

**TOLOMATO
COMMUNITY DEVELOPMENT DISTRICT
ST. JOHNS AND DUVAL COUNTIES, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024**

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT
ST. JOHNS AND DUVAL COUNTIES, FLORIDA
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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Tolomato Community Development District
St. Johns and Duval Counties, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Tolomato Community Development District, St. Johns and Duval Counties, Florida ("District") as of and for the fiscal 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, and each major fund of the District as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal 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 (GAAS) 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 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.

Responsibilities of Management for the Financial Statements

The District's 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 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, 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.



March 28, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Tolomato Community Development District, St. Johns and Duval Counties, Florida, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position deficit balance of (\$151,237,978).
- The change in the District's total net position in comparison with the prior fiscal year was \$35,238,338, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2024, the District's governmental funds reported combined ending fund balances of \$25,018,238, an increase of \$6,766,597 in comparison with the prior fiscal year. A portion of the fund balance is non-spendable for prepaid and deposit items, restricted for debt service and capital projects, assigned to infrastructure reserves and landscaping reserves, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. 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 deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment. The District does not have any business-type activities. The governmental activities of the District include the general government (management), maintenance, roadways, environmental, and recreational functions.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, liabilities exceeded assets at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

	NET POSITION	
	SEPTEMBER 30,	
	2024	2023
Current and other assets	\$ 25,544,168	\$ 20,128,742
Capital assets, net of depreciation	106,148,208	83,762,752
Total assets	131,692,376	103,891,494
Current liabilities	24,843,469	24,191,374
Long-term liabilities	258,086,885	266,176,436
Total liabilities	282,930,354	290,367,810
Net position		
Net investment in capital assets	(151,147,367)	(179,683,484)
Restricted	19,155,691	10,385,882
Unrestricted	(19,246,302)	(17,178,714)
Total net position	\$ (151,237,978)	\$ (186,476,316)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

The District's net position increased during the most recent fiscal year. The majority of the increase is the result of the receipt of lands and land improvements from the Master Developer.

Key elements of the change in net assets are reflected in the following table:

CHANGES IN NET POSITION		
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2024	2023
Revenues:		
Program revenues		
Charges for services	\$ 35,288,267	\$ 26,947,085
Operating grants and contributions	737,212	569,580
Capital grants and contributions	43,196,198	1,009,539
General revenues		
Unrestricted investment earnings	384,784	303,526
Miscellaneous	111,786	93,620
Total revenues	<u>79,718,247</u>	<u>28,923,350</u>
Expenses:		
General government	1,475,787	1,270,027
Maintenance and operations	3,468,164	3,059,839
Roadways	1,442,477	1,013,603
Environmental	65,550	65,400
Recreation	7,406,000	7,237,166
Conveyance of infrastructure	20,127,265	16,239,427
Interest	10,494,666	10,579,238
Total expenses	<u>44,479,909</u>	<u>39,464,700</u>
Special item - gain on the cancellation of debt	-	58,272,828
Change in net position	<u>35,238,338</u>	<u>47,731,478</u>
Net position - beginning	<u>(186,476,316)</u>	<u>(234,207,794)</u>
Net position - ending	<u>\$ (151,237,978)</u>	<u>\$ (186,476,316)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2024 was \$44,479,909. The costs of the District's activities were primarily funded by program revenues. Program revenues are comprised of assessments; non-cash Developer contributions; impact fees; interest revenue; recreation fees and charges; and miscellaneous income. The majority of the increase in program revenues is the result of the receipt of non-cash contributions from the Master Developer in the form of lands and land improvements. The majority of current fiscal year expenses relate to conveyances of completed infrastructure to other entities.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2024 was amended to increase revenues by \$336,044; appropriations by \$400,366; and other financing sources by \$151,875. Actual general fund expenditures for the fiscal year ended September 30, 2024 exceeded appropriations by \$16,956. The over expenditures were funded by available fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2024, the District had \$133,569,232 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$27,421,024 has been taken, which resulted in a net book value of \$106,148,208. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2024, the District had \$256,915,000 in Bonds outstanding for its governmental activities. Additionally, the District had \$223,222 in lease liability, and \$385,903 in Developer advances. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

For the subsequent fiscal year, the District anticipates that the cost of general operations will remain fairly constant.

Subsequent to fiscal year end, the District issued \$12,510,000 of Series 2024 Bonds, consisting of multiple term bonds with due dates ranging from May 1, 2031 - May 1, 2054 and fixed interest rates ranging from 4.100% to 5.125%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District.

Subsequent to fiscal year end, the District met certain conditions for the cancellation of a portion of the Series 2015-2 Bonds and the Series 2015-3 Bonds. Consequently, the Trustee canceled \$21,550,000 of the Series 2015-2 Bonds, and the entirety of the Series 2015-3 Bonds (\$32,140,000).

Subsequent to fiscal year, the Board of Supervisors of the District authorized the transfer of \$1.1 million of unused road impact fee credits from the Nocatee DRI to the nearby subdivision development Marsh harbor South PRD to be used by any developer, fee payer and/or builder within the Marsh Harbor South PRD project subject to a reverter and to the approval of the St. Johns County.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, landowners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Tolomato Community Development District's Finance Department at 245 Nocatee Center Way, Ponte Vedra, Florida, 32081.

