

Financial Statements

Leon County Educational Facilities Authority

*Years ended September 30, 2025 and 2024
with Report of Independent Auditors*



Leon County Educational Facilities Authority

Financial Statements

Years ended September 30, 2025 and 2024

Contents

Report of Independent Auditors.....1

Management’s Discussion and Analysis5

Audited Financial Statements

Statements of Net Position (Deficit)9

Statements of Revenues, Expenses, and Changes in Net Position10

Statements of Cash Flows11

Notes to Financial Statements.....12

Supplementary Information

Schedule of Other Operating Expenses23

Other Reports

Report of Independent Auditors 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*.....24

Management Letter26

Independent Accountant’s Report on Compliance with Local Government Investment Policies30



Report of Independent Auditors

The Authority Members
Leon County Educational Facilities Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Leon County Educational Facilities Authority (the Authority), which comprise the statement of net position as of September 30, 2025 and 2024, the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority, as of September 30, 2025 and 2024, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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 Authority's ability to continue as a going concern within one year after the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 Authority'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.

Report on Summarized Comparative Information

We have previously audited Leon County Educational Facilities Authority's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 26, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's financial statements. The schedule of other operating expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of other operating expenses is fairly stated, in all material respects, in relation to the financial statements as a whole.



Page Four

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.C.

Tallahassee, Florida
January 29, 2026

Leon County Educational Facilities Authority Management's Discussion and Analysis

September 30, 2025, and 2024

As management of the Leon County Educational Facilities Authority (the Authority), we offer this overview and analysis of the financial activities of the Leon County Educational Facilities Authority for the fiscal years ended September 30, 2025, and 2024.

These statements include the operations of LCEFA Ocala Road, LLC (the LLC), a component unit of Leon County Educational Facilities Authority. The LLC has maintained a leasehold interest in property subject to a settlement agreement with the Authority's bondholder, Emet Capital Management, LLC (Emet), originally dated October 29, 2019. The agreement was amended several times and ultimately was consummated on August 31, 2025, under which the leasehold interest associated with common areas, eight (8) apartment buildings, the remaining chapter house structures, and a fraternity house (Zeta Rho) were transferred to an entity controlled by a bondholder affiliate in exchange for the forgiveness of all outstanding bond and interest obligations of the LLC and the Authority. The Authority retained a portion of the leasehold agreement for two active fraternities and two empty parcels.

Executive Overview of the Financial Statements

This discussion and analysis serve as an introduction to the Leon County Educational Facilities Authority's basic financial statements. The Leon County Educational Facilities Authority's basic financial statements are comprised of the: 1) fund financial statements and 2) notes to the financial statements.

Fund financial statements. A fund is a grouping of related accounts used to maintain control over resources that have specified activities or objectives. The Leon County Educational Facilities Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Leon County Educational Facilities Authority has three proprietary funds.

Proprietary funds. The Authority maintains three individual funds, shown separately in the Statement of Net Position, and in the Statement of Revenues, Expenses, and Changes in Net Position for the LCEFA Ocala Road, LLC (aka, Heritage Grove), and the Administrative Fund.

The basic financial statements are on pages 9-11 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 12-22 of this report.

Fund Financial Analysis

The Leon County Educational Facilities Authority's net position is \$1.2 million dollars after the transfer in accordance with the bondholder settlement agreement. This net position represents assets of \$1.8 million dollars. The current liabilities of \$544k represent bondholder funds that had yet to be transferred as of September 30, 2025.

Leon County Educational Facilities Authority
Management's Discussion and Analysis (continued)

Leon County Educational Facilities Authority's Net Position (Deficit)

	<u>2025</u>	<u>2024</u>
Current assets	\$ 1,749,390	\$ 2,227,533
Noncurrent assets	39,719	11,712,345
Total assets	<u>\$ 1,789,109</u>	<u>\$ 13,939,878</u>
Current liabilities	\$ 544,704	\$ 32,973,170
Long-term liabilities outstanding	-	7,276,972
Total liabilities	<u>\$ 544,704</u>	<u>\$ 40,250,142</u>
Net position (deficit):		
Net investment in capital assets	\$ -	\$ (10,479,627)
Restricted for debt service	-	(1,414,450)
Capital projects	-	-
Other purposes	-	-
Unrestricted	<u>1,244,405</u>	<u>(14,416,187)</u>
Total net position (deficit)	<u>1,244,405</u>	<u>(26,310,264)</u>
Total liabilities and net position (deficit)	<u>\$ 1,789,109</u>	<u>\$ 13,939,878</u>

