

North Springs Improvement District

Basic Financial Statements
and Additional Information
For the Year Ended September 30, 2025

North Springs Improvement District

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
North Springs Improvement District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Springs Improvement District (the "District"), as of and for the 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, business-type activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2025, and the respective changes in its financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 North Springs Improvement District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, general fund budgetary comparison schedule, and the schedules related to pensions and other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

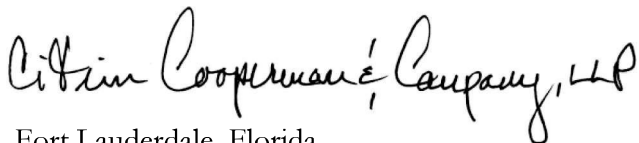
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Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements on pages 51 through 60 are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 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, 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 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.



Fort Lauderdale, Florida
April 29, 2026

Our discussion and analysis of North Springs Improvement District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

Financial Highlights

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

- The District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$ 199,381,541 (net position). Unrestricted net position for governmental activities was \$ 6,378,016. Unrestricted net position for business-type activities was \$ 30,239,041.
- Governmental activities revenues totaled \$ 13,194,825, while governmental activities expenses totaled \$ 11,604,667. Business-type revenues totaled \$ 24,117,490, while business-type expenses totaled \$ 20,840,309.

Overview of the Financial Statements

The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. The government-wide financial statements present an overall picture of the District's financial position and results of operations. The fund financial statements present financial information for the District's major funds. The notes to basic financial statements provide additional information concerning the District's finances that are not disclosed in the government-wide or fund financial statements.

Government-Wide Financial Statements: The Government-wide financial statements are the statement of net position and the statement of activities. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and business-type activities and the change in net position. Governmental activities are primarily supported by property tax assessments. Business-type activities are supported by charges to the users of those activities, such as water and sewer services.

The statement of net position presents information on all assets and liabilities of the District, with the difference between assets, deferred inflows/outflows of resources and liabilities reported as net position. Net position is reported in three categories: 1) net investment in capital assets, 2) restricted and 3) unrestricted. Assets, liabilities, and net position are reported for all governmental activities separate from the assets, liabilities, and net position of business-type activities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or declining.

The statement of activities presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program. Revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities or business-type activities. Governmental activities financed by the District include physical environment and general government. Business-type activities financed by user charges include water and sewer services.

See accompanying notes to financial statements.

Fund Financial Statements: Fund financial statements present financial information for governmental funds and proprietary funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the fund, changes in current financial resources (revenues and expenditures), and current available resources. The proprietary fund financial statements provide information on all assets and liabilities of the fund, changes in the economic resources (revenues and expenses), and total economic resources.

Fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balance for the governmental funds. A statement of revenues, expenditures and change in fund balance - budget and actual, is provided for the District's General Fund. For proprietary funds, a statement of net position; a statement of revenues, expenses and change in net position; and a statement of cash flows are presented. Fund financial statements provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses and to comply with legal requirements.

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

Notes to the Basic Financial Statements: The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 44 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's budget to actual and Other Post-Employment Benefits Plan and Pensions, which can be found on pages 45 through 50.

The combining statements of nonmajor governmental funds are presented immediately following the required supplementary information. The nonmajor governmental funds overview and combining fund statements can be found on pages 51 through 60.

**North Springs Improvement District
Management's Discussion and Analysis
September 30, 2025**

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statements of net position as of September 30, 2025 and 2024:

**North Springs Improvement District
Statements of Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 7,852,792	\$ 7,315,380	\$ 33,728,394	\$ 34,216,166	\$ 41,581,186	\$ 41,531,546
Restricted assets	9,605,795	9,136,130	7,665,264	7,626,103	17,271,059	16,762,233
Capital assets (net)	155,612,414	156,881,083	107,735,437	106,489,345	263,347,851	263,370,428
Total assets	173,071,001	173,332,593	149,129,095	148,331,614	322,200,096	321,664,207
Total deferred outflows of resources	265,506	711,386	1,451,567	1,470,639	1,717,073	2,182,025
Liabilities:						
Current liabilities	2,151,757	2,198,872	2,398,612	2,187,791	4,550,369	4,386,663
Noncurrent liabilities	87,524,199	92,383,686	30,855,599	31,424,711	118,379,798	123,808,397
Total liabilities	89,675,956	94,582,558	33,254,211	33,612,502	122,930,167	128,195,060
Total deferred inflows of resources	239,242	342,432	1,366,219	794,538	1,605,461	1,136,970
Net position:						
Net investment in capital assets	70,005,236	67,073,150	84,520,370	86,938,612	154,525,606	154,011,762
Restricted	7,038,057	6,467,377	1,200,821	1,183,890	8,238,878	7,651,267
Unrestricted	6,378,016	5,578,462	30,239,041	27,272,711	36,617,057	32,851,173
Total net position	\$ 83,421,309	\$ 79,118,989	\$ 115,960,232	\$ 115,395,213	\$ 199,381,541	\$ 194,514,202

Governmental activities increased the District's net position by \$ 4,302,320, due to revenues and other income exceeding expenses. Current and other assets increased by \$ 537,412 resulting from revenues exceeding expenditures and interest income from favorable market conditions. Long-term liabilities decreased due to anticipated principal payments and a payoff of the Parkland Special Assessment 2016 issuance.

Business-type activities increased the District's net position by \$565,019. The increase was primarily driven by operating income generated from water and sewer services, along with connection fees received during the year. Current and other assets increased mainly due to changes in cash and investment balances. Total liabilities decreased due to the scheduled debt service payments.

See accompanying notes to financial statements.

**North Springs Improvement District
Management's Discussion and Analysis
September 30, 2025**

**North Springs Improvement District
Statements of Activities**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 35,351	\$ 33,121	\$ 20,910,228	\$ 20,331,452	\$ 20,945,579	\$ 20,364,573
Capital grants and contributions	-	-	1,658,694	85,197	1,658,694	85,197
General revenues:						
Special assessments	12,426,587	12,973,484	-	-	12,426,587	12,973,484
Investment earnings	711,821	796,724	1,352,086	1,616,539	2,063,907	2,413,263
Miscellaneous	21,066	33,760	196,482	32,457	217,548	66,217
Total revenues	<u>13,194,825</u>	<u>13,837,089</u>	<u>24,117,490</u>	<u>22,065,645</u>	<u>37,312,315</u>	<u>35,902,734</u>
Expenses:						
General government	610,060	601,102	-	-	610,060	601,102
Physical environment	6,891,729	6,852,362	-	-	6,891,729	6,852,362
Water and sewer	-	-	20,840,309	20,616,784	20,840,309	20,616,784
Interest expense and other fiscal charges	4,102,878	4,250,865	-	-	4,102,878	4,250,865
Total expenses	<u>11,604,667</u>	<u>11,704,329</u>	<u>20,840,309</u>	<u>20,616,784</u>	<u>32,444,976</u>	<u>32,321,113</u>
Increase in net position before transfers	1,590,158	2,132,760	3,277,181	1,448,861	4,867,339	3,581,621
Transfers	<u>2,712,162</u>	<u>2,152,437</u>	<u>(2,712,162)</u>	<u>(2,152,437)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	4,302,320	4,285,197	565,019	(703,576)	4,867,339	3,581,621
Net position, beginning of the year	<u>79,118,989</u>	<u>74,833,792</u>	<u>115,395,213</u>	<u>116,098,789</u>	<u>194,514,202</u>	<u>190,932,581</u>
Net position, end of the year	<u>\$ 83,421,309</u>	<u>\$ 79,118,989</u>	<u>\$ 115,960,232</u>	<u>\$ 115,395,213</u>	<u>\$ 199,381,541</u>	<u>\$ 194,514,202</u>

Business-type activities increased the District's net position by \$565,019. The increase was primarily driven by operating income generated from water and sewer services, along with connection fees received during the year.

Business-type expenses increased compared to the prior year, primarily driven by higher personnel costs, including salaries and health insurance, as well as increases in legal services, electricity, and wastewater treatment costs.

Governmental activities revenues decreased compared to the prior year primarily due to lower special assessments.

Governmental activities expenses remained relatively consistent with the prior year and did not experience any significant variances.

Analysis of the Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focuses of the District's governmental funds are to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

As of September 30, 2025, the District's governmental funds reported combined ending fund balances of \$16,974,012, reflecting an increase of \$1,005,911 from the previous year. Approximately 42.7% of the ending balance, or \$7,240,576, is unassigned and available for spending at the District's discretion. Restricted balances are allocated as follows: \$8,705,239 is restricted for debt services, \$933,839 for capital projects. The remaining amounts are in the form of nonspendable fund balance and designated fund balances for other commitments and restrictions that comply with laws, debt covenants, and/or grant agreements.

Capital Assets and Debt Administration

The District's capital assets less accumulated depreciation for its governmental activities and business-type activities at September 30, 2025 amounts to \$ 155,612,414 and \$ 107,735,437, respectively, and mostly consists of land, buildings and improvements, infrastructure, equipment, meters in the field and construction-in-progress.

At the end of the year, the District's governmental activities had debt outstanding of \$ 86,539,232 representing principal payments of \$4,280,870. The principal payments in governmental activities included a payoff of the Parkland Special Assessment 2016 issuance in the amount of \$1,600,000. The District's business activities had debt outstanding of \$ 25,405,000 with no changes from the previous year as principal payments were scheduled beginning 2026. Additional information on the District's debt can be found in Note 5 on pages 28 through 32 of this report.

General Fund Budgetary Highlights

An operating budget for the General Fund was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The General Fund budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. During the fiscal year, the District amended the General Fund budget to reflect approximately \$2.7 million in additional capital outlay expenditures related to the North Springs Preserve project. These expenditures were fully funded by a corresponding transfer from the Water and Sewer Fund. As a result, although actual expenditures increased significantly compared to the original budget, there was no material impact on the General Fund's overall financial position, as the additional costs were offset by interfund transfers.

The transfers from the Water and Sewer Fund were funded from accumulated net position resulting from a prior land sale transaction that generated significant proceeds in a previous fiscal year. The budget-to-actual comparisons for the General Fund, including the original and final adopted budgets, are shown on page 45.

Economic Factors and Next Year's Utility Rates

The Water and Sewer Fund's expenditures decreased due to decrease in wastewater treatment costs and also reduction in transferring out funds to the General Fund to cover expenditures for North Springs Preserve project. During the current year, the Water and Sewer Fund supported General Fund capital improvements through transfers totaling approximately \$2.7 million, funded from accumulated net position from prior periods. While this approach provided funding flexibility, the District will continue to evaluate long-term funding strategies to ensure sustainability.

The District does not anticipate significant changes to utility rates in the near term; however, it will continue to monitor financial conditions and adjust rates as necessary to support operations and capital investment.

Requests for Information

This financial report is designed to provide a general overview of North Springs Improvement District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the North Springs Improvement District, 9700 NW 52nd Street, Coral Springs, Florida 33076.