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT
ST. JOHNS AND DUVAL COUNTIES, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	Governmental Activities
ASSETS	
Cash	\$ 503,365
Investments	4,449,248
Assessments receivable	217,448
Inventory	96,986
Prepaid and deposit items	479,257
Restricted assets:	
Investments	19,797,864
Capital assets:	
Nondepreciable	59,471,474
Depreciable, net	46,676,734
Total assets	131,692,376
 LIABILITIES	
Accounts payable	248,530
Unearned revenue	107,350
Deposits	170,050
Accrued interest payable	24,199,028
Non-current liabilities:	
Compensated absences	118,511
Due within one year	18,694,320
Due in more than one year	239,392,565
Total liabilities	282,930,354
 NET POSITION	
Net investment in capital assets	(151,147,367)
Restricted for debt service	19,155,691
Unrestricted	(19,246,302)
Total net position	\$ (151,237,978)

See notes to the financial statements

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT
ST. JOHNS AND DUVAL COUNTIES, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 1,475,787	\$ 1,475,787	-	\$ -	\$ -
Maintenance and operations	3,468,164	4,560,426	-	31,244,034	32,336,296
Roadways	1,442,477	1,896,770	-	11,952,164	12,406,457
Environmental	65,550	86,195	-	-	20,645
Recreation	7,406,000	2,279,678	-	-	(5,126,322)
Conveyance of infrastructure	20,127,265	-	-	-	(20,127,265)
Interest on long-term debt	10,494,666	24,989,411	737,212	-	15,231,957
Total governmental activities	44,479,909	35,288,267	737,212	43,196,198	34,741,768
General revenues:					
Unrestricted investment earnings					384,784
Miscellaneous					111,786
Total general revenues					496,570
Change in net position					35,238,338
Net position - beginning					(186,476,316)
Net position - ending					\$ (151,237,978)

See notes to the financial statements

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT
ST. JOHNS AND DUVAL COUNTIES, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
ASSETS				
Cash and cash equivalent	\$ 503,365	\$ -	\$ -	\$ 503,365
Investments	4,449,248	19,006,554	791,310	24,247,112
Assessments receivable	68,311	149,137	-	217,448
Inventory	96,986	-	-	96,986
Prepaid and deposit items	479,257	-	-	479,257
Total assets	<u>\$ 5,597,167</u>	<u>\$ 19,155,691</u>	<u>\$ 791,310</u>	<u>\$ 25,544,168</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 248,530	\$ -	\$ -	\$ 248,530
Unearned revenue	107,350	-	-	107,350
Deposits	170,050	-	-	170,050
Total liabilities	<u>525,930</u>	<u>-</u>	<u>-</u>	<u>525,930</u>
Fund balances:				
Nonspendable:				
Prepaid and deposit items	479,257	-	-	479,257
Restricted for:				
Debt service	-	19,155,691	-	19,155,691
Capital projects	-	-	791,310	791,310
Assigned to:				
Infrastructure reserve	355,101	-	-	355,101
Landscaping reserve	210,500	-	-	210,500
Unassigned	4,026,379	-	-	4,026,379
Total fund balances	<u>5,071,237</u>	<u>19,155,691</u>	<u>791,310</u>	<u>25,018,238</u>
Total liabilities and fund balances	<u>\$ 5,597,167</u>	<u>\$ 19,155,691</u>	<u>\$ 791,310</u>	<u>\$ 25,544,168</u>

See notes to the financial statements

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT
ST. JOHNS AND DUVAL COUNTIES, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

Total fund balances - governmental funds \$ 25,018,238

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 as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	133,569,232	
Accumulated depreciation	<u>(27,421,024)</u>	106,148,208

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Compensated absences	(118,511)	
Accrued interest payable	(24,199,028)	
Bonds payable and other non-current liabilities	<u>(258,086,885)</u>	<u>(282,404,424)</u>
Net position of governmental activities		<u>\$ (151,237,978)</u>

See notes to the financial statements

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT
ST. JOHNS AND DUVAL COUNTIES, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
REVENUES				
Assessments	\$ 8,019,178	\$ 24,989,411	\$ -	\$ 33,008,589
Interest	384,784	737,212	98,492	1,220,488
Impact fees	-	-	11,853,672	11,853,672
Cost-sharing revenues	111,786	-	-	111,786
Rental revenue	325,923	-	-	325,923
Recreation fees and charges	1,953,755	-	-	1,953,755
Total revenues	<u>10,795,426</u>	<u>25,726,623</u>	<u>11,952,164</u>	<u>48,474,213</u>
EXPENDITURES				
Current:				
General government	1,475,787	-	-	1,475,787
Maintenance and operations	3,433,111	-	-	3,433,111
Roadways	1,014,862	-	-	1,014,862
Environmental	65,550	-	-	65,550
Recreation	3,954,352	-	-	3,954,352
Debt service:				
Principal	80,822	9,875,000	-	9,955,822
Interest	26,902	6,974,061	-	7,000,963
Capital outlay	808,362	-	14,384,710	15,193,072
Total expenditures	<u>10,859,748</u>	<u>16,849,061</u>	<u>14,384,710</u>	<u>42,093,519</u>
Excess (deficiency) of revenues over (under) expenditures	(64,322)	8,877,562	(2,432,546)	6,380,694
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	-	(107,753)	107,753	-
Developer proceeds	-	-	385,903	385,903
Total other financing sources (uses)	<u>-</u>	<u>(107,753)</u>	<u>493,656</u>	<u>385,903</u>
Net change in fund balances	(64,322)	8,769,809	(1,938,890)	6,766,597
Fund balances - beginning	<u>5,135,559</u>	<u>10,385,882</u>	<u>2,730,200</u>	<u>18,251,641</u>
Fund balances - ending	<u>\$ 5,071,237</u>	<u>\$ 19,155,691</u>	<u>\$ 791,310</u>	<u>\$ 25,018,238</u>

