INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA

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INTRODUCTORY SECTION

INDIAN TRAIL IMPROVEMENT DISTRICT

PRINCIPAL DISTRICT OFFICIALS

September 30, 2025

Board of Supervisors

Elizabeth Accomando, President

Patricia Farrell, Vice-President

Richard Vassalotti, Treasurer

Betty Argue, Secretary

Michael Johnson, Assistant Secretary

Counsel to the District

Caldwell, Pacetti, Edwards,
Schoech and Viator LLP
West Palm Beach, Florida

District Engineer

Stormwater J Engineering, Inc.
West Palm Beach, Florida

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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Boca Raton, Florida 33431
(561) 994-9299 ▪ (800) 299-4728
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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Indian Trail Improvement District
West Palm Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Indian Trail Improvement District, West Palm Beach, Florida (the "District") as of and for the fiscal year ended September 30, 2025, 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, each major fund, and the aggregate remaining fund information of the District as of September 30, 2025, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Other Information Included in the Financial Report

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 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, contracts, grant agreements and other matters. The purpose of that report is to solely 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.

Grau & Associates

June 2, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS

The management of Indian Trail Improvement District (the "District") offers the readers of the District's financial statements this discussion and analysis which is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plans (the approved budget), and (e) identify individual fund issues or concerns.

Financial Highlights

The following are financial highlights for the fiscal year ended September 30, 2025:

- The District's government-wide total net position at the end of the year was approximately $73 million, an increase from $69 million in the previous year. This is due to the continuation of the two capital project funds, Unit R-3 and Unit 20, which commenced in fiscal year 2022.

- The District's total investment in capital assets, net of related debt, accounts for $41.1 million of the total net position. Restricted amounts of net position include $19.1 million for debt service and $12.4 million for maintenance of the District's Units of Development.

- The District's primary fund, the Special Revenue Fund, had expenditures in excess of revenues in the amount of approximately $701,000, mainly resulting from leases. The ending fund balance for the Special Revenue Fund at the end of the fiscal year was $15.2 million, an increase from $13.9 million at September 30, 2024. Restricted fund balance in the Special Revenue Fund at September 30, 2025, was approximately $13.6 million, or 58% of fiscal year 2025 expenditures, representing the District's reserves. This amount exceeds the District's reserve policy to maintain 25% to 30% of budgeted expenditures for emergencies and end of year cash flow needs.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The District's annual financial report contains the following components: government-wide financial statements that report on the District's activities as a whole, fund financial statements that report on the District's individual funds, and notes to the financial statements that contain important disclosures, clarifications, and amplifications of information contained in the statements.

Government-wide Financial Statements

The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities, which report information about the District as a whole and about its activities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies, which attempt to match revenues and expenses to the period of benefit or use.

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two being reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the District is improving or deteriorating. Caution should be taken when considering the meaning of Net Position, as many of the District's assets are invested in infrastructure and other capital assets that are not necessarily liquid or easily converted to cash.

The Statement of Activities reports the increase or decrease in net position during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Over time, increases or decreases in net position are useful indicators of whether the District's financial health is improving or deteriorating. However, other non-financial factors, such as capital improvements, the condition of the District's assets, or changes in outside funding must also be considered when assessing the overall health of the District.

Fund Financial Statements

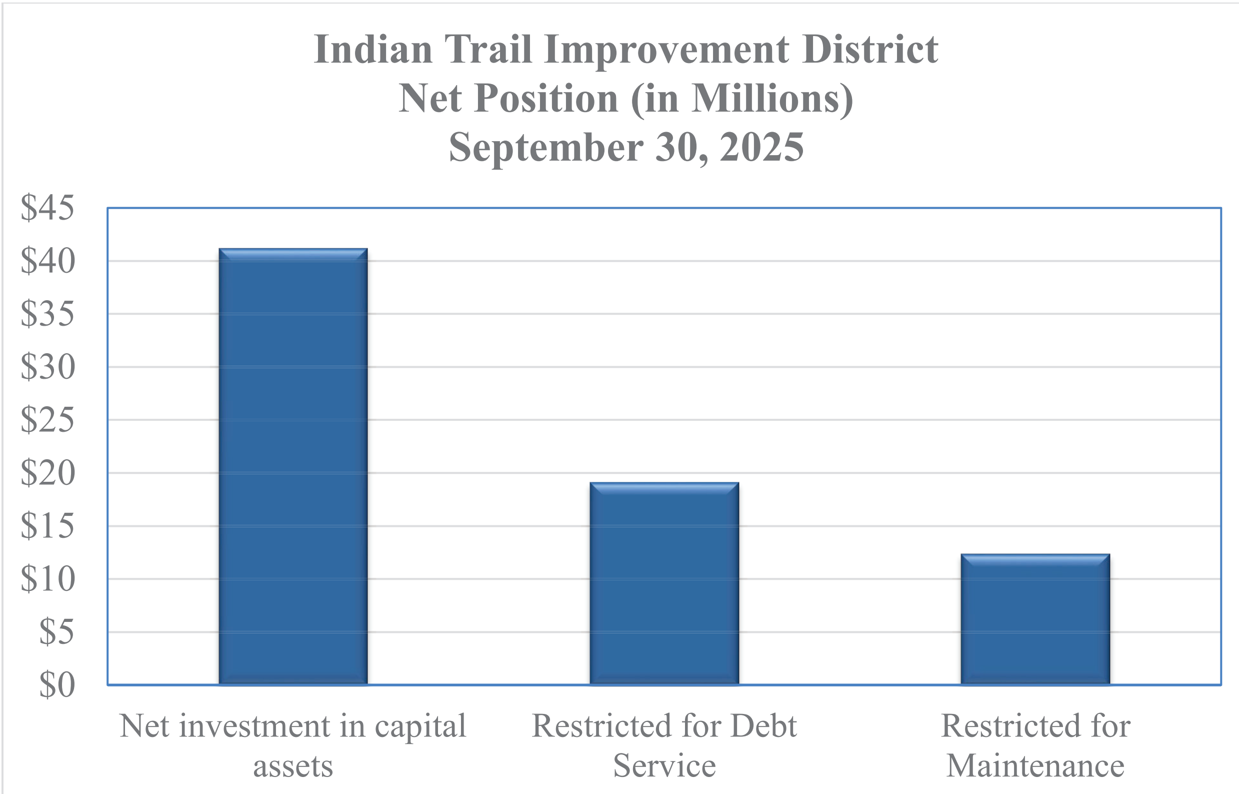
Following the government-wide financial statements are the fund financial statements. Fund statements provide additional detailed information about the District's funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been designated or identified for specific activities or objectives. The District's basic services are reported in governmental funds. These funds are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can be readily converted to cash. This provides a short-term view of the governmental fund's financial position to help determine whether more or fewer financial resources can be spent in the near-term to finance the District's programs. Given that this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided with these statements. This information helps to explain the difference between the fund financial statements and the government-wide financial statements.

The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Five major funds are reported individually in the governmental funds' Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances. The remaining governmental funds are reported as a combined total. The major governmental funds for the year ended September 30, 2025 were:

- Special Revenue Fund
- Unit R-3 Refunding Bonds Debt Service Fund
- Unit 18 Water Control and Improvement Refunding Bonds Debt Service Fund
- Unit 20 Refunding Bonds Debt Service Fund
- Unit R-3 Capital Project Fund

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows by $73 million at the close of the fiscal year. The District's net position that represents net investment in capital assets (e.g., land, buildings and improvements, roadways, machinery, and equipment) is about 57%. The District uses these capital assets to provide services to citizens; consequently, they are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The net position related to outstanding debt is about 26% and the net position related to maintenance is about 17%.



As the chart shown above illustrates, the District's net position restricted for debt service of $19 million (26%) represents resources required to be held for debt service only. The District issued debt in a previous fiscal year primarily to finance the cost of roadway and water control improvements within the District. The District's net position of $41 million (57%) represents net investment in capital assets and $12 million (17%) may be used only for maintenance of assets created under the District's various Units of Development.

The table on the next page presents condensed financial information derived from the government-wide statements for the fiscal year ended September 30, 2025, with comparative data for the fiscal year ended September 30, 2024.

Indian Trail Improvement District
Net Position
September 30, 2025 and 2024

	Governmental Activities	
	2025	**2024 (Restated)**
Current and other assets	$ 39,844,673	$ 44,475,994
Capital assets, net	59,715,526	52,119,400
Total assets	**99,560,199**	**96,595,394**
Deferred outflows of resources	**1,134,142**	**1,610,240**
Current liabilities	1,789,716	2,642,703
Long-term debt	25,148,040	25,822,721
Total liabilities	**26,937,756**	**28,465,424**
Deferred inflows of resources	**1,132,250**	**864,442**
Net Investment in Capital Assets	41,146,714	32,387,733
Restricted:		
Debt Service	19,110,718	20,348,256
Maintenance	12,366,903	16,139,779
Total net position	**$ 72,624,335**	**$ 68,875,768**

At the end of the current fiscal year, the District was able to report a positive balance in net position for all governmental type activities.

Total assets increased by approximately $3 million or 3% during the current fiscal year. The increase was primarily as a result of the operations of the two capital project funds and additional leased assets.

As shown in the table above, total liabilities decreased by approximately $1.5 million for the current fiscal year. The decrease is mainly the result of a decrease in net pension liability.

