

**Gramercy Farms
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2025

Gramercy Farms Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2025

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Gramercy Farms Community Development District
St. Cloud, Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of Gramercy Farms Community Development District (the "District"), as of and for the year ended September 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2025, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.



To the Board of Supervisors
Gramercy Farms Community Development District

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional 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 be presented to supplement the basic financial statements.



To the Board of Supervisors
Gramercy Farms Community Development District

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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with Florida Statutes 218.39(3)(c) but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 a report dated May 26, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

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

May 26, 2026

Gramercy Farms Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025

Management's discussion and analysis of Gramercy Farms Community Development District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Gramercy Farms Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2025.

- ◆ The District's total assets exceeded total liabilities by \$18,555,607 (net position). Net investment in capital assets for the District was \$18,935,309. Restricted net position was \$136,803. Unrestricted net position was \$(516,505).
- ◆ Governmental activities revenues and debt forgiveness totaled \$66,836,572 while governmental activities expenses totaled \$2,114,284.

**Gramercy Farms Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2025	2024
Current assets	\$ 380,223	\$ 293,218
Restricted assets	272,100	622,362
Capital assets	22,531,588	23,503,349
Total Assets	23,183,911	24,418,929
Current liabilities	463,304	20,163,950
Non-current liabilities	4,165,000	50,421,660
Total Liabilities	4,628,304	70,585,610
Net Position		
Net investment in capital assets	18,935,309	(4,831,886)
Restricted	136,803	728
Unrestricted	(516,505)	(41,335,523)
Total Net Position	\$ 18,555,607	\$ (46,166,681)

The increase in current assets is related to revenues exceeding expenditures in the General Fund in the current year.

The decrease in restricted assets is related to debt service payments in excess of special assessments received in the current year and the Series 2011 restructuring agreement.

The decrease in total liabilities and increase in net position is related to the forgiveness of debt in the current year.

**Gramercy Farms Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change In Net Position

	Governmental Activities	
	<u>2025</u>	<u>2024</u>
Program Revenues		
Charges for services	\$ 1,326,493	\$ 1,287,671
Operating grants and contributions	-	478,926
General Revenues		
Investment earnings	26,216	28,701
Total Revenues	<u>1,352,709</u>	<u>1,795,298</u>
Expenses		
General government	133,808	120,502
Physical environment	1,308,698	1,281,361
Transportation	287,212	287,212
Interest and other charges	384,566	2,852,283
Total Expenses	<u>2,114,284</u>	<u>4,541,358</u>
Debt forgiveness	<u>65,483,863</u>	<u>-</u>
Change in Net Position	64,722,288	(2,746,060)
Net Position - Beginning of Year	<u>(46,166,681)</u>	<u>(43,420,621)</u>
Net Position - End of Year	<u>\$ 18,555,607</u>	<u>\$ (46,166,681)</u>

The increase in charges for services is related to the increase in the special assessments levied in the current year.

The decrease in operating grants and contributions was related to the dissolution of the SPE during the prior year, resulting in no contribution activity in the current year.

The decrease in interest and other charges is related to the forgiveness of debt in the current year.

**Gramercy Farms Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2025 and 2024:

Description	Governmental Activities	
	2025	2024
Land and land improvements	\$ 6,274,701	\$ 6,274,701
Improvements other than buildings	2,717,952	2,717,952
Infrastructure	19,342,582	19,342,582
Accumulated depreciation	(5,803,647)	(4,831,886)
Governmental Activities Capital Assets	<u>\$ 22,531,588</u>	<u>\$ 23,503,349</u>

The activity for the year consisted of depreciation of \$971,761.

General Fund Budgetary Highlights

Budgeted expenditures exceeded actual amounts primarily because capital reserve expenditures were less than anticipated.

The budget for the year ended September 30, 2025 was not amended.

Debt Management

Governmental Activities debt includes the following:

- ◆ The District issued Special Assessment Bonds Series 2007 including: 2007A-1 Special Assessment Bonds of \$4,895,000 at a fixed interest of 5.25% maturing May 1, 2039; 2007A-2 Special Assessment Bonds \$3,110,000 at a fixed interest of 5.25% maturing May 1, 2039; and, 2007B Special Assessment Bonds \$46,995,000 at a fixed interest of 5.10% maturing May 1, 2014. The total Special Assessment Bonds Series 2007 issued amounted to \$55,000,000. Due to the downturn in the real estate market, development within the District was halted resulting in a restructuring in 2011.