See notes to the financial statements

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT
ST. JOHNS AND DUVAL COUNTIES, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Net change in fund balances - total governmental funds	\$ 6,766,597
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.	14,847,990
Governmental funds report Developer advances as financial resources when cash is received, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.	(385,903)
Conveyances of infrastructure improvements to other governments of previously capitalized capital assets is recorded as an expense in the statement of activities.	(20,127,265)
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(3,579,303)
Expenditures related to debt service payments are recognized when paid while the amounts reduce the long term debt on the government wide financial statements.	9,955,822
The statement of activities reports noncash contributions as revenues, but these revenues are not reported in the governmental fund financial statements.	31,244,034
Amortization of Bond discounts/premiums is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	64,315
Accreted interest on long-term liabilities is recorded in the statement of activities but not in the fund financial statements.	(1,544,683)
The interest portion of the Participation Amount is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(2,124,454)
The change in compensated absences between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.	10,069
The change in accrued interest on long-term liabilities between the current and prior fiscal years is recorded in the statement of activities, but not in the governmental fund financial statements.	111,119
Change in net position of governmental activities	<u>\$ 35,238,338</u>

See notes to the financial statements

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT
ST. JOHNS AND DUVAL COUNTIES, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Tolomato Community Development District ("District") was established pursuant to Rule 42SS-1, Florida Administrative Code, adopted by the Florida Land and Water Adjudicatory Commission effective July 29, 2004. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue Bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by the registered voters within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. SONOC Company, LLC ("Master Developer") is the master developer in the Nocatee DRI. The Master Developer has retained Nocatee Development Company ("NDC") to provide comprehensive management of the development. NDC's shareholders are also principals in The PARC Group, Inc. ("PARC"), a real estate development company in Northeast Florida. The Chairman of the Board of Supervisors of the District is a shareholder of NDC.

The Board has the responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; operating-type special assessments for maintenance and debt service are treated as charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

Assessments are non-ad valorem assessments on certain land and all platted lots within the District. Assessments are levied each November 1 on property of record as of the previous January. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. For debt service assessments, amounts collected as advance payments are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

The State Board of Administration's ("SBA") Local Government Surplus Funds Trust Fund ("Florida PRIME") is a "2a-7 like" pool. A "2a-7 like" pool is an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The District has reported its investment in Florida PRIME at amortized cost for financial reporting purposes.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years, except for intangible right-to-use assets, discussed in Leases below. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed, except for intangible right-to-use assets, the measurement of which is discussed in Leases below. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (Continued)

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	5
Maintenance and recreational facilities	10 - 20
Infrastructure	15 - 40
Right to use leased assets	5

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets, including right to use leased assets, are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick leave and vacation leave benefits. All sick and vacation leave is accrued when earned in the government-wide fund financial statements. Liability for accrued compensated absences of the governmental activities is not reported in the balance sheet of the governmental funds and, accordingly, represents a reconciling item between the fund and government-wide presentations. Payments are generally paid out of the general fund.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Leases

The District is a lessee for a noncancellable lease of several streetlights. The District recognizes a lease liability and an intangible right-to-use leased asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position (Continued)

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 – BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments

The District's investments were held as follows at September 30, 2024:

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
First American Government Obligations Fund - Class Z	\$ 17,128,654	S&P AAAM	Weighted average of the fund portfolio: 31 days
First American Treasury Obligations Fund - Class Z	3,421,602	S&P AAAM	Weighted average of the fund portfolio: 31 days
Investment in Local Government Surplus Funds Trust Fund (Florida PRIME)	3,696,856	S&P AAAM	Weighted average of the fund portfolio: 39 days
	<u>\$ 24,247,112</u>		

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

Interest rate risk – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

However, the Bond Indenture limits the type of investments held using unspent proceeds.

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1*: Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2*: Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3*: Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

External Investment Pool – With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2024 were as follows:

<u>Fund</u>	<u>Transfer in</u>	<u>Transfer Out</u>
Debt service fund	\$ -	\$ 107,753
Capital projects fund	107,753	-
Total	<u>\$ 107,753</u>	<u>\$ 107,753</u>

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers from the debt service fund to the capital projects fund were made in accordance with the Bond Indentures.

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land & land improvements	\$ 36,205,141	\$ 42,035,987	\$ (19,037,871)	\$ 59,203,257
Infrastructure in progress	3,686,442	4,056,038	(7,474,263)	268,217
Total capital assets, not being depreciated	39,891,583	46,092,025	(26,512,134)	59,471,474
Capital assets, being depreciated				
Maintenance facilities	451,224	-	-	451,224
Recreational facilities	64,267,105	6,189,805	-	70,456,910
Furniture and equipment	2,547,509	195,063	-	2,742,572
Right-to-use leased equipment	447,052	-	-	447,052
Total capital assets, being depreciated	67,712,890	6,384,868	-	74,097,758
Less accumulated depreciation for:				
Maintenance facilities	237,571	45,122	-	282,693
Recreational facilities	21,254,770	3,342,310	-	24,597,080
Furniture and equipment	2,184,314	109,338	-	2,293,652
Right-to-use leased equipment	165,066	82,533	-	247,599
Total accumulated depreciation	23,841,721	3,579,303	-	27,421,024
Total capital assets, being depreciated, net	43,871,169	2,805,565	-	46,676,734
Governmental activities capital assets	\$ 83,762,752	\$ 48,897,590	\$ (26,512,134)	\$ 106,148,208

Infrastructure improvements

The total projected cost of the District's infrastructure improvements has been estimated at a total cost of \$561.7 million. Certain improvements, such as roadways and parks, have been conveyed to other governmental entities, and more will be conveyed upon completion of the project. Funding for the District's infrastructure has primarily been provided by various Bond issues. The portions of the project not financed through these bonds are expected to be financed by the Master Developer or with future bond proceeds.