Leon County Educational Facilities Authority's Changes in Net Position (Deficit)

	<u>2025</u>	<u>2024</u>
Revenues:		
Operating revenues	\$ 4,228,442	\$ 10,185,851
Interest and other non-operating income (expenses)	26,558,189	26,351,929
Net total revenues	<u>30,786,631</u>	<u>36,537,780</u>
Expenses:		
Student housing operating expenses	<u>3,231,962</u>	<u>7,872,015</u>
Increase (decrease) in net position	27,554,669	28,665,765
Net position (deficit) at beginning of year	<u>(26,310,264)</u>	<u>(54,976,029)</u>
Net position (deficit) at end of year	<u>\$ 1,244,405</u>	<u>\$ (26,310,264)</u>

The reversal in net position is due to the forgiveness of debt and interest obligations associated with the LLC.

Leon County Educational Facilities Authority
Management's Discussion and Analysis (continued)

Results of Operations

LCEFA Ocala Road, LLC (the LLC) financial results, excluding interest, for fiscal years 2025 and 2024, are shown below:

LCEFA Ocala Road, LLC				
Statement of Operations				
for the Fiscal Years Ended				
	2025	2024	\$ Change	% Change
Revenues	\$ 4,228,442	\$ 3,786,163	\$ 442,279	11.7%
Operating expenses:				
Personnel costs	369,540	372,961	(3,421)	-0.9%
Other operating costs	1,131,076	1,453,490	(322,414)	-22.2%
Utilities	369,691	374,933	(5,242)	-1.4%
Repairs and maintenance	-	49,014	(49,014)	-100.0%
Depreciation and amortization	1,200,165	1,274,435	(74,270)	-5.8%
Total operating expenses	3,070,472	3,524,833	(454,361)	-12.9%
Operating income (loss)	\$ 1,157,970	\$ 261,330	\$ 896,640	343.1%

The fiscal year 2025 data reflects operations through August 31, 2025. Revenues increased by \$442k and operating income by \$897k for the 11 months of operations prior to the transfer of assets under the settlement agreement.

LCEFA Ocala Road, LLC				
Statement of Operations				
for the Fiscal Years Ended				
	2025	Percent of Revenues	2024	Percent of Revenues
Revenues	\$ 4,228,442	100.0%	\$ 3,786,163	100.0%
Operating expenses:				
Personnel costs	369,540	8.7%	372,961	9.9%
Other operating costs	1,131,076	26.7%	1,453,490	38.4%
Utilities	369,691	8.7%	374,933	9.9%
Repairs and maintenance	-	0.0%	49,014	1.3%
Depreciation and amortization	1,200,165	28.4%	1,274,435	33.7%
Total operating expenses	3,070,472	72.6%	3,524,833	93.1%
Operating income (loss)	\$ 1,157,970	27.4%	\$ 261,330	6.9%

The analysis above illustrates the LLC's operating expenses as a percentage of revenue for fiscal years 2025 and 2024. The 2025 operating results reflect the 11 months of the LLC's interest in apartment buildings and common areas.

Leon County Educational Facilities Authority Management's Discussion and Analysis (continued)

In fiscal year 2025, the LLC spent \$.726 for every \$1 in revenues. The figures above do not reflect the impact of financing costs and the associated funding requirements.

The Authority is working with Florida State University (landlord) to transition the remaining parcels under the original leasehold interest. The expectation is that once transferred, the Authority will consider its long-term options including the dissolution of the LLC and the Authority, which would require third party approval as the Authority is a dependent special district of Leon County.

Requests for Information

This financial report provides a general overview of the Leon County Educational Facilities Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be mailed to Executive Director, P.O. Box 11154, Tallahassee, Florida 32302.

Leon County Educational Facilities Authority

Statements of Net Position (Deficit)

September 30, 2025
(with summarized financial information at September 30, 2024)