**Gramercy Farms Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Debt Management (Continued)

- ◆ As a result of the restructuring, \$18,835,000 of the Series 2007 bonds were exchanged for Series 2011 bonds. The remaining Series 2007 Bonds, \$30,105,000, outstanding were subordinate to the Series 2011 bonds and are payable solely from the lot sale proceeds remaining after payment of SPE operating costs and prepayments on the Series 2011 Special Assessment Bonds up to the SPE prepayment cap defined in the restructuring agreement. During the fiscal year ended September 30, 2024, the SPE voluntarily dissolved. In the current year, the remaining outstanding principal of the Series 2007 bonds of \$30,105,000 was cancelled.
- ◆ In September 2011, the District issued \$18,832,585 of Series 2011 Capital Appreciation Bonds due May 1, 2039 at a fixed interest rate of 6.75%. The bonds were issued in exchange for \$1,675,000 Series 2007A-1, \$1,065,000 Series 2007A-2 and \$16,095,000 Series 2007B bonds in a restructuring. During the restructuring, a portion of Series 2007 bonds were exchanged for Series 2011 bonds. During the year ended September 30, 2025, a portion of the Series 2011 Bonds were cancelled. The remaining outstanding principal was converted to current interest bonds. The Series 2011 Bond balance outstanding at September 30, 2025 was \$4,455,000. More detailed information about the District's debt is presented in the accompanying notes to financial statements.

Economic Factors and Next Year's Budget

Gramercy Farms Community Development District's future financial condition is expected to continue to show improvement. The developer had previously failed to pay debt service assessments in prior years, causing the District to be unable to pay certain debt service payments when due. The debt was restructured in 2011. Per the restructure agreement, a SPE was established. During the prior year, the SPE was voluntarily dissolved. During the current year, the Bondholders cancelled all unexchanged Series 2007 Bonds and a portion of the Series 2011 Capital Appreciation Bonds. The remaining outstanding principal of the Series 2011 Bonds was converted into current interest bonds and the District began making required payments in the current year. The effects on the financial position or results of operations of the District as of and for the year ended September 30, 2026, cannot yet be determined.

Request for Information

The financial report is designed to provide a general overview of Gramercy Farms Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Gramercy Farms Community Development District's Accounting Department at 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614.

Gramercy Farms Community Development District
STATEMENT OF NET POSITION
September 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	<u>\$ 380,223</u>
Non-current Assets	
Restricted Assets	
Investments	272,100
Capital Assets, Not Being Depreciated	
Land and improvements	6,274,701
Capital Assets, Being Depreciated	
Improvements other than buildings	2,717,952
Infrastructure	19,342,582
Accumulated depreciation	<u>(5,803,647)</u>
Total Non-current Assets	<u>22,803,688</u>
Total Assets	<u>23,183,911</u>
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	48,007
Accrued interest payable	125,297
Bonds payable	<u>290,000</u>
Total Current Liabilities	<u>463,304</u>
Non-current Liabilities	
Bonds payable	<u>4,165,000</u>
Total Liabilities	<u>4,628,304</u>
NET POSITION	
Net investment in capital assets	18,935,309
Restricted for debt service	136,803
Unrestricted	<u>(516,505)</u>
Total Net Position	<u><u>\$ 18,555,607</u></u>

See accompanying notes to financial statements.

Gramercy Farms Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
General government	\$ (133,808)	\$ 132,106	\$ (1,702)
Physical environment	(1,308,698)	688,326	(620,372)
Transportation	(287,212)	-	(287,212)
Interest and other charges	(384,566)	506,061	121,495
Total Governmental Activities	<u>\$ (2,114,284)</u>	<u>\$ 1,326,493</u>	<u>(787,791)</u>
General Revenues			
Investment earnings			<u>26,216</u>
Debt forgiveness			<u>65,483,863</u>
Changes in Net Position			64,722,288
Net Position - Beginning of Year			<u>(46,166,681)</u>
Net Position - End of Year			<u>\$ 18,555,607</u>

See accompanying notes to financial statements.