Indian Trail Improvement District
Change in Net Position
Years Ended September 30, 2025 and 2024

	Governmental Activities	
	2025	**2024 (Restated)**
Revenues:		
Program revenues:		
Charges for services	$ 21,363,357	$ 21,941,653
Operating grants and contributions	53,630	77,228
Capital grants and contributions	1,570,437	963,459
General revenues:		
Investment earnings	724,676	878,383
Miscellaneous	114,747	24,405
Gain (Loss) on disposal of capital assets	192,817	51,184
Total revenues	24,019,664	23,936,312
Expenses:		
Program expenses:		
General government	3,643,126	2,822,555
Public safety	81,592	87,712
Physical environment	12,655,861	11,476,534
Culture and recreation	3,024,042	3,119,801
Interest and other long-term debt service costs	866,476	909,925
Total expenses	20,271,097	18,416,527
Change in net position	3,748,567	5,519,785
Beginning net position	69,001,669	63,355,983
GASB 101 transition	(125,901)	-
Ending net position	**$ 72,624,335**	**$ 68,875,768**

Governmental Activities

As illustrated in the preceding table, the net position of the District's governmental activities increased by approximately $3.7 million or 5.4%.

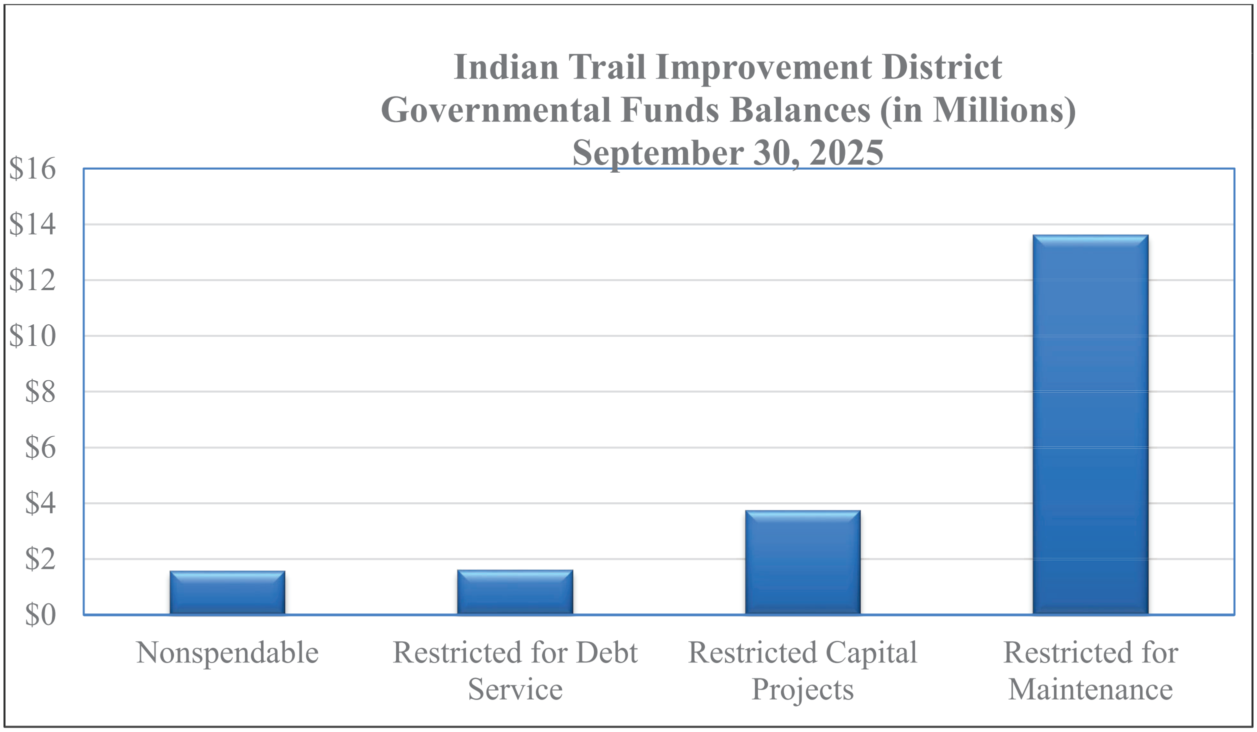
Total revenues increased by approximately $83,000. The increase was the result of an increase in grant revenue from FEMA.

FINANCIAL ANALYSIS OF THE DISTRICT'S INDIVIDUAL FUNDS

As noted earlier, Indian Trail Improvement District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds report on the same functions as the governmental activities in the government-wide statements but the focus of the governmental funds is to provide information on near-term inflows, outflows, and the balances of spendable resources available at fiscal year-end. This information is useful in evaluating the District's financing requirements.



As of September 30, 2025, the District's governmental funds reported combined ending fund balances of $20.5 million. The ending balance for the debt service funds did not significantly change from the previous fiscal year. The ending balance for the special revenue fund changed significantly due to less expenditures being incurred and more revenues earned than anticipated. The ending balance in the Unit R3 and Unit 20 capital projects funds changed significantly due to ongoing project costs.

Special Revenue Fund

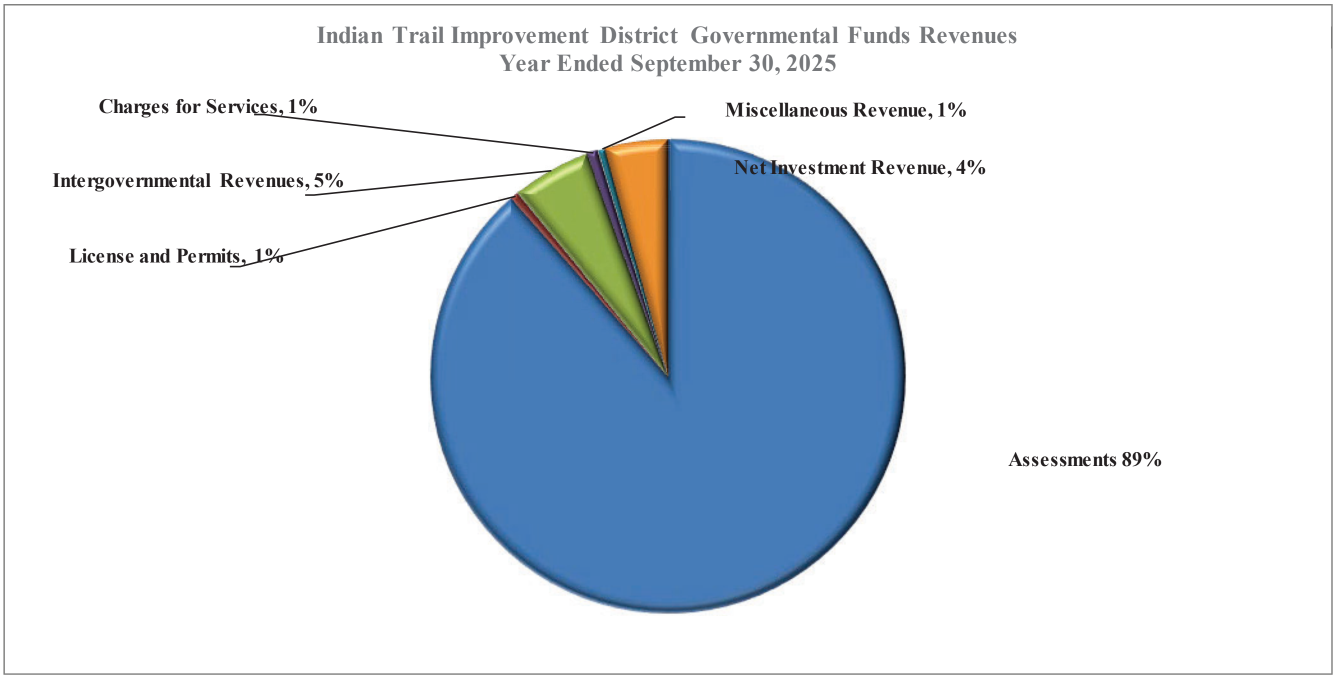
The special revenue fund is the primary fund for tracking administrative and operating costs associated with daily management of the District. The total fund balance in the special revenue fund on September 30, 2025, was $15.2 million, an increase of approximately $1.3 million from the prior year.

Debt Service Funds

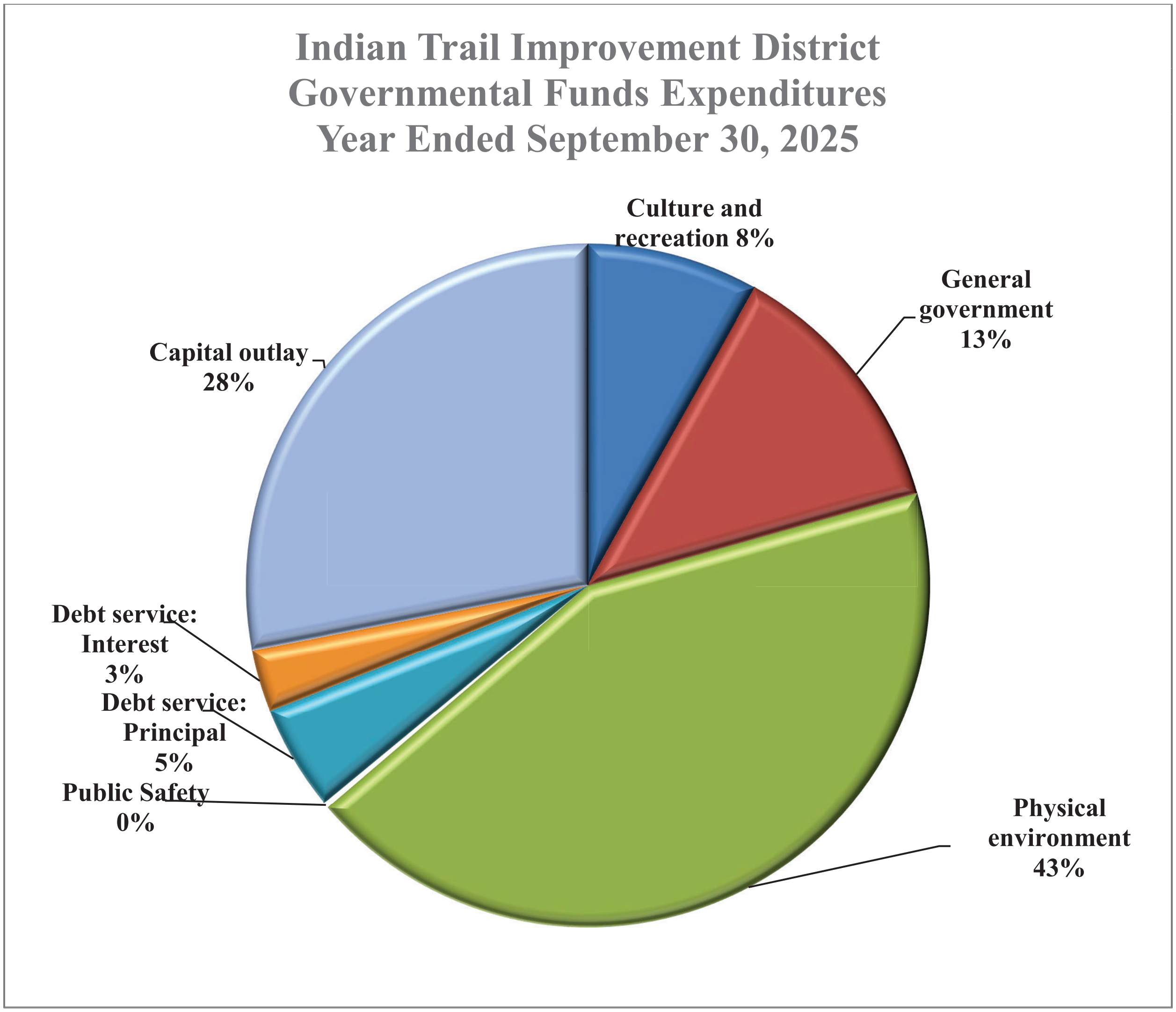
The District's remaining major and other governmental funds account for the accumulation of resources for capital project funds set up to finance the cost of roadway and water control improvements within the District, and the payment of general long-term debt principal, interest, and related costs. The total fund balance for these debt service funds on September 30, 2025, was approximately $1.6 million, all of which is restricted for future debt service.

