TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

FINANCIAL STATEMENTS

September 30, 2024

CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tradition Community Development District 1
Port St. Lucie, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Tradition Community Development District 1, ("District") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 20, 2025, on our consideration of the Tradition Community Development District 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated June 20, 2025 on our consideration of the District's compliance with requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation Standards established by the American Institute of Certified Public Accountants.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
June 20, 2025

The Tradition Community Development District 1 (the "District") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity and financial statements, (c) identify changes in the District's financial position, (d) identify any material deviations from the District's budget, and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Auditor's Report (beginning on page 1) and the District's financial statements (beginning on page 8.)

FINANCIAL HIGHLIGHTS

- Revenues exceeded expenses by $716,082 in the governmental funds, general fund increased $22,994.
- Net position increased $1,908,954 included in the increase is the recording of depreciation in the amount of $1,576,257.
- Total costs of all programs were $4,720,530 in 2024 compared to $5,189,956 in 2023.
- The District expended $3,791,788 towards debt service for governmental activities.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities (pages 8 & 9) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund Financial Statements begin on page 10. For governmental activities, these Statements tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the District's operations in more detail by providing information about the District's most significant funds.

REPORTING THE DISTRICT AS A WHOLE

Our analysis of the District as a whole begins on page 8. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These Statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used in most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two Statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, *increases* or *decreases* in the District's net assets, is one indicator of whether its *financial* health is improving or deteriorating.

Tradition Community Development District 1
Statement of Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2024	2023	2024	2023	2024	2023
Current assets	$ 9,486,295	$ 7,328,925	$ 2,431,150	$ 2,012,214	$11,917,445	$11,554,522
Non-current assets	978,687	1,114,177	-	-	978,687	1,047,908
Capital assets	32,281,514	34,983,611	4,065,474	4,334,492	36,346,988	37,923,245
Total Assets	42,746,496	43,426,713	6,496,624	6,346,706	49,243,120	50,525,675
Deferred outflows of resources	79,181	105,733	-	-	79,181	92,068
Current liabilities	3,899,465	3,699,268	363,228	373,626	4,262,693	4,901,442
Long-term liabilities	30,504,616	35,324,636	5,285,000	5,592,103	35,789,616	38,355,263
Total Liabilities	34,404,081	39,023,904	5,648,228	5,965,729	40,052,309	43,256,705
Net assets						
Net investment in capital assets	(653,102)	(2,406,389)	(1,359,945)	(1,419,295)	(2,013,047)	(2,778,858)
Restricted for debt service/ Capital projects	6,872,026	5,784,628	573,534	519,007	7,445,560	6,608,938
Unrestricted	2,202,672	1,130,303	1,634,807	1,281,265	3,837,479	3,530,958
Total Net Assets	$ 8,421,596	$ 4,508,542	$ 848,396	$ 380,977	$ 9,269,992	$ 7,361,038

The District assets are made up of primarily capital assets of $36,346,988 and liabilities are mainly long-term debt in the amount of $35,789,616.

Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the Statement of Net Position and the Statement of Activities, the District has one activity. The changes in net position of governmental activities and business-type activities were $1,908,954, as reflected below.

Tradition Community Development District 1
Changes in Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2024	2023	2024	2023	2024	2023
Program Revenues	$ 4,534,055	$ 6,098,999	$ 1,945,821	$ 1,942,741	$ 6,479,876	$ 7,607,621
General Revenues						
Investment earnings	254,669	6,131	91,467	7,959	346,136	268,152
Other income	9,823	101,086	-	-	9,823	220,923
Equity transfer	(206,351)	(569,323)	-	-	(206,351)	(436,222)
Total Revenues	4,592,196	5,636,893	2,037,288	1,950,700	6,629,484	7,660,474
Expenses						
General government	156,206	681,014	1,448,695	1,637,779	1,604,901	1,974,900
Physical environment	1,441,748	1,441,748	-	-	1,441,748	1,441,748
Interest on long-term debt	1,432,956	1,613,721	240,925	250,725	1,673,881	1,773,308
Total Expenses	3,030,910	3,736,483	1,689,620	1,888,504	4,720,530	5,189,956
Change in Net Assets	1,561,286	1,900,410	347,668	62,196	1,908,954	2,471,518
Net assets - beginning of year	6,860,310	2,608,132	500,728	318,781	7,361,038	4,889,520
Net assets - end of year	$ 8,421,596	$ 4,508,542	$ 848,396	$ 380,977	$ 9,269,992	$ 7,361,038