Gramercy Farms Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 380,223	\$ -	\$ -	\$ 380,223
Restricted assets				
Investments	-	272,100	-	272,100
Total Assets	<u>\$ 380,223</u>	<u>\$ 272,100</u>	<u>\$ -</u>	<u>\$ 652,323</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	<u>\$ 48,007</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,007</u>
FUND BALANCES				
Restricted				
Debt service	-	272,100	-	272,100
Assigned				
Capital reserves	60,099	-	-	60,099
Unassigned	272,117	-	-	272,117
Total Fund Balances	<u>332,216</u>	<u>272,100</u>	<u>-</u>	<u>604,316</u>
Total Liabilities and Fund Balances	<u>\$ 380,223</u>	<u>\$ 272,100</u>	<u>\$ -</u>	<u>\$ 652,323</u>

See accompanying notes to financial statements.

Gramercy Farms Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2025

Total Governmental Fund Balances	\$ 604,316
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, land and improvements, \$6,274,701, improvements other than buildings, \$2,717,952, and infrastructure, \$19,342,582, net of accumulated depreciation, (\$5,803,647), used in governmental activities are not current financial resources and, therefore, are not reported at the fund level.	22,531,588
Long-term liabilities, bonds payable, are not due and payable in the current period and, therefore, are not reported at the fund level.	(4,455,000)
Accrued interest expense for long-term debt is not a current financial use and, therefore, is not reported at the fund level.	<u>(125,297)</u>
Net Position of Governmental Activities	<u><u>\$ 18,555,607</u></u>

See accompanying notes to financial statements.

Gramercy Farms Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ 820,432	\$ 506,061	\$ -	\$ 1,326,493
Investment income	8,708	17,480	28	26,216
Total Revenues	<u>829,140</u>	<u>523,541</u>	<u>28</u>	<u>1,352,709</u>
Expenditures				
Current				
General government	119,789	14,019	-	133,808
Physical environment	624,149	-	-	624,149
Debt Service				
Principal	-	600,543	-	600,543
Interest	-	156,769	-	156,769
Other	-	102,500	-	102,500
Total Expenditures	<u>743,938</u>	<u>873,831</u>	<u>-</u>	<u>1,617,769</u>
Revenues over/(under) expenditures	85,202	(350,290)	28	(265,060)
Other Financing Sources/(Uses)				
Transfers in	-	756	-	756
Transfers out	-	-	(756)	(756)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>756</u>	<u>(756)</u>	<u>-</u>
Net Change in Fund Balances	85,202	(349,534)	(728)	(265,060)
Fund Balances - Beginning of Year	<u>247,014</u>	<u>621,634</u>	<u>728</u>	<u>869,376</u>
Fund Balances - End of Year	<u>\$ 332,216</u>	<u>\$ 272,100</u>	<u>\$ -</u>	<u>\$ 604,316</u>

See accompanying notes to financial statements.

Gramercy Farms Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ (265,060)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized as capital assets and depreciated over their useful lives. This is the amount of depreciation in the current year.	(971,761)
The forgiveness of long-term debt does not affect current resources and therefore, is recognized only at the government wide level.	65,483,863
Governmental funds report principal payments on long-term debt as expenditures. At the government-wide level these payments are a reduction of bonds payable.	600,543
At the government-wide level, interest is accrued on outstanding bonds; whereas at the governmental fund level, interest expenditures are reported when due. This is the change in accrued interest in the current period.	(125,297)
Change in Net Position of Governmental Activities	<u>\$ 64,722,288</u>

See accompanying notes to financial statements.

Gramercy Farms Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 811,527	\$ 811,527	\$ 820,432	\$ 8,905
Investment income	-	-	8,708	8,708
Total Revenues	<u>811,527</u>	<u>811,527</u>	<u>829,140</u>	<u>17,613</u>
Expenditures				
Current				
General government	120,327	120,327	119,789	538
Physical environment	<u>691,200</u>	<u>691,200</u>	<u>624,149</u>	<u>67,051</u>
Total Expenditures	<u>811,527</u>	<u>811,527</u>	<u>743,938</u>	<u>67,589</u>
Net Change in Fund Balances	-	-	85,202	85,202
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>247,014</u>	<u>247,014</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,216</u>	<u>\$ 332,216</u>

See accompanying notes to financial statements.