	September 30,				Summarized Totals
	2025			2024	
	Southgate Fund	LCEFA Ocala Road, LLC Fund	Administrative Fund	Total	
Assets					
Current assets:					
Cash and cash equivalents	\$ -	\$ -	\$ 100,583	\$ 100,583	393,883
Short-term investments	-	-	1,094,555	1,094,555	1,043,088
Accounts receivable, net	-	-	-	-	77,329
Due from other funds	-	-	-	-	81,927
Prepaid expenses and other current assets	-	-	9,548	9,548	69,786
Restricted assets					
Restricted cash and cash equivalents	-	544,704	-	544,704	561,520
Total current assets	-	544,704	1,204,686	1,749,390	2,227,533
Noncurrent assets:					
Investments	-	-	39,719	\$ 39,719	79,438
Capital assets, not being depreciated	-	-	-	-	294,064
Capital assets, net of accumulated depreciation	-	-	-	-	11,418,281
Total noncurrent assets	-	-	39,719	39,719	11,712,345
Total assets	\$ -	\$ 544,704	\$ 1,244,405	\$ 1,789,109	\$ 13,939,878
Liabilities and net position (deficit)					
Current liabilities:					
Accounts payable and accrued expenses	\$ -	\$ 544,704	\$ -	\$ 544,704	\$ 514,991
Advance from bondholder	-	-	-	-	17,298,222
Unearned revenue	-	-	-	-	95,868
Deposits payable	-	-	-	-	67,162
Due to other funds	-	-	-	-	81,927
Current portion of bonds payable	-	-	-	-	14,915,000
Total current liabilities	-	544,704	-	544,704	32,973,170
Noncurrent liabilities:					
Accrued interest payable	-	-	-	-	4,921,249
Mortgage payable	-	-	-	-	2,355,723
Bonds payable	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	7,276,972
Total liabilities	-	544,704	-	544,704	40,250,142
Net position (deficit):					
Net investment in capital assets	-	-	-	-	(10,479,627)
Restricted for:					
Debt service	-	-	-	-	(1,414,450)
Capital projects	-	-	-	-	-
Other purposes	-	-	-	-	-
Unrestricted	-	-	1,244,405	1,244,405	(14,416,187)
Total net position (deficit)	-	-	1,244,405	1,244,405	(26,310,264)
Total liabilities and net position (deficit)	\$ -	\$ 544,704	\$ 1,244,405	\$ 1,789,109	\$ 13,939,878

See accompanying notes.

Leon County Educational Facilities Authority

Statements of Revenues, Expenses, and Changes in Net Position

Year ended September 30, 2025

(with summarized financial information for the year ended September 30, 2024)

	Years ended September 30,				Summarized Totals
	2025			2024	
	Southgate Fund	LCEFA Ocala Road, LLC Fund	Administrative Fund	Total	
Operating revenues	\$ -	\$ 4,228,442	\$ -	\$ 4,228,442	\$ 10,185,851
Operating expenses					
Salaries and employee benefits	-	369,540	60,000	429,540	957,598
Food	-	-	-	-	482,726
Utilities	-	369,691	-	369,691	777,609
Depreciation and amortization expense	-	1,200,165	-	1,200,165	2,038,540
Other expenses	-	1,131,076	101,490	1,232,566	3,615,542
Total operating expenses	-	3,070,472	161,490	3,231,962	7,872,015
Operating income (loss)	-	1,157,970	(161,490)	996,480	2,313,836
Nonoperating revenues (expenses)					
Interest expense	-	(2,155,634)	-	(2,155,634)	(3,320,887)
Interest income	-	51,563	41,210	92,773	113,021
Gain on debt defeasance and restructuring	-	28,608,550	-	28,608,550	29,551,566
Other income (expense)	-	-	12,500	12,500	8,229
Total nonoperating revenues (expenses)	-	26,504,479	53,710	26,558,189	26,351,929
Income (loss) before operating transfers	-	27,662,449	(107,780)	27,554,669	28,665,765
Transfers					
Transfers in - issuer and management fees per trust indenture	-	-	137,500	137,500	262,500
Transfers out - issuer and management fees per trust indenture	-	(137,500)	-	(137,500)	(262,500)
Total transfers	-	(137,500)	137,500	-	-
Change in net position	-	27,524,949	29,720	27,554,669	28,665,765
Net position (deficit) at beginning of year	-	(27,524,949)	1,214,685	(26,310,264)	(54,976,029)
Net position (deficit) at end of year	\$ -	\$ -	\$ 1,244,405	\$ 1,244,405	\$ (26,310,264)

See accompanying notes.