FUND FINANCIAL STATEMENTS

Governmental funds – all of the District's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Governmental Type Funds

As of year-end, the governmental funds (as presented on page 10) reported a combined fund balance of $8,593,007 compared to the beginning of the year $7,876,925. Several of the governmental fund expenditures are capital expenditure related and, therefore, may reflect capital expenditures (which are reflected in the current financial resource-based Fund Financial Statements) as a spending of a portion of available net assets or an increase in net assets from unspent net position. The General Fund experienced a net increase of $22,994.

Proprietary Fund

The District maintains one type of proprietary fund, an enterprise fund. An enterprise fund is used to report the same function presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of the irrigation system within the District.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During the fiscal year 2023-2024 the District continues to maintain infrastructure projects to support the Tradition master planned community. As of September 30, 2024, the District had $32,281,514 invested in land, infrastructure and construction in progress. The District's business-type activities reported net capital assets of $4,065,474.

Debt

At September 30, 2024, the District had $32,934,616 Bonds outstanding for its governmental activities and $5,425,419 Bonds and note payable outstanding for its business-type activities. The District's debt represents bonds secured by a special revenue source. Additional information on the District's long-term debt can be found in the notes to financial statements.

ECONOMIC FACTORS, NEXT YEAR'S BUDGET AND OTHER INFORMATION

For the fiscal year 2025, the District anticipates that the cost of general operations will remain fairly constant. In connection with the District's future infrastructure maintenance and replacement plan, the District Board has included in the budget, an estimate of those anticipated future costs and has assigned a portion of current available resources for that purpose. For the irrigation system, it is anticipated that any future growth would come from commercial and residential development.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and members with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District Finance Department at 2501A Burns Road, Palm Beach Gardens, Florida 33410.

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

STATEMENT OF NET POSITION

September 30, 2024

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	$ 1,448,503	$ 1,555,258	$ 3,003,761
Accounts receivable, net	1,616,373	163,900	1,780,273
Assessments receivable	37,436	-	37,436
Due from other governments	21,179	-	21,179
Due from other funds	-	17,900	17,900
Deposits	200	95	295
Restricted			
Investments	6,362,604	693,997	7,056,601
Prepaid bond insurance (net of amortization)	978,687	-	978,687
Capital assets			
Depreciable	13,396,192	3,485,291	16,881,483
Non-depreciable	18,885,322	580,183	19,465,505
TOTAL ASSETS	42,746,496	6,496,624	49,243,120
DEFERRED OUTFLOW OF RESOURCES			
Deferred charge on refunding (net of amortization)	79,181	-	79,181
TOTAL DEFERRED OUTFLOW OF RESOURCES	79,181	-	79,181
LIABILITIES			
Accounts payable and accrued expenses	$ 290,980	$ 90,956	$ 381,936
Accrued interest payable	576,177	120,463	696,640
Due to other funds	17,900	-	17,900
Unearned revenue	-	10,000	10,000
Deposits	584,408	1,390	585,798
Non-current liabilities			
Due with one year	2,430,000	140,419	2,570,419
Due in more than one year	30,504,616	5,285,000	35,789,616
TOTAL LIABILITIES	34,404,081	5,648,228	40,052,309
NET POSITION			
Net investment in capital assets	(653,102)	(1,359,945)	(2,013,047)
Restricted for debt service/capital projects	6,872,026	573,534	7,445,560
Unrestricted	2,202,672	1,634,807	3,837,479
TOTAL NET POSITION	$ 8,421,596	$ 848,396	$ 9,269,992