Gramercy Farms Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established on July 21, 2005, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, (the "Act"), by Ordinance #2005-96 of the City of Saint Cloud. The District encompasses approximately two hundred ninety-nine (299) acres of land located entirely within St. Cloud, Florida.

The District was established for the purposes of planning, financing, constructing, operating, and maintaining various public improvements and community facilities within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, and managing the planning, designing, engineering, permitting, construction, installation, acquisition, maintenance and operation of the major infrastructure within and without the boundaries of the premises to be governed by Gramercy Farms Community Development District. The District is governed by a five-member Board of Supervisors who are elected by Qualified Electors, as such, term is defined in Chapter 190, Florida Statutes. The District operates within the criteria established by Chapter 190, Florida Statutes.

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

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

Gramercy Farms Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting

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

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

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments and interest. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

b. Fund Financial Statements

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

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

Gramercy Farms Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

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

The District has various policies governing the fund balance classifications.

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

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

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

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

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

Gramercy Farms Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter, to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

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

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

Gramercy Farms Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation

a. Governmental Major Funds

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

Debt Service Fund – The Debt Service Fund accounts for debt service requirements to retire the special assessment bonds which were used to finance the construction of District infrastructure improvements.

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

b. Non-current Governmental Assets/Liabilities

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

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

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

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

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

Gramercy Farms Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

a. Cash and Investments (Continued)

Cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

b. Restricted Net Position

Certain net position of the District is classified as restricted on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

c. Capital Assets

Capital assets, which include land, improvements other than buildings and infrastructure, 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 two years. 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 is as follows:

Improvements other than buildings	20 years
Infrastructure	15-25 years

Gramercy Farms Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

d. Budgets

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

e. Use of Estimates

The preparation of the 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 financial statement date and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE B – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. Exposure to custodial credit risk was as follows: as of September 30, 2025, the District's bank balance was \$381,223 and the carrying value was \$380,223. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Deposit Insurance Corporation or collateralized under Chapter 280, Florida Statutes.

Gramercy Farms Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Investments

As of September 30, 2025, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
First American Treasury Obligations Fund	48 Days*	<u>\$ 272,100</u>

*Weighted Average Maturity

The District categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that use the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, the investment in the assets listed above are Level 1 assets.

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes.

Interest Rate Risk

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

Gramercy Farms Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. The investments in First American Treasury Obligations Fund are rated AAAM by Standard & Poor's as of September 30, 2025.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investment in First American Treasury Obligations Fund is 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2025 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

NOTE C – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2025 was as follows:

	Balance October 1, 2024	Additions	Disposals	Balance September 30, 2025
Governmental activities:				
Capital assets, not being depreciated:				
Land and land improvements	\$ 6,274,701	\$ -	\$ -	\$ 6,274,701
Capital assets, being depreciated:				
Improvements other than buildings	2,717,952	-	-	2,717,952
Infrastructure	19,342,582	-	-	19,342,582
Accumulated depreciation	(4,831,886)	(971,761)	-	(5,803,647)
Total Capital Assets, Being Depreciated, Net	17,228,648	(971,761)	-	16,256,887
Governmental Activities Capital Assets	<u>\$ 23,503,349</u>	<u>\$ (971,761)</u>	<u>\$ -</u>	<u>\$ 22,531,588</u>

Depreciation was charged to physical environment, \$684,549, and transportation, \$287,212.

Gramercy Farms Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE D – LONG-TERM DEBT

Special Assessment Bonds – Series 2007

In May 2007, the District issued \$4,895,000 of Special Assessment Bonds Series 2007 A-1, \$3,110,000 Special Assessment Bonds Series 2007 A-2 and \$46,995,000 Special Assessment Bonds Series 2007 B. Series 2007A-1 and A-2 were due on May 1, 2039 with a fixed interest rate of 5.25%. Series 2007B was due May 1, 2014 with a fixed interest rate of 5.10%. The 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 commencing November 1, 2007. Principal on the bonds were to be paid serially. A partial bonds restructuring occurred in 2011. The remaining portion of the Series 2007 bonds outstanding at the time of refunding, \$2,675,000 of Series 2007 A-1, \$1,700,000 of Series 2007A-2, and \$25,730,000 of Series 2007B bonds represents the un-exchanged Series 2007 Bonds. During the current year, the unexchanged Series 2007 Bonds were cancelled in full.