Governmental Funds

Non-ad valorem taxes comprise the majority of governmental fund revenues, with the next largest source of revenue being investment revenue. The graph below illustrates the composition of governmental fund revenues.



Expenditure for Physical Environment expenditures (contractual services, repairs and maintenance, pump operations and maintenance, and maintenance of roads and canals) account for $12.8 million or 43% of total governmental fund expenditures, which is the largest expenditure of the District. The graph on the next page illustrates all the expenditure by function as a percentage of total expenditures of the District.



SPECIAL REVENUE FUND BUDGETARY HIGHLIGHTS

The District adopted the fiscal year 2025 budget in May 2024. The budget was amended to increase revenues by approximately $934,000, expenditures by $2.8 million, and use of fund balance by $1.8 million.

The final fiscal year 2025 budget included estimated revenues and expenditures of approximately $21 million and $23 million, respectively. Actual revenues totaled approximately $2 million over budget and actual expenditures (excluding GASB 87 leases) totaled approximately $0.9 million below budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, the District had invested $98 million in capital assets, including land, equipment, buildings, and infrastructure. This amount represents a net increase (including additions and deletions) of approximately 11.5% from the end of fiscal year 2024. This is a result of the continuation of the two capital project funds, Unit R-3 and Unit 20, milling improvements, leases and equipment.

Indian Trail Improvement District's Capital Assets

	Governmental Activities 2025	Governmental Activities 2024
Land	$ 2,610,721	$ 2,610,721
Land improvements	14,890,486	14,831,986
Roads	31,332,572	24,067,616
Park improvements	15,121,927	15,128,612
Buildings and structures	9,965,720	9,590,680
Machinery and equipment	9,677,584	8,714,271
Construction in progress	12,349,742	12,612,212
Right to use leased equipment	2,302,357	566,415
Total capital assets	98,251,109	88,122,513
Less: Accumulated depreciation	38,535,583	36,003,113
Total net capital assets	**$ 59,715,526**	**$ 52,119,400**

Additional information on the District's capital assets can be found in Note 5 of this report.

Long-Term Debt

At the end of fiscal year 2025, the District's total outstanding indebtedness was approximately $25 million resulting in no significant changes from the previous fiscal year. Debt owed by the District's governmental funds and payment of that debt is funded through various assessments levied by the District.

Indian Trail Improvement District's Outstanding Debt

	Governmental Activities 2025	Governmental Activities 2024 (Restated)
Bonds payable	$ 18,834,985	$ 20,100,281
Compensated absences	524,103	486,609
Other postemployment benefits	57,892	45,821
Net pension liability	3,901,424	4,797,589
Lease Payable	1,829,636	392,421
Total long-term liabilities	**$ 25,148,040**	**$ 25,822,721**

Additional information on the District's long-term debt can be found in Note 6 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District, which is located within Palm Beach County, is facing the same economic issues that are facing the rest of the County and the nation. In fiscal year 2025, the District was able to substantially collect all assessments owed and will continue to monitor the economic issues as they affect the District.

The District is largely assessment-based, and since special assessments must specifically benefit affected properties and be fairly apportioned, the District must continually rely on its assessment ability to raise the revenues necessary to fund the services and improvements demanded by its residents. The District is aggressively seeking grant opportunities as a revenue source to help offset the increasing project costs and requests by the residents of the District.

As is the case every year in South Florida, the expectation is that South Florida and, therefore, the District will face more frequent and possibly more powerful hurricanes. The tremendous cost of cleanup and repairs for each hurricane will put additional pressure on the District to maintain large cash reserves or to have credit facilities available for possible short-term needs. To assist with unexpected natural disasters, the District has a Fund Balance reserve policy requiring the reserves to be maintained at 25% to 30% of budgeted expenditures.

The needs of the District's residents change as time progresses and the demand for services increases. The future of the District includes changes in population, which will require expanding the services to the level of resident's needs.

Staff continue to strive to provide a level of service that the residents of the District expect, and will continue to listen and work together with the residents to meet the ongoing demands and challenges.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the District's Finance Department at:

Phone: (561) 793-0874
Email: info@indiantrail.com
Address: 13476 61st Street North, West Palm Beach, Florida 33412

INDIAN TRAIL
IMPROVEMENT DISTRICT
EST. 1957

BASIC FINANCIAL STATEMENTS

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 227,007
Investments	13,087,717
Accounts receivable	220,903
Grants receivable	355,038
Assessments receivable	17,315,000
Inventory	1,038,732
Prepaids	517,786
Restricted assets:	
Cash and cash equivalents	7,082,490
Capital assets:	
Nondepreciable	29,850,949
Depreciable, net	29,864,577
Total assets	99,560,199
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding (debit)	266,173
Deferred amount related to OPEB	6,039
Deferred amount related to pensions	861,930
Total deferred outflows of resources	1,134,142
LIABILITIES	
Accounts and contracts payable	1,186,208
Accrued liabilities	242,509
Landowner deposits, payable from restricted assets	227,063
Accrued interest payable	133,936
Non-current liabilities:	
Due within one year:	
Compensated absences	230,329
Bonds payable	1,230,000
Lease payable	734,408
Due in more than one year:	
Compensated absences	293,774
Bonds payable	17,604,985
Lease payable	1,095,228
Net other post employment benefit liability	57,892
Net pension liability	3,901,424
Total liabilities	26,937,756
DEFERRED INFLOWS OF RESOURCES	
Deferred amount related to pensions	1,085,063
Deferred amount related to OPEB	47,187
Total deferred inflows of resources	1,132,250
NET POSITION	
Net investment in capital assets	41,146,714
Restricted for debt service	19,110,718
Restricted for units of development maintenance	12,366,903
Total net position	$ 72,624,335

See notes to the financial statements

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	$ 3,643,126	$ 4,079,992	$ -	$ -	$ 436,866
Public safety	81,592	245,634	-	-	164,042
Physical environment	12,655,861	13,588,206	-	288,760	1,221,105
Culture and recreation	3,024,042	2,570,440	-	1,281,677	828,075
Interest on long-term debt	866,476	879,085	53,630	-	66,239
Total governmental activities	20,271,097	21,363,357	53,630	1,570,437	2,716,327

General revenues:	
Investment earnings	724,676
Miscellaneous	114,747
Gain/Loss on asset disposition	192,817
Total general revenues	1,032,240
Change in net position	3,748,567
Net position - beginning, as previously stated	69,001,669
GASB 101 transition	(125,901)
Net position - beginning, as restated	68,875,768
Net position - ending	$ 72,624,335

See notes to the financial statements

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Major Funds				Nonmajor		
	Special Revenue	Debt Service Unit R3	Debt Service Unit 18	Debt Service Unit 20	Capital Project Fund Unit R3	Capital Projects Fund Unit 20	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 227,007	$ -	$ -	$ -	$ -	$ -	$ 227,007
Investments	13,087,717	-	-	-	-	-	13,087,717
Restricted cash and cash equivalents	227,063	532,675	661,762	254,074	4,821,641	585,275	7,082,490
Accounts receivable, net	208,100	6,693	3,608	2,502	-	-	220,903
Assessments receivable	-	11,775,000	3,210,000	2,330,000	-	-	17,315,000
Grants receivable	355,038	-	-	-	-	-	355,038
Due from other funds	967,878	48,897	16,437	75,342	-	76,062	1,184,616
Inventory	1,038,732	-	-	-	-	-	1,038,732
Prepaids	517,786	-	-	-	-	-	517,786
Total assets	$ 16,629,321	$ 12,363,265	$ 3,891,807	$ 2,661,918	$ 4,821,641	$ 661,337	$ 41,029,289
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts and contracts payable	$ 634,372	$ -	$ -	$ -	$ 550,081	$ 1,755	$ 1,186,208
Accrued liabilities	242,509	-	-	-	-	-	242,509
Due to other funds	-	-	-	-	1,184,616	-	1,184,616
Landowner deposits, payable from restricted assets	227,063	-	-	-	-	-	227,063
Total liabilities	1,103,944	-	-	-	1,734,697	1,755	2,840,396
Deferred inflows of resources:							
Unavailable revenue - special assessments	-	11,775,000	3,210,000	2,330,000	-	-	17,315,000
Unavailable revenue - other	353,801	-	-	-	-	-	353,801
Total deferred inflows of resources	353,801	11,775,000	3,210,000	2,330,000	-	-	17,668,801
Fund balances:							
Nonspendable:							
Prepaid items	517,786	-	-	-	-	-	517,786
Inventory	1,038,732	-	-	-	-	-	1,038,732
Restricted for:							
Debt service	-	588,265	681,807	331,918	-	-	1,601,990
Capital projects	-	-	-	-	3,086,944	659,582	3,746,526
Units of Development maintenance	13,615,058	-	-	-	-	-	13,615,058
Total fund balances	15,171,576	588,265	681,807	331,918	3,086,944	659,582	20,520,092
Total liabilities, deferred inflows of resources, and fund balances	$ 16,629,321	$ 12,363,265	$ 3,891,807	$ 2,661,918	$ 4,821,641	$ 661,337	$ 41,029,289