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

STATEMENT OF ACTIVITIES

Year Ended September 30, 2024

		Program Revenues		Net (Expense) Revenues and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General government	156,206	$ 156,206	$ -	$ -	$ -	$ -
Maintenance & operations	1,441,748	2,942,445	2,448	1,503,145	-	1,503,145
Interest on long-term debt	1,432,956	1,432,956	-	-	-	-
Total Governmental Activities	3,030,910	4,531,607	2,448	1,503,145	-	1,503,145
Business-Type Activities						
Irrigation expenses	1,448,695	1,945,821	-	-	497,126	497,126
Interest on long-term debt	240,925	-	-	-	(240,925)	(240,925)
Total Business-Type Activities	1,689,620	1,945,821	-	-	256,201	256,201
General Revenues:						
Investment earnings				254,669	91,467	346,136
Other Income				9,823	-	9,823
Equity transfer				(206,351)	-	(206,351)
Total General Revenues				58,141	91,467	149,608
Change in Net Position				1,561,286	347,668	1,908,954
Net Position - October 1, 2023				6,860,310	500,728	7,361,038
Net Position - September 30, 2024				$ 8,421,596	$ 848,396	$ 9,269,992

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

BALANCE SHEET – GOVERNMENTAL FUNDS

September 30, 2024

	MAJOR FUNDS		TOTAL
	GENERAL FUND	CAPITAL PROJECTS	GOVERNMENTAL ACTIVITIES
ASSETS			
Cash	$ 1,448,503	$ -	$ 1,448,503
Accounts receivable	1,616,373	-	1,616,373
Assessments receivable	12,984	24,452	37,436
Due from other funds	21,179	475,130	496,309
Deposits	200	-	200
Restricted			
Investments	-	6,362,604	6,362,604
TOTAL ASSETS	$ 3,099,239	$ 6,862,186	$ 9,961,425
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	$ 290,980	$ -	$ 290,980
Due to other funds	414,763	78,267	493,030
Deposits	584,408	-	584,408
TOTAL LIABILITIES	1,290,151	78,267	1,368,418
FUND EQUITY			
Nonspendable			
Deposits	200	-	200
Assigned			
Maintenance reserves	169,000	-	169,000
Restricted			
Debt service	-	3,221,462	3,221,462
Capital projects	-	1,534,119	1,534,119
Unassigned	1,639,888	2,028,338	3,668,226
TOTAL FUND EQUITY	1,809,088	6,783,919	8,593,007
TOTAL LIABILITIES AND FUND EQUITY	$ 3,099,239	$ 6,862,186	$ 9,961,425

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2024

Total Governmental Fund Balances in the Balance Sheet	$ 8,593,007
Amount reported for governmental activities in the Statement of Net Position are different because:	
Capital asset used in governmental activities are not financial resources and therefore are not reported in the governmental funds:	
Governmental capital assets	69,700,662
Less accumulated depreciation	(37,419,148)
Deferred charges on refunding of long-term debt are shown as deferred outflows of resources in the government-wide financial statements: however, this amount is not reported in the governmental financial statements.	79,181
Governmental funds record bond insurance costs as expenditures when these costs are first incurred. Prepaid bond insurance is amortized over the term of the refunding bonds in the government-wide financial statements.	978,687
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(576,177)
Governmental bonds payable	(32,934,616)
Net Position of Governmental Activities	$ 8,421,596

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended September 30, 2024

	MAJOR FUNDS		TOTAL
	GENERAL FUND	CAPITAL PROJECTS	GOVERNMENTAL ACTIVITIES
REVENUE			
Stormwater fees	$ 1,077	$ -	$ 1,077
Engineering revenue fees	1,750	-	1,750
On-roll assessments	298,178	4,230,602	4,528,780
Developer contributions	2,448	-	2,448
Other income	9,823	-	9,823
Interest income	395	254,274	254,669
TOTAL REVENUES	313,671	4,484,876	4,798,547
EXPENDITURES			
General government	84,326	-	84,326
Debt service:			
Principal	-	2,320,000	2,320,000
Interest	-	1,471,788	1,471,788
TOTAL EXPENDITURES	84,326	3,791,788	3,876,114
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	229,345	693,088	922,433
OTHER FINANCING SOURCES/(USES):			
Equity transfer	(206,351)	-	(206,351)
TOTAL OTHER FINANCING SOURCES/(USES)	(206,351)	-	(206,351)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	22,994	693,088	716,082
FUND BALANCE			
Beginning of year	1,786,094	6,090,831	7,876,925
End of year	$ 1,809,088	$ 6,783,919	$ 8,593,007