Capital Appreciation Bonds – Series 2011

On September 14, 2011, Gramercy Farms Community Development District issued the 2011 Bonds in exchange for, and as a means of restructuring, a portion of the District's then outstanding balances of Special Assessment Bonds Series 2007A-1, Special Assessment Bonds Series 2007A-2 and Special Assessment Bonds Series 2007B.

The 2011 Bonds were initially issued as Capital Appreciation Bonds and are subject to conversion from Capital Appreciation Bonds to Current Interest Bonds. Under the terms of the restructuring agreement, assessments securing the Series 2007 Bonds were extinguished. Extinguishment was effective upon issuance of the Series 2011 Bonds. All other items of the 2007 bonds indenture remain. The unexchanged 2007 bonds are subordinate to the Series 2011 Bonds and are payable solely from lot sale proceeds remaining after the payment of SPE operating costs and prepayments of 2011 Special Assessment Bonds up to the SPE prepayment cap defined in the restructuring agreement.

Per the restructuring agreement, the parties acknowledge that: (i) it is expected that a portion of the 2011 Special Assessments will be prepaid by the SPE from lot sale proceeds in accordance with Section 4(a)(ii) of the Restructuring Agreement, (ii) the principal amount of 2011 Long Term Assessments to be levied on lots when owned by end user will not be sufficient to pay debt service on the 2011 Bonds when due unless a portion of the 2011 Special Assessments are prepaid by the SPE from lot sale proceeds and (iii) the amount of lot sale proceeds expected to be applied by SPE as partial prepayments in accordance with Section 4(a)(ii) of the Restructuring Agreement is dependent on a variety of factors including, without limitation, the actual (vs. projected) absorption rate within the District by the end user and the sales price of such finished units to the end user.

Gramercy Farms Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE D – LONG-TERM DEBT (CONTINUED)

Capital Appreciation Bonds – Series 2011 (Continued)

The bonds are subject to mandatory conversion prior to maturity in the manner determined by the bond registrar if certain events occur as outlined in the Bond Indenture. The bonds are also subject to option conversion at the direction of a majority of the Bondholders subject to the terms outlined in the Bond Indenture. From and after the conversion date, interest on the current interest bonds will be payable semiannually. Additionally, in connection with the conversion, the District shall prepare an amortization schedule setting forth the mandatory redemption to be made each May 1st.

The bonds are subject to redemption at the option of the District prior to maturity. The bonds are also subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the bond registrar if certain events occur as outlined in the bond indenture.

During the fiscal year ended September 30, 2025, pursuant to Section 2.07(b) of the Second Supplemental Indenture, the Bondholders directed the Trustee to convert their 2011 Bonds from capital appreciation bonds to current interest bonds. In addition, the Bondholders directed the Trustee to cancel all but \$4,645,000 of par amount of the 2011 Bonds. Following conversion and cancellation, scheduled principal reductions began during the current year.

The following is a summary of activity for long-term debt for the year ended September 30, 2025:

Long-term debt at October 1, 2024	\$ 50,421,660
Debt forgiveness	(45,366,117)
Principal payments	<u>(600,543)</u>
Long-term debt at September 30, 2025	<u>\$ 4,455,000</u>

Long-term debt for Governmental Activities is comprised of the following:

Special Assessment Refunding Bonds

\$4,645,000 Series 2011 Special Assessment Refunding Bonds, Restructured, are due in annual principal installments beginning May 2025 maturing May 2039. Interest of 6.75% is due May and November beginning May 2025. Current portion is \$290,000.

\$ 4,455,000

Gramercy Farms Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE D – LONG-TERM DEBT (CONTINUED)

Special Assessment Refunding Bonds (Continued)

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2025 are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 290,000	\$ 297,675	\$ 587,675
2027	205,000	281,138	486,138
2028	220,000	267,300	487,300
2029	235,000	252,450	487,450
2030	255,000	236,588	491,588
2031-2035	1,560,000	900,788	2,460,788
2036-2039	1,690,000	294,301	1,984,301
Totals	<u>\$ 4,455,000</u>	<u>\$ 2,530,240</u>	<u>\$ 6,985,240</u>

Significant Bond Resolution Terms and Covenants

The Bond Indenture established certain amounts be maintained in a reserve account. In addition, the Bond Indenture has certain 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 bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

Reserve Fund – The Series 2011 Reserve Account is funded from the available funds in various trust accounts of the Series 2011 Bonds upon the cancellation and conversion of the Series 2011 Bonds in an amount equal to \$10,000. Monies held in the reserve accounts will be used only for the purposes established in the Bond Indenture.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet debt service reserve requirements as defined in the Indenture and noted above. The District's reserve account maintained a sufficient balance to meet the reserve requirement as of September 30, 2025.