See notes to the financial statements

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Fund balance - governmental funds		$ 20,520,092
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.		
Cost of capital assets	98,251,109	
Accumulated depreciation	(38,535,583)	59,715,526
Assets recorded in the governmental fund financial statements that are not available to pay for current-period expenditures are unavailable revenue in the governmental funds.		17,668,801
Deferred charges on refunding of long-term debt are shown as deferred outflows/inflows of resources in the government-wide financial statements; however, this amount is expensed in the governmental fund financial statements.		266,173
Deferred outflows of resources related to pensions are recorded in the statement of net position but not on the governmental fund financial statements.		861,930
Deferred inflows of resources related to pensions are recorded in the statement of net position but not on the governmental fund financial statements.		(1,085,063)
Deferred inflows of resources related to OPEB are recorded in the statement of net position but not on the governmental fund financial statements.		(47,187)
Deferred outflows of resources related to OPEB are recorded in the statement of net position but not on the governmental fund financial statements.		6,039
Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund financial statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.		
Accrued interest payable	(133,936)	
Bonds payable	(18,834,985)	
Lease payable	(1,829,636)	
Compensated absences	(524,103)	
Net pension liability	(3,901,424)	
Net other postemployment benefits liability	(57,892)	(25,281,976)
Net position of governmental activities		$ 72,624,335

See notes to the financial statements

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Major Funds					Nonmajor	
	Special Revenue	Debt Service Unit R3	Debt Service Unit 18	Debt Service Unit 20	Capital Project Fund Unit R3	Capital Projects Fund Unit 20	Total Governmental Funds
REVENUES							
Assessments	$ 20,122,635	$ 1,064,478	$ 572,767	$ 416,840	$ -	$ -	$ 22,176,720
License and permits	139,951	-	-	-	-	-	139,951
Intergovernmental revenues	1,346,756	-	-	-	-	-	1,346,756
Charges for services	187,490	-	-	-	-	-	187,490
Miscellaneous income	130,063	-	-	-	-	-	130,063
Net investment income	724,676	13,274	28,212	12,144	259,033	29,727	1,067,066
Total revenues	22,651,571	1,077,752	600,979	428,984	259,033	29,727	25,048,046
EXPENDITURES							
Current:							
General government	3,674,353	10,954	16,187	7,543	-	-	3,709,037
Public safety	81,592	-	-	-	-	-	81,592
Physical environment	12,758,010	-	-	-	-	-	12,758,010
Culture and recreation	2,400,571	-	-	-	-	-	2,400,571
Debt service:							
Principal	298,727	430,000	470,000	275,000	-	-	1,473,727
Interest	24,434	610,250	119,600	118,007	-	-	872,291
Capital outlay	4,115,236	-	-	-	4,043,213	131,965	8,290,414
Total expenditures	23,352,923	1,051,204	605,787	400,550	4,043,213	131,965	29,585,642
Excess (deficiency) of revenues over (under) expenditures	(701,352)	26,548	(4,808)	28,434	(3,784,180)	(102,238)	(4,537,596)
OTHER FINANCING SOURCES							
Lease proceeds	1,735,942	-	-	-	-	-	1,735,942
Proceeds from the sale of capital assets	226,559	-	-	-	-	-	226,559
Total other financing sources (uses)	1,962,501	-	-	-	-	-	1,962,501
Net change in fund balances	1,261,149	26,548	(4,808)	28,434	(3,784,180)	(102,238)	(2,575,095)
Fund balances - beginning	13,910,427	561,717	686,615	303,484	6,871,124	761,820	23,095,187
Fund balances - ending	$ 15,171,576	$ 588,265	$ 681,807	$ 331,918	$ 3,086,944	$ 659,582	$ 20,520,092

See notes to the financial statements

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds	$ (2,575,095)
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation on capital assets is not recognized in the governmental fund financial statement but is reported as an expense in the statement of activities.	(3,109,494)
Governmental funds report proceeds when debt is first issued, whereas these proceeds are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.	(1,735,942)
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statement but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	1,473,727
Governmental funds report capital outlays as expenditures; however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.	10,739,362
Certain revenues were unavailable for the governmental fund financial statements in the prior fiscal year. In the current fiscal year, these revenues were recorded in the governmental fund financial statements.	(18,890,000)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.	17,668,801
Governmental funds report amount of the proceeds of the sale of capital assets; however, the sale of capital assets should only be reported on the statement of activities to the extent that there is a disparity between the amount of the sale proceeds and the carrying value of the asset sold.	(33,742)
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds. The details of the differences are as follows:	
Amortization of deferred amount on refunding	(102,441)
Change in compensated absences	(37,494)
OPEB expense	(3,346)
Pension expense	245,975
Amortization of original issue discount/premium	90,296
Change in accrued interest	17,960
Change in net position of governmental activities	$ 3,748,567

See notes to the financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Indian Trail Improvement District (the "District") was created pursuant to Chapter 57-646, Florida Statutes and codified pursuant to Chapter 2002-330, Laws of Florida, for the purpose of reclaiming the lands within its boundaries for water control and water supply purposes, and to protect the land from the effects of water by means of the construction and maintenance of canals, ditches, levees, dikes, pumping plants, and other works and improvements. The District is also authorized to construct and operate water and sewer facilities, roads, parks and parkways. The District is located in the western section of Palm Beach County and encompasses approximately 110 square miles of land.

The governing body of the District is the Board of Supervisors ("the Board") which is comprised of five members each elected by the public in the general election. The Board is responsible for legislative and fiscal control of the District.

The Board has the responsibility for:
1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the recruiting and terminating of key personnel.
6. Financing improvements.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements
The basic financial statements include both government-wide and fund financial statements.

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Assessments

Maintenance assessments are non-ad valorem assessments on all platted lots within the District. Assessments are levied each November 1 on property as of the previous January 1 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.

Debt assessments are non-ad valorem assessments on certain benefited property within the District. Debt assessments were levied to pay for the related debt service. Debt assessments receivables represent the balance of outstanding assessments levied by the District to repay the outstanding debt. Debt assessments receivable are collected in annual installments in amounts sufficient to meet the annual debt service requirements in the same manner as maintenance assessments.

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 District. Revenues for expenditure driven grants are recognized when the related expenditures are incurred.

The District reports the following major governmental funds:

> The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
>
> Unit 18, Series 2015 Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs for Unit of Development 18.
>
> Unit R-3, Series 2022 Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs for Unit of Development R-3.
>
> Unit 20, Series 2022 Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs for Unit of Development 20.
>
> Capital Projects Fund, R-3 accounts for the financial resources to be used for the acquisition or construction of major infrastructure for Unit of Development R-3

Additionally, the District reports the following nonmajor fund types:

> Capital Projects Fund, Unit 20 accounts for the financial resources to be used for the acquisition or construction of major infrastructure for Unit of Development 20.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity

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

Deposits and Investments
The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and all other short-term, highly liquid investments with original maturities of 90 days or less when purchased.

Cash and investments of each fund, except for certain investments held by Trustees pursuant to bond resolutions, are accounted for in pooled cash and investments with each fund maintaining its proportionate equity in the pooled accounts. The use of a pooled cash and investments account enables the District to invest idle cash for short periods of time, thereby maximizing earnings potential. Income earned from this pooling of cash is allocated to the respective funds based upon the monthly proportionate balances.

The District has adopted an investment policy for the investment of public funds in excess of the amounts needed to meet current operating expenses, in accordance with Florida Statutes. The District is authorized to invest in negotiable direct obligations or obligations unconditionally guaranteed by the United States Government; interest-bearing time deposits or savings accounts in banks organized under the laws of Florida and/or in national banks organized under the laws of the United States and doing business and situated in Florida; bonds, debentures, notes or callables issued or guaranteed by United States Government sponsored agencies; repurchase agreements composed of only those investments based on the requirements set forth by the District's Master Repurchase Agreement; money market accounts placed with financial institutions qualifying as public depositories as provided in Florida Statutes; funds registered under the Federal Investment Company Act of 1940; intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act as provided in Florida Statutes; and commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's.

In addition, any unspent Bond proceeds are required to be held in investments as specified in the Bond agreements.

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

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

Assessments Receivable/Unavailable Revenue
Assessments receivable recorded in the debt service funds represent the balance of outstanding assessments levied by the District to repay outstanding debt. The assessments are levied at the time the related debt issuance is authorized. The receivables are collected in annual installments together with assessments for interest and collection costs in amounts sufficient to meet the annual debt service requirements.

The District reports unavailable revenue as a deferred inflow of resources in the fund financial statements in an amount equal to the assessments receivable since this revenue will be collected in future years. This assessment revenue is not deferred in the government-wide financial statements. Instead, it is recognized as revenue at the time the assessments are levied.