Leon County Educational Facilities Authority

Statements of Cash Flows

Year ended September 30, 2025
(with summarized financial information for the year ended September 30, 2024)

	Years ended September 30,				Summarized Totals
	2025			2024	
	Southgate Fund	LCEFA Ocala Road, LLC Fund	Administrative Fund	Total	
Operating activities					
Cash received from tenants	\$ -	\$ 4,218,129	\$ -	\$ 4,218,129	\$ 9,970,465
Cash payments to suppliers	-	(1,198,033)	(19,771)	(1,217,804)	(5,006,572)
Cash payments to personnel	-	(369,540)	(60,000)	(429,540)	(957,598)
Net cash provided by (used in) operating activities	-	2,650,556	(79,771)	2,570,785	4,006,295
Noncapital and related financing activities					
Transfers in	-	-	137,500	137,500	262,500
Transfers out	-	(137,500)	-	(137,500)	(262,500)
Other sources	-	54,005	53,710	107,715	121,250
Net cash provided by (used in) noncapital and related financing activities	-	(83,495)	191,210	107,715	121,250
Capital and related financing activities					
Debt restructuring	(294,502)	(13,137,265)	-	(13,431,767)	(11,461,837)
Interest paid	-	-	-	-	(1,958,513)
Net cash provided by (used in) capital and related financing activities	(294,502)	(13,137,265)	-	(13,431,767)	(12,609,444)
Investing activities					
Purchases of property and equipment	-	(22,157)	-	(22,157)	(1,133,017)
Purchase of short-term investments	-	-	(91,186)	(91,186)	(183,412)
Transfer of capital assets	-	10,556,494	-	10,556,494	9,484,303
Net cash provided by (used in) investing activities	-	10,534,337	(91,186)	10,443,151	8,167,874
Net increase (decrease) in cash, cash equivalents, and restricted cash	(294,502)	(35,867)	20,253	(310,116)	(314,025)
Cash, cash equivalents, and restricted cash at beginning of year	294,502	580,571	80,330	955,403	1,269,428
Cash, cash equivalents, and restricted cash at end of year	\$ -	\$ 544,704	\$ 100,583	\$ 645,287	\$ 955,403
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ -	\$ 1,157,970	\$ (161,490)	\$ 996,480	\$ 2,313,836
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	-	1,200,165	-	1,200,165	2,038,540
Changes in operating assets and liabilities:					
Accounts payable and accrued expenses	-	324,215	-	324,215	(259,846)
Deposits payable	-	(43,045)	-	(43,045)	(99,448)
Unearned revenue	-	(44,597)	-	(44,597)	(570,118)
Accounts receivable	-	77,329	-	77,329	313,546
Due to other funds	-	(81,927)	-	(81,927)	(137,320)
Due from other funds	-	-	81,927	81,927	140,633
Prepaid expenses and other assets	-	60,446	(208)	60,238	266,472
Net cash provided by (used in) operating activities	\$ -	\$ 2,650,556	\$ (79,771)	\$ 2,570,785	\$ 4,006,295

See accompanying notes.

Leon County Educational Facilities Authority

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Description of Organization

The Leon County Educational Facilities Authority (the Authority) is a public instrumentality created by the Higher Educational Facilities Authorities Law, Chapter 69-345, Laws of Florida, 1969 (Chapter 243, Part II, Florida Statutes), as revised and amended, to assist institutions of higher education within Leon County, Florida in the construction, financing or refinancing of projects (structures and machinery and equipment related to the operation of the structure) required or useful for the instruction of students or the operation of an institution of higher education. The accompanying financial statements present the Authority and its blended component unit, an entity for which the Authority is considered to be financially accountable.

Although a legally separate entity, a blended component unit, is, in substance, part of the Authority's operations. The one blended component unit of the Authority is LCEFA Ocala Road, LLC (the LLC). The LLC was formed to develop the leasehold interest in the property commonly known as Heritage Grove. Heritage Grove is defined as the eight buildings located in Heritage Grove near the FSU campus and the land and buildings related to the Equity House Project (Zeta Rho House). Excluded from the project are leasehold interests in four equity lots located in this same area (see Note 4). The LLC is governed by the Authority board members.

Title to, and all ownership interests in, Southgate's property and related assets were transferred to EMET effective July 1, 2024, in consideration for the full forgiveness of all outstanding principal and accrued interest associated with the Series 1998B Bonds. Notwithstanding the transfer, the fund continues to be presented in the accompanying financial statements due to the existence of two residual cash accounts that were not closed until the current fiscal year.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

- Fund financial statements
- Notes to the financial statements
- Required supplementary information

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The 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.

Leon County Educational Facilities Authority

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

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

The basic financial statements include certain prior year summarized comparative information in total, but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended September 30, 2024, from which the summarized information was derived.

The Authority reports the following funds:

The *Southgate fund* accounts for the activities of the Authority's Southgate Residence Hall rental operations. This fund was inactive during the fiscal year ending September 30, 2025, with the exception of the residual cash balances that were transferred to EMET, the related bondholder, as part of the debt restructuring and foreclosure that occurred during the fiscal year ending September 30, 2024.