BASIC
FINANCIAL STATEMENTS

North Springs Improvement District
Statement of Net Position
September 30, 2025

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 4,177,376	\$ 6,723,523	\$ 10,900,899
Investments	4,451,427	22,652,026	27,103,453
Accounts receivable	183,839	2,730,368	2,914,207
Internal balances	(984,656)	984,656	-
Prepaid items	24,806	117,324	142,130
Restricted cash	207,744	1,225,402	1,433,146
Restricted investments	9,398,051	6,439,862	15,837,913
Assets held for sale	-	520,497	520,497
Capital assets:			
Depreciable (net)	109,344,305	100,784,190	210,128,495
Nondepreciable	46,268,109	6,951,247	53,219,356
Total assets	<u>173,071,001</u>	<u>149,129,095</u>	<u>322,200,096</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	17,815	-	17,815
Pension related	214,763	1,319,262	1,534,025
OPEB related	32,928	132,305	165,233
Total deferred outflows of resources	<u>265,506</u>	<u>1,451,567</u>	<u>1,717,073</u>
Liabilities:			
Accounts payable	291,435	99,712	391,147
Accrued liabilities	25,640	241,220	266,860
Retainage payable	-	46,750	46,750
Due to developer	-	286,757	286,757
Customer deposits	167,500	1,225,402	1,392,902
Accrued interest	1,667,182	498,771	2,165,953
Long-term liabilities:			
Due in One Year:			
Compensated absences payable	8,095	45,037	53,132
Total other post-employment benefits (OPEB) liability	9,432	38,619	48,051
Bonds payable	4,355,000	2,120,000	6,475,000
Due in More Than One Year:			
Compensated absences payable	72,855	405,331	478,186
Total other post-employment benefits (OPEB) liability	190,242	634,932	825,174
Net pension liability	704,343	4,326,680	5,031,023
Bonds payable	82,184,232	23,285,000	105,469,232
Total liabilities	<u>89,675,956</u>	<u>33,254,211</u>	<u>122,930,167</u>
Deferred Inflows of Resources:			
Pension related	155,613	955,908	1,111,521
OPEB related	83,629	410,311	493,940
Total deferred inflows of resources	<u>239,242</u>	<u>1,366,219</u>	<u>1,605,461</u>
Net Position:			
Net investment in capital assets	70,005,236	84,520,370	154,525,606
Restricted for debt service	7,038,057	1,200,821	8,238,878
Unrestricted	6,378,016	30,239,041	36,617,057
Total net position	<u>\$ 83,421,309</u>	<u>\$ 115,960,232</u>	<u>\$ 199,381,541</u>

See accompanying notes to financial statements.

**North Springs Improvement District
Statement of Activities
For the Year Ended September 30, 2025**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	\$ 610,060	\$ -	\$ -	\$ -	\$ (610,060)	\$ -	\$ (610,060)
Physical environment	6,891,729	35,351	-	-	(6,856,378)	-	(6,856,378)
Interest expense and other fiscal charges	4,102,878	-	-	-	(4,102,878)	-	(4,102,878)
Total governmental activities	<u>11,604,667</u>	<u>35,351</u>	<u>-</u>	<u>-</u>	<u>(11,569,316)</u>	<u>-</u>	<u>(11,569,316)</u>
Business-type activities:							
Water and sewer	20,840,309	20,910,228	-	1,658,694	-	1,728,613	1,728,613
Total business-type activities	<u>20,840,309</u>	<u>20,910,228</u>	<u>-</u>	<u>1,658,694</u>	<u>-</u>	<u>1,728,613</u>	<u>1,728,613</u>
Total primary government	<u>\$ 32,444,976</u>	<u>\$ 20,945,579</u>	<u>\$ -</u>	<u>\$ 1,658,694</u>	<u>(11,569,316)</u>	<u>1,728,613</u>	<u>(9,840,703)</u>
General revenues and transfers:							
General revenues:							
Special assessments					12,426,587	-	12,426,587
Investment earnings					711,821	1,352,086	2,063,907
Miscellaneous					21,066	196,482	217,548
Transfers					2,712,162	(2,712,162)	-
Total general revenues and transfers					<u>15,871,636</u>	<u>(1,163,594)</u>	<u>14,708,042</u>
Change in net position					<u>4,302,320</u>	<u>565,019</u>	<u>4,867,339</u>
Net position, Beginning					<u>79,118,989</u>	<u>115,395,213</u>	<u>194,514,202</u>
Net position, Ending					<u>\$ 83,421,309</u>	<u>\$ 115,960,232</u>	<u>\$ 199,381,541</u>

See accompanying notes to financial statements.

**North Springs Improvement District
Balance Sheet - Governmental Funds
September 30, 2025**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 3,159,337	\$ 1,018,039	\$ 4,177,376
Investments	4,451,427	-	4,451,427
Accounts receivable	183,839	-	183,839
Due from other funds	-	227,344	227,344
Prepaid items	24,806	-	24,806
Restricted cash and investments	<u>207,744</u>	<u>9,398,051</u>	<u>9,605,795</u>
Total Assets	\$ <u>8,027,153</u>	\$ <u>10,643,434</u>	\$ <u>18,670,587</u>
Liabilities:			
Accounts payable	\$ 291,335	\$ 100	\$ 291,435
Accrued liabilities	25,640	-	25,640
Customer deposits	167,500	-	167,500
Due to other funds	<u>207,744</u>	<u>1,004,256</u>	<u>1,212,000</u>
Total liabilities	<u>692,219</u>	<u>1,004,356</u>	<u>1,696,575</u>
Fund Balances:			
Nonspendable	24,806	-	24,806
Restricted for:			
Debt service	-	8,705,239	8,705,239
Capital projects	-	933,839	933,839
Assigned to:			
Parkland Isles operating reserve	14,477	-	14,477
First quarter operating reserves	55,075	-	55,075
Unassigned	<u>7,240,576</u>	<u>-</u>	<u>7,240,576</u>
Total fund balances	<u>7,334,934</u>	<u>9,639,078</u>	<u>16,974,012</u>
Total Liabilities and Fund Balances	\$ <u>8,027,153</u>	\$ <u>10,643,434</u>	\$ <u>18,670,587</u>

See accompanying notes to financial statements.

**North Springs Improvement District
 Reconciliation of the Balance Sheet - Governmental Funds
 to the Statement of Net Position
 September 30, 2025**

Fund Balances - Total Governmental Funds \$ 16,974,012

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 in the funds.

Cost of capital assets	236,323,406	
Accumulated depreciation	<u>(80,710,992)</u>	155,612,414

The net pension liability and related deferred inflows and outflows are not an available resource and, therefore, are not reported in the funds.

Net pension liability	(704,343)	
Deferred inflows related to pensions	(155,613)	
Deferred outflows related to pensions	<u>214,763</u>	(645,193)

The other post-employment benefits (OPEB) liability and related deferred inflows and outflows are not an available resource and, therefore, are not reported in the funds.

Total OPEB liability	(199,674)	
Deferred inflows related to OPEB	(83,629)	
Deferred outflows related to OPEB	<u>32,928</u>	(250,375)

Certain assets and liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(86,539,232)	
Deferred charge on refunding	17,815	
Accrued interest payable on long term debt	(1,667,182)	
Compensated absences	<u>(80,950)</u>	<u>(88,269,549)</u>

Net Position of Governmental Activities \$ 83,421,309

See accompanying notes to financial statements.

North Springs Improvement District
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2025

	<u>General</u>	<u>219 Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Special assessments	\$ 3,894,304	\$ -	\$ 8,532,283	\$ 12,426,587
Permit fees	35,351	-	-	35,351
Investment earnings	270,250	-	441,571	711,821
Miscellaneous revenues	<u>21,066</u>	<u>-</u>	<u>-</u>	<u>21,066</u>
Total revenues	<u>4,220,971</u>	<u>-</u>	<u>8,973,854</u>	<u>13,194,825</u>
Expenditures:				
Current:				
General government:				
Personnel services	321,624	-	-	321,624
Operating	358,761	-	-	358,761
Physical environment:				
Personnel services	902,099	-	-	902,099
Operating	1,395,921	-	-	1,395,921
Capital outlay	3,450,323	-	68,381	3,518,704
Debt service:				
Principal	-	-	4,215,000	4,215,000
Interest	<u>-</u>	<u>-</u>	<u>4,188,967</u>	<u>4,188,967</u>
Total expenditures	<u>6,428,728</u>	<u>-</u>	<u>8,472,348</u>	<u>14,901,076</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,207,757)</u>	<u>-</u>	<u>501,506</u>	<u>(1,706,251)</u>
Other Financing Sources (Uses):				
Transfers in	2,712,162	-	8,464	2,720,626
Transfers out	<u>-</u>	<u>-</u>	<u>(8,464)</u>	<u>(8,464)</u>
Total other financing sources (uses), net	<u>2,712,162</u>	<u>-</u>	<u>-</u>	<u>2,712,162</u>
Net change in fund balances	<u>504,405</u>	<u>-</u>	<u>501,506</u>	<u>1,005,911</u>
Fund Balances, Beginning as Previously Presented	6,830,529	1,699,389	7,438,183	15,968,101
Change Within Financial Reporting Entity (Note 12)	<u>-</u>	<u>(1,699,389)</u>	<u>1,699,389</u>	<u>-</u>
Fund Balances, Beginning as Adjusted	<u>6,830,529</u>	<u>-</u>	<u>9,137,572</u>	<u>15,968,101</u>
Fund Balances, Ending	<u>\$ 7,334,934</u>	<u>\$ -</u>	<u>\$ 9,639,078</u>	<u>\$ 16,974,012</u>

See accompanying notes to financial statements.

**North Springs Improvement District
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances - Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2025**

Net Change in Fund Balances - Total Governmental Funds \$ 1,005,911

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	3,437,618	
Less: current year depreciation	<u>(4,706,287)</u>	(1,268,669)

The issuance of long-term debt (e.g. bonds and notes payable) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Principal payments		4,215,000
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Some expenses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources.

Amortization of premium	65,870	
Amortization of deferred charge	(28,062)	
Change in accrued interest payable	48,281	
Change in compensated absences	(18,365)	
Change in net pension liability	630,951	
Change in deferred outflows related to pensions	(430,298)	
Change in deferred inflows related to pensions	91,132	
Change in total OPEB liability	(33,969)	
Change in deferred outflows related to OPEB	12,480	
Change in deferred inflows related to OPEB	<u>12,058</u>	<u>350,078</u>

Change in Net Position of Governmental Activities \$ 4,302,320

See accompanying notes to financial statements.

North Springs Improvement District
Statement of Net Position - Proprietary Fund
September 30, 2025

	<u>Water and Sewer Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 6,723,523
Investments	22,652,026
Accounts receivable	2,730,368
Due from other funds	1,004,256
Prepaid items	117,324
Restricted cash	1,225,402
Restricted investments	6,439,862
Total current assets	<u>40,892,761</u>
Noncurrent assets:	
Assets held for sale	520,497
Capital assets:	
Depreciable (net)	100,784,190
Nondepreciable	6,951,247
Total noncurrent assets	<u>108,255,934</u>
Total assets	<u>149,148,695</u>
Deferred Outflows of Resources:	
Deferred outflows related to pensions	1,319,262
Deferred outflows related to OPEB	132,305
Total deferred outflows of resources	<u>1,451,567</u>
Liabilities:	
Current liabilities:	
Accounts payable	99,712
Accrued liabilities	241,220
Retainage payable	46,750
Due to other funds	19,600
Due to developer	286,757
Customer deposits	1,225,402
Accrued Interest	498,771
Compensated absences payable	45,037
Other post-employment benefits (OPEB) liability	38,619
Bonds payable	2,120,000
Total current liabilities	<u>4,621,868</u>
Noncurrent liabilities:	
Compensated absences payable	405,331
Other post-employment benefits (OPEB) liability	634,932
Net pension liability	4,326,680
Bonds payable	23,285,000
Total noncurrent liabilities	<u>28,651,943</u>
Total liabilities	<u>33,273,811</u>
Deferred Inflows of Resources:	
Deferred inflows related to pensions	955,908
Deferred inflows related to OPEB	410,311
Total deferred inflows of resources	<u>1,366,219</u>
Net Position:	
Net investment in capital assets	84,520,370
Restricted for:	
Debt service	1,200,821
Unrestricted	30,239,041
Total net position	<u>\$ 115,960,232</u>

See accompanying notes to financial statements.