Inventories and Prepaid Items
Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets

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

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

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

Assets	Years
Park and park improvements	10-20
Roads and pathways	30
Buildings	15-25
Drainage structures	15
Machinery and equipment	3-15
Right to use leased equipment	2-3

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

Compensated Absences

It is the District's policy to permit employees to accumulate, within certain limits, earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from the District's service. The District's employees are granted compensated absence pay for vacation leave based on length of service. Eligible employees may carry over accrued, but unused vacation leave up to a maximum of 280 hours. At the end of each fiscal year, unused vacation leave in excess of 280 hours is forfeited. The District's employees are eligible for paid sick leave as well. Any employees hired before August 15, 2004, may cash out his/her sick leave account at 10% of the value of the account if resignation occurs after five years of continuous employment. After 15 years of continuous employment, these employees may cash out at 25% of the value of the account upon resignation. Employees hired or re-hired after August 15, 2004, accrue sick leave, but unused leave is not paid upon separation from employment.

Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund only if they have matured. Compensated absence is liquidated through the special revenue fund.

Unearned Revenue

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

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 amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Debt issuance costs are expensed when incurred.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

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

Refundings of Debt
For current refundings and advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized ratably as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. In connection with the prior refundings, $102,441 was recognized as a component of interest expense in the current fiscal year.

Leases
The District is a lessee for several non-cancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use leased asset (leased asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $25,000 or more. At the commencement of the lease, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the commencement date, plus certain direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life.

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

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

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.
Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position
In the fund financial statements, governmental funds report nonspendable 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.

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

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

The goal of the District's fund balance policy is to achieve and maintain a fund balance restricted for maintenance in the special revenue fund at fiscal year-end of not less than 25% and not more than 30% of the total budgeted expenditures of the special revenue fund budget. If the restricted fund balance at fiscal year-end falls below the goal, the District shall develop a restoration plan to achieve and maintain the minimum fund balance. At the end of the fiscal year, the District's restricted fund balance in the special revenue fund equaled 46% of budgeted expenditures for the subsequent fiscal year.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed or assigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and as needed, unless the District Board has provided otherwise.

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

Other Disclosures

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

GASB Pronouncements Adopted

GASB 101: *Compensated Absences*

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Pronouncements Adopted (Continued)

GASB 102: *Certain Risk Disclosures*

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

Net Position Restatement

Due to the adoption of GASB 101, *Compensated Absences*, the District's beginning net position was restated as follows:

	Governmental Activities	
Net position, as previously stated	$	69,001,669
GASB 101 transition		(125,901)
Net position, as restated	$	68,875,768

NOTE 3 – BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the special revenue 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 Executive Director submits to the District's Board of Supervisors a proposed operating budget for the fiscal year commencing the following October 1.
b) Public hearings are conducted to obtain comments.
c) Prior to October 1, the budget is legally adopted by the District Board.
d) The legal level of budgetary control for the District is exercised at the object of expenditure level which is defined as personal services, operating expenditures, capital outlay and debt service. Transfers within an object of expenditure are approved at the administrative level. Transfers between objects of expenditure require Board of Supervisor approval. The Board must hold a public hearing for any transfer which exceeds the amount of an object of expenditure by 10%.
e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
f) Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

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

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

The District's cash and cash equivalents were held as follows at September 30, 2025:

Cash and cash equivalents:		
Petty cash	$	293
Dreyfus Govt Cash Mgmt Adm 567		4,930,548
Cash Balance - BNY Mellon		1,263,117
Deposits with financial institutions		453,777
Fidelity Treasury Only Cl I		661,762
Total cash and cash equivalents	$	7,309,497

Investments

The District's investments were held as follows at September 30, 2025:

	Amortized Cost		Fair Value		Credit Risk	Weighted Average Maturities
Florida PRIME	$	68,754	$	-	S&P AAAm	47 days
FL PALM Short Term Core Portfolio		8,466		-	S&P AAAm	42 days
FL Fixed Income Trust Cash Pool		-		6,496,192	Fitch AAAf/S1	85 days
FL Class		-		6,514,305	S&P AAAm	42 days
Total Investments	$	77,220	$	13,010,497		

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

The District's investment policy limits investments in bonds, U.S. Treasuries and Agency obligations or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations (NRSRO) of the United States.

Concentration risk – Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The District's investment policy places limits on the amount the District may invest in any one issuer.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investment maturities by investment type as a means of managing exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk - Custodial credit risk is defined as the risk that the District may not recover the securities held by another party in the event of a financial failure. The District requires all investment securities to be held in the District's name by a third party safekeeping institution.

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

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the District's investments in Florida PRIME and FL Palm have been reported at amortized cost above.

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

As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	$ 2,610,721	$ -	$ -	$ 2,610,721
Land improvements	14,831,986	58,500	-	14,890,486
Construction in progress	12,612,212	6,895,549	(7,158,019)	12,349,742
Total capital assets, not being depreciated	30,054,919	6,954,049	(7,158,019)	29,850,949
Capital assets, being depreciated				
Park and park improvements	15,128,612	15,400	(22,085)	15,121,927
Roads and pathways	24,067,616	7,264,956	-	31,332,572
Buildings	943,388	68,569	-	1,011,957
Drainage structures	8,647,292	306,471	-	8,953,763
Machinery and equipment	8,714,271	1,551,994	(588,681)	9,677,584
Right to use leased equipment	566,415	1,735,942	-	2,302,357
Total capital assets, being depreciated	58,067,594	10,943,332	(610,766)	68,400,160
Less accumulated depreciation for:				
Park improvements	(6,509,942)	(639,114)	7,546	(7,141,510)
Roads and pathways	(15,899,961)	(1,160,877)	-	(17,060,838)
Buildings	(867,516)	(8,127)	-	(875,643)
Drainage structures	(6,387,660)	(337,469)	-	(6,725,129)
Machinery and equipment	(6,227,421)	(653,325)	569,478	(6,311,268)
Right to use leased equipment	(110,613)	(310,582)	-	(421,195)
Total accumulated depreciation	(36,003,113)	(3,109,494)	577,024	(38,535,583)
Total capital assets, being depreciated, net	22,064,481	7,833,838	(33,742)	29,864,577
Governmental activities capital assets, net	$ 52,119,400	$ 14,787,887	$ (7,191,761)	$ 59,715,526

NOTE 5 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental activities:		
General government	$	41
Physical environment		2,457,500
Culture and recreation		651,953
Total depreciation expense	$	3,109,494

NOTE 6 – LONG-TERM LIABILITIES

The District issued debt primarily to finance the cost of roadway and water control improvements within the District. The limited obligation bonds bear interest at rates ranging from 3.25% to 5.0% and mature in future years through 2042. These bonds payable are collateralized by pledged future non-ad valorem drainage and maintenance assessments. The remaining principal and interest to be funded 100% by the non-ad valorem assessments is $24,126,085. For the fiscal year ending September 30, 2025, principal and interest paid and total non-ad valorem assessments were $2,022,857 and $2,054,085, respectively.

Special Assessment Debt with Governmental Commitment

Special assessment debt with governmental commitment is not backed by the full faith and credit of the District but is payable solely from and secured solely by a lien on and pledge of drainage taxes (non-ad valorem assessments) of the properties benefited by the improvements. Outstanding balances at September 30, 2025, are as follows:

$7,310,000 2015 Water Control and Improvement Refunding Bonds, Unit 18, due in annual installments of $355,000 to $585,000 from August 1, 2015, through August 1, 2031, with interest rates of 3.25% payable semi-annually on February 1 and August 1 of each year.	$	3,210,000
$12,995,000 Road Paving and Improvement Bonds, Unit R3, Series 2022, due in annual installments of $385,000 to $1,000,000 from August 1, 2023, through August 1, 2042, with interest rate of 5% payable semi-annually on February 1 and August 1 of each year.		11,775,000
$3,075,000 Series 2022 Water Control Bonds, Unit 20, due in annual installments of $205,000 to $380,000 from August 1, 2023, through August 1, 2032, with interest rate of 4.53% payable semi-annually on February 1 and August 1 of each year, commencing August 1, 2023.		2,330,000
Total special assessment debt with governmental commitment	**$**	**17,315,000**

Provisions of Bond Resolutions

The District entered into covenants with the bondholders to levy annual assessments sufficient to pay the debt service on the bonds. Reserve accounts were established and the amounts on deposit in these accounts may be used only for the purpose of paying the principal of and interest on the bonds when assessments are not sufficient to meet the debt service requirements when due. The bond resolutions specify minimum amounts to be maintained in the reserve accounts. In addition, the District is required to submit audited financial statements within 240 days and 365 days after fiscal year end, depending on the individual bond resolution. At September 30, 2025, the District was in compliance with these requirements.

NOTE 6 – LONG-TERM LIABILITIES (Continued)

Long-term debt activity

Changes in long-term liability activity for the fiscal year ended September 30, 2025 were as follows:

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Series 2015 Unit 18	$ 3,680,000	$ -	$ 470,000	$ 3,210,000	$ 490,000
Series 2022 Unit 20	2,605,000	-	275,000	2,330,000	290,000
Series 2022 R-3	12,205,000	-	430,000	11,775,000	450,000
Plus: original issue premium	1,610,281	-	90,296	1,519,985	-
Total bonds payable	20,100,281	-	1,265,296	18,834,985	1,230,000
Compensated absences	486,609	37,494	-	524,103	230,329
Other post-employment benefits	45,821	12,071	-	57,892	-
Net pension liability	4,797,589	-	896,165	3,901,424	-
Lease payable	392,421	1,735,942	298,727	1,829,636	734,408
Total long-term liabilities	$ 25,822,721	$ 1,785,507	$ 2,460,188	$ 25,148,040	$ 2,194,737

At September 30, 2025, the scheduled debt service requirements on the long-term debt, excluding leases, were as follows:

	Governmental Activities		
Fiscal Year ending September 30:	Principal	Interest	Total
2026	$ 1,230,000	$ 798,624	$ 2,028,624
2027	1,285,000	747,062	2,032,062
2028	1,340,000	693,083	2,033,083
2029	1,400,000	636,751	2,036,751
2030	1,455,000	577,840	2,032,840
2031-2035	4,535,000	2,083,725	6,618,725
2036-2040	4,115,000	1,126,250	5,241,250
2041-2042	1,955,000	147,750	2,102,750
Total	$ 17,315,000	$ 6,811,085	$ 24,126,085

Lease Payable

During the prior and current fiscal years, the District entered into various equipment lease agreements as a lessee with three to four-year terms. The lease liability was measured using discount rates from 2% to 4%. The prior leases require annual payments ranging from $72,821 to $101,174, and have lease end dates ranging from February 1, 2026 to February 1, 2027. The 2025 leases require monthly payments ranging from $3,483 to $11,914, and have lease end dates ranging from July 15, 2028 to July 25, 2028. The value of the right-to-use asset as of the end of the current fiscal year was $2,302,357 and had accumulated amortization of $421,195.