Gramercy Farms Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE E – SPECIAL ASSESSMENT REVENUES

Assessments are non-ad valorem assessments on benefited property within the District. Operation and Maintenance Assessments are based upon the adopted budget and levied annually. Debt Service Assessments are levied when bonds are issued and collected annually. The District may collect assessments directly or utilize the uniform method of collections (Chapter 197.3632, Florida Statutes). Direct collected assessments are due as determined by an annual assessment resolution adopted by the Board of Supervisors. Per Section 197.162, Florida Statutes, for assessments collected utilizing the uniform method, discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTE F – 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 cost of these risks, coverage may not extend to all situations. There were no claims or settled claims from these risks in the last three years.

NOTE G – SUBSEQUENT EVENT

In November 2025, the District made a prepayment of \$90,000 on the Series 2011 Bonds. This payment is included in the current portion of long-term debt as of September 30, 2025.



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

To the Board of Supervisors
Gramercy Farms Community Development District
St. Cloud, 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 (*Government Auditing Standards*), the financial statements, as listed in the table of contents, of Gramercy Farms Community Development District, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated May 26, 2026.

Report on Internal Control Over Financial Reporting

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

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

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



To the Board of Supervisors
Gramercy Farms Community Development District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gramercy Farms Community Development 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

12-03 Failure to Meet Debt Service Reserve Account Requirement

Finding: The Trust Indentures require the District to keep minimum amounts in the Debt Service Reserve Accounts. As of September 30, 2024, the Debt Service Reserve Accounts were deficient. The District is also not in compliance with all the trust indentures for the Series 2007 Bonds.

Recommendation: We recommend that the District utilize all legal remedies available to collect assessments and replenish the Debt Service Reserve Accounts.

Management Response: The Trustee, on behalf of the bondholders, created a Special Purpose Entity ("SPE") to own, manage and dispose of the land taken in from landowners of the District. The District, Trustee, and the SPE entered into an agreement whereby the SPE assumed responsibility for debt service assessments owed to the District related to the land owned by the SPE. Portions of the Series 2007 bonds were exchanged for Series 2011 bonds. At this time, there is no plan to replenish the reserves for the un-exchanged portion of the Series 2007 bonds.

Current Status: As of September 30, 2025, the Series 2007 bonds were cancelled and reserve balance for the Series 2007 bonds is no longer applicable. The finding has therefore been resolved in the current year.



Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Gramercy Farms Community Development District

Purpose of this Report

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

*Berger Toombs Elam
Gaines & Frank*

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

May 26, 2026



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MANAGEMENT LETTER

To the Board of Supervisors
Gramercy Farms Community Development District
St. Cloud, Florida

Report on the Financial Statements

We have audited the financial statements of the Gramercy Farms Community Development District as of and for the year ended September 30, 2025, and have issued our report thereon dated May 26, 2026.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 26, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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



To the Board of Supervisors
Gramercy Farms Community Development District

Prior Audit Findings (Continued)

12-01 Failure to Include Component Unit Financial Statement in the Financial Report

Finding: Generally accepted accounting principles require that the District include the financial statements of the Special Purpose Entity (SPE) in their audited financial report as a discretely-presented component unit. The SPE is not included as a component unit in the District's financial report. Due to the lack of control by the District and that the SPE's primary beneficiary is the Bondholders; the District's position is that the SPE is not a component unit of the District. We could not audit the records nor include them as a discretely presented component unit in the District's government-wide financial statements.

Recommendation: We recommend that the District include the SPE as a discretely-presented component unit of the District's government-wide financial statements.

