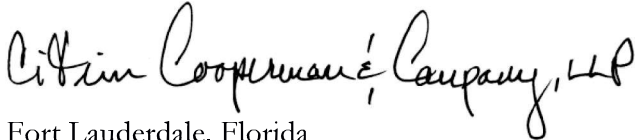
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The District's responses were 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 results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fort Lauderdale, Florida
May 16, 2025

MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

The Board of Supervisors
North Springs Improvement District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the North Springs Improvement District (the "District"), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 16, 2025. Our report includes an emphasis of matter paragraph for an error correction related to capital assets, and land held for sale, our opinions were not modified with respect to this matter.

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 May 16, 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 taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial 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. North Springs Improvement District was established under the laws of the State of Florida in Chapter 70-617, as amended. The District does not have any component units.

Financial Condition and Management

Sections 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 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 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 District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the 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. Please see the accompanying schedule of findings and responses in connection with our audit.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the District a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did operate within the District's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the District, a list of all program administrators and third-party administrators that administered the program. A list of program and third-party administrators can be found here:

- <https://www.broward.org/Sustainability/Pages/PACE.aspx>

As required by Section 10.554(1)(i)6.c., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the District, the full names and contact information of each such program administrator and third-party administrator. The full names and contact information for such program and third-party administrators can be found here:

- https://www.broward.org/Sustainability/Documents/PACEProviderList_2025.pdf

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Sections 10.554(1)(i)6 and 10.554(1)(i)7, *Rules of the Auditor General*, the District reported the specific information in Exhibit 1 accompanying this report. The information for compliance with Section 218.39(3)(c), Florida Statutes and Sections 10.554(1)(i)6 and 10.554(1)(i)7, *Rules of the Auditor General*, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Monthly Financial Statements

Sections 10.554(1)(i)9.a. and 10.556(9), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its website. In connection with our audit, we determined that the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its website.

Transparency

Sections 10.554(1)(i)9.b. and 10.556(9), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether the District provided a link on its website to the Florida Department of Financial Service's website to view the District's annual financial report submitted to the Department. In connection with our audit, we determined that the District provided a link on its website to the Florida Department of Financial Service's website.

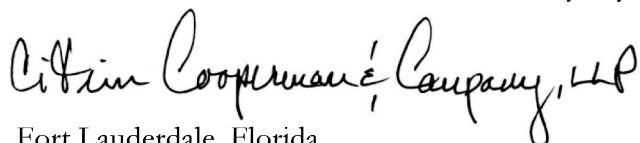
Sections 10.554(1)(i)9.c. and 10.556(9), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether the District posted its tentative and final budgets on its website. In connection with our audit, we determined that the District posted its tentative and final budgets on its website.

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 is likely to have occurred, that have an effect on the financial statements that is less than material but 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.



Fort Lauderdale, Florida
May 16, 2025

North Springs Improvement District

Exhibit 1

Data Elements Required By Section 218.39(3)(c), Florida Statutes and Sections 10.554(1)(i)6 and 10.554(1)(i)7, Rules of the Auditor General (Unaudited)

Data Element	Comments
Number of district employees compensated at 9/30/2024	60
Number of independent contractors compensated at September 2024	50
Employee compensation for FYE 9/30/2024 (paid/accrued)	\$4,613,403
Independent contractor compensation for FYE 9/30/2024 (paid/accrued)	\$2,456,092
Each construction project to begin on or after October 1; (>\$65K)	7
Outdoor Kitchen	\$147,288
Task Order 0623-1/Chem Room Vent	\$360,000
Task Order 0224-1 Expand Booster Pump Station and Chemical Building	\$657,300
Task Order 0624-1 BPS Storage Building	\$2,000,000
AMI Conversion	\$5,055,683
North Springs Preserve Artificial Grass Stopping Station 1	\$92,140
RFB 1023-1 North Springs Preserve Improvements	\$1,275,000
Budget variance report	Page 47
Ad valorem taxes:	
Millage rate FYE 9/30/2024	Not applicable
Ad valorem taxes collected FYE 9/30/2024	Not applicable
Non ad valorem special assessments:	
Special assessment rate FYE 9/30/2024	Operations - \$49 to \$194
	Debt Service - \$297 to \$1,063
Special assessments collected FYE 9/30/2024	\$12,973,484
Outstanding Bonds:	
Water management bonds, maturity ranging from May 2025 - May 2052	\$62,855,000
Special assessment bonds, maturity ranging from May 2026 - May 2038	\$26,380,000
Water and sewer revenue and refunding bonds, maturing October 2034	\$25,405,000