North Springs Improvement District
Statement of Revenues, Expenses and Change in Net Position - Proprietary Fund
For the Year Ended September 30, 2025

	<u>Water and Sewer Fund</u>
Operating Revenues:	
Charges for services:	
Water	\$ 10,117,983
Sewer	10,185,688
Other utility fees	<u>606,557</u>
Total operating revenues	<u>20,910,228</u>
Operating Expenses:	
Personnel services	7,201,630
Materials, supplies and services	7,320,506
Depreciation	<u>5,317,904</u>
Total operating expenses	<u>19,840,040</u>
Operating income	<u>1,070,188</u>
Nonoperating Revenues (Expenses):	
Other revenues	199,943
Interest earnings	1,352,086
Interest expense and other fiscal charges	(1,000,269)
Loss on disposal of property	<u>(3,461)</u>
Total nonoperating revenue, net	<u>548,299</u>
Income before capital contributions and transfers	<u>1,618,487</u>
Capital Contributions and Transfers:	
Capital contributions	1,658,694
Transfers to other funds	<u>(2,712,162)</u>
Total capital contributions and transfers	<u>(1,053,468)</u>
Change in net position	<u>565,019</u>
Net Position, Beginning	<u>115,395,213</u>
Net Position, Ending	<u>\$ 115,960,232</u>

See accompanying notes to financial statements.

**North Springs Improvement District
Statement of Cash Flows - Proprietary Fund
For the Year Ended September 30, 2025**

	<u>Water and Sewer Fund</u>
Cash Flows from Operating Activities:	
Receipts from customers	\$ 21,053,271
Payments to suppliers for goods and services	(7,771,673)
Payments to employees for services	<u>(7,168,190)</u>
Net cash provided by operating activities	<u>6,113,408</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from other miscellaneous activities	199,943
Advance from other fund	1,000,000
Transfers to other funds	<u>(2,712,162)</u>
Net cash used in noncapital financing activities	<u>(1,512,219)</u>
Cash Flows from Capital and Related Financing Activities:	
Capital contributions	1,658,694
Interest and other charges paid	(501,498)
Purchases of capital assets	<u>(6,821,896)</u>
Net cash used in capital and related financing activities	<u>(5,664,700)</u>
Cash Flows from Investing Activities:	
Interest received	1,352,086
Purchases and sales of investments, net	<u>480,246</u>
Net cash provided by investing activities	<u>1,832,332</u>
Net increase in cash and cash equivalents	768,821
Cash, Cash Equivalents, and Restricted Cash, Beginning	<u>7,180,104</u>
Cash, Cash Equivalents, and Restricted Cash, Ending	<u>\$ 7,948,925</u>

See accompanying notes to financial statements.

North Springs Improvement District
Statement of Cash Flows - Proprietary Fund
(continued)
For the Year Ended September 30, 2025

	<u>Water and Sewer Fund</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating income	\$ <u>1,070,188</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	5,317,904
Accounts receivable	115,751
Due from other funds	(398,104)
Due to other funds	19,600
Prepaid items	(61)
Deferred outflows related to pensions	70,170
Deferred outflows related to OPEB	(51,098)
Accounts payable	(72,602)
Accrued liabilities	11,799
Customer deposits	27,292
Compensated absences	(4,987)
Total other post-employment benefits (OPEB) liability	139,089
Net pension liability	(703,214)
Deferred inflows related to pensions	621,052
Deferred inflows related to OPEB	<u>(49,371)</u>
 Total adjustments	 <u>5,043,220</u>
 Net cash provided by operating activities	 \$ <u><u>6,113,408</u></u>
Schedule of non-cash capital and related financing activities:	
Purchases of capital assets on contracts payable	\$ <u><u>(254,439)</u></u>

See accompanying notes to financial statements.

Note 1 - Organization and Operations

North Springs Improvement District (the "District") was established pursuant to Chapter 71-580, Laws of Florida, as amended, and Chapter 298, Florida Statutes, in 1971. Chapter 71-580 was replaced by Chapter 2005-341, Laws of Florida, which has been amended by Chapter 2007-285, Laws of Supplement No. 2, Supplement No. 3, a revised Supplement No. 3 and other laws, respectively. The District was created to undertake a variety of improvements, including the reclamation and drainage of land, to establish roads and highways, to provide access thereto, to provide water and sewage facilities and to promote and create favorable conditions for the development of land within the District.

Note 2 - Summary of Significant Accounting Policies

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

Reporting entity: The criteria used for including component units consist of the identification of legally separate organizations for which the Board of Supervisors of the District (the "Board") are financially accountable. This criteria, also includes the identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete. Based upon this review, there were no potential component units of the District.

Government-wide and fund financial statements: The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District has both governmental and business-type activities.

In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full-accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations. The effect of interfund activity has been eliminated from the government-wide financial statements.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The net costs, by function, are also supported by general revenues, other revenue, etc. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflect capital-specific grants.

This government-wide focus is more on the ability to sustain the District as an entity and the change in the District's net position resulting from the current year's activities.

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenditures (expenses). Major individual governmental funds and the major individual proprietary fund are reported as separate columns in the fund financial statements.

Note 2 - Summary of Significant Accounting Policies (continued)

The District reports the following major governmental fund:

General Fund - The General Fund is established to account for all financial transactions not properly accounted for in another fund.

The District reports the following major proprietary fund:

Water and Sewer Fund - The Water and Sewer Fund is a proprietary fund established to account for operations that are to be financed and operated in a manner similar to private business enterprises. The costs of providing services to customers are to be recovered primarily through user charges.

Measurement focus, basis of accounting, and presentation: Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus, and the government-wide statements use the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred, regardless of the timing of related cash flows.

The governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available for use. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers revenues available if they are collected within 60 days after year end. Expenditures are generally recognized when the liability is incurred, except that interest payable on debt is recognized only when due.

The Proprietary Fund uses the accrual basis of accounting. Revenue is recognized when earned and, expenses are recognized when incurred.

Budgets and budgetary accounting: The District's annual budgets are adopted for the General Fund and Water and Sewer Fund and approved by the Board. The budget amounts presented in the accompanying basic financial statements are as originally adopted by the District's Board. Any amendments to the budget are reflected in the final budget.

The General Fund budget is prepared on a basis consistent with U.S. GAAP. The budget is a financial plan approved in the manner authorized by law but not subject to appropriation. The General Fund had excess expenditures in capital outlay related to various projects that were covered with transfers in.

Encumbrances: The District does not utilize encumbrance accounting.

Note 2 - Summary of Significant Accounting Policies (continued)

Cash and cash equivalents: The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less when purchased to be cash equivalents.

Investments: Investments consist of funds deposited in certain money market funds and the State Board of Administration (“SBA”) Florida Prime external investment pool. Investments are stated at amortized cost.

Accounts receivable: Accounts receivable reflected in the Water and Sewer Fund consist of charges to customers for service including sewer revenues on services which have been rendered whether billed or not. Management believes all accounts to be fully collectible; therefore, no allowance for doubtful accounts is considered necessary.

Prepaid items: Certain payments reflect costs applicable to a future accounting period and are recorded as prepaid items in both the government-wide and fund financial statements.

Interfund receivables and payable: Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds (i.e., amounts owed for goods/services rendered to a particular fund by another fund in the reporting entity) are reported as “due to/from other funds” (current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Capital assets: Capital assets, which include land, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress, are reported in the governmental or business-type activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated cost when actual historical cost is not available. Donated capital assets are valued at acquisition value, rather than fair market value at the date of the donation. The District defines capital assets as assets with an initial individual cost of more than \$ 5,000 and an estimated useful life in excess of one year. Depreciation on all capital assets is charged to operations using the straight-line method over the assets’ estimated service lives as follows:

Capital Assets	Years
Buildings and improvements	10-50
Infrastructure	10-50
Machinery and equipment	3-20

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

In accordance with U.S. GAAP, interest costs incurred during the construction phase of capital assets is expensed as incurred.

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Note 2 - Summary of Significant Accounting Policies (continued)

The District has three items that qualify for reporting in this category. The first is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is deferred outflows related to pensions and is discussed in further detail in Note 8. The third item is the deferred outflows related to OPEB and is discussed in further detail in Note 10.

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is deferred inflows related to pensions and is discussed in further detail in Note 8. The second item is deferred inflows related to OPEB and is discussed in further detail in Note 10.

Net position: Net position is classified in three categories. The general meaning of each is as follows:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows or inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are also included in this component of net position.
- b. Restricted - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

Fund balance: In the fund financial statements, governmental funds report fund balance amounts in accordance with GASB. Under these guidelines, the breakdown includes the following classifications:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the bonds and are restricted through debt covenants.

Note 2 - Summary of Significant Accounting Policies (continued)

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned: This classification includes the residual fund balance for the General Fund, or any deficit fund balance within the other governmental fund types.

When the District has expenditures for which committed, assigned or unassigned fund balance is available, the District would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

Property tax calendar (assessments): District assessments are certified with the Broward County Property Appraiser and collected by the Broward County Tax Collector. The key dates in the property tax cycle are as follows:

Preceding Fiscal Year:

Enforceable lien date	January 1
Tax roll validated	June 1 and July 1
Taxes levied	November 1

Current Fiscal Year:

Beginning of fiscal year for which assessments have been levied	October 1
Property tax bills rendered	Prior to November 1
Property tax bill due date	March 31
Delinquent tax lien	April 30
Tax certificates sold	On or before June 1

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Adoption of new accounting standard: *Statement No. 101 – Compensated Absences*, was issued in June 2022. This Statement will aim 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 of measurement guidance under a unified model and by amending certain previously required disclosures. There was no impact to opening fund balances or net position as a result of implementation. All required disclosures were added.

Note 2 - Summary of Significant Accounting Policies (continued)

Statement No. 102 – Certain Risk Disclosures, was issued in December 2024. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The requirements of this Statement apply to the financial statements of all state and local governments. All required disclosures were added.

Date of management review: Subsequent events were evaluated by management through April 29, 2026, which is the date the financial statements were available for issuance.

Note 3 - Deposits and Investments

Deposits: The District’s deposits must be placed with banks and savings and loans which are qualified as public depositories prior to receipt of public monies under Chapter 280, Florida Statutes. At year end, the carrying amount of the District’s bank deposits was \$ 12,332,545, and the bank balance was \$ 12,334,045. In addition, the District had \$ 1,500 in petty cash.

As of September 30, 2025 all deposits are insured by the Federal Deposit Insurance Corporation up to \$ 250,000. Monies deposited in amounts greater than the insurance coverage are secured by the banks pledging securities with the State Treasurer in the collateral pool. The District’s deposits of \$ 11,616,233, which are in excess of the federal insured level of \$ 250,000, are held in a qualified public depository and are covered by the covered by collateral held in the District's name.

Investments: The investment of funds is authorized by Florida Statutes, which allows the District to invest in the Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, SEC registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the United States Treasury. Certain investments are governed by Bond Indentures.

Investments at September 30, 2025 consist of the following:

Investment	Reported Amount - Amortized Cost	Maturity
Money market funds	\$ 15,837,913	N/A
State Board of Administration: Florida Prime	27,103,453	Weighted average days to maturity is 47 days
Total	\$ 42,941,366	

Credit risk: Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency. The Florida Prime is rated AAAM by Standard and Poor’s.

Interest rate risk: Florida Statutes state that the investment portfolio be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. The District’s investments are not subject to interest rate risk.

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the District’s investments are subject to custodial credit risk.