The *LCEFA Ocala Road, LLC fund* accounts for the activities of the Authority's component unit which serves Heritage Grove Rental Development.

The *Administrative fund* accounts for the joint activities of the Authority's administration of the rental operations.

Revenue Recognition

Operating revenues – Operating revenues generally result from providing services in connection with ongoing operations. Operating revenues consist of lease, maintenance, management, and common area management fee revenues collected from tenants. Operating revenues are recognized as revenue in the period earned.

Nonoperating revenues – Nonoperating revenues consist of interest earned on deposits held with financial institutions and are recognized as revenue in the period earned.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents consist of cash on hand, demand deposits and deposits in highly liquid money market funds. For purposes of the statement of cash flows, the Authority considers all highly liquid debt investments purchased with original maturity of three months or less from the date of acquisition to be cash and cash equivalents. Demand deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per FDIC-insured financial institution. Demand deposits, at times, may exceed federally insured limits. The Authority has not experienced any losses in such accounts.

Leon County Educational Facilities Authority

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

State statutes authorize the Authority to invest in direct obligations of the U.S. Treasury, Florida Prime, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, SEC registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories, and Federal agencies and instrumentalities.

Investments consist of certificates of deposits with original maturities in excess of three months, and are carried at amortized cost, which approximates market value. Investments maturing in less than one year are reported as current assets on the statements of net position.

Accounts Receivables and Payables

Accounts receivable consists of amounts due from tenants for leases, common area fees, maintenance fees, and management fees.

The Authority provides an allowance for doubtful accounts based upon the anticipated collectability of each specific account. Additional information can be found in Note 3 to the financial statements.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to or from other funds” (i.e., the current portion of loans) or “advances to or from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to or from other funds.”

Restricted Assets

Certain proceeds of the Authority’s enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statements of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

Additionally, the foreclosure of the Ocala Road, LLC property was completed as of August 31, 2025. As a result, all cash and cash equivalents for this fund are classified as restricted on the statement of net position because their use has been externally constrained by the bondholder.

Prepaid Items

Certain prepayments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Leon County Educational Facilities Authority

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets include property, plant, equipment, and any infrastructure assets. For financial reporting purposes, capital assets are defined by the Authority as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

	<u>Useful Lives</u>
Buildings	10 – 40 years
Improvements	10 – 40 years
Equipment and furnishings	5 – 15 years

Amortization

The costs of obtaining bonded debt were deferred and amortized over the life of the bonds using the straight-line method.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net 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. The Authority does not have any deferred outflows of resources as of September 30, 2025 or 2024.

In addition to liabilities, the statements of net position may 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 is not recognized as an inflow of resources (revenue) until that time. The Authority does not have any deferred inflows of resources as of September 30, 2025 or 2024.

Leon County Educational Facilities Authority

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the Authority's financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Subsequent Events

The Authority has evaluated subsequent events and transactions for potential recognition and disclosure in the financial statements through January 29, 2026, the date the financial statements were available to be issued. During the period from September 30, 2025 to January 29, 2026, the Authority did not have any material recognizable subsequent events.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 expenses during the reporting period. Accordingly, actual results could differ from those estimates.

2. Deposits and Investments

Fair Value – The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs are other significant observable inputs which are quoted prices on assets and liabilities in similar markets; Level 3 inputs are significant unobservable inputs.

Investments of the Authority include certificates of deposits of \$1,134,274 and \$1,043,088 at September 30, 2025 and 2024, respectively. Due to the nature of the certificates of deposits held by the Authority, they do not meet the definition of a security and are not valued using the input levels described above.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure or the failure of the counterparty, the Authority's deposits may not be returned to it or may not be able to recover the value of its investments that are in the possession of an outside party.

The Authority's deposits are entirely collateralized by Federal depository insurance or by collateral held by the Authority's custodial bank which is pledged to a state trust fund that provides security in accordance with the Florida Security for Public Deposits Act, Chapter 280, for amounts held in excess of FDIC coverage.

Leon County Educational Facilities Authority

Notes to Financial Statements

2. Deposits and Investments (continued)

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Due to the nature of the Authority's cash and investments, there is no exposure to custodial credit risks.

Credit and Interest Rate Risk – The Authority's investment practices are governed by section 218.415(17), Florida Statutes. Investments authorized by section 218.415(17), Florida Statutes include:

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

On September 30, 2025, the Authority's money market funds had a credit rating of AAAM by Standard and Poor's. The weighted average days to maturity of the money market funds at September 30, 2025, was 44 days.