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Board of Supervisors
North Springs Improvement District

We have examined the North Springs Improvement District's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* (the "specified requirements"), during the year ended September 30, 2024. Management is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

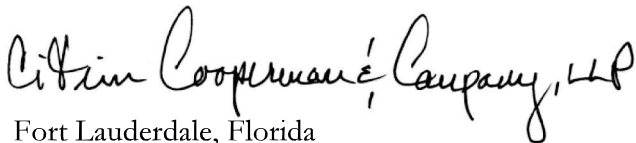
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. The District does not have a formal investment policy; however, investments held are limited to the requirements of the bond indentures as to investment type. We believe that the evidence we 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 requirements in accordance with relevant ethical requirements relating to the examination requirements.

Our examination does not provide a legal determination on the District's compliance with the specified requirements.

In our opinion, the District complied, in all material respects, with the specified requirements for the year ended September 30, 2024.

This report is intended solely for the information and use of management 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.



Fort Lauderdale, Florida
May 16, 2025

**North Springs Improvement District
Schedule of Findings and Responses
September 30, 2024**

Material weakness:

2024-001: Improper Recognition of Land Sale

Criteria: GASB requires all assets of the District to be reported in their financial statements, until such time that the assets are disposed of (i.e. sold, discarded etc.). Completeness and accuracy is a key financial statement assertion.

Condition: During fiscal year 2025, it came to the attention of management that approximately four acres of land previously reported as sold in fiscal year 2023 was recorded incorrectly.

Cause: Misinterpretation of the legal description of the land survey, which resulted in a miscalculation of retained real property.

Effect: The District overstated the amount of land sold in fiscal year 2023, reporting approximately 72 acres as sold instead of 68 acres. This error led to an understatement of the gain on sale by approximately \$ 520,000.

Recommendation: We recommend implementing a multi-tiered review process for the land survey within the organization to ensure accuracy and compliance with all relevant standards.

Management Response:

We acknowledge the finding related to the improper recognition of the land sale due to misinterpretation of the legal description of the land survey. To address this issue, we are implementing a multi-tiered review process for land surveys. This process will involve multiple levels of review and verification to ensure accuracy and compliance with all relevant standards. We are committed to improving our processes and ensuring that such errors do not occur in the future.

Significant deficiency:

2024-002: Calculation of Depreciation Expense

Criteria: Depreciation expense should be calculated on a systematic and rationale basis over the estimated useful life of a capital asset as required by GASB to properly depict the use and relative cost of the asset.

Condition: The District incorrectly calculated depreciation expense for a building and two infrastructure assets in its Water and Sewer Fund.

Cause: The District uses a capital asset subledger that is integrated with their general ledger, but the District placed an over-reliance on the subledger system-generated outputs without performing a detailed verification, contributing to the depreciation discrepancy. Controls were not properly designed to ensure depreciation expense recorded was accurate.

Effect: Accumulated depreciation for the Water Sewer Fund through fiscal year 2023 was understated by approximately \$ 300,000, requiring a restatement of fiscal year 2024 beginning net position.

Recommendation: We recommend that the District conduct a comprehensive review of all items recorded in its capital assets subledger to ensure the accuracy of depreciation calculations.

Management Response:

We acknowledge the error that our software created in calculating depreciation expense for the Water and Sewer Fund. To address this, we will conduct a thorough review of all capital assets to ensure accurate depreciation calculations. We are committed to rectifying this issue and improving our financial reporting processes.