The District is constructing a water main extension on behalf of the Jacksonville Electric Authority (JEA). In the prior fiscal year, JEA reimbursed the District \$1,464,638 toward this project. During the current fiscal year, the JEA reimbursed the District an additional \$1,491,998. The project was completed during the current fiscal year.

During the current fiscal year, the District conveyed roadways and certain lands to other entities for maintenance and ownership responsibilities.

During prior and current fiscal years, the Master Developer has donated land to the District to be used for recreational and entertainment purposes, ponds, and various right-of-ways. The land may not be used for any other purpose without the prior written consent of the Master Developer.

The District has an agreement with the County for road impact fees. Under the terms of the agreement, the District collects road impact fees and will provide the County with an annual list of fees.

NOTE 6 – CAPITAL ASSETS (Continued)

Construction Funding Agreements

During a prior fiscal year, the District and the Master Developer entered into a Construction Funding and Deferred Costs Agreements whereby the Master Developer agreed to fund the construction of certain amenity center projects and the Master Developer has agreed to convey and transfer certain Parks to the District. In return, the District has agreed to provide reimbursement to the Master Developer of Master Developer's costs and expenses of developing and constructing the Parks. To the extent that the funding of the Project qualifies for reimbursement by the District to the Master Developer as deferred cost as defined in any Supplemental Trust Indenture, the District and the Master Developer reserve the right to reimburse the funding provided for with funds available and permitted to be used for such purpose whether such funds are presently available or become available in the future. There was no transaction between the District and the Master Developer under this agreement during the current fiscal year.

Additionally, in a prior fiscal year, the District and the Master Developer entered into another construction funding agreement whereby the Master Developer agreed to provide a maximum of \$375,000 to the District for the preliminary works for a water main loop. The District agreed to repay the Master Developer either in the form of (as elected by the Master Developer from time to time) (i) a cash reimbursement; or (ii) an assignment of impact fees credits. As of September 30, 2024, the Developer has funded a total of \$293,553 toward the preliminary works for the water main loop. This amount is included in the \$385,903 Developer advances balance as of September 30, 2024.

Impact Fee Credits Purchase Agreements

In connection with the construction of certain roads, the District was granted approximately \$78.6 million in Road Impact Fee Credits under the Impact Fee Credit Agreement between the District and St. Johns County, Florida. The District wishes to proceed with the construction of certain roads (the "Projects"), which are major roadways that are necessary for the continued growth of the development within the District. In order to allow the District to proceed with the Projects, in the 2016 fiscal year, the Master Developer has agreed to purchase from the District Road Impact Fee Credits (the "Purchased Credits"). In exchange for the purchase of the Purchased Credits by the Master Developer, the District agreed to remit all impact fees collected first to the Master Developer until the Master Developer has recovered the dollar value of the Purchased Credits. The District and the Developer have entered into various other Impact Fee Credit Purchase Agreements whereby the District agreed to assign to the Developer Road Impact Fee Credits in order for the District to proceed with the construction of various landscape, hardscape improvements, and other infrastructure improvements. In accordance with this agreement, all revenue from impact fee purchases will be first paid to the Developer until the Developer has recovered the total amount spent on the improvements. During the current fiscal year, the Master Developer purchased or was assigned a total of \$11,853,672 of impact fee credits. As of September 30, 2024, the total impact fee credit sold or assigned to the Developer was \$52,930,678.

Depreciation expense was charged to function/programs as follows:

Maintenance and operations	\$	45,122
Roadways		82,533
Recreation		3,451,648
Total depreciation expense	\$	<u>3,579,303</u>

NOTE 7 – LONG TERM LIABILITIES

Series 2007

On October 1, 2007, the District issued \$167,185,000 of Capital Improvement Revenue Bonds, Series 2007 consisting of multiple term bonds with fixed interest rates ranging from 6.375% to 6.65%. The Series 2007 bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest was to be paid semiannually on each May 1 and November 1. Principal on the Bonds was to be paid serially commencing May 1, 2011 through May 1, 2040. The Bonds were restructured as described below.

Series 2007A

On March 2, 2010, the District merged with Split Pine Community Development District (“Split Pine”) and consequently assumed Split Pine’s \$32,885,000 Special Assessment Bonds, Series 2007A (the “Series 2007A Bonds”) with a fixed interest rate of 5.25% due on May 1, 2039. The Series 2007A Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of Split Pine. Interest was to be paid semiannually on each May 1 and November 1. Principal on the Bonds was to be paid serially commencing May 1, 2008 through May 1, 2039. These Bonds were restructured as described below.

Bifurcated Bonds

Also in August 2012, the District bifurcated \$22,660,000 of its Series 2007A bonds which were not exchanged for Series 2012 Bonds into \$7,115,000 Special Assessment Bonds, Series 2007A-1 and \$15,545,000 Special Assessments Bonds, Series 2007A-2, (Together with the Series 2007A-1, “The Bifurcated Bonds”). The Bifurcated bonds were due on May 1, 2039 with a fixed interest rate of 5.25%. However, the Series 2007A-1 Bonds were refunded with the issuance of the Series 2019B Bonds and the Series 2007A-2 Bonds were cancelled in a prior fiscal year.