Management Response: District's management does not agree that the SPE should be included as a discretely-presented component unit on the government-wide financial statements. In summary, management feels that it would be misleading to the users of the financial statements to include the SPE as a component unit. The District has no ownership and/or control over the SPE and in no way can it impose its will on the SPE. In addition, the District will not benefit from the activities of the SPE. When the land held by the SPE is sold, the proceeds will be paid to the Bondholders to satisfy the Bond debt. The District will not be responsible for any deficiency between the net proceeds of the sale and the associated Bond debt.

Current Status: The SPE was voluntarily dissolved in the prior year. The finding has been corrected as of September 30, 2025.

12-04 Financial Condition Assessment

Finding: The District's financial condition has deteriorated. In a prior year, the Developer failed to pay debt service assessments, because of lack of funds, causing the District to be unable to pay certain debt service payments when due. An event of default was declared and the debt was subsequently restructured with the agreement of the bondholders. The restructured agreement requires no current payments and the SPE is now funding the District; however, the overall effect of these actions on the District's financial condition cannot be determined at this time.

Recommendation: We recommend that the District utilize all legal remedies available to improve the present financial condition.



To the Board of Supervisors
Gramercy Farms Community Development District

Prior Audit Findings (Continued)

12-04 Financial Condition Assessment (Continued)

Management Response: The District restructured its bonds during fiscal year 2011, and a portion of the Series 2007 bonds were exchanged for Series 2011 bonds. The remaining portion of the Series 2007 bonds outstanding, represents the unexchanged Series 2007 bonds. Under the term of the restructuring agreement, assessments securing the Series 2007 bonds were extinguished upon issuance of the Series 2011 bonds. All other items of the 2007 bonds indenture remain. The unexchanged 2007 bonds are subordinate to the Series 2011 bonds and are payable solely from lot sale proceeds remaining after the payment of SPE operating costs and prepayment of 2011 Special Assessments up to the SPE prepayment cap defined in the restructuring agreement. At such time as (i) all lots have been sold to end users, (ii) all lot sale proceeds have been applied by the SPE in accordance with the provisions of the restructuring agreement, (iii) all funds paid to the Trustee pursuant to the provisions above have been applied to the payment of the unexchanged 2007 bond, and (iv) no amounts are held by the Trustee in the 2007 trust accounts, the unexchanged 2007 bond principal then outstanding shall be considered forgiven.

Current Status: In the current year, the unexchanged portion of the Series 2007 Bonds were cancelled. Financial conditions have begun to improve. The finding has been corrected as of September 30, 2025.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not Gramercy Farms Community Development District 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 Gramercy Farms Community Development 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 Gramercy Farms Community Development District. It is management's responsibility to monitor Gramercy Farms Community Development District's financial condition; and our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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



To the Board of Supervisors
Gramercy Farms Community Development District

Specific Information

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

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

- 1) The total number of District employees compensated in the last pay period of the District's fiscal year as: 0
- 2) The total number of independent contractors, defined as individuals or entities that receive 1099s, to whom nonemployee compensation was paid in the last month of the District's fiscal year as: 7
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$0
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$370,583
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2024, together with the total expenditures for such project as: N/A
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The Board did not amend the budget.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)9, Rules of the Auditor General, Gramercy Farms Community Development District reported:

- 1) The rate or rates of non-ad valorem special assessments imposed by the District as: \$784.49 – \$1,176.73 for the General Fund and \$481.65 – \$722.48 for the Debt Service Fund.
- 2) The amount of special assessments collected by or on behalf of the District as: Total special assessments collected was \$1,326,493.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds are as follows: \$4,455,000 Series 2011 Bonds due May 2039

Additional Matters

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



Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Gramercy Farms Community Development District

Purpose of this Letter

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

*Berger Toombs Elam
Gaines & Frank*

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

May 26, 2026



**Berger, Toombs, Elam,
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Certified Public Accountants PL

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**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Gramercy Farms Community Development District
St. Cloud, Florida

We have examined Gramercy Farms Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2025. Management is responsible for Gramercy Farms Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Gramercy Farms Community Development 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 and, accordingly, included examining, on a test basis, evidence about Gramercy Farms Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Gramercy Farms Community Development District's compliance with the specified requirements.

In our opinion Gramercy Farms Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2025.

*Berger Toombs Elam
Gaines & Frank*

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

May 26, 2026