3. Receivables

There were no receivables outstanding as of September 30, 2025.

Receivables as of September 30, 2024, including the applicable allowances for uncollectible accounts, are as follows:

	LCEFA Ocala Road, LLC Fund
Gross receivables	\$ 77,329
Less: allowance for uncollectibles	–
Total receivables, net	<u>\$ 77,329</u>

Leon County Educational Facilities Authority

Notes to Financial Statements

4. Ground Lease

The leasehold interest in the property commonly known as Heritage Grove resides on real estate owned by the State of Florida Internal Improvement Trust Fund. The annual ground lease rent is \$1 plus a \$300 administrative fee. There are four leasehold interests that are part of this ground lease. As of August 31, 2025, one of the ground hold leases has been transferred to EMET. See Note 6, Long-Term Debt, for details regarding the transfer. The other ground hold lease, which has no property residing upon it, is still retained and leased by LCEFA.

The ground lease collects Common Area Maintenance (CAM) fees from two of the properties and is recognized in the LCEFA Ocala Road, LLC fund as CAM revenue of \$103,400. Additionally, CAM expenses paid by the LCEFA Ocala Road, LLC for the years ended September 30, 2025 and 2024, were approximately \$33,131 and \$42,100, respectively. Because of the lease transfer to EMET, no further CAM revenue or expenses will be earned or incurred by LCEFA.

5. Capital Assets

The Authority reported depreciation expense of \$1,200,165 and \$2,038,540 for the years ending September 30, 2025 and 2024, respectively.

Following is a summary of the changes in capital assets for the year ending September 30, 2025:

Descriptions	Balance at September 30, 2024	Transfer of CIP	Additions	Deletions/ Transfer of Assets	Balance at September 30, 2025
Capital assets not being depreciated:					
Land	\$ 228,064	-	\$ -	\$ (228,064)	\$ -
Construction in Progress	66,000	(66,000)	-	-	-
Total capital assets not being depreciated	294,064	(66,000)	-	(228,064)	-
Capital assets being depreciated:					
Buildings and improvements	30,450,358	66,000	14,690	(30,531,048)	-
Equipment	1,830,423	-	7,467	(1,837,890)	-
Total capital assets being depreciated	32,280,781	66,000	22,157	(32,368,938)	-
Total capital assets	32,574,845	-	22,157	(32,597,002)	-
Less accumulated depreciation	(20,862,500)	-	(1,200,165)	22,062,665	-
Total capital assets, net	\$ 11,712,345	-	\$(1,178,008)	\$(10,534,377)	\$ -

Leon County Educational Facilities Authority

Notes to Financial Statements

5. Capital Assets (continued)

Following is a summary of the changes in capital assets for the year ending September 30, 2024:

Descriptions	Balance at September 30, 2023	Additions	Deletions	Balance at September 30, 2024
Capital assets not being depreciated:				
Land	\$ 2,628,064	\$ –	\$ (2,400,000)	\$ 228,064
Construction in Progress	–	66,000	–	66,000
Total capital assets not being depreciated	2,628,064	66,000	(2,400,000)	294,064
Capital assets being depreciated:				
Buildings and improvements	53,044,462	1,082,312	(23,676,417)	30,450,358
Equipment	4,195,869	92,895	(2,458,339)	1,830,423
Total capital assets being depreciated	57,240,331	1,175,207	(26,134,756)	32,280,781
Less accumulated depreciation	(37,874,413)	(2,038,540)	19,050,453	(20,862,500)
Total capital assets being depreciated, net	19,365,918	(863,333)	(7,084,303)	11,418,281
Total capital assets, net	\$ 21,993,982	\$ (797,333)	\$ (9,484,303)	\$ 11,712,345

6. Long-term Debt

A summary of changes in the long-term debt of the Authority is as follows:

Descriptions	Balance at September 30, 2024	Additions	Deletions	Balance at September 30, 2025	Due Within One Year
Mortgage payable	2,355,723	–	(2,355,723)	–	–
2003 Bonds	14,915,000	–	(14,915,000)	–	–
Bondholder advance	17,298,222	–	(17,298,222)	–	–
Total	\$ 34,568,945	\$ –	\$ (34,568,945)	\$ –	\$ –

LCEFA Ocala Road, LLC Fund

Student Housing Revenue Bonds (Series 2003)

In December 2003, the Authority issued Heritage Grove Student Housing Revenue Bonds (Series 2003) in the amount of \$23,315,000, with interest rates ranging from 3% to 5.125%. These bonds were issued to provide funds (i) to finance the cost of developing, designing, acquiring, constructing and equipping a 384 bed student housing facility, including the buildings, furniture, fixtures and equipment to be located near the campus of Florida State University, (ii) to fund interest on the Series 2003 Bonds during construction and for a period after construction of the Project, (iii) to fund the Debt Service Reserve Fund and (iv) to pay a portion of the costs of issuance of the Series 2003 Bonds.