Trifurcated Bonds

Furthermore, In August 2012 the District also trifurcated \$100,515,000 of its Series 2007 bonds which were not exchanged with Series 2012 Bonds into \$2,545,000 Special Assessments Bonds, Series 2007-1, \$77,555,000 Special Assessments Bonds, Series 2007-2, and \$20,415,000 Special Assessments Bonds, Series 2007-3 (together with the Series 2007-1 and 2007-2, “the Trifurcated Bonds”). The Trifurcated Bonds are due on May 1, 2040 with interest rates ranging from 6.375% to 6.650%. The Series 2007-2 were exchanged in a prior fiscal year for the Series 2015 Bonds. The Series 2007-1 were refunded with the issuance of the Series 2019B Bonds. The Series 2007-3 were cancelled in the prior fiscal year.

Series 2015

In March 2015, the District issued \$77,555,000 Special Assessments Refunding Bonds, Series 2015 in exchange of its outstanding Series 2007-2 Bonds. The Series 2015 Bonds are further comprised of the following term and convertible capital appreciations bonds:

<u>Bond Components</u>	<u>Initial Amount</u>	<u>Maturity Amount</u>	<u>Interest Rate</u>	<u>Conversion Date</u>	<u>Principal Payments Commencing</u>	<u>Interest Payments Commencing</u>	<u>Maturity Date</u>
2015-1	\$ 30,165,277	\$ 48,040,000	6.610%	11/1/2021	5/1/2022	5/1/2022	**
2015-2	15,248,334	29,515,000	6.610%	11/1/2024	5/1/2025	5/1/2025	5/1/2040
2015-3	32,140,000	32,140,000	6.610%	N/A	5/1/2015	5/1/2015	5/1/2040

** Refunded with the Series 2022A

The Series 2015-1 and 2015-2 Bonds are Capital Appreciation Bonds, therefore interest accretes to the bond principals through the conversion date; no payments are due from landowners until then. Subsequent to the conversion date, these Bonds will be at full value and periodic principal and interest payments will begin according to the schedule above. The Series 2015-1 Bonds fully accreted in a prior fiscal year; however, they were refunded with the Series 2022A and 2022B Bonds. See below for more details on the Series 2022A and 2022B Bonds. See Note 16 – Subsequent Evens for call amounts and cancellation of the Series 2015-2 and 2015-3 subsequent to fiscal year end.

NOTE 7 – LONG TERM LIABILITIES (Continued)

Series 2015 (Continued)

The Series 2015-3 Bonds are subordinate to the Series 2015-1 and 2015-2 bonds and are payable from revenues as described in the Restructuring Agreement (“Agreement”). The Agreement requires that the operating and maintenance assessments be paid by the landowners. Also per the Agreement, payments toward the Series 2015-3 bonds, if any, are derived from cash proceeds from the sale by the Master Developer of any undeveloped land or finished lots comprising part of the restructured parcels. Cash proceeds are first used for recovery of development and other costs incurred by the Master Developer, plus interest. Any remaining cash proceeds are split between the Master Developer and the Bondholders for interest and principal payments. Once all land under this Agreement is sold, any remaining balance of the Series 2015-3 bonds will be forgiven. No net cash proceeds from the sale of undeveloped land and finished lots were available in the current fiscal year as there are still outstanding Master Developer costs and interest. As a result, no payments were made on the Series 2015-3 Bonds. The amounts have not been recorded at the fund level but the accrued interest has been recorded at the government wide level. The non-payment is not considered an event of default.

The Series 2015 Bonds are subject to redemption at the option of the District prior to their maturity in the manner described in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Indenture if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2024.

Restructuring Agreements

In connection with the Series 2007-3, 2007A-2, and 2015-3 (together, “The Participation Bonds”), the District, the Master Developer, and the Bondholders (the “Parties”) entered into certain Restructuring Agreements as described above. As of September 30, 2024, the Participation Amounts were comprised of the following:

Bonds	Participation Amount	
	Principal	Interest
Series 2015-3	\$ 6,575,000	\$ 20,518,685
Total	\$ 6,575,000	\$ 20,518,685

Series 2018 Refunding

On March 29, 2018, the District issued a total of \$52,040,000 of Special Assessment Refunding Bonds, Series 2018 comprised of the following:

Series	Par Amount	Interest Rate (%)	Interest Payments Commencing	Principal Payments Commencing	Maturity Date
2018A-1	\$ 29,130,000	2.000 - 3.750	5/1/2018	5/1/2019	5/1/2040
2018A-2	8,095,000	5.200 - 5.625	5/1/2018	5/1/2019	5/1/2040
2018B-1	10,585,000	2.000 - 4.020	5/1/2018	5/1/2019	5/1/2039
2018B-2	4,230,000	4.625 - 5.125	5/1/2018	5/1/2019	5/1/2039

The Bonds are comprised of both serial and term Bonds. The Bonds were issued to refund the District’s outstanding Series 2012A-1 and 2012A-2 Bonds; acquire and construct certain assessable improvements (the “Project”); and pay certain costs associated with the issuance of the Bonds. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2019 through May 1, 2040.

