

Seminole Improvement District
ANNUAL FINANCIAL REPORT
September 30, 2025

**Seminole Improvement District
ANNUAL FINANCIAL REPORT**

September 30, 2025

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Seminole Improvement District
Palm Beach County, Florida

Report on Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the District as of September 30, 2025, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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



To the Board of Supervisors
Seminole Improvement District

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements.



To the Board of Supervisors
Seminole Improvement District

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 14, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

July 14, 2026

**Seminole Improvement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

Management's discussion and analysis of Seminole 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.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses and related program revenues are reported by major function, 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 general government, physical environment, transportation and debt service. Business-type activities of the District include the water and sewer operation and interest on long term debt.

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

**Seminole Improvement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund. For the Water and Sewer fund, a **statement of net position**, a **statement of revenues, expenses, and changes in fund 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 or to comply with legal requirements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as balances of expendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

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

Financial Highlights

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

- ◆ The District's total assets exceeded total liabilities \$67,597,702 (net position). Net investment in capital assets for governmental activities was \$27,760,722. Net investment in capital assets for business-type activities was \$26,631,061. Restricted net position for business-type activities was \$11,315,096. Unrestricted net position for governmental activities was \$5,021,031 and for business-type activities was \$(3,130,208).
- ◆ Governmental activities revenues totaled \$14,463,806 while governmental activities expenses totaled \$6,200,396. Business-type activities revenues totaled \$10,457,035 while business-type activities expenses totaled \$5,706,026.

**Seminole Improvement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current assets	\$ 5,657,852	\$ 4,712,762	\$ 10,632,802	\$ 6,984,721	\$ 16,290,654	\$ 11,697,483
Restricted assets	102,500	120,000	6,606,601	7,766,662	6,709,101	7,886,662
Capital assets	28,566,322	21,795,276	34,333,291	33,533,890	62,899,613	55,329,166
Total Assets	<u>34,326,674</u>	<u>26,628,038</u>	<u>51,572,694</u>	<u>48,285,273</u>	<u>85,899,368</u>	<u>74,913,311</u>
Current liabilities	1,009,288	1,304,094	6,292,536	7,121,606	7,301,824	8,425,700
Non-current liabilities	535,633	805,601	10,464,209	11,098,727	10,999,842	11,904,328
Total Liabilities	<u>1,544,921</u>	<u>2,109,695</u>	<u>16,756,745</u>	<u>18,220,333</u>	<u>18,301,666</u>	<u>20,330,028</u>
Net investment in capital assets	27,760,722	20,715,905	26,631,061	25,798,044	54,391,783	46,513,949
Net position - restricted	-	-	11,315,096	10,394,944	11,315,096	10,394,944
Net position - unrestricted	<u>5,021,031</u>	<u>3,802,438</u>	<u>(3,130,208)</u>	<u>(6,128,048)</u>	<u>1,890,823</u>	<u>(2,325,610)</u>
Total Net Position	<u>\$ 32,781,753</u>	<u>\$ 24,518,343</u>	<u>\$ 34,815,949</u>	<u>\$ 30,064,940</u>	<u>\$ 67,597,702</u>	<u>\$ 54,583,283</u>

The increase in current assets for governmental activities is primarily due to an increase in cash in the current year.

The increase in current assets for business-type activities is primarily due to an increase in accounts receivable and other assets, and the change in internal balances in the current year.

The increase in capital assets and net investment in capital assets for governmental activities and business-type activities is primarily the result of conveyances of capital assets from the Developer in the current year.

The decrease in current liabilities for business-type activities is primarily due to a decrease in unearned revenues in the current year.

The decrease in non-current liabilities for business-type activities is primarily the result of principal payments on long-term debt in the current year.

**Seminole Improvement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program Revenues						
Charges for services	\$ 6,792,811	\$ 5,977,774	\$ 5,811,648	\$ 5,046,788	\$ 12,604,459	\$ 11,024,562
Capital contributions	7,498,011	2,777,832	4,050,524	6,432,072	11,548,535	9,209,904
General Revenues						
Investment earnings	136,439	105,247	590,710	592,017	727,149	697,264
Other revenues	36,545	19,425	4,153	-	40,698	19,425
Total Revenues	<u>14,463,806</u>	<u>8,880,278</u>	<u>10,457,035</u>	<u>12,070,877</u>	<u>24,920,841</u>	<u>20,951,155</u>
Expenses						
General government	1,021,564	1,014,993	-	-	1,021,564	1,014,993
Physical environment	4,967,874	4,100,476	-	-	4,967,874	4,100,476
Transportation	210,292	135,166	-	-	210,292	135,166
Water and sewer	-	-	5,706,026	4,603,228	5,706,026	4,603,228
Interest and other charges	666	1,361	-	-	666	1,361
Total Expenses	<u>6,200,396</u>	<u>5,251,996</u>	<u>5,706,026</u>	<u>4,603,228</u>	<u>11,906,422</u>	<u>9,855,224</u>
Change in Net Position	8,263,410	3,628,282	4,751,009	7,467,649	13,014,419	11,095,931
Net Position - Beginning of Year	<u>24,518,343</u>	<u>20,890,061</u>	<u>30,064,940</u>	<u>22,597,291</u>	<u>54,583,283</u>	<u>43,487,352</u>
Net Position - End of Year	<u>\$ 32,781,753</u>	<u>\$ 24,518,343</u>	<u>\$ 34,815,949</u>	<u>\$ 30,064,940</u>	<u>\$ 67,597,702</u>	<u>\$ 54,583,283</u>

The increase in charges for services for governmental activities is due to an increase in special assessments in the current year.