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

Net Change in Fund Balances - Total Governmental Funds	$	716,082
Amount reported for governmental activities in the Statement of Activities are different because:		
funds, but the repayment reduces long-term liabilities in the statement of net assets.		2,320,000
Current year provision for depreciation		(1,441,748)
Certain items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported expenditures in the governmental funds:		
Change in accrued interest payable		38,832
Provision for amortization of bond premium		10,228
Provision for amortization of deferred charges		(12,887)
Provision for amortization of bond insurance		(69,221)
Change in Net Position of Governmental Activities	$	1,561,286

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1
STATEMENT OF NET POSITION – ENTERPRISE FUND
September 30, 2024

		BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
ASSETS		
CURRENT ASSETS		
Cash	$	1,555,258
Accounts receivable, net		163,900
Due from other funds		17,900
Deposits		95
Restricted		
Investments		693,997
TOTAL CURRENT ASSETS		2,431,150
NONCURRENT ASSETS		
Capital assets		
Land		580,183
Equipment & furniture		544,458
Infrastructure		2,220,365
Plant		1,705,146
		5,050,152
Less accumulated depreciation		984,678
Total capital assets (net of depreciation)		4,065,474
TOTAL NONCURRENT ASSETS		4,065,474
TOTAL ASSETS	$	6,496,624
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	90,956
Accrued interest payable		120,463
Deposits		1,390
Unearned revenue		10,000
Current portion long term liabilities		140,419
TOTAL CURRENT LIABILITIES		363,228
NONCURRENT LIABILITIES		
Long-term liabilities		5,285,000
TOTAL NONCURRENT LIABILITIES		5,285,000
TOTAL LIABILITIES		5,648,228
NET POSITION		
Net investment in capital assets		(1,359,945)
Restricted for debt service		573,534
Unrestricted		1,634,807
TOTAL NET POSITION	$	848,396

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION – ENTERPRISE FUND
Year Ended September 30, 2024

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
OPERATING REVENUES	
Irrigation services	$ 1,945,821
TOTAL OPERATING REVENUES	1,945,821
OPERATING EXPENSES	
General & administrative	1,314,186
Depreciation	134,509
TOTAL OPERATING EXPENSES	1,448,695
OPERATING INCOME	497,126
NONOPERATING REVENUES (EXPENSES)	
Interest income	91,467
Interest expense	(240,925)
TOTAL NONOPERATING REVENUES (EXPENSES)	(149,458)
CHANGE IN NET POSITION	347,668
NET POSITION	
Beginning of year	500,728
End of year	$ 848,396

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

STATEMENT OF CASH FLOWS – ENTERPRISE FUND

Year Ended September 30, 2024

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers & users	$ 1,973,001
Payments for goods & services	(1,575,241)
NET CASH PROVIDED BY OPERATING ACTIVITIES	397,760
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on capital debt	(166,684)
Interest paid on capital debt	(243,425)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(410,109)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(27,998)
Interest income	91,467
NET CASH PROVIDED BY INVESTING ACTIVITIES	63,469
NET INCREASE IN CASH	51,120
CASH	
Beginning of Year	1,504,138
End of Year	$ 1,555,258
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	$ 497,126
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	134,509
(Increase) Decrease in:	
Accounts receivable	27,180
Increase (Decrease) in:	
Accounts payable and accrued expenses	(261,055)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 397,760

The accompanying notes are an integral part of this financial statement

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Tradition Community Development District 1 (the "District") conform to generally accepted accounting principles as applicable to governments. The District was formerly known as Westchester Community Development District 1 and lawfully changed its name to Tradition Community Development District 1 effective August 14, 2006. The following is a summary of the more significant policies:

Reporting Entity

The District is an independent unit of special-purpose local government of the State of Florida created by law and established in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended by ordinance of St. Lucie County, Florida, effective on August 21, 2001 as amended. The Act provides for a five member Board of Supervisors to serve as the governing body of the District. The District has no component units. Its purpose is to manage and finance basic community development systems, facilities and services, including capital infrastructure.

Basis of Presentation

Government-wide Financial Statements - Government-wide financial statements, including the statement of net assets and statement of activities, present information about the District as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

The effects of inter-fund activity have been eliminated from the government-wide financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Fund Financial Statements - Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, the reconciliation is presented with each of the governmental fund financial statements.

Major Governmental Fund Types

General Fund - The general fund is the general operating fund of the District. All general tax revenue and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

Capital Project Fund - Capital project funds are established to provide common infrastructure to support the master planned community.