The future principal and interest lease payments as of September 30, 2025, were as follows:

	Governmental Activities		
Fiscal Year ending September 30:	Principal	Interest	Total
2026	$ 734,408	$ 36,249	$ 770,657
2027	651,438	18,045	669,483
2028	443,790	3,706	447,496
Total	$ 1,829,636	$ 58,000	$ 1,887,636

NOTE 6 – LONG-TERM LIABILITIES (Continued)

Lease Payable (Continued)

During the current fiscal year, the District recognized lease expense as follows:

		Fiscal Year ending September 30, 2025:
Lease expense		
Amortization expense - leased equipment	$	310,582
Interest on lease liabilities		24,434
Total expense	$	335,016

NOTE 7 – RETIREMENT PLAN

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

All regular employees of the District are eligible to enroll as members of the FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The District's defined benefit pension expense totaled $316,303 for the fiscal year ended September 30, 2025.

FRS Pension Plan

Plan Description – The FRS Pension Plan (Plan) is a cost-sharing, multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The classes of membership within the District are as follows:

- Regular Class – Member of the FRS who do not qualify for membership in another class.
- Senior Management Service Class – Members in senior management level positions.
- Elected Local Officers Class – Members who hold specified elective offices in local government.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

NOTE 7 – RETIREMENT PLAN (Continued)

FRS Pension Plan (Continued)

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided – Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation (AFC). For members initially enrolled before July 1, 2011, the AFC is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the AFC is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
Senior Management Service Class	2.00
Elected Local Officers	3.00

Per Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

NOTE 7 – RETIREMENT PLAN (Continued)

FRS Pension Plan (Continued)

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the current fiscal year were as follows:

	Percent of Gross Salary October 1, 2024 to June 30, 2025		Percent of Gross Salary July 1, 2025 to September 30, 2025	
Class	Employee	Employer (1)	Employee	Employer (1)
FRS, Regular	3.00	13.63	3.00	14.03
FRS, Elected Officials	3.00	58.68	3.00	54.57
FRS, Senior Management Service Class	3.00	34.52	3.00	33.24

(1) Employer rates include a postemployment HIS contribution rate of 2.0% for October 1, 2024 to September 30, 2025, and administrative costs of .06% for the Investment plan through September 30, 2025.

The District's contributions to the Plan totaled $337,808 for the fiscal year ended September 30, 2025. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the District reported a liability of $2,374,902 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The District's proportionate share of the net pension liability was based on the District's contributions for the year ended June 30, 2025 relative to the contributions made during the year ended June 30, 2025 of all participating members. At June 30, 2025, the District's proportionate share was .00765%, which was a decrease of .00003% from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025 the District recognized pension expense of $258,235 related to the Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 253,665	$ -
Change of assumptions	275,788	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(396,514)
Changes in proportion and differences between District FRS contributions and proportionate share of FRS contributions	44,226	(229,297)
District FRS contributions subsequent to the measurement date	119,939	-
Total	$ 693,618	$ (625,811)

NOTE 7 – RETIREMENT PLAN (Continued)

FRS Pension Plan (Continued)

The deferred outflows of resources related to pensions, totaling $119,939, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,	Amount
2026	$ 327,819
2027	(147,564)
2028	(141,111)
2029	(91,276)
2030	-
Total	$ (52,132)

Actuarial Assumptions – The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.5 percent, average, including inflation
Discount rate	6.70 percent

Mortality rates were based on the PUB-2010 base table which varies by member category and sex, projected generationally with Scale MP-2021. The actuarial assumptions used in the July 1, 2025, valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Actuarial Assumptions (Continued)
The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Arithmetic Return	Geometric Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
Total	**100.0%**			
Assumed inflation - mean			2.4%	1.5%

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

Discount Rate – The discount rate used to measure the total pension liability was 6.70 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

NOTE 7 – RETIREMENT PLAN (Continued)

FRS Pension Plan (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.7%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.7%) or 1-percentage-point higher (7.7%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	5.70%	6.70%	7.70%
Net Pension Liability	$ 4,660,708	$ 2,374,902	$ 458,515

Payables to the Plan – At September 30, 2025, the District reported a payable of $30,058 to the Plan.

Pension Plan Fiduciary Net Position – Detailed information about the Plan's fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

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

Benefits Provided – For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2025, the contribution rate was 2% from October 1, 2024 to September 30, 2025, pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled $51,378 for the fiscal year ended September 30, 2025. This does not include contributions to the Investment Plan.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the District reported a net pension liability of $1,526,522 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the year ended June 30, 2025 contributions relative to the year ended June 30, 2025 contributions of all participating members. At June 30, 2025, the District's proportionate share was .0119%, which was a decrease of .00003% from its proportionate share measured as of June 30, 2024.

NOTE 7 – RETIREMENT PLAN (Continued)

HIS Pension Plan (Continued)

For the fiscal year ended September 30, 2025, the District recognized pension expense of $58,068 related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	9,112	$	(2,422)
Change of assumptions		13,511		(369,227)
Net difference between projected and actual earnings on HIS pension plan investments		-		(1,271)
Changes in proportion and differences between District's HIS contributions and proportionate share of HIS contributions		118,797		(86,332)
District HIS contributions subsequent to measurement date		26,892		-
Total	$	168,312	$	(459,252)

The deferred outflows of resources related to pensions, totaling $26,892, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,		Amount
2026	$	(54,867)
2027		(91,451)
2028		(73,168)
2029		(55,644)
2030		(42,702)
Thereafter		-
Total	$	(317,832)

Actuarial Assumptions – The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.5% average, including inflation
Discount rate	5.20 percent

Mortality rates were based on the PUB-2010 base table which varies by member category and sex, projected generationally with Scale MP-2021. The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate – The discount rate used to measure the total pension liability was 5.20%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.20%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

		1% Decrease		Current Discount Rate		1% Increase
		4.20%		5.20%		6.20%
Net Pension Liability	$	1,721,400	$	1,526,522	$	1,363,082

NOTE 7 – RETIREMENT PLAN (Continued)

HIS Pension Plan (Continued)

Payables to the Plan – At September 30, 2025, the District reported a payable of $3,523 to the Plan. This does not include payable to the Investment Plan.

Pension Plan Fiduciary Net Position – Detailed information about the HIS Plan's fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement. The report can be found at http://www.myfloridacfo.com/Division/AA/Reports.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Local Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Allocations to the investment member's accounts during the current fiscal year were as follows:

Class	Percent of Gross Salary October 1, 2024 to 9/30/2025
FRS, Regular	8.3%
FRS, Elected Officials	13.34%
FRS, Senior Management Service Class	9.67%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% from October 1, 2024 – September 30, 2025 and by forfeited benefits of Investment Plan members.

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

The District's Investment Plan pension expense totaled $436,069 for the fiscal year ended September 30, 2025.

At September 30, 2025, the District reported a payable of $40,393 to the Plan.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS

Postemployment Benefits

Pursuant to Section 112.0801, Florida Statutes, the District is required to permit eligible retirees and their eligible dependents to participate in the District's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The District does not provide retirees with any subsidy for this benefit.

As required by Florida Law, former employees who retire with immediate FRS benefits under age 65 are required to have access to their current medical plan if they pay the full blended premium rate charged for employees. This is a benefit to retirees because the cost of health insurance for retirees under age 65 exceeds the full premium. Employees will subsidize the cost of retirees under the Group Coverage.

Employees hired before July 1, 2011 with 30 years of service or age 62 with 6 years of service can retire with unreduced retirement benefits under the FRS pension plan. Employees hired on or after July 1, 2011 with 33 years of service or age 65 with 8 years of service can retire with unreduced benefits under the FRS pension plan.

The State Law also requires that former employees are also eligible for the same medical plan if they retire with reduced retirement benefits from FRS under early retirement provisions. For this purpose, early retirement started at age 55.

Plan Description

The District administers a single-employer defined benefit health care plan that provides health care benefits to eligible retired employees (the "Plan"). The Board of Supervisors has the authority to establish and amend the premiums for and the benefit provisions of the Plan. The Plan is financed on a "pay-as-you-go" basis and is not administered as a formal qualifying trust. The Plan does not issue a separate financial statement and required supplementary information.

Actuarial Methods and Assumptions

The actuarial valuation of the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The District has not contributed assets to the plan at this time and has elected to fund the plan on a pay-as-you-go method.

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

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions (Continued)

Significant methods and assumptions were as follows:

Actuarial valuation date	10/1/2023
Measurement date	9/30/2024 rolled forward to 9/30/25
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Discount rate	3.88% per annum (based on the 20-year tax exempt general obligation municipal bond index as of 9/30/2024)
Inflation rate	2.60%
Healthcare cost trend rate(s):	Based on Society of Actuaries Long-Run Medical Cost Trend Model, the initial rate is 7.5% for 2024 and 7.0% for 2025. The trend is expected to decrease to 5.29% by 2030 and 4.54% by 2050, ultimately leveling off at 4.04% in 2075.
Demographic assumptions	FRS demographic assumptions for General employees including the salary rates, retirement, termination, and disability assumptions developed in latest FRS experience study. Although FRS uses retirement rates through age 80, there are no benefits provided in this plan after age 65, so 100% of employees leave the plan at age 65. We assumed that 20 percent of employees with medical coverage would elect to retain the coverage at retirement.
Mortality	SOA Pub 2010 General Employees Headcount-Weighted Mortality Table, projected mortality improvement scale MP-2021

Benefits Provided: The Plan provides healthcare for retirees, their spouses, and their dependents. All retiree and dependent coverage is at the expense of the retiree.