NOTE 7 – LONG TERM LIABILITIES (Continued)

Series 2018 Refunding (Continued)

The Series 2018 Bonds are subject to redemption at the option of the District prior to maturity. The Series 2018 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. This occurred during the current fiscal year as the District collected prepaid assessments and prepaid \$15,000 on the Series 2018A-1 Bonds; \$5,000 on the Series 2018A-2 Bonds; and \$45,000 on the Series 2018B-1 Bonds. See Note 16 - Subsequent Events for additional call amounts subsequent to the fiscal year end.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. In addition, for the Series 2018A-1 and 2018B-1 Bonds, the Bond Indenture provides for a Reserve insurance policy to fund part of the debt service reserve requirements. The District was in compliance with the requirements at September 30, 2024.

Series 2018 Expansion

On June 27, 2018, the District issued \$1,930,000 of Special Assessment Revenue Bonds, Series 2018 Expansion due May 1, 2048. The Bonds are comprised of multiple term Bonds with interest rates ranging from 3.85% to 5.00%. The Bonds were issued to acquire and construct certain assessable improvements (the "Project") and pay certain costs associated with the issuance of the Bonds. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2019 through May 1, 2048.

The Series 2018 Expansion Bonds are subject to redemption at the option of the District prior to maturity. The Series 2018 Expansion Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2024.

Series 2019 Refunding

On June 21, 2019, the District issued a total of \$101,125,000 of Special Assessment Refunding Bonds, Series 2019 which are comprised of the following:

<u>Series</u>	<u>Par Amount</u>	<u>Interest Rate (%)</u>	<u>Interest Payments Commencing</u>	<u>Principal Payments Commencing</u>	<u>Maturity Date</u>
2019A-1	\$ 46,890,000	2.000 - 3.000	11/1/2019	5/1/2020	5/1/2037
2019A-2	14,010,000	3.500 - 4.250	11/1/2019	5/1/2020	5/1/2037
2019B	24,360,000	2.000 - 3.000	11/1/2019	5/1/2020	5/1/2040
2019C	15,865,000	3.450 - 4.400	11/1/2019	5/1/2020	5/1/2040

The Bonds are comprised of both serial and term Bonds. The Bonds were issued to refund the District's outstanding Series 2006, 2007-1, 2007A-1, and 2012A-3 Bonds; to acquire and construct certain assessable improvements (the "Project"); and to pay certain costs associated with the issuance of the Bonds. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2020 through May 1, 2040.

NOTE 7 – LONG TERM LIABILITIES (Continued)

Series 2019 Refunding (Continued)

The Series 2019 Bonds are subject to redemption at the option of the District prior to maturity. The Series 2019 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. This occurred in the This occurred during the current fiscal year as the District collected assessments from lot closings and prepaid \$15,000 and \$5,000 on the Series 2019A-1 and 2019A-2, respectively. See Note 16 - Subsequent Events for additional call amounts subsequent to the fiscal year end.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. In addition, for the Series 2019A-1 and 2019B Bonds, the Bond Indenture provides for a reserve insurance policy to fund part of the debt service reserve requirements. The District was in compliance with the requirements at September 30, 2024.

Series 2022

On February 15, 2022, the District issued a total of \$81,465,000 of Special Assessments Revenue Bonds and Special Assessment Refunding Bonds, Series 2022, comprised of the following:

<u>Series</u>	<u>Par Amount</u>	<u>Interest Rate (%)</u>	<u>Interest Payments Commencing</u>	<u>Principal Payments Commencing</u>	<u>Maturity Date</u>
2022-1	\$ 4,275,000	2.875 - 4.000	5/1/2022	5/1/2023	5/1/2052
2022-2	1,595,000	2.875 - 4.000	5/1/2022	5/1/2022	5/1/2051
2022A	34,245,000	3.000 - 4.000	5/1/2022	5/1/2023	5/1/2040
2022B	23,335,000	2.625 - 3.250	5/1/2022	5/1/2023	5/1/2040
2022C	18,015,000	2.800 - 3.400	5/1/2022	5/1/2023	5/1/2040

The series 2022-1 and 2022-2 were issued to finance a portion of the cost of acquisition, construction, installation and equipment of certain assessable improvements (the “Intracoastal Parcel CIP”). The Series 2022A and 2022B were issued to refund the District’s outstanding Special Assessment Refunding Bonds, Series 2015-1. The Series 2022C Bonds were issued to refund the District’s outstanding Special Assessment Refunding Bonds, Series 2012A-4 (together with the Series 2015-1 Bonds, the “Refunded Bonds”), and to fund a portion of certain assessable improvements (the “2022 Project”). Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2022 through May 1, 2052.

The Series 2022 Bonds are subject to redemption at the option of the District prior to maturity. The Series 2022 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. This occurred during the current fiscal year as the District collected assessments from lot closings and prepaid \$5,000, \$20,000, and \$15,000 on the Series 2022A, 2022B, and 2022C, respectively. See Note 16 - Subsequent Events for additional call amounts subsequent to the fiscal year end.

The Bond Indentures established debt service reserve requirements for the Series 2022 Bonds. The Series 2022A requirement was satisfied with the combined value of a separate debt service reserve fund surety policy and cash deposit amount. The Bond Indentures has certain other restrictions and requirements relating principally to the use of proceeds and the procedures to be followed by the District on assessments to property owners. In addition, the District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with the requirements of the Bond Indentures at September 30, 2024.

Developer Advance

During the current fiscal year, the Master Developer advanced a total of \$385,903 to the District toward the payments of certain construction costs. This advance will be paid with impact fee credits.