North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2025

Note 3 - Deposits and Investments (continued)

Restricted cash and investments: The governmental funds maintain cash and investments restricted for the following purposes:

Capital outlay	\$ 914,239
Future debt service	<u>8,691,556</u>
Total restricted cash and investments	<u>\$ 9,605,795</u>

The proprietary fund maintains investments restricted for the following purposes:

Future debt service	\$ 1,200,821
Construction	641,479
Renewal and replacement of capital assets	<u>4,597,562</u>
Total restricted cash and investments	<u>\$ 6,439,862</u>

Note 4 - Capital Assets

The following is a schedule of changes in capital assets during the year ended September 30, 2025:

	Balance October 1, 2024	Additions	Deletions	Transfers	Balance September 30, 2025
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 34,413,392	\$ -	\$ -	\$ -	\$ 34,413,392
Construction in progress	<u>22,550,451</u>	<u>175,000</u>	<u>-</u>	<u>(10,870,734)</u>	<u>11,854,717</u>
Total capital assets, not depreciated	<u>56,963,843</u>	<u>175,000</u>	<u>-</u>	<u>(10,870,734)</u>	<u>46,268,109</u>
Capital assets, being depreciated:					
Infrastructure	171,338,823	2,712,612	-	13,862,030	187,913,465
Buildings and improvement	710,124	-	-	-	710,124
Machinery and equipment	<u>3,939,061</u>	<u>550,006</u>	<u>66,063</u>	<u>(2,991,296)</u>	<u>1,431,708</u>
Total capital assets, being depreciated	<u>175,988,008</u>	<u>3,262,618</u>	<u>66,063</u>	<u>10,870,734</u>	<u>190,055,297</u>
Less accumulated depreciation for:					
Infrastructure	75,063,891	4,492,006	-	-	79,555,897
Buildings and improvement	346,338	30,452	-	-	376,790
Machinery and equipment	<u>660,539</u>	<u>183,829</u>	<u>66,063</u>	<u>-</u>	<u>778,305</u>
Total accumulated depreciation	<u>76,070,768</u>	<u>4,706,287</u>	<u>66,063</u>	<u>-</u>	<u>80,710,992</u>
Total capital assets depreciated, net	<u>99,917,240</u>	<u>(1,443,669)</u>	<u>-</u>	<u>10,870,734</u>	<u>109,344,305</u>
Governmental activities capital assets, net	<u>\$ 156,881,083</u>	<u>\$ (1,268,669)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,612,414</u>

North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2025

Note 4 - Capital Assets (continued)

	Balance October 1, 2024	Additions	Deletions	Transfers	Balance September 30, 2025
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 181,585	\$ -	\$ -	\$ -	\$ 181,585
Easements	82,785	-	-	-	82,785
Construction in progress	<u>4,786,077</u>	<u>5,331,783</u>	<u>-</u>	<u>(3,430,983)</u>	<u>6,686,877</u>
Total capital assets, not depreciated	<u>5,050,447</u>	<u>5,331,783</u>	<u>-</u>	<u>(3,430,983)</u>	<u>6,951,247</u>
Capital assets, being depreciated:					
Buildings and improvement	15,996,890	360,000	-	120,000	16,476,890
Infrastructure	136,919,335	-	-	-	136,919,335
Machinery and equipment	<u>11,780,653</u>	<u>875,674</u>	<u>(140,103)</u>	<u>3,310,983</u>	<u>15,827,207</u>
Total capital assets, being depreciated	<u>164,696,878</u>	<u>1,235,674</u>	<u>(140,103)</u>	<u>3,430,983</u>	<u>169,223,432</u>
Less accumulated depreciation for:					
Buildings and improvement	2,931,819	637,341	-	-	3,569,160
Infrastructure	55,714,678	3,600,383	-	-	59,315,061
Machinery and equipment	<u>4,611,483</u>	<u>1,080,180</u>	<u>136,642</u>	<u>-</u>	<u>5,555,021</u>
Total accumulated depreciation	<u>63,257,980</u>	<u>5,317,904</u>	<u>136,642</u>	<u>-</u>	<u>68,439,242</u>
Total capital assets depreciated, net	<u>101,438,898</u>	<u>(4,082,230)</u>	<u>3,461</u>	<u>3,430,983</u>	<u>100,784,190</u>
Business-type activities capital assets	<u>\$ 106,489,345</u>	<u>\$ 1,249,553</u>	<u>\$ 3,461</u>	<u>\$ -</u>	<u>\$ 107,735,437</u>

Depreciation expense is charged to the following functions:

Governmental activities:	
Physical environment	\$ <u>4,706,287</u>
Business-type activities:	
Water and sewer	\$ <u>5,317,904</u>

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2025**

Note 4 - Capital Assets (continued)

Construction Contracts

The District has the following active construction commitments with contractors at September 30, 2025:

<u>Projects</u>	<u>Remaining Commitment</u>
Governmental Activities:	
Improvements to Heron Bay Stormwater Preserve Phase II	\$ 900,133
Welcome Center Preserve Heron Bay VLC Phase II	1,377,123
Others	2,715,000
Business-type Activities:	
BPS Storage Bldg (VLC)	1,775,000
CIP-AMI Conversion (Conquest)	285,512
Other	<u>2,822,359</u>
	<u>\$ 9,875,127</u>

Note 5 - Long-Term Debt

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

	<u>Balance October 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2025</u>	<u>Due Within One Year</u>
Water management bonds	\$ 62,855,000	\$ -	\$ 965,000	\$ 61,890,000	\$ 985,000
Water management premium	1,387,442	-	51,752	1,335,690	-
Special assessment bonds	26,380,000	-	3,250,000	23,130,000	3,370,000
Special assessment premium	<u>197,660</u>	<u>-</u>	<u>14,118</u>	<u>183,542</u>	<u>-</u>
	<u>\$ 90,820,102</u>	<u>\$ -</u>	<u>\$ 4,280,870</u>	<u>\$ 86,539,232</u>	<u>\$ 4,355,000</u>

Note 5 - Long-Term Debt (continued)

Water Management Bonds payable at September 30, 2025 are comprised of the following:

\$ 7,770,000 Series 2014A-2 Water Management Bonds, principal is due annually beginning May 2035 through May 2044. Interest at 6.50% is due each year in May and November through May 2044. Current portion is \$ 0. The bonds are secured primarily from special assessments levied by the District.	\$ 7,710,000
\$ 6,010,000 Series 2014B-2 Water Management Bonds, principal is due annually beginning May 2035 through May 2044. Interest at 6.625% is due each year in May and November through May 2044. Current portion is \$ 0. The bonds are secured primarily from special assessments levied by the District.	6,010,000
\$ 7,495,000 Series 2015 Water Management Bonds, principal is due annually through May 2035. Interest at 3.10% is due in May and November each year. Current portion is \$ 375,000. The bonds are secured primarily from special assessments levied by the District.	4,325,000
\$ 8,710,000 Series 2017 Water Management Bonds, principal is due annually beginning May 2039 through May 2048. Interest at 5.00% is due in May and November each year. Current portion is \$ 0. The bonds are secured primarily from special assessments levied by the District.	8,710,000
\$ 8,065,000 Series 2018 Water Management Bonds, principal is due annually beginning May 2039 through May 2048. Interest at 5.00% is due in May and November each year. Current portion is \$ 0. The bonds are secured primarily from special assessments levied by the District.	8,025,000
\$ 18,665,000 Series 2021-1 Water Management Bonds, principal is due annually beginning May 2023 through May 2052. Interest ranging from 2.00% to 4.00% is due in May each year. Current portion is \$ 385,000. The bonds are secured primarily from special assessments levied by the District.	17,550,000
\$ 10,210,000 Series 2021-2 Water Management Bonds, principal is due annually beginning May 2023 through May 2052. Interest ranging from 1.00% to 3.70% is due in May each year. Current portion is \$ 225,000. The bonds are secured primarily from special assessments levied by the District.	<u>9,560,000</u>
	<u>\$ 61,890,000</u>

North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2025

Note 5 - Long-Term Debt (continued)

The annual debt service requirements through maturity for the Water Management Bonds outstanding at year end are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 985,000	\$ 2,805,269	\$ 3,790,269
2027	1,010,000	2,781,332	3,791,332
2028	1,045,000	2,752,257	3,797,257
2029	1,080,000	2,717,583	3,797,583
2030	1,115,000	2,681,433	3,796,433
2031-2035	7,215,000	12,797,410	20,012,410
2036-2040	13,550,000	10,578,985	24,128,985
2041-2045	20,320,000	5,878,719	26,198,719
2046-2050	12,595,000	1,673,392	14,268,392
2051-2052	<u>2,975,000</u>	<u>145,856</u>	<u>3,120,856</u>
Total	<u>\$ 61,890,000</u>	<u>\$ 44,812,236</u>	<u>\$ 106,702,236</u>

Special Assessment Bonds payable at September 30, 2025 are comprised of the following:

<p>\$ 6,330,000 Series 2014A-1 Special Assessment Bonds, principal is due annually through May 2034. Interest ranging from 6.00% to 6.25% is due in May and November. Current portion is \$ 320,000. The bonds are secured primarily from special assessments levied by the District.</p>	\$ 3,735,000
<p>\$ 4,765,000 Series 2014B-1 Special Assessment Bonds, principal is due annually through May 2034. Interest ranging from 6.125% to 6.375% is due in May and November. Current portion is \$ 240,000. The bonds are secured primarily from special assessments levied by the District.</p>	2,820,000
<p>\$ 15,460,000 Series 2016 Special Assessment Bonds, principal is due annually through May 2026. Interest at 3.35% is due in May and November. Current portion is \$ 1,650,000. The bonds are secured primarily from special assessments levied by the District.</p>	1,650,000
<p>\$ 4,165,000 Series 2016 Special Assessment Bonds, principal is due annually through May 2027. Interest at 2.71% is due in May and November. Current portion is \$ 365,000. The bonds are secured primarily from special assessments levied by the District.</p>	740,000
<p>\$ 8,650,000 Series 2017 Special Assessment Bonds, principal is due annually through May 2038. Interest ranging from 3.50% to 5.00% is due in May and November. Current portion is \$ 370,000. The bonds are secured primarily from special assessments levied by the District.</p>	6,430,000

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2025**

Note 5 - Long-Term Debt (continued)

\$ 3,180,000 Series 2018 Special Assessment Bonds, principal is due annually through May 2038. Interest ranging from 3.75% to 4.85% is due in May and November. Current portion is \$ 135,000. The bonds are secured primarily from special assessments levied by the District. \$ 2,360,000

\$ 7,145,000 Series 2018 Special Assessment Bonds, principal is due annually through May 2038. Interest ranging from 3.875% to 4.875% is due in May and November. Current portion is \$ 290,000. The bonds are secured primarily from special assessments levied by the District. 5,395,000

\$ 23,130,000

The annual debt service requirements through maturity for the Special Assessment Bonds outstanding at year end are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 3,370,000	\$ 1,169,166	\$ 4,539,166
2027	1,800,000	1,036,396	2,836,396
2028	1,500,000	950,818	2,450,818
2029	1,580,000	874,982	2,454,982
2030	2,080,000	387,642	2,467,642
2031-2035	8,485,000	2,851,992	11,336,992
2036-2038	<u>4,315,000</u>	<u>446,074</u>	<u>4,761,074</u>
Total	<u>\$ 23,130,000</u>	<u>\$ 7,717,070</u>	<u>\$ 30,847,070</u>

Summary of significant bond covenants: As of September 30, 2025, the District was required to maintain reserve balances at levels specified in the applicable bond documents. The District has funded these reserve requirements through cash and investments held in designated reserve accounts and has deposited amounts sufficient to meet the required reserve levels as of year end.

In accordance with certain bond covenants, where the required reserve balances are not fully met solely through amounts held in designated reserve accounts, the bond documents allow the District to consider available balances in specified revenue accounts as acceptable resources for purposes of meeting reserve funding requirements. These available revenue account balances are permitted to be included in the calculation of required reserves provided they meet the eligibility criteria outlined in the bond agreements and remain available for debt service purposes.

The District monitors compliance with bond covenant requirements on an ongoing basis and believes that the agency was in compliance with all material reserve-related bond covenants as of September 30, 2025.