Employees covered by the benefit terms. As of the October 1, 2023 valuation, the following employees were covered by benefit terms:

Current retirees:	
Total current retirees	-
Active employees:	
Active employees fully eligible for benefits	75
Active employees not yet fully eligible for benefits	-
Total active employees	75
Total number of participants	75

Funding Policy: The Plan is a pay-as-you-go plan, therefore any contributions to plan are assumed to be benefits paid to retirees and administrative expenses.

Contributions: The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the full cost of the premium. The District does not subsidize member premiums.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At September 30, 2025, the District reported a total OPEB liability of $57,892. The total OPEB liability was measured as of September 30, 2025, with an actuarial valuation date of October 1, 2023.

Changes in the total OPEB liability during the fiscal year ended September 30, 2025 were as follows:

	Increase (Decrease) in		
	Total OPEB Liability	**Fiduciary Net Position**	**Net OPEB Liability**
Balance as of September 30, 2023 for FY 24	$ 45,821	$ -	$ 45,821
Changes due to:			
Service cost	7,149	-	7,149
Interest	2,122	-	2,122
Experience losses/(gains)	-	-	-
Changes in assumptions	2,800	-	2,800
Benefit payments and refunds	-	-	-
Balance as of September 30, 2024 for FY 25	$ 57,892	$ -	$ 57,892

For the fiscal year ended September 30, 2025, the District recognized OPEB expense of $3,346.

In addition, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 26,290
Changes of assumptions	6,039	20,897
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contribution subsequent to measurement date	-	-
Total	**$ 6,039**	**$ 47,187**

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

Fiscal Year ending September 30:	
2026	$ (5,925)
2027	(5,920)
2028	(5,686)
2029	(5,463)
2030	(5,468)
Thereafter	(12,686)
Total	$ (41,148)

Discount Rate: Given the District's decision not to fund the program, all future benefit payments were discounted using 20-year general obligation bond (GO bond) rates. The discount rate assumption for disclosure purposes for the fiscal year 2025 is 3.88%, the 20-year GO bond index as of 9/30/2024. The rate at the beginning of the year was 4.63%, the 20-year GO bond index as of 9/30/23.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.88 percent) or 1-percentage-point higher (4.88 percent) than the current discount rate:

	1% Decrease (2.88%)	Current Discount Rate (3.88%)	1% Increase (4.88%)
Net OPEB liability	$ 61,800	$ 57,892	$ 54,185

Sensitivity of the net OPEB liability to the changes in the healthcare cost trend rates - The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.04 percent) or 1-percentage-point higher (5.04 percent) than the current healthcare cost trend rates:

	1% Decrease (3.04%)	Healthcare Cost Trend (4.04%)	1% Increase (5.04%)
Net OPEB liability	$ 51,104	$ 57,892	$ 66,008

NOTE 9 – COMMITMENTS AND CONTINGENT LIABILITIES

Litigation, Claims and Assessments

There are various other claims and legal actions pending against the District for which no provision has been made in the financial statements. In the opinion of management and the District's attorneys, liabilities arising from these claims and legal actions, if any, will not have a material adverse effect on the financial condition of the District.

Commitments

In conjunction with a permit with the Village of Royal Palm Beach, the District has a cost-sharing agreement for aquatic vegetation and weed control relating to portions of the M-1 Canal. Under the agreement, the District agreed to pay its pro-rata share up to 50% of the total annual costs in those portions not to exceed $32,100. In conjunction with this agreement, the District incurred costs of $32,100 in the current fiscal year.

At the end of the fiscal year, the District had ongoing construction contracts totaling approximately $5.1 million, of which approximately $1.81 million is uncompleted at September 30, 2025.

NOTE 10 – INTERLOCAL AGREEMENTS

County

In September 2019 the District entered an interlocal agreement with Palm Beach County whereby the District will continue to provide mowing and grading services within 60th St Segment and the County will reimburse the District for said services for a not to exceed amount of $24,000 annually. The agreement renews automatically for a one year term after December 31, 2020 unless terminated or amended by either party. Pursuant to the agreement, the County was invoiced and paid $24,000 during the current fiscal year.

In October 2025, the District and Palm Beach County executed a first amendment to the interlocal agreement with total annual payments of $70,000 payable quarterly in four installments of $17,500. The agreement will automatically renew on December 31, 2025 for an additional one year.

Grants

The District receives grant funding to finance certain improvements. In the event certain expenditures are found to be unqualified, the District would be required to refund the amounts.

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance from independent third parties. Settled claims have not exceeded insurance coverage during the past three years.

NOTE 12 – OTHER EVENTS

On March 29, 2019, the District accepted a conditional donation of 640 acres of land from GL Homes ("GL") related to GL's Indian Trails Grove development. The land was offered by GL Homes as a public benefit in support of its request for a land use change on its planned development property. The deed to the District has been placed in escrow and actual conveyance of title will occur after the following conditions are met: 1) GL receives a final development order from Palm Beach County, 2) the District secures financing for construction of water control structures on the donated property, and 3) the District obtains the necessary permits for this water control area.

On February 7, 2019, the District signed an agreement with Palm Beach West Associates I, LLP, a land developer and subsidiary of GL Homes, that is expected to lead to the creation of a new unit of development within the District. The process of creating a new unit will begin with and is contingent on the filing of the first residential plat for this development.

NOTE 13 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

GASB Statement No. 103: *Financial Reporting Model Improvements*

This statement, issued in April 2024 and effective for fiscal years beginning after June 15, 2025, aims to improve the financial reporting model by enhancing the clarity and usefulness of financial statements.

GASB Statement No. 104: *Disclosure of Certain Capital Assets*

This statement, issued in September 2024 and effective for fiscal years beginning after June 15, 2025, requires enhanced disclosures about certain capital assets, including detailed information on the nature and extent of capital assets held by a governmental entity.

GASB Statement No. 105: *Subsequent Events*

This statement, issued in December 2025 and effective for fiscal years beginning after June 15, 2026, updates reporting for subsequent events and requires disclosure of the date through which subsequent events were evaluated.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent to the end of the current fiscal year, the District authorized obtaining quotes for financing not to exceed $3,000,000 for Acreage Community Park North Athletic Campus LED sports lighting, Temple Park tennis/pickleball and basketball courts, and Sycamore Park tennis/pickleball and basketball courts.

REQUIRED SUPPLEMENTARY INFORMATION

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budget Amount		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Assessments	$ 19,819,438	$ 19,943,329	$ 20,122,635	$ 179,306
License and Permits	-	-	139,951	139,951
Intergovernmental revenues	-	488,549	1,346,756	858,207
Charges for services	-	-	187,490	187,490
Miscellaneous income	-	-	130,063	130,063
Investment income	-	321,551	724,676	403,125
Total revenues	19,819,438	20,753,429	22,651,571	1,898,142
EXPENDITURES				
Current:				
Personnel	8,272,902	7,784,778	7,734,974	49,804
Operating	8,943,472	11,863,279	11,179,552	683,727
Debt service:				
Principal	-	-	298,727	(298,727)
Interest	-	-	24,434	(24,434)
Capital outlay	2,603,064	2,939,796	4,115,236	(1,175,440)
Total expenditures	19,819,438	22,587,853	23,352,923	(765,070)
Excess (deficiency) of revenues over (under) expenditures	-	(1,834,424)	(701,352)	1,133,072
OTHER FINANCING SOURCES (USES)				
Use of fund balance	-	1,834,424	-	(1,834,424)
Lease proceeds	-	-	1,735,942	1,735,942
Proceeds from the sale of capital assets	-	-	226,559	226,559
Total other financing sources (uses)	-	1,834,424	1,962,501	128,077
Net change in fund balances	$ -	$ -	1,261,149	1,261,149
Fund balances - beginning			13,910,427	
Fund balances - ending			$ 15,171,576	

See notes to required supplementary information

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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

The legal level of budgetary control for the District is exercised at the object of expenditure level which is defined as personal services, operating expenditures, capital outlay and debt service. Transfers within an object of expenditure are approved at the administrative level. Transfers between objects of expenditure require Board of Supervisors' approval. The Board must hold a public hearing for any transfer which exceeds the amount of an object of expenditure by 10%. The special revenue fund budget for the fiscal year ended September 30, 2025 was amended to increase revenues by $933,991 and increase appropriations by $2,768,415. Total expenditures for the fiscal year ended September 30, 2025 exceeded appropriations by $765,070. Capital outlay exceeded appropriations by $1,175,440, due to new GASB 87 leases. The over expenditures were funded by lease proceeds.

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 7,149	$ 6,498	$ 8,158	$ 8,506	$ 7,892	$ 7,837	$ 3,346	$ 8,418
Interest	2,122	2,139	1,074	1,337	1,265	2,530	2,073	1,728
Difference between expected and actual experience	-	(14,240)	(1,620)	(17,098)	(510)	(1,622)	-	(721)
Assumption changes	2,800	2,458	(8,499)	1,105	1,114	(29,381)	(2,248)	(1,812)
Benefit payments and refunds	-	-	-	-	-	-	-	-
Net change in Total OPEB Liability	12,071	(3,145)	(887)	(6,150)	9,761	(20,636)	3,171	7,613
Total OPEB Liability - Beginning of Year	45,821	48,966	49,853	56,003	46,242	66,878	63,707	56,094
Total OPEB Liability - End of Year	$ 57,892	$ 45,821	$ 48,966	$ 49,853	$ 56,003	$ 46,242	$ 66,878	$ 63,707
Net OPEB Liability	$ 57,892	$ 45,821	$ 48,966	$ 49,853	$ 56,003	$ 46,242	$ 66,878	$ 63,707
Fiduciary net position as a % of Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) GASB 75 requires information for 10 years. However, until a full ten-year trend is compiled, information will be presented for only those years which information is available.