NOTE 7 – LONG TERM LIABILITIES (Continued)

Long-term debt transactions

Changes in long-term liability activity for the fiscal year ended September 30, 2024 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year*
<u>Governmental activities</u>					
Bonds payable:					
Series 2015-2	\$ 29,515,000	\$ -	\$ -	\$ 29,515,000	\$ 1,075,000
Series 2015-3	32,140,000	-	-	32,140,000	7,505,000
Plus: Accreted interest	(1,996,109)	1,544,683	-	(451,426)	-
Series 2018A-1	23,775,000	-	1,085,000	22,690,000	1,085,000
Series 2018A-2	6,645,000	-	240,000	6,405,000	265,000
Series 2018B-1	8,455,000	-	450,000	8,005,000	415,000
Series 2018B-2	3,470,000	-	145,000	3,325,000	155,000
Less: Series 2018 OID	(870,925)	-	(54,433)	(816,492)	-
Series 2018 Expansion	1,765,000	-	40,000	1,725,000	40,000
Series 2019A	49,670,000	-	2,950,000	46,720,000	3,005,000
Series 2019B	20,595,000	-	995,000	19,600,000	1,010,000
Series 2019C	12,705,000	-	530,000	12,175,000	550,000
Less: Series 2019 OID	(887,488)	-	(52,205)	(835,283)	-
Series 2022-1	4,190,000	-	85,000	4,105,000	90,000
Plus: Series 2022-1 OIP	37,357	-	1,304	36,053	-
Series 2022-2	1,515,000	-	35,000	1,480,000	35,000
Plus: Series 2022-2 OIP	12,486	-	452	12,034	-
Series 2022A	32,760,000	-	1,470,000	31,290,000	1,515,000
Plus: Series 2022A OIP	2,840,804	-	172,460	2,668,344	-
Series 2022B	22,335,000	-	1,050,000	21,285,000	1,055,000
Less: Series 2022B OID	(43,284)	-	(2,628)	(40,656)	-
Series 2022C	17,255,000	-	800,000	16,455,000	805,000
Less: Series 2022B OID	(10,458)	-	(635)	(9,823)	-
Leases payable	304,053	-	80,822	223,231	89,320
Developer advances	-	385,903	-	385,903	-
Compensated absences	128,580	92,685	102,754	118,511	-
Total	\$ 266,305,016	\$ 2,023,271	\$ 10,122,891	\$ 258,205,396	\$ 18,694,320

At September 30, 2024, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2025	\$ 18,605,000 *	\$ 30,330,256 *	\$ 48,935,256
2026	12,430,000	10,445,888	22,875,888
2027	12,885,000	9,942,432	22,827,432
2028	13,360,000	9,483,427	22,843,427
2029	13,870,000	8,989,635	22,859,635
2030-2034	78,370,000	36,228,606	114,598,606
2035-2039	87,755,000	18,322,656	106,077,656
2040-2044	17,015,000	1,915,852	18,930,852
2045-2049	1,780,000	390,500	2,170,500
2050-5053	845,000	65,000	910,000
Total	\$ 256,915,000	\$ 126,114,252	\$ 383,029,252

* Include the Participation Amount on the Series 2015-3. Also, include maturities on the CAB Bonds at fully Accreted Value.

NOTE 8 – LEASES

In a prior year, the District entered into a lease as a lessee for the use of streetlights that terminates on February 15, 2027. As of September 30, 2024, the value of the lease liability is \$223,231. The District is required to make monthly fixed payments of \$8,977. The value of the right to use asset as of September 30, 2024 is \$447,052 with an accumulated amortization of \$247,599. At the end of the lease term, the District may elect to execute a new agreement based on current estimated replacement cost. The Lessor will retain ownership of the streetlights.

Minimum lease payments for years ending after September 30, 2024 are as follows:

Year ending September 30:	Principal	Interest	Total payments
2025	\$ 89,320	\$ 18,394	\$ 107,714
2026	98,733	8,991	107,724
2027	35,168	739	35,907
Total	<u>\$ 223,221</u>	<u>\$ 28,124</u>	<u>\$ 251,345</u>

NOTE 9 – DEVELOPERS' TRANSACTIONS

The Master Developer owns a significant portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by the Master Developer.

The District has contracted with PARC for construction management services at a cost of \$24,000 per calendar quarter.

See Notes 6 and 7 above for additional Master Developer transactions in the prior and current fiscal years.

NOTE 10 – CONCENTRATION

The District's activity is dependent upon the continued involvement of the Master Developer, the loss of which could have a material adverse effect on the completion of the District's Master Infrastructure Plan.

NOTE 11 – COST-SHARING AGREEMENT

The District has several Cost-Sharing Agreements with certain Homeowner Associations within the District, the Master Developer, and various other landowners.

NOTE 12 – RETIREMENT PLAN

The District supports a 457(b) Governmental Plan that covers all eligible employees. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Participants may contribute a percentage of their annual compensation to the plan not to exceed the limits allowable by the Internal Revenue Service. The District makes matching contributions equal to 100% on the first three percent of the participant's eligible earnings and an additional 50% on the next two percent of the participant's eligible earnings. Matching contributions to the plan during 2024 totaled approximately \$31,360.

NOTE 13 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management and other administrative costs.

NOTE 14 – 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. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

NOTE 15 – LITIGATION AND CLAIMS

The District is involved in various claims and litigation arising in the ordinary course of operations, none of which, in the opinion of the Board of Supervisors and District Manager, will have a material effect on the District's financial position.

NOTE 16 – SUBSEQUENT EVENTS

Bond Issuance

Subsequent to fiscal year end, the District issued \$12,510,000 of Series 2024 Bonds, consisting of multiple term bonds with due dates ranging from May 1, 2031 - May 1, 2054 and fixed interest rates ranging from 4.100% to 5.125%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District.