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2025**

Note 5 - Long-Term Debt (continued)

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

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025	Due Within One Year
Water and sewer revenue and refunding bonds	\$ 25,405,000	\$ -	\$ -	\$ 25,405,000	\$ 2,120,000
Total bonds payable	<u>\$ 25,405,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,405,000</u>	<u>\$ 2,120,000</u>

The District previously issued \$ 25,405,000 in Series 2024 Water and Sewer Refunding Revenue Bonds ("Series 2024 bonds") with an interest rate of 3.82% to refund \$ 25,405,000 of outstanding Series 2011 Water and Sewer Refunding Revenue Bonds ("Series 2011 bonds") with an interest rate of 3.38%. There was no gain or loss between the reacquisition price and the net carrying amount of the old debt at the time of issuance of the current refunding. Accordingly, no gain or loss has been recognized in the accompanying financial statements.

The Series 2024 bonds are due in annual principal installments beginning in October 2026 through October 2034, and interest at 3.82% due in semi-annual installments every April and October beginning April 2025. The total outstanding principal balance on the Series 2024 bonds is \$ 25,405,000. Future annual debt service payments on the Series 2024 bonds are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 2,120,000	\$ 943,008	\$ 3,063,008
2027	2,210,000	859,161	3,069,161
2028	2,300,000	773,821	3,073,821
2029	2,385,000	681,107	3,066,107
2030	2,480,000	586,899	3,066,899
2031-2035	<u>13,910,000</u>	<u>1,389,567</u>	<u>15,299,567</u>
Total	<u>\$ 25,405,000</u>	<u>\$ 5,233,563</u>	<u>\$ 30,638,563</u>

The Series 2024 bonds are secured by a pledge of net revenues under the indenture, which are defined as all income and monies received by the District from the rates, fees, rentals, charges and other income collected by the District, less costs of operations and maintenance. The Series 2024 bonds also include events of default, mainly failure to pay or stay solvent.

Upon default, the lender may seek remedy by declaring all unpaid amounts immediately due and payable, and the bonds' interest rate increases to the sum of the lender's prime rate plus 2.00% or the maximum rate permitted by law. The following is a schedule of required reserve deposits as of September 30, 2025:

	Reserve Requirement	Reserve Balance
Series 2024 Water and Sewer Refunding Revenue Bond	\$ <u>779,062</u>	\$ <u>779,062</u>

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2025**

Note 6 - Interfund Transactions

Interfund activity balances for the District as of and for the fiscal year ended September 30, 2025 are summarized as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental funds:		
General Fund	\$ 2,712,162	\$ -
Nonmajor Funds	<u>8,464</u>	<u>8,464</u>
Governmental totals	<u>2,720,626</u>	<u>8,464</u>
Proprietary funds:		
Water and Sewer Fund	<u>-</u>	<u>2,712,162</u>
Proprietary totals	<u>-</u>	<u>2,712,162</u>
Totals	<u>\$ 2,720,626</u>	<u>\$ 2,720,626</u>

The amounts transferred into the general fund were for the Heron Bay land sale and additional tax revenues received. The amounts transferred into the 326 and 327 Capital Projects Fund were for reimbursement for capital projects.

Due to/from Other Funds:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General Fund	\$ -	\$ 207,744
Nonmajor Funds	<u>227,344</u>	<u>1,004,256</u>
Governmental totals	<u>227,344</u>	<u>1,212,000</u>
Proprietary funds:		
Water and Sewer Fund	<u>1,004,256</u>	<u>19,600</u>
Proprietary totals	<u>1,004,256</u>	<u>19,600</u>
Totals	<u>\$ 1,231,600</u>	<u>\$ 1,231,600</u>

Amounts due from the General Fund to the Debt Service Funds represent monies held for future bond payments. Amounts due from the General Fund to the Water and Sewer Fund represent monies owed for fees paid by the Water and Sewer Fund.

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2025**

Note 7 - Compensated Absences Payable

Employees of the District accumulate unused vacation time up to a specified number of hours, depending on the employee’s length of employment. Accumulated vacation time can be redeemed in cash at retirement.

The following is a schedule of the changes in compensated absences of the Governmental Funds:

	Balance October 1, 2024	Increase	Decrease	Balance September 30, 2025	Due Within One Year
Compensated absences	\$ 62,585	\$ 38,886	\$ 20,521	\$ 80,950	\$ 8,095
Total	<u>\$ 62,585</u>	<u>\$ 38,886</u>	<u>\$ 20,521</u>	<u>\$ 80,950</u>	<u>\$ 8,095</u>

The following is a schedule of the changes in compensated absences of the Water and Sewer Fund:

	Balance October 1, 2024	Increase	Decrease	Balance September 30, 2025	Due Within One Year
Compensated absences	\$ 455,355	\$ 263,228	\$ 268,215	\$ 450,368	\$ 45,037
Total	<u>\$ 455,355</u>	<u>\$ 263,228</u>	<u>\$ 268,215</u>	<u>\$ 450,368</u>	<u>\$ 45,037</u>

Note 8 - Florida Retirement System

As provided by Chapters 121 and 112, Florida Statutes, the Florida Retirement System (“FRS”) provides two cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”) and a defined contribution pension plan (“Investment Plan”) (see Note 9). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments (“COLA”), and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (844) 377-1888 or by visiting the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Note 8 - Florida Retirement System (continued)

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of creditable service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of creditable service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% times years of service times final average compensation based on the five highest years of salary.

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service. Senior Management Service class members who retire at or after age 62 with at least six years of creditable service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% times the years of service times their final average compensation based on the five highest years of salary for each year of creditable service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% times the years of service (3.33% for judges and justices) times their final average compensation based on the five highest years of salary for each year of creditable service.

For plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of creditable service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before August 1, 2011, the annual COLA is 3% percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year.

Note 8 - Florida Retirement System (continued)

The employer contribution rates by job class for the periods from October 1, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025, respectively, were as follows: Regular - 13.63% and 14.03%; Special Risk Administrative Support - 39.82% and 39.48%; Special Risk - 32.79% and 35.19%; Senior Management Service - 34.52% and 33.24%; Elected Officers' - 58.68% and 54.57%; and DROP participants - 21.13% and 22.02%. These employer contribution rates include 2.00% HIS Plan subsidy for the period October 1, 2024 through September 30, 2025. During the year ended September 30, 2025, the District contributed \$ 652,907 to the Pension Plan.

HIS Plan:

Plan Description - The 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 Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$ 7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$ 45 and a maximum HIS payment of \$ 225 per month. To be eligible to receive these benefits, 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 HIS contribution was 2.00%. The District contributed 100% of its statutorily required contributions for the current and preceding five 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 legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled. During the year ended September 30, 2025, the District contributed \$ 98,642 to the HIS 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 liabilities of \$ 3,632,998 for its proportionate share of the Pension Plan's net pension liability and \$ 1,398,025 for the HIS Plan's net pension liability for a total pension liability of \$ 5,031,023. 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. At June 30, 2025, the District's proportionate share was 0.011706083% for the Pension Plan and 0.010907202% for the HIS Plan, which was a decrease of 0.000485406% and a decrease of -0.000085059% respectively, from the proportionate share measured as of June 30, 2024.

For the year ended September 30, 2025 the District recognized pension expense of \$ 456,655 for the Pension Plan and \$ 43,422 for the HIS Plan for a total pension expense of \$ 500,077. At September 30, 2025 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2025

Note 8 - Florida Retirement System (continued)

Description	Deferred Outflows of Resources		
	Pension Plan	HIS Plan	Total
Difference between expected and actual experience	\$ 388,042	\$ 8,345	\$ 396,388
Changes of assumptions	421,885	12,374	434,260
Changes in proportion and differences between District contributions and proportionate share of contributions	347,231	144,979	492,209
District contributions subsequent to the measurement date	184,945	26,223	211,168
Total	<u>\$ 1,342,104</u>	<u>\$ 191,921</u>	<u>\$ 1,534,025</u>

Description	Deferred Inflows of Resources		
	Pension Plan	HIS Plan	Total
Difference between expected and actual experience	\$ -	\$ 2,218	\$ 2,218
Changes of assumptions	-	338,146	338,146
Net difference between projected and actual earnings on pension plan investments	606,566	1,164	607,729
Changes in proportion and differences between District contributions and proportionate share of contributions	122,455	40,973	163,428
Total	<u>\$ 729,021</u>	<u>\$ 382,501</u>	<u>\$ 1,111,521</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period ending September 30, 2026. The amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Plan will be recognized in pension expense as follows:

Year Ended September 30,	Employer share of deferred Outflow/ Inflow		
	Pension Plan	HIS Plan	Total
2026	\$ 683,228	\$ (50,929)	\$ 632,299
2027	(30,580)	(58,100)	(88,680)
2028	(102,653)	(46,423)	(149,076)
2029	(121,857)	(31,514)	(153,371)
2030	-	(29,837)	(29,837)

Note 8 - Florida Retirement System (continued)

Actuarial Assumptions - The Florida Retirement System Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of both pension plans pursuant to section 216.136 (10), Florida Statutes. The Pension Plan’s valuation is performed annually. The HIS Plan has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the Pension Plan was completed in 2019 for the period July 1, 2013 through June 30, 2018. Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the Pension Plan. The total pension liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Pension Plan	HIS Plan
Inflation	2.40%	2.40%
Salary increase	3.50%, average, including inflation	3.50%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation	N/A
Actuarial cost method	Individual entry age	Individual entry age
Mortality table	PUB-2010 with Projection Scale MP-2021	PUB-2010 with Projection Scale MP-2021

Long-term Expected Rate of Return - 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.

Note 8 - Florida Retirement System (continued)

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)	Annual Arithmetic Return	Compound Annual (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%			
Assumed Inflation - Mean			2.4%	1.5%

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

Discount Rate - The discount rate used to measure the total pension liability was 6.70% for the Pension Plan. The Pension 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.

The discount rate used to measure the total pension liability was 5.20% for the HIS Plan. In general, the discount rate for calculating the HIS Plan's 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 Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the municipal bond rate of 5.20% was used to determine the total pension liability. 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 Position Liability to Changes in the Discount Rate - The following table presents the sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis below shows the impact to the District's proportionate share of the net pension liability if the discount rate was one percentage-point lower or one percentage-point higher than the current discount rate at June 30, 2025:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
District's proportionate share of the net pension liability for Pension Plan	\$ 7,129,703	\$ 3,632,998	\$ 701,412

**North Springs Improvement District
Notes to Basic Financial Statements
September 30, 2025**

Note 8 - Florida Retirement System (continued)

	1% Decrease <u>4.20%</u>	Current Discount Rate <u>5.20%</u>	1% Increase <u>6.20%</u>
District's proportionate share of the net pension liability for HIS Plan	\$ <u>1,576,498</u>	\$ <u>1,398,025</u>	\$ <u>1,248,342</u>

Note 9 - Defined Contribution Plans

Section 457(b) Plan

The District has a money purchase contribution plan qualified under Section 457(b) of the Internal Revenue Code. The plan is administered by an independent trustee. No contributions are made by the District to this plan.

Investment Plan

The District offers to its employees a defined contribution pension plan, as a part of the Florida Retirement System (Note 8). The SBA administered the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

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 members' 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, based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 % of payroll and by forfeited benefits of plan members. Allocations to the investment members' accounts during the 2024-2025 fiscal year, as established by Section 121.72, Florida Statutes, are based on percentage of gross compensation, by class, as follows:

<u>Class</u>	<u>Allocated Rate</u>
Elected Officials	16.34%
Senior Management	12.67%
Special Risk	19.00%
Regular Employees	11.30%

Note 9 - Defined Contribution Plans (continued)

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 Pension Plan vesting is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on these funds. Non-vested 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 his or her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2025 the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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 Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's pension expense for the Investment Plan totaled \$ 183,366 for the year ended September 30, 2025.

Note 10 - Other Post-Employment Benefits

Plan description: The District provides post-employment health insurance benefits, also known as other post-employment benefits ("OPEB") to its retired employees through a single-employer plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District or its major component unit and eligible dependents may continue to participate in the District's fully-insured benefit plan for medical insurance coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided until the retiree's attainment of age 62 (or until such time at which retiree discontinues coverage under the District sponsored plans, if earlier). There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and as a result, there is no separate financial report issued.