Major Proprietary Fund Types

Irrigation Fund - The irrigation fund accounts for the irrigation operations of the District that are financed and supported primarily by user charges.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses of the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assessments

Assessments are non-ad valorem assessments on benefited lands within the District. Assessments are levied to pay for the operations and maintenance of the District. 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. The District's annual assessments for operations are billed and collected by the County Tax Collector. The amounts remitted to the District are net of applicable discounts or fees and include interest on monies held from the day of collection to the day of distribution.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Irrigation Fees

Irrigation fees received are available for the payment of debt service on the District's bonds and for costs associated with the operation and maintenance of existing system. These fees are included in restricted investments on the Enterprise Fund Statement of Net Position until spent for the designated purpose.

Receivables and Payables

Accounts receivable and revenues for the enterprise fund are shown net of an allowance for uncollectible amounts. For irrigation system accounts receivable, there was no allowance recorded as of September 30, 2024.

Equity Classifications

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. Under GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are required to be reported according to the following classifications:

Non-Spendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (continued)

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.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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.

Cash and Cash Equivalents

Florida Statutes require state and local governmental units to deposit monies with a financial institution classified as a “Qualified Public Depository,” which is a state insurance pool for banks and other financial institutions. The pool requires each bank to render as collateral a percentage of all state and local monies on deposit. Upon default of a particular financial institution within the pool, the pooled collateral is used to reinstate the state and local government deposits. This pool is additional insurance above the federal depository insurance. The District has cash deposits only with qualifying institutions as of September 30, 2024.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments (continued)

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured.

The District records all interest revenue related to investment activities in the respective funds and reports investments at fair value.

	Fair Value	Credit Risk	Maturities
Money Market Mutual Funds - First American Government Obligation Fund CL Y	$ 693,997	S&P AAAm	Weighted average of the fund portfolio: 31 days
US Bank N/A Open Monthly Commercial Paper	6,362,604	S&P A-1+	Weighted average of the Open ended
	$ 7,056,601		

Credit Risk:

Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency.

Interest Rate Risk:

Florida Statutes state that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. All holdings are currently invested to meet current obligations.

Concentration of Credit Risk:

The District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are with one issuer.

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2024, the District is exempt from this requirement.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Custodial Credit Risk: (continued)

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.

Capital Assets

Capital assets, which include land and land improvements, buildings and improvements, infrastructure, machinery and equipment, are reported in the governmental activities column.

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

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

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings and improvements	7-39 years
Infrastructure	20-40 years
Machinery and equipment	5-10 years

Unearned Revenue

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

The statement of net position reports, as applicable, a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. For example, the District would record deferred outflows of resources related to debit amounts resulting from current and advance refundings resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of the old debt).

The statement of net position reports, as applicable, a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For example, when an asset is recorded in the governmental fund financial statements, but the revenue is not available, the District reports a deferred inflow of resources until such times as the revenue becomes available.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Management Company

The District has contracted with a management company to perform management advisory services, which include financial and accounting 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, accounting, financial reporting, and other administrative costs.

NOTE B - 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 C – ASSET PURCHASE

On August 10, 2017, the District entered into an asset purchase agreement with Tradition Irrigation Company, LLC. As a result the District created an enterprise fund to account for the transactions of the irrigation system. As part of the agreement the District services the developments known as Tradition and Southern Groves, supplying quality water service under a Franchise Agreement with the City of Port St. Lucie, Florida. The District issued $6,095,000 in Irrigation System Revenue Bonds in order to finance the purchase. The District received $5,051,151 in capital assets including $580,183 in land.

NOTE D – RESTRICTED ACCOUNTS

At September 30, 2024, the District reported the following restricted asset accounts:

	Enterprise Funds
Investments	
Reserve account - bond compliance	$ 371,025
Interest account - bond compliance	126,791
Sinking fund - bond compliance	177,454
Maintenance reserve - bond compliance	18,727
Total restricted investments	$ 693,997

NOTE E – PROPERTY AND EQUIPMENT

A summary of changes in general fixed assets follows:

	October 1, 2023	Increases	Decreases	September 30, 2024
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	$ 13,639,574	$ -	$ -	$ 13,639,574
Construction in progress	5,245,748	-	-	5,245,748
Total capital assets, not being depreciated	18,885,322	-	-	18,885,322
Capital assets, being depreciated				
Infrastructure	25,692,842	-	-	25,692,842
Improvements other than buildings	25,122,498	-	-	25,122,498
Total capital assets, being depreciated	50,815,340	-	-	50,815,340
Less accumulated depreciation for:				
Infrastructure	13,576,474	867,534	-	14,444,008
Improvements other than buildings	22,400,926	574,214	-	22,975,140
Total accumulated depreciation	35,977,400	1,441,748	-	37,419,148
Total capital assets, being depreciated - net	14,837,940	(1,441,748)	-	13,396,192
Governmental activities capital assets - net	$ 33,723,262	$ (1,441,748)	$ -	$ 32,281,514

Depreciation expense recorded in governmental activities was $1,441,748 for 2024.

NOTE E – PROPERTY AND EQUIPMENT (CONTINUED)

A summary of changes on proprietary fixed assets follows:

	October 1, 2023	Increases	Decreases	September 30, 2024
Business-type activities				
Capital assets, not being depreciated:				
Land	$ 580,183	$ -	$ -	$ 580,183
Total capital assets, not being depreciated	580,183	-	-	580,183
Capital assets, being depreciated				
Plant	1,705,146	-	-	1,705,146
Equipment & furniture	544,458	-	-	544,458
Infrastructure	2,220,365	-	-	2,220,365
Total capital assets, being depreciated	4,469,969	-	-	4,469,969
Less accumulated depreciation for:				
Plant	349,126	56,838	-	405,964
Equipment & furniture	160,081	22,162	-	182,243
Infrastructure	340,962	55,509	-	396,471
Total accumulated depreciation	850,169	134,509	-	984,678
Total capital assets, being depreciated - net	3,619,800	(134,509)	-	3,485,291
Governmental activities capital assets - net	$ 4,199,983	$ (134,509)	$ -	$ 4,065,474

Depreciation expense recorded in business-type activities was $134,509 for 2024.

NOTE F – LONG-TERM LIABILITIES

Governmental Activities Debt

$53,170,000 Special Assessment Refunding Bonds, Series 2014 – On April 9, 2014, the District issued $53,170,000 Special Assessment Refunding Bonds, Series 2014. The Bonds are payable in annual principal installments through May 2035. The bond bears interest ranging from 2.0% to 4.5% payable semi-annually on the first day of each May and November. Principal is due serially each May 1, commencing May 2015. The bonds are collateralized through pledged liens on approximately 3,100 acres of residential and commercial land.

NOTE F – LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of the changes in long-term obligations for the year ended September 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Special Assessment Refunding Bonds, Series 2014	$ 35,110,000	$ -	$ 2,320,000	$32,790,000	$ 2,430,000
	35,110,000	-	2,320,000	32,790,000	2,430,000
Unamortized bond premium	154,844	-	10,228	144,616	-
	$ 35,264,844	$ -	$ 2,330,228	$32,934,616	$ 2,430,000

The debt service requirements for the long-term obligations is as follows:

September 30,	Principal	Interest	Total
2025	$ 2,430,000	$ 1,385,831	$ 3,815,831
2026	2,530,000	1,288,631	3,818,631
2027	2,635,000	1,187,431	3,822,431
2028	2,740,000	1,082,031	3,822,031
2029	2,855,000	972,431	3,827,431
2030-2034	16,195,000	2,983,225	19,178,225
2035-2035	3,405,000	160,650	3,565,650
	$ 32,790,000	$ 9,060,230	$ 41,850,230

Business-Type Activities Debt

$6,095,000 Irrigation System Revenue Bonds (Existing System), Series 2017 – On August 1, 2017, the District issued $6,095,000 Irrigation System Revenue Bonds (Existing System), Series 2017. The Bonds are payable in annual principal installments through October 2047. The bond bears interest ranging from 4.0% to 4.5% payable semi-annually on the first day of each April and October. Principal is due serially each October 1, commencing October 2018.

Note Payable

The District is obligated under a settlement agreement with the City of Port St. Lucie, to make quarterly payments of $10,421 (bearing no interest) through October 2024.