Notes to Schedule:

Changes of assumptions: The discount rate was changed as follows:

Fiscal year ending:	Discount Rate
9/30/2018	3.50%
9/30/2019	3.83%
9/30/2020	2.75%
9/30/2021	2.41%
9/30/2022	2.19%
9/30/2023	4.40%
9/30/2024	4.63%
9/30/2025	3.88%

The healthcare cost trend assumption was updated based on the 2024 Getzen model released by the SOA.

The mortality assumption was updated based on the most recent mortality tables and improvement scale released by the SOA.

The decrement and salary scale assumptions were updated to be consistent with those used in the latest FRS experience study.

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
FLORIDA RETIREMENT SYSTEM PENSION LIABILITY
SEPTEMBER 30, 2025

Schedule of District's Proportionate Share of Net Pension Liability
Florida Retirement System Pension Plan
Last 10 Years (Measurement Date) (1)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the FRS net pension liability	0.00765%	0.00768%	0.00816%	0.00865%	0.00954%	0.00838%	0.00733%	0.00664%	0.00658%	0.00674%
District's proportionate share of the FRS net pension liability	2,374,902	2,971,411	3,252,760	3,219,047	720,399	3,634,021	2,524,363	1,999,485	1,946,715	1,702,790
District's covered payroll	2,608,660	2,423,277	2,458,903	2,192,883	2,721,244	2,853,260	2,557,852	2,325,021	2,129,292	2,130,494
Liability as a percentage of covered payroll	91.04%	122.62%	132.29%	146.80%	26.47%	127.36%	98.69%	86.00%	91.43%	79.92%
FRS plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

Schedule of District's Proportionate Share of Net Pension Liability
Health Insurance Subsidy Pension Plan
Last 10 Years (Measurement Date) (1)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the HIS net pension liability	0.01191%	0.01217%	0.01174%	0.01123%	0.01241%	0.01150%	0.01062%	0.01015%	0.01006%	0.01077%
District's proportionate share of the HIS net pension liability	1,526,522	1,363,082	1,864,087	1,189,676	1,522,835	1,404,029	1,188,111	1,073,912	1,075,562	1,254,873
District's covered payroll	2,608,660	2,423,277	2,458,903	2,192,883	2,721,244	2,853,260	2,557,852	2,325,021	2,129,292	2,130,494
Liability as a percentage of covered payroll	58.52%	56.25%	75.81%	54.25%	55.96%	49.21%	46.45%	46.19%	50.51%	58.90%
HIS plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

(1) The amounts presented for each year were determined as of the measurement date, June 30.

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
FLORIDA RETIREMENT SYSTEM
CONTRIBUTION SCHEDULES
SEPTEMBER 30, 2025

Schedule of District Contributions
Florida Retirement System Pension Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required FRS contribution	$ 337,808	$ 309,866	$ 303,053	$ 227,451	$ 261,676	$ 240,469	$ 212,040	$ 164,040	$ 134,619	$ 120,306
FRS contributions in relation to the contractually required contribution	(337,808)	(309,866)	(303,053)	(227,451)	(261,676)	(240,469)	(212,040)	(164,040)	(134,619)	(120,306)
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,568,899	$ 2,419,798	$ 2,571,502	$ 2,143,603	$ 2,715,709	$ 2,802,179	$ 2,661,254	$ 2,378,464	$ 2,169,349	$ 2,048,353
FRS contributions as a percentage of covered payroll	13.15%	12.81%	11.79%	10.61%	9.64%	8.58%	7.97%	6.90%	6.21%	5.87%

Schedule of District Contributions
Health Insurance Subsidy Pension Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required HIS contribution	$ 51,378	$ 48,396	$ 44,991	$ 35,584	$ 45,081	$ 46,516	$ 44,177	$ 39,483	$ 36,011	$ 34,003
HIS contributions in relation to the contractually required contribution	(51,378)	(48,396)	(44,991)	(35,584)	(45,081)	(46,516)	(44,177)	(39,483)	(36,011)	(34,003)
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,568,899	$ 2,419,798	$ 2,571,502	$ 2,143,603	$ 2,715,709	$ 2,802,179	$ 2,661,254	$ 2,378,464	$ 2,169,349	$ 2,048,353
HIS contributions as a percentage of covered payroll	2.00%	2.00%	1.75%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

OTHER INFORMATION

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
UNAUDITED

Element	Comments
Number of District employees compensated in the last pay period of the District's fiscal year being reported.	73
Number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	8
Employee compensation in the last pay period of the District's fiscal year being reported.	$196,546
Independent contractor compensation in the last month of the fiscal year	$290,246
Construction projects to begin on or after October 1; ($65K)	None
Budget variance report	See the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rate	Operations and maintenance - see below Debt service - see below
Special assessments collected	$22,176,720
Outstanding Bonds:	See Note 6 for details

INDIAN TRAIL IMPROVEMENT DISTRICT
WEST PALM BEACH, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
UNAUDITED

Assessment rates			
Unit	**Amount**	**Unit**	**Amount**
1-Maintenance	$946.95	1-Debt	$51.02
2-Maintenance	$946.95	2-Debt	$51.02
3-Maintenance	$946.95	3-Debt	$51.02
4-Maintenance	$946.95	4 -Debt	$51.02
5-Maintenance	$946.95	5-Debt	$51.02
6-Maintenance	$944.60	6-Debt	$51.02
7-Maintenance	$946.95	7-Debt	$51.02
9-Maintenance	$946.95	9-Debt	$51.02
10-Maintenance	$946.95	10-Debt	$51.02
13-Maintenance	$946.95	13-Debt	$51.02
14-Maintenance	$946.95	14-Debt	$51.02
17 -Maintenance	$154.90		
20-Maintenance	$207.19	20-Debt	$642.80
10A-Maintenance	$946.95	10A -Debt	$51.02
12A-Maintenance	$944.60	12A -Debt	$51.02
12B-Maintenance	$944.60	12B -Debt	$51.02
12C-Maintenance	$944.60	12C -Debt	$51.02
13A-Maintenance	$946.95	13A -Debt	$51.02
14A-Maintenance	$946.95	14A -Debt	$51.02
18 G-Maintenance	$18.30	18G -Debt	$160.64
18R-Maintenance	$50.54	18R -Debt	$443.61
18RD-Maintenance	$101.09	18RD -Debt	$887.23
1A-Maintenance	$946.95	1A -Debt	$51.02
1H -Maintenance	$294.08		
2A-Maintenance	$946.95	2A -Debt	$51.02
2K -Maintenance	$275.85		
3A-Maintenance	$946.95	3A -Debt	$51.02
4A-Maintenance	$946.95	4A -Debt	$51.02
5A-Maintenance	$946.95	5A -Debt	$51.02
6A-Maintenance	$944.60	6A -Debt	$51.02
7A-Maintenance	$946.95	7A -Debt	$51.02
7M -Maintenance	$279.46		
9A-Maintenance	$946.95	9A -Debt	$51.02
M1S -Maintenance	$439.72		
M2D-Maintenance	$273.50	M2D -Debt	$51.02
M2L-Maintenance	$273.50	M2L -Debt	$51.02
19A -Maintenance	$296.90	19-Debt	$51.02

COMPLIANCE SECTION

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

To the Board of Supervisors
Indian Trail Improvement District
West Palm Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Indian Trail Improvement District, West Palm Beach, Florida ("District") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 2, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

We noted certain matters that we reported to management of the District in a separate letter dated June 2, 2026.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Management Letter. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Grau & Associates

June 2, 2026

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

To the Board of Supervisors
Indian Trail Improvement District
West Palm Beach, Florida

We have examined Indian Trail Improvement District, West Palm Beach, 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, 2025. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

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, 2025.

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 Indian Trail Improvement District, West Palm Beach, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

June 2, 2026

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

To the Board of Supervisors
Indian Trail Improvement District
West Palm Beach, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Indian Trail Improvement District, West Palm Beach, Florida ("District") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 2, 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 G*overnment Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 2, 2026, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

We wish to thank Indian Trail Improvement District, West Palm Beach, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

June 2, 2026

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2025-01 Budget:

Observation: The legal level of budgetary control for the District is exercised at the object of expenditure level, which includes capital outlay and debt service. Actual capital outlay expenditures and total expenditures exceeded final appropriations in the Special Revenue Fund for the fiscal year ended September 30, 2025.

The capital outlay variance was primarily due to lease agreements approved by the Board on May 21, 2025 and recorded in accordance with GASB Statement No. 87, Leases. Under GASB 87, the present value of future lease payments is recognized as capital outlay and lease proceeds in the year the lease commences, even though the related cash payments will be made over future fiscal years.

Recommendation: We recommend that the District amend its budget, as needed, for lease arrangements or similar transactions that require current-year recognition under governmental accounting standards, so that budgetary appropriations align with the related financial statement presentation.

Management Response: The budget over expenditure is a result of the present value of lease payments for all 3 years of the leases ($1,735,942) being reported as expenditure during the current year and not the result of the District actually spending more than was budgeted. The inclusion of all years of the lease is required by Governmental Accounting Standards Statement No. 87, Leases. A corresponding financing source is reported as lease proceeds that offset the expenditure thereby not affecting fund balance. Going forward, we will amend the budget once the lease calculations have been done.

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2024-01 Budget:

Current Status: See finding no. 2025-01 above.

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

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

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

   There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2024, except as noted above.

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

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2025, except as noted above.

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

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2025.

REPORT TO MANAGEMENT (Continued)

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

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

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2025. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on pages 48-49.