Funding policy: Currently, the District's OPEB benefits are unfunded. That is, the District has not determined if a separate Trust Fund or equivalent arrangement will be established into which the District would make contributions to advance-fund the obligation. Current and future retirees will be required to pay 100% of the blended premium to continue coverage under the District's group health insurance program.

Note 10 - Other Post-Employment Benefits (continued)

The following table provides a summary of the number of participants in the plan as of the measurement date:

Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>55</u>
Total plan members	<u><u>58</u></u>

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.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the District and plan members) and include the types of benefits in force at the valuation date. 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.

The total OPEB liability at September 30, 2025 was based on an actuarial valuation dated October 1, 2023 with a measurement date of September 30, 2024 using the following actuarial assumptions:

Discount Rate	4.06%
Salary Increases	3.00%
Retirement Age	Earlier of any age with at least 30 years of service or age 62 with at least 6 years of service
Mortality	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general employees, with full generational improvements in mortality using Scale MP-2020
Healthcare Cost Trend Rates	Trend rates for 2024 assumed to be 7.0%, graded down by 0.50% per year, decreasing to an ultimate trend rate of 5.00% for the 2027/28 and later fiscal ye
Aging Factors	Healthcare costs are assumed to increase at the rate of 3.50% for each year of age

Since the prior measurement date, the discount rate was increased from 4.91% per annum to 4.06% per annum, and the implied monthly subsidy at age 62 was increased from approximately \$511 to \$525.

Discount rate: The discount rate used to measure the total OPEB liability at September 30, 2024 was 4.06%. Because the District’s OPEB costs are funded on a pay-as-you-go funding structure, the discount rate was based on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.

Note 10 - Other Post-Employment Benefits (continued)

Total OPEB liability of the District: The components of the District’s net OPEB liability at September 30, 2025 are as follows:

Total OPEB liability	\$ 873,225
OPEB Plan fiduciary net position	<u>-</u>
District's net OPEB liability	<u>\$ 873,225</u>
OPEB Plan fiduciary net position as a percentage of total OPEB liability	<u>0.00%</u>

Changes in Total OPEB Liability

Measurement year ended September 30, 2024

Total OPEB liability:	
Service cost	\$ 74,462
Interest on total OPEB liability	31,236
Demographic experience	(7,264)
Benefit payments	(10,645)
Assumption changes	<u>85,269</u>
Net change in total OPEB liability	173,058
Total OPEB liability, beginning	<u>700,167</u>
Total OPEB liability, ending	<u>\$ 873,225</u>

Sensitivity of net OPEB liability to changes in the discount rate: The following table presents the total OPEB liability, calculated using a discount rate of 4.06%, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 3.06%	Current Discount Rate 4.06%	1% Increase 5.06%
Total OPEB liability	\$ <u>952,165</u>	\$ <u>873,225</u>	\$ <u>801,962</u>

Sensitivity of net OPEB liability to changes in the healthcare cost trends rate: The following table presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower or one percentage-point higher than the current trend rate:

	1% Trend Decrease 6.00% Decreasing to 4.00%	Trend Rate Assumption 7.00% Decreasing to 5.00%	1% Trend Increase 8.00% Decreasing to 6.00%
Total OPEB liability	\$ <u>769,054</u>	\$ <u>873,225</u>	\$ <u>997,243</u>

Note 10 - Other Post-Employment Benefits (continued)

OPEB expense and deferred outflows and deferred inflows of resources related to OPEB: For the year ended September 30, 2025, the District recognized OPEB expense of \$ 48,051. At September 30, 2025, the District has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	\$ 165,233	\$ 238,713
Demographic experience	-	255,227
Total	<u>\$ 165,233</u>	<u>\$ 493,940</u>

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

Year Ending September 30,	
2026	\$ (47,002)
2027	(47,002)
2028	(47,002)
2029	(47,002)
2030	(47,002)
Thereafter	<u>(93,697)</u>
	<u>\$ (328,707)</u>

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 for which the District carries commercial insurance.

Claims, expenditures and liabilities would have been reported if it were probable that a loss in excess of policy limits had occurred and the amount of that loss could be reasonably estimated.

Note 12 - Adjustments of Beginning Balance

For the fiscal year ended September 30, 2025, the 219 Debt Service Fund no longer met the quantitative criteria for presentation as a major governmental fund under Governmental Accounting Standards Board (GASB) standards. As a result, the fund is presented as a nonmajor governmental fund in the accompanying financial statements. The change in presentation resulted from a decline in the fund's relative significance compared to other governmental funds (for example, as other funds increased in size), such that the fund no longer met the quantitative criteria for major fund reporting:

	Governmental Funds	
	219 Debt Service	Nonmajor Governmental Funds
September 30, 2024, as previously reported	\$ 1,699,389	\$ 7,438,183
Change from major to nonmajor fund	<u>(1,699,389)</u>	<u>1,699,389</u>
September 30, 2024, as adjusted	<u>\$ -</u>	<u>\$ 9,137,572</u>

REQUIRED SUPPLEMENTARY
INFORMATION

**North Springs Improvement District
Schedule of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual - General Fund
For the Year Ended September 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments	\$ 3,607,342	\$ 3,607,342	\$ 3,894,304	\$ 286,962
Permit fees	5,000	5,000	35,351	30,351
Investment earnings	176,000	176,000	270,250	94,250
Miscellaneous revenues	<u>11,000</u>	<u>11,000</u>	<u>21,066</u>	<u>10,066</u>
Total revenues	<u>3,799,342</u>	<u>3,799,342</u>	<u>4,220,971</u>	<u>421,629</u>
Expenditures:				
Current:				
General government:				
Personnel	351,390	351,390	321,624	29,766
Operating	358,300	358,300	358,761	(461)
Physical environment:				
Personnel	1,030,500	1,030,500	902,099	128,401
Operating	1,550,580	1,550,580	1,395,921	154,659
Capital outlay	<u>508,820</u>	<u>3,220,982</u>	<u>3,450,323</u>	<u>(229,341)</u>
Total expenditures	<u>3,799,590</u>	<u>6,511,752</u>	<u>6,428,728</u>	<u>83,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(248)</u>	<u>(2,712,410)</u>	<u>(2,207,757)</u>	<u>504,653</u>
Other Financing Sources:				
Allocation of fund balance	248	248	-	248
Transfers in	<u>-</u>	<u>2,712,162</u>	<u>2,712,162</u>	<u>-</u>
Total other financing sources	<u>248</u>	<u>2,712,410</u>	<u>2,712,162</u>	<u>248</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	504,405	\$ <u>504,901</u>
Fund Balance, Beginning			<u>6,830,529</u>	
Fund Balance, Ending			\$ <u><u>7,334,934</u></u>	

**North Springs Improvement District
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Eight Years* (Unaudited)**

Fiscal Year: Measurement Date:	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total OPEB liability									
Service cost	\$ 74,462	\$ 59,818	\$ 63,309	\$ 85,021	\$ 94,028	\$ 92,582	\$ 98,252	\$ 72,330	
Interest	31,236	35,048	36,687	21,340	17,335	29,166	30,051	23,889	
Demographic experience	(7,264)	(16,973)	5,511	(15,342)	(133,309)	(69,402)	(176,505)	-	
Benefit payments and refunds	(10,645)	(10,175)	(8,832)	(8,033)	(8,348)	(2,197)	(8,639)	(10,691)	
Assumption changes	85,269	(26,573)	(147,829)	(169,981)	107,317	(53,197)	48,437	-	
Net change in total OPEB liability	173,058	41,145	(51,154)	(86,995)	77,023	(3,048)	(8,404)	85,528	
Total OPEB liability - beginning	700,167	659,022	710,176	797,171	720,148	723,196	731,600	646,072	
Total OPEB liability - ending	\$ 873,225	\$ 700,167	\$ 659,022	\$ 710,176	\$ 797,171	\$ 720,148	\$ 723,196	\$ 731,600	
Covered-employee payroll	\$ 4,245,451	\$ 3,733,469	\$ 3,576,675	\$ 3,281,830	\$ 2,905,811	\$ 3,246,531	\$ 3,310,583	\$ 2,929,916	
Total OPEB liability as a percentage of covered-employee payroll	20.57%	18.75%	18.43%	21.6%	27.4%	22.2%	21.8%	25.0%	

Notes to Schedule:

* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Plan Assets. No assets are accumulated in a trust that meets all of the criteria of GASB No. 75, paragraph 4, to pay benefits.

**North Springs Improvement District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of
 Net Pension Liability
 Florida Retirement System
 Last Ten Fiscal Years (Unaudited)**

Fiscal Year: Measurement Year:	9/30/2025 6/30/2025	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016
The District's proportion of the net pension liability	0.011706083%	0.0112191489%	0.010774248%	0.010660042%	0.01002481%	0.00990476%	0.01043249%	0.01016063%	0.00936699%	0.00698971%
The District's proportionate share of the net pension liability	\$ 3,632,998	\$ 4,716,241	\$ 4,293,197	\$ 3,966,392	\$ 757,260	\$ 4,292,868	\$ 3,592,804	\$ 3,060,436	\$ 2,770,692	\$ 1,764,907
The District's covered payroll	\$ 4,873,108	\$ 3,669,627	\$ 3,058,629	\$ 2,933,681	\$ 2,749,087	\$ 2,883,887	\$ 2,938,618	\$ 3,041,839	\$ 2,828,795	\$ 2,511,615
The District's proportionate share of the net pension liability as a percentage of its covered payroll	74.55%	128.52%	140.36%	135.20%	27.55%	148.86%	122.26%	100.61%	97.95%	70.27%
Plan fiduciary net position as a percentage of total pension liability	82.38%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

The amount of the net pension liability is measured as of June 30.

**North Springs Improvement District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of
 Net Pension Liability
 Health Insurance Subsidy Program
 Last Ten Fiscal Years (Unaudited)**

Fiscal Year:	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Measurement Year:	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
The District's proportion of the net pension liability	0.010907202%	0.010992261%	0.009870122%	0.010161448%	0.00975036%	0.01004054%	0.01026268%	0.01065483%	0.01042309%	0.00942846%
The District's proportionate share of the net pension liability	\$ 1,398,025	\$ 1,648,947	\$ 1,567,507	\$ 1,076,260	\$ 1,196,029	\$ 1,225,933	\$ 1,148,291	\$ 1,127,719	\$ 1,114,485	\$ 1,098,848
The District's covered payroll	\$ 4,873,108	\$ 4,652,060	\$ 3,910,282	\$ 3,705,069	\$ 3,451,848	\$ 3,470,776	\$ 3,442,235	\$ 3,459,191	\$ 3,322,331	\$ 2,910,629
The District's proportionate share of the net pension liability as a percentage of its covered payroll	28.69%	35.45%	40.09%	29.05%	34.65%	35.32%	33.36%	32.60%	33.55%	37.75%
Plan fiduciary net position as a percentage of total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

The amount of the net pension liability is measured as of June 30.