NOTE F – LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities Debt (continued)

The following is a summary of transactions of long-term obligations in the enterprise fund for the year ended September 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Irrigation System Revenue Bonds (Existing System), Series 2017	$ 5,540,000	$ -	$ 125,000	$ 5,415,000	$ 130,000
Note Payable	52,103	-	41,684	10,419	10,419
	$ 5,592,103	$ -	$ 166,684	$ 5,425,419	$ 140,419

The debt service requirements for the long-term obligations is as follows:

September 30,	Principal	Interest	Total
2025	$ 140,419	$ 238,325	$ 378,744
2026	135,000	233,025	368,025
2027	140,000	227,525	367,525
2028	145,000	221,825	366,825
2029	155,000	215,438	370,438
2030-2034	880,000	964,125	1,844,125
2035-2039	1,100,000	742,500	1,842,500
2040-2044	1,380,000	464,625	1,844,625
2045-2048	1,350,000	124,875	1,474,875
	$ 5,425,419	$ 3,432,263	$ 8,857,682

NOTE G - 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; natural disasters; and environmental remediation. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

NOTE H – DEPENDENCY ON SUPPORT

The District receives the majority of its funding from local tax revenue. A reduction in the level of advances would have a substantial effect on the District's projects and activities.

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND

Year Ended September 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUE				
Stormwater fees	$ 830	$ 1,076	$ 1,077	$ 1
On-roll assessments	6,876	7,311	298,178	290,867
Developer contributions	-	-	2,448	2,448
Other income	424	4,699	9,823	5,124
Interest income	-	-	395	395
TOTAL REVENUES	8,130	13,086	313,671	300,585
EXPENDITURES				
Administrative	3,921	4,743	76,629	(71,886)
Maintenance	4,209	10,496	7,697	2,799
TOTAL EXPENDITURES	8,130	15,239	84,326	(69,087)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(2,153)	229,345	231,498
Surplus/(Deficit) (Notes to RSI)	-	2,153	-	2,153
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ -	$ -	$ 229,345	$ 233,651

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).

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. Actual general fund expenditures exceeded appropriations for the fiscal year ended September 30, 2024.

The variance between budgeted and actual general fund revenues is considered significant and additional revenue was received during the year for the purpose of providing equity transfers as per the Inter-local agreements with the other Districts. The actual general fund expenditures for the current fiscal year were higher than budgeted amounts due primarily to costs being higher than anticipated.

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*

Board of Directors
Tradition Community Development District 1
Port St. Lucie, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tradition Community Development District 1, as of September 30, 2024 and for the year ended, which collectively comprise the Tradition Community Development District 1's basic financial statements and have issued our report thereon dated June 20, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, 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 over financial reporting.

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 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 may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

This report is intended 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.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
June 20, 2025

DMHB
DIBARTOLOMEO, MCBEE, HARTLEY & BARNES, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors
Tradition Community Development District 1
Port St. Lucie, Florida

We have examined Tradition Community Development District 1, Port St. Lucie, 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 District's compliance with those requirements. Our responsibility is to express an opinion on 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.

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

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 Tradition Community Development District 1, Port St. Lucie, Florida and is not intended to be and should not be used by anyone other than these specified parties.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee Hartley & Barnes, P.A.
Fort Pierce, Florida
June 20, 2025

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Management Letter

Board of Directors
Tradition Community Development District 1
Port St. Lucie, Florida

Report on the Financial Statements

We have audited the financial statements of the Tradition Community Development District 1 ("District") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 20, 2025.

Auditors' 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 Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountants' 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 report, which are dated June 20, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the District did not authorize a PACE program pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the District's geographical boundaries during the fiscal year under audit.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Tradition Community Development District 1 reported:

a. The total number of district employees compensated in the last pay period of the District's fiscal year as N/A.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 13.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as N/A.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $512,713.
e. The District does not have any construction projects with a total cost of at least $65,000 that are scheduled to begin on or after October 1 of the fiscal year being reported.
f. The District amended its final adopted budget under Section 189.016(6), Florida Statutes, as included on page 29.

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

a. The rate or rates of non-ad valorem special assessments imposed by the District range from $349 to $1,688 per residential unit.
b. The total amount of special assessments collected by or on behalf of the District as $4,528,780.
c. The total amount of outstanding bonds issued by the District as $38,205,000.

Additional Matters

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

Purpose of this Letter

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

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
June 20, 2025