Bond Payments

Subsequent to fiscal year end, the District paid off \$7,965,000 of the Series 2015-2 Bonds. Additionally, the District prepaid \$15,000 of the Series 2018B-1 Bonds; \$10,000 of the Series 2019A Bonds; \$15,000 of the Series 2019B Bonds; \$5,000 of the Series 2022A Bonds; \$25,000 of the Series 2022B Bonds; and \$5,000 of the Series 2022C. The prepayments were considered extraordinary mandatory redemptions as outlined in the Bond Indenture.

Bond Cancellation

Subsequent to fiscal year end, the District met certain conditions for the cancellation of a portion of the Series 2015-2 Bonds and the Series 2015-3 Bonds. Consequently, the Trustee canceled \$21,550,000 of the Series 2015-2 Bonds, and the entirety of the Series 2015-3 Bonds (\$32,140,000).

Impact Fee Credits Purchase Agreements

Subsequent to fiscal year, the District entered into a new impact fee credit purchase agreement with the Master Developer whereby the District agreed to assign to the Master Developer additional impact fee credits to fund the design, permitting and construction of a greenway trail.

Subsequent to fiscal year, the Board of Supervisors of the District authorized the transfer of \$1.1 million of unused road impact fee credits from the Nocatee DRI to the nearby subdivision development Marsh harbor South PRD to be used by any developer, fee payer and/or builder within the Marsh Harbor South PRD project subject to a reverter and to the approval of the St. Johns County.

Developer Transaction

Subsequent to fiscal year end, the District reimbursed the Master Developer approximately \$10.3 million for completed improvements. Additionally, the Master Developer conveyed approximately 27.52 acres of land to the District.

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT
ST. JOHNS AND DUVAL COUNTIES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Original & Final		Final Budget - Positive (Negative)
REVENUES				
Assessments	\$ 7,925,127	\$ 8,019,178	\$ 8,019,178	\$ -
Interest	230,000	384,780	384,784	4
Miscellaneous	1,649,500	1,736,713	1,753,665	16,952
Total revenues	<u>9,804,627</u>	<u>10,140,671</u>	<u>10,157,627</u>	<u>16,956</u>
EXPENDITURES				
Current:				
General government	1,420,428	1,436,868	1,475,787	(38,919)
Maintenance and operations	3,500,885	3,391,417	3,433,111	(41,694)
Roadways	893,793	869,929	1,014,862	(144,933)
Environmental	84,300	86,382	65,550	20,832
Recreation	3,864,721	3,728,509	3,316,553	411,956
Debt service:				
Principal	-	-	80,822	(80,822)
Interest	-	-	26,902	(26,902)
Capital outlay	40,500	691,888	808,362	(116,474)
Total expenditures	<u>9,804,627</u>	<u>10,204,993</u>	<u>10,221,949</u>	<u>(16,956)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(64,322)	(64,322)	-
OTHER FINANCING SOURCES				
Carry forward	-	151,875	-	(151,875)
Total other financing sources	<u>-</u>	<u>151,875</u>	<u>-</u>	<u>(151,875)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 87,553</u>	<u>(64,322)</u>	<u>\$ (151,875)</u>
Fund balance - beginning			<u>5,135,559</u>	
Fund balance - ending			<u>\$ 5,071,237</u>	

See notes to required supplementary information

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT
ST. JOHNS AND DUVAL COUNTIES, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2024 was amended to increase revenues by \$336,044; appropriations by \$400,366; and other financing sources by \$151,875. Actual general fund expenditures for the fiscal year ended September 30, 2024 exceeded appropriations by \$16,956. The over expenditures were funded by available fund balance.

**TOLOMATO COMMUNITY DEVELOPMENT DISTRICT
ST. JOHNS AND DUVAL COUNTIES, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
UNAUDITED**

<u>Element</u>	<u>Comments</u>
Number of District employees compensated in the last pay period of the District's fiscal year being reported.	261
Number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	79
Employee compensation	\$4,198,310.44
Independent contractor compensation	\$946,966.27
Construction projects to begin on or after October 1; (\$65K)	
HVAC/AC Project - Crosswater Hall	\$400,000.00
Sprinkler System	\$90,000.00
Budget variance report	See the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rate	Operations and maintenance - \$423.57 - 907.66 Debt service - \$955.15 - 2,538.17
Special assessments collected	\$33,008,589.00
Outstanding Bonds:	see Note 7 for details



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

To the Board of Supervisors
Tolomato Community Development District
St. Johns and Duval Counties, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of Tolomato Community Development District, St. Johns and Duval Counties, Florida ("District") as of and for the fiscal 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 opinion thereon dated March 28, 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) to determine the 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.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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 agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

By  & Associates

March 28, 2025



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors
Tolomato Community Development District
St. Johns and Duval Counties, Florida

We have examined Tolomato Community Development District, St. Johns and Duval Counties, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2024. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance 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 in Section 218.415, Florida Statutes. 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. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

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

This report 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, management, and the Board of Supervisors of Tolomato Community Development District, St. Johns and Duval Counties, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

March 28, 2025



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors
Tolomato Community Development District
St. Johns and Duval Counties, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Tolomato Community Development District, St. Johns and Duval Counties, Florida ("District") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 28, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the 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 Auditor'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 March 28, 2025, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General of the state of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Supervisors of Tolomato Community Development District, St. Johns and Duval Counties, Florida, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Tolomato Community Development District, St. Johns and Duval Counties, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

March 28, 2025

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2023.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2024.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2024.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted. It is management's responsibility to monitor 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.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 32.