**North Springs Improvement District
 Required Supplementary Information
 Schedule of the District's Contributions
 Florida Retirement System
 Last Ten Fiscal Years (Unaudited)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 652,907	\$ 662,262	\$ 478,672	\$ 409,782	\$ 353,575	\$ 297,041	\$ 291,939	\$ 262,736	\$ 230,724	\$ 181,314
Contributions in related to the contractually required contribution	(652,907)	(662,262)	(478,672)	(409,782)	(353,575)	(297,041)	(291,939)	(262,736)	(230,724)	(181,314)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
The District's covered payroll	\$ 3,858,620	\$ 3,827,986	\$ 3,085,092	\$ 2,968,295	\$ 2,864,656	\$ 2,883,887	\$ 2,938,618	\$ 3,041,839	\$ 2,934,026	\$ 2,726,099
Contributions as a percentage of covered payroll	16.92%	17.30%	15.52%	13.81%	12.34%	10.30%	9.93%	8.64%	7.86%	6.65%

**North Springs Improvement District
 Required Supplementary Information
 Schedule of the District's Contributions
 Health Insurance Subsidy Program
 Last Ten Fiscal Years (Unaudited)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 98,642	\$ 97,201	\$ 69,061	\$ 62,412	\$ 60,223	\$ 57,615	\$ 57,141	\$ 57,423	\$ 56,791	\$ 52,491
Contributions in related to the contractually required contribution	<u>(98,642)</u>	<u>(97,201)</u>	<u>(69,061)</u>	<u>(62,412)</u>	<u>(60,223)</u>	<u>(57,615)</u>	<u>(57,141)</u>	<u>(57,423)</u>	<u>(56,791)</u>	<u>(52,491)</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
The District's covered payroll	\$ 4,932,105	\$ 4,860,063	\$ 3,946,507	\$ 3,759,766	\$ 3,627,875	\$ 3,470,776	\$ 3,442,235	\$ 3,459,191	\$ 3,421,121	\$ 3,161,389
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
FINANCIAL INFORMATION

North Springs Improvement District

Nonmajor Governmental Funds Overview

Debt Service Funds:

2014A-1 Debt Service Fund (213 Debt Service) - The 2014A-1 Debt Service Fund accounted for debt service requirements for the District's Outstanding Special Assessment Bonds, Series 2014A-1.

2014A-2 Debt Service Fund (214 Debt Service) - The 2014A-2 Debt Service Fund accounted for debt service requirements for the District's Outstanding Water Management Bonds, Series 2014A-2.

2014B-1 Debt Service Fund (215 Debt Service) - The 2014B-1 Debt Service Fund accounted for debt service requirements for the District's Outstanding Special Assessment Bonds, Series 2014B-1.

2014B-2 Debt Service Fund (216 Debt Service) - The 2014B-2 Debt Service Fund accounted for debt service requirements for the District's Outstanding Water Management Bonds, Series 2014B-2.

2014 Debt Service Fund (217 Debt Service) - The 2014 Debt Service Fund accounts for debt service requirements for the District's outstanding Water Management Bond, Series 2014.

2015 Debt Service Fund (218 Debt Service) - The 2015 Debt Service Fund accounts for debt service requirements for the District's outstanding Water Management Bond, Series 2015.

2016 Debt Service Fund (219 Debt Service) - The 2016 Debt Service Fund accounts for debt service requirements for the District's outstanding Special Assessment Bond, Series 2016.

2016 Debt Service Fund (220 Debt Service) - The 2016 Debt Service Fund accounts for debt service requirements for the District's outstanding Special Assessment Bond, Series 2016.

2017 Debt Service Fund (221 Debt Service) - The 2017 Debt Service Fund accounts for debt service requirements for the District's outstanding Water Management Bond, Series 2017.

2017 Debt Service Fund (222 Debt Service) - The 2017 Debt Service Fund accounts for debt service requirements for the District's outstanding Special Assessment Bond, Series 2017.

2018 Debt Service Fund (223 Debt Service) - The 2018 Debt Service Fund accounts for debt service requirements for the District's outstanding Special Assessment Bond, Series 2018.

2018 Debt Service Fund (224 Debt Service) - The 2018 Debt Service Fund accounts for debt service requirements for the District's outstanding Water Management Bond, Series 2018.

Parkland Bay Area Debt Service Fund (225 Debt Service) - The Parkland Bay Area Debt Service Fund accounts for debt service requirements for the District's Special Assessment Bond, Series 2018.

2021-1 Heron Bay Water Management Debt Service Fund (226 Debt Service) - The Heron Bay Water Management Debt Service Fund accounts for debt service requirements for the District's outstanding Water Management Bond, Series 2021-1.

North Springs Improvement District

**Nonmajor Governmental Funds Overview
(Continued)**

Capital Projects Funds:

2016 Parkland Golf and Country Club Renewal and Replacement Capital Projects Fund (318 Capital Projects) - 2016 Parkland Golf and Country Club Renewal and Replacement Capital Projects Fund accounts for the renewal and replacement of infrastructure improvements within the boundaries of Parkland Golf and Country Club.

2018-2 Capital Projects Fund (325 Capital Projects) - The 2018-2 Capital Projects Fund accounts for the construction of infrastructure improvements within the boundaries of Parkland Bay Area.

2021-1 Capital Projects Fund (326 Capital Projects) – The 2021-1 Capital Projects Fund accounts for the construction of a stormwater preserve and the trail on Heron Bay golf course.

2021-2 Capital Projects Fund (327 Capital Projects) – The 2021-2 Capital Projects Fund accounts for the construction of a stormwater preserve and the trail on Heron Bay golf course.

**North Springs Improvement District
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2025**

	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 1,018,039	\$ -	\$ 1,018,039
Due from other funds	207,744	19,600	227,344
Restricted investments	<u>8,483,812</u>	<u>914,239</u>	<u>9,398,051</u>
Total Assets	\$ <u>9,709,595</u>	\$ <u>933,839</u>	\$ <u>10,643,434</u>
Liabilities:			
Due to other funds	\$ 1,004,256	\$ -	\$ 1,004,256
Accounts Payable	<u>100</u>	<u>-</u>	<u>100</u>
Total liabilities	<u>1,004,356</u>	<u>-</u>	<u>1,004,356</u>
Fund Balances:			
Restricted for:			
Debt service	8,705,239	-	8,705,239
Capital projects	<u>-</u>	<u>933,839</u>	<u>933,839</u>
Total fund balances	<u>8,705,239</u>	<u>933,839</u>	<u>9,639,078</u>
Total Liabilities and Fund Balances	\$ <u>9,709,595</u>	\$ <u>933,839</u>	\$ <u>10,643,434</u>

North Springs Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
For the Year Ended September 30, 2025

	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Special assessments	\$ 8,532,283	\$ -	\$ 8,532,283
Investment earnings	402,547	39,024	441,571
Total revenues	<u>8,934,830</u>	<u>39,024</u>	<u>8,973,854</u>
Expenditures:			
Capital outlay	-	68,381	68,381
Debt service:			
Principal	4,215,000	-	4,215,000
Interest	4,117,109	-	4,117,109
Other fiscal charges	71,858	-	71,858
Total expenditures	<u>8,403,967</u>	<u>68,381</u>	<u>8,472,348</u>
Excess (deficiency) of revenues over (under) expenditures	<u>530,863</u>	<u>(29,357)</u>	<u>501,506</u>
Other Financing Sources (Uses):			
Transfers in	-	8,464	8,464
Transfers out	(8,464)	-	(8,464)
Total other financing sources (uses), net	<u>(8,464)</u>	<u>8,464</u>	<u>-</u>
Net change in fund balances	<u>522,399</u>	<u>(20,893)</u>	<u>501,506</u>
Fund Balances, Beginning, as Previously Presented	6,483,451	954,732	7,438,183
Change Within Financial Reporting Entity (Note 12)	<u>1,699,389</u>	<u>-</u>	<u>1,699,389</u>
Fund Balances, Beginning, as Adjusted	<u>8,182,840</u>	<u>954,732</u>	<u>9,137,572</u>
Fund Balances, Ending	<u>\$ 8,705,239</u>	<u>\$ 933,839</u>	<u>\$ 9,639,078</u>

**North Springs Improvement District
Combining Balance Sheet - Nonmajor Debt Service Funds
September 30, 2025**

	<u>213</u> <u>Debt</u> <u>Service</u>	<u>214</u> <u>Debt</u> <u>Service</u>	<u>215</u> <u>Debt</u> <u>Service</u>	<u>216</u> <u>Debt</u> <u>Service</u>	<u>217</u> <u>Debt</u> <u>Service</u>	<u>218</u> <u>Debt</u> <u>Service</u>	<u>219</u> <u>Debt</u> <u>Service</u>
Assets:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-	-
Restricted investments	<u>414,104</u>	<u>714,517</u>	<u>332,440</u>	<u>536,203</u>	<u>-</u>	<u>494,990</u>	<u>1,805,846</u>
Total Assets	<u>\$ 414,104</u>	<u>\$ 714,517</u>	<u>\$ 332,440</u>	<u>\$ 536,203</u>	<u>\$ -</u>	<u>\$ 494,990</u>	<u>\$ 1,805,846</u>
Liabilities:							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>
Fund Balances:							
Restricted for:							
Debt service	<u>414,104</u>	<u>714,517</u>	<u>332,440</u>	<u>536,203</u>	<u>-</u>	<u>494,890</u>	<u>1,805,846</u>
Total fund balances	<u>414,104</u>	<u>714,517</u>	<u>332,440</u>	<u>536,203</u>	<u>-</u>	<u>494,890</u>	<u>1,805,846</u>
Total Liabilities and Fund Balances	<u>\$ 414,104</u>	<u>\$ 714,517</u>	<u>\$ 332,440</u>	<u>\$ 536,203</u>	<u>\$ -</u>	<u>\$ 494,990</u>	<u>\$ 1,805,846</u>

<u>220</u> <u>Debt</u> <u>Service</u>	<u>221</u> <u>Debt</u> <u>Service</u>	<u>222</u> <u>Debt</u> <u>Service</u>	<u>223</u> <u>Debt</u> <u>Service</u>	<u>224</u> <u>Debt</u> <u>Service</u>	<u>225</u> <u>Debt</u> <u>Service</u>	<u>226</u> <u>Debt</u> <u>Service</u>	<u>Total</u> <u>Nonmajor</u> <u>Debt Service</u> <u>Funds</u>
\$ 1,018,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,018,039
181,990	-	19,952	-	-	5,802	-	207,744
<u>583,189</u>	<u>555,289</u>	<u>672,941</u>	<u>157,777</u>	<u>839,778</u>	<u>531,976</u>	<u>844,762</u>	<u>8,483,812</u>
<u>\$ 1,783,218</u>	<u>\$ 555,289</u>	<u>\$ 692,893</u>	<u>\$ 157,777</u>	<u>\$ 839,778</u>	<u>\$ 537,778</u>	<u>\$ 844,762</u>	<u>\$ 9,709,595</u>
\$ 1,000,000	\$ -	\$ -	\$ -	\$ 4,256	\$ -	\$ -	\$ 1,004,256
-	-	-	-	-	-	-	100
<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,256</u>	<u>-</u>	<u>-</u>	<u>1,004,356</u>
<u>783,218</u>	<u>555,289</u>	<u>692,893</u>	<u>157,777</u>	<u>835,522</u>	<u>537,778</u>	<u>844,762</u>	<u>8,705,239</u>
<u>783,218</u>	<u>555,289</u>	<u>692,893</u>	<u>157,777</u>	<u>835,522</u>	<u>537,778</u>	<u>844,762</u>	<u>8,705,239</u>
<u>\$ 1,783,218</u>	<u>\$ 555,289</u>	<u>\$ 692,893</u>	<u>\$ 157,777</u>	<u>\$ 839,778</u>	<u>\$ 537,778</u>	<u>\$ 844,762</u>	<u>\$ 9,709,595</u>

North Springs Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Debt Service Funds
For the Year Ended September 30, 2025