Leon County Educational Facilities Authority

Notes to Financial Statements

6. Long-term Debt (continued)

On July 7, 2021, the bond insurer, ACA, paid off all existing Series 2003 bondholders pursuant to its insurance policy, received all outstanding bonds in subrogation to its policy payment and discharged all liabilities under its insurance policy. On July 14, 2021, for value received, ACA transferred all its rights under its bond insurance policy and the documents governing the Series 2003 Bonds including \$1,240,498 in unreimbursed expenses owed to ACA and sold all the outstanding Series 2003 Bonds including \$14,915,000 in unpaid principal, to a fund managed by an affiliate of EMET or the Bond owner. As a result of those transactions, ACA has no further creditor interest in the Heritage Grove dormitory project. The related prepaid bond insurance was extinguished as nonoperating expense. EMET maintained the same terms, payment schedule and covenants for Series 2003 Bonds.

On August 2, 2022, the Authority entered into an amended settlement agreement with the Trustee and Emres, the assignee of EMET, holder of 100% of the outstanding Series 2003 Bonds and Administrative Rights. The Amended Settlement Agreement establishes Emres as the Assignee to ACA's right and obligations under the original settlement agreement dated October 29, 2019, and the Board Documents. The Amended Settlement Agreement also provides for agreement and funding arrangement associated with the termination of the Housing Corporation sub-sublease agreement dated December 10, 2003, between the Authority and the Zeta Rho House Corporation, and the purchase of the foregoing leasehold interest and associated building and other facilities and improvements thereon. Finally, the agreement provides for Emres to use best efforts to provide funding of up to \$16,000,000 for remediation, renovation, and improvement of the Heritage Grove property within 18 months of the date of the Amended Settlement Agreement. Additionally, bondholder advances accrue interest at the prime rate. Accrued interest payable as of September 30, 2025 and 2024, was \$0 and \$2,585,905, respectively. The Third Amended Settlement Agreement also establishes that the foreclosure action referenced in the original Settlement Agreement shall remain pending for an additional period of time but no later than August 31, 2025.

On October 7, 2022, the court ordered receivership over LCEFA Ocala Road, LLC (the LLC) was terminated, and the court appointed receiver was discharged from any and all continuing duties.

The Authority executed a revocable delegation agreement that granted the Bondholder broad authority and indemnified the Authority.

Consistent with the Amended Agreement, as of August 31, 2025 the title and all interest in the assets of the Heritage Grove property have been transferred to EMET in exchange for the forgiveness of all remaining debt obligations and accrued interest associated with the Series 2003 Bonds. This restructuring of debt resulted in a net gain of \$27,638,115. The Authority retained a portion of the leasehold agreement for two active fraternities and two empty parcels as of September 30, 2025.

Leon County Educational Facilities Authority

Notes to Financial Statements

6. Long-term Debt (continued)

Loan Agreement for Student Housing Facility

On July 1, 2022, the Authority entered into a loan agreement with EMRES II Heritage, LLC (Lender), a subsidiary of EMET, for the amount of \$2,355,723 to acquire a designated student housing facility located near Florida State University on a portion of the lands that are part of the Authority's lease land agreement with FSU. The agreement requires interest shall be accrued at annual rate of 10% per annum from the date of the advance of the funds. Interest is payable in installments on the first day of each month commencing on October 1, 2022. Accrued interest payable as of September 30, 2025 and 2024, was \$0 and \$516,950, respectively. Per the Third Amended Settlement Agreement, the Authority transferred its interest in this property to the Lender on August 31, 2025, at which time any amount due and owing was forgiven.

Consistent with the Amended Agreement, as of August 31, 2025, the title and all interest in the assets of this property have been transferred to EMET in exchange for the forgiveness of all remaining debt obligations and accrued interest associated with this property. This restructuring of debt resulted in a net gain of \$970,435.

7. Management Agreement

The court appointed Receiver entered into a Management Agreement with Asset Campus Housing to rent, operate and manage Heritage Grove for a period of one year beginning on December 12, 2019, which automatically renews for consecutive annual one-year terms.