	213	214	215	216	217	218	219
	Debt	Debt	Debt	Debt	Debt	Debt	Debt
	Service	Service	Service	Service	Service	Service	Service
Revenues:							
Special assessments	\$ 559,450	\$ 515,746	\$ 429,108	\$ 405,864	\$ -	\$ 515,378	\$ 1,736,705
Investment earnings	21,343	30,081	16,725	22,686	-	24,941	83,318
Total revenues	<u>580,793</u>	<u>545,827</u>	<u>445,833</u>	<u>428,550</u>	<u>-</u>	<u>540,319</u>	<u>1,820,023</u>
Expenditures:							
Debt service:							
Principal	305,000	-	225,000	-	-	365,000	1,600,000
Interest	250,087	501,150	192,319	398,163	-	145,390	108,874
Other fiscal charges	5,417	5,417	5,417	5,417	-	5,007	4,692
Total expenditures	<u>560,504</u>	<u>506,567</u>	<u>422,736</u>	<u>403,580</u>	<u>-</u>	<u>515,397</u>	<u>1,713,566</u>
Excess of revenues over expenditures	<u>20,289</u>	<u>39,260</u>	<u>23,097</u>	<u>24,970</u>	<u>-</u>	<u>24,922</u>	<u>106,457</u>
Other Financing Sources (Uses):							
Transfers out	-	-	-	-	-	-	-
Total other financing uses, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>20,289</u>	<u>39,260</u>	<u>23,097</u>	<u>24,970</u>	<u>-</u>	<u>24,922</u>	<u>106,457</u>
Fund Balances, Beginning as Previously Presented	393,815	675,257	309,343	511,233	-	469,968	-
Change Within Financial Reporting Entity (Note 12)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,699,389</u>
Fund Balances, Beginning as Adjusted	<u>393,815</u>	<u>675,257</u>	<u>309,343</u>	<u>511,233</u>	<u>-</u>	<u>469,968</u>	<u>1,699,389</u>
Fund Balances, Ending	<u>\$ 414,104</u>	<u>\$ 714,517</u>	<u>\$ 332,440</u>	<u>\$ 536,203</u>	<u>\$ -</u>	<u>\$ 494,890</u>	<u>\$ 1,805,846</u>

220	221	222	223	224	225	226	Total
Debt	Debt	Debt	Debt	Debt	Debt	Debt	Nonmajor
Service	Service	Service	Service	Service	Service	Service	Debt Service
							Funds
\$ 434,135	\$ 444,065	\$ 685,769	\$ 252,004	\$ 411,698	\$ 556,832	\$ 1,585,529	\$ 8,532,283
<u>28,332</u>	<u>23,422</u>	<u>32,235</u>	<u>8,400</u>	<u>37,068</u>	<u>27,202</u>	<u>46,794</u>	<u>402,547</u>
<u>462,467</u>	<u>467,487</u>	<u>718,004</u>	<u>260,404</u>	<u>448,766</u>	<u>584,034</u>	<u>1,632,323</u>	<u>8,934,830</u>
355,000	-	355,000	130,000	-	280,000	600,000	4,215,000
29,675	435,500	324,150	116,280	401,250	269,188	945,083	4,117,109
<u>4,975</u>	<u>5,956</u>	<u>5,956</u>	<u>5,955</u>	<u>5,905</u>	<u>5,906</u>	<u>5,838</u>	<u>71,858</u>
<u>389,650</u>	<u>441,456</u>	<u>685,106</u>	<u>252,235</u>	<u>407,155</u>	<u>555,094</u>	<u>1,550,921</u>	<u>8,403,967</u>
<u>72,817</u>	<u>26,031</u>	<u>32,898</u>	<u>8,169</u>	<u>41,611</u>	<u>28,940</u>	<u>81,402</u>	<u>530,863</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,464)</u>	<u>(8,464)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,464)</u>	<u>(8,464)</u>
<u>72,817</u>	<u>26,031</u>	<u>32,898</u>	<u>8,169</u>	<u>41,611</u>	<u>28,940</u>	<u>72,938</u>	<u>522,399</u>
710,401	529,258	659,995	149,608	793,911	508,838	771,824	6,483,451
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,699,389</u>
<u>710,401</u>	<u>529,258</u>	<u>659,995</u>	<u>149,608</u>	<u>793,911</u>	<u>508,838</u>	<u>771,824</u>	<u>8,182,840</u>
<u>\$ 783,218</u>	<u>\$ 555,289</u>	<u>\$ 692,893</u>	<u>\$ 157,777</u>	<u>\$ 835,522</u>	<u>\$ 537,778</u>	<u>\$ 844,762</u>	<u>\$ 8,705,239</u>

**North Springs Improvement District
Combining Balance Sheet - Nonmajor Capital Projects Funds
September 30, 2025**

	<u>318 Capital Projects</u>	<u>325 Capital Projects</u>	<u>326 Capital Projects</u>	<u>327 Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:					
Due from other funds	\$ 19,600	\$ -	\$ -	\$ -	\$ 19,600
Restricted investments	<u>863,482</u>	<u>32,061</u>	<u>11,262</u>	<u>7,434</u>	<u>914,239</u>
Total Assets	<u>\$ 883,082</u>	<u>\$ 32,061</u>	<u>\$ 11,262</u>	<u>\$ 7,434</u>	<u>\$ 933,839</u>
Liabilities:					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted for:					
Capital projects	<u>883,082</u>	<u>32,061</u>	<u>11,262</u>	<u>7,434</u>	<u>933,839</u>
Total fund balances	<u>883,082</u>	<u>32,061</u>	<u>11,262</u>	<u>7,434</u>	<u>933,839</u>
Total Liabilities and Fund Balances	<u>\$ 883,082</u>	<u>\$ 32,061</u>	<u>\$ 11,262</u>	<u>\$ 7,434</u>	<u>\$ 933,839</u>

**North Springs Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2025**

	<u>318 Capital Projects</u>	<u>325 Capital Projects</u>	<u>326 Capital Projects</u>	<u>327 Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:					
Investment earnings	\$ 37,049	\$ 1,374	\$ 354	\$ 247	\$ 39,024
Total revenues	<u>37,049</u>	<u>1,374</u>	<u>354</u>	<u>247</u>	<u>39,024</u>
Expenditures:					
Capital outlay	<u>68,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,381</u>
Total expenditures	<u>68,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,381</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,332)</u>	<u>1,374</u>	<u>354</u>	<u>247</u>	<u>(29,357)</u>
Other Financing Sources:					
Transfers in	<u>-</u>	<u>-</u>	<u>5,398</u>	<u>3,066</u>	<u>8,464</u>
Net change in fund balances	<u>(31,332)</u>	<u>1,374</u>	<u>5,752</u>	<u>3,313</u>	<u>(20,893)</u>
Fund Balances, Beginning	<u>914,414</u>	<u>30,687</u>	<u>5,510</u>	<u>4,121</u>	<u>954,732</u>
Fund Balances, Ending	<u>\$ 883,082</u>	<u>\$ 32,061</u>	<u>\$ 11,262</u>	<u>\$ 7,434</u>	<u>\$ 933,839</u>

OTHER REPORTS OF
INDEPENDENT AUDITORS

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
North Springs Improvement District

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, the business-type activities, each major fund, and the aggregate remaining fund information of the North Springs Improvement District (the "District"), as of and for the 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 report thereon dated April 29, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

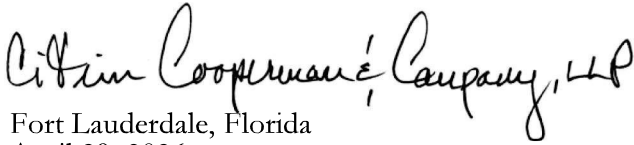
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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*.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.



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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fort Lauderdale, Florida
April 29, 2026

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Supervisors
North Springs Improvement District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the North Springs Improvement District (the "District"), as of and for the fiscal year ended September 30, 2025 and have issued our report thereon dated April 29, 2026.

Auditor's Responsibility

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

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 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 April 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. North Springs Improvement District was established under the laws of the State of Florida in Chapter 70-617, as amended. The District does not have any component units.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the District a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did operate within the District's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the District, a list of all program administrators and third-party administrators that administered the program. A list of program and third-party administrators can be found here:

- <https://www.broward.org/Sustainability/Pages/PACE.aspx>

As required by Section 10.554(1)(i)6.c., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the District, the full names and contact information of each such program administrator and third-party administrator. The full names and contact information for such program and third-party administrators can be found here:

- https://www.broward.org/Sustainability/Documents/PACEProviderList_2025.pdf

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Sections 10.554(1)(i)6 and 10.554(1)(i)7, *Rules of the Auditor General*, the District reported the specific information in Exhibit 1 accompanying this report. The information for compliance with Section 218.39(3)(c), Florida Statutes and Sections 10.554(1)(i)6 and 10.554(1)(i)7, *Rules of the Auditor General*, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Monthly Financial Statements

Sections 10.554(1)(i)9.a. and 10.556(9), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its website. In connection with our audit, we determined that the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its website.

Transparency

Sections 10.554(1)(i)9.b. and 10.556(9), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether the District provided a link on its website to the Florida Department of Financial Service's website to view the District's annual financial report submitted to the Department. In connection with our audit, we determined that the District provided a link on its website to the Florida Department of Financial Service's website.

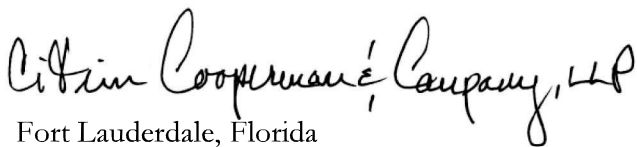
Sections 10.554(1)(i)9.c. and 10.556(9), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether the District posted its tentative and final budgets on its website. In connection with our audit, we determined that the District posted its tentative and final budgets on its website.

Additional Matters

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

Purpose of this Letter

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



Fort Lauderdale, Florida
April 29, 2026

North Springs Improvement District

Exhibit 1

Data Elements Required By Section 218.39(3)(c), Florida Statutes and Sections 10.554(1)(i)6 and 10.554(1)(i)7, Rules of the Auditor General (Unaudited)

Data Element	Comments
Number of district employees compensated at 9/30/2025	57
Number of independent contractors compensated at September 2025	52
Employee compensation for FYE 9/30/2025 (paid/accrued)	\$4,683,558
Independent contractor compensation for FYE 9/30/2025 (paid/accrued)	\$2,212,340
Each construction project to begin on or after October 1; (>\$65K)	
Task Order 0125-1 N.Perimeter Wall	\$141,000
HB PHASE II _Interior Design/RFP 2024-10 (HBPrsv)	\$488,646
HB PHASE II _North Springs Preserve Storage Maintenance Facilities	\$68,229
HB PHASE II _Task Order 0725-1, Parking and Roadway at NS Preserve	\$25,000
TO 0425-1 P.S. #1 Improvements	\$184,600
Budget variance report	Page 44
Ad valorem taxes:	
Millage rate FYE 9/30/2025	Not applicable
Ad valorem taxes collected FYE 9/30/2025	Not applicable
Non ad valorem special assessments:	
Special assessment rate FYE 9/30/2025	Operations - \$49 to \$194
	Debt Service - \$297 to \$1,063
Special assessments collected FYE 9/30/2025	\$12,246,103
Outstanding Bonds:	
Water management bonds, maturity ranging from May 2025 - May 2052	\$61,890,000
Special assessment bonds, maturity ranging from May 2026 - May 2038	\$23,130,000
Water and sewer revenue and refunding bonds, maturing October 2034	\$25,405,000



INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Board of Supervisors
North Springs Improvement District

We have examined the North Springs Improvement District’s (the “District”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* (the “specified requirements”), during the year ended September 30, 2025. Management is responsible for the District’s compliance with the specified requirements. Our responsibility is to express an opinion on the District’s compliance with the specified requirements based on our examination.

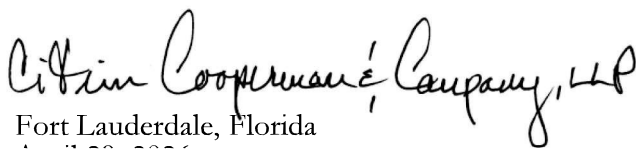
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. 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. The District does not have a formal investment policy; however, investments held are limited to the requirements of the bond indentures as to investment type. 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 other ethical requirements in accordance with relevant ethical requirements relating to the examination requirements.

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

In our opinion, the District complied, in all material respects, with the specified requirements for the year ended September 30, 2025.

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


Fort Lauderdale, Florida
April 29, 2026

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