The Management Agreement was modified on November 23, 2021. Fees paid beginning November 23, 2021, are the greater of \$5,000 or 3.25% of gross monthly collections. Management fees, based on occupancy level, paid by the Ocala Road LLC Fund for the years ended September 30, 2025 and 2024, totaled \$140,797 and \$131,371, respectively.

8. Interfund Balances

Interfund balances represent payments due from other funds responsible for particular expenditures to the funds that initially paid for them. Interfund balances are due and payable within one year. There are no interfund dues or payables as of September 30, 2025.

Leon County Educational Facilities Authority

Notes to Financial Statements

8. Interfund Balances (continued)

Each fund has a discrete purpose. However, there is often a need for one fund to support a portion of another fund’s activities. To accomplish this, monies are moved between funds through a process called interfund transfers. Interfund transfers, excluding transfers to other governmental entities, for the year ended September 30, 2025 consisted of the following.

	<u>Transfer Amount</u>
Transfer to the administrative fund from:	
LCEFA Ocala Road, LLC fund	137,500
	<u>\$ 137,500</u>

9. Commitments and Contingencies

During the ordinary course of business, the Authority is involved in various litigation and carries commercial insurance to mitigate such risks. The ultimate outcome of such litigation is uncertain. However, management and legal counsel are of the opinion that any resulting unfavorable outcomes would have minimal adverse economic impact on the Authority.

Supplementary Information

Leon County Educational Facilities Authority

Schedule of Other Operating Expenses

Year ended September 30, 2025

(with summarized financial information for the year ended September 30, 2024)

	Years ended September 30,				2024
	2025			Total	
	Southgate	LCEFA Ocala	Administrative		
	Fund	Road, LLC	Fund	Total	Total
		Fund			
Other operating expenses					
Legal and professional	\$ -	\$ 79,831	\$ 2,700	\$ 82,531	\$ 150,357
Bad debt	-	56,290	81,927	138,217	27,253
Telephone and internet	-	45,908	-	45,908	112,378
Management fee	-	140,797	-	140,797	275,353
Taxes	-	-	-	-	131,463
Insurance	-	313,601	15,649	329,250	543,588
Other	-	220,734	1,014	221,748	720,895
Bank and credit card	-	6,522	200	6,722	19,232
Contract services	-	121,447	-	121,447	1,156,438
Construction and remediation	-	-	-	-	308,990
Repair and maintenance	-	145,946	-	145,946	169,595
Total other operating expenses	<u>\$ -</u>	<u>\$ 1,131,076</u>	<u>\$ 101,490</u>	<u>\$ 1,232,566</u>	<u>\$ 3,615,542</u>

See report of independent auditors.

Other Reports



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Authority Members
Leon County Educational Facilities Authority

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 Leon County Educational Facilities Authority (the Authority), which comprise the statement of net position as of September 30, 2025, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2026.

Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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.

Thomas Howell Ferguson P.C.

Tallahassee, Florida
January 29, 2026



Management Letter

The Authority Members
Leon County Educational Facilities Authority

Report on the Financial Statements

We have audited the financial statements of the Leon County Educational Facilities Authority (the Authority) as of and for the fiscal year ended September 30, 2025 and have issued our report thereon dated January 29, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors 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 our Independent Accountant's report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 29, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the Authority did not operate a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the Authority's geographical boundaries during the fiscal year under audit of September 30, 2025.

Special District - Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Leon County Educational Facilities Authority reported the following information:

- a) The total number of district employees compensated in the last pay period of the district's fiscal year as zero.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as zero.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$1,126,661.
- e) No construction projects are scheduled to begin on or after October 1 of the fiscal year being reported.
- f) A budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes.
 - The district did not amend its final adopted budget which is located at the Leon County government website.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we noted no such matters.



Page Four

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Authority Members, and the Leon County Board of County Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

Thomas Howell Ferguson P.C.

Tallahassee, Florida
January 29, 2026



Independent Accountant’s Report on Compliance with
Section 218.415, *Florida Statutes*, Local Government Investment Policies

The Authority Members
Leon County Educational Facilities Authority

We have examined Leon County Educational Facilities Authority’s (the Authority) compliance with Section 218.415, *Florida Statutes*, Local Government Investment Policies, for the year ended September 30, 2025. The Authority’s management is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Authority’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority 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 with the investment policy, 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.

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

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

In our opinion, Leon County Educational Facilities Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

This report is intended solely for the information and use of the Authority and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Thomas Howell Ferguson P.C." The signature is written in a cursive style.

Tallahassee, Florida
January 29 2026