The increase in capital contributions for governmental activities is the result of an increase in conveyances of capital assets from the Developer in the current year.

The increase in physical environment expenses for governmental activities is related to the increase in depreciation and landscape expenses in the current year.

The increase in charges for services for business-type activities is related to expansion and rate changes in the current year.

The decrease in capital contributions for business-type activities is the result of fewer conveyances of capital assets from the Developer in the current year.

**Seminole Improvement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

Capital Assets Activity

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

Description	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Construction in progress	\$ -	\$ 292,370	\$ 1,859,094	\$ 942,436	\$ 1,859,094	\$ 1,234,806
Land and improvements	7,410,700	5,365,800	1,886,937	1,886,937	9,297,637	7,252,737
Improvements other than building	7,738,742	3,608,131	30,200,093	28,472,069	37,938,835	32,080,200
Infrastructure	16,534,361	14,636,905	-	-	16,534,361	14,636,905
Equipment	437,276	403,241	9,108,174	9,059,397	9,545,450	9,462,638
Right-to-use - SBITA, net	1,830	7,324	-	-	1,830	7,324
Accumulated depreciation	(3,556,587)	(2,518,495)	(8,721,007)	(6,826,949)	(12,277,594)	(9,345,444)
Total Capital Assets, Net	<u>\$ 28,566,322</u>	<u>\$ 21,795,276</u>	<u>\$ 34,333,291</u>	<u>\$ 33,533,890</u>	<u>\$ 62,899,613</u>	<u>\$ 55,329,166</u>

During the year, depreciation and amortization for governmental activities was \$1,043,586 and \$1,894,058 for business-type activities. Capital asset activity for governmental activities consisted of additions to land and land improvements, \$2,044,900, improvements other than buildings, \$4,130,611, infrastructure, \$1,897,456, and equipment, \$34,035, and the transfer of construction in progress to improvements other than buildings, \$292,370. Capital asset activity for business-type activities consisted of additions to construction in progress, \$916,658, improvements other than buildings, \$1,728,024, and equipment, \$48,777.

General Fund Budgetary Highlights

Budget expenditures exceeded actual expenditures primarily due to less legal services and landscaping expenditures than were anticipated.

The September 30, 2025 budget was not amended.

**Seminole Improvement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Debt Management

Governmental Activities debt includes the following:

- ◆ In April 2023, the District entered into an amended funding agreement with the Developer for the Seminole Pratt Whitney Road box culvert replacement project. The outstanding balance at September 30, 2025 was \$803,450.

Business-type Activities debt includes the following:

- ◆ In July 2022, the District issued \$11,715,000 Series 2022 Utilities Revenue Bonds. These bonds were issued to fund various capital improvements within the District. The outstanding balance at September 30, 2025 was \$10,470,000.

Economic Factors and Next Year's Budget

Seminole Improvement District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2026.

Request for Information

This financial report is designed to provide homeowners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact Seminole Improvement District, Inframark LLC, 11555 Heron Bay Boulevard, Suite 201, Coral Springs, Florida 33076.

Seminole Improvement District
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash and equivalents	\$ 5,041,968	\$ 6,949,319	\$ 11,991,287
Accounts receivable	-	1,118,740	1,118,740
Due from other governments	697,024	-	697,024
Due from developer	14,131	-	14,131
Prepaid expenses	2,239	4,944	7,183
Internal balances	(97,510)	97,510	-
Deposits	-	555,189	555,189
Other current assets	-	1,907,100	1,907,100
Restricted assets			
Cash restricted for deposits/water system	102,500	6,606,601	6,709,101
Total Current Assets	<u>5,760,352</u>	<u>17,239,403</u>	<u>22,999,755</u>
Non-current Assets			
Capital assets not being depreciated			
Construction in progress	-	1,859,094	1,859,094
Land and improvements	7,410,700	1,886,937	9,297,637
Capital assets being depreciated			
Improvements other than buildings	7,738,742	30,200,093	37,938,835
Infrastructure	16,534,361	-	16,534,361
Equipment	437,276	9,108,174	9,545,450
Right-to-use - SBITA, net	1,830	-	1,830
Less: accumulated depreciation	(3,556,587)	(8,721,007)	(12,277,594)
Total Non-current Assets	<u>28,566,322</u>	<u>34,333,291</u>	<u>62,899,613</u>
Total Assets	<u>34,326,674</u>	<u>51,572,694</u>	<u>85,899,368</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	287,210	227,355	514,565
Contracts/retainage payable	117,250	232,213	349,463
Due to other governments	-	8,983	8,983
Customer deposits, payable from restricted assets	102,500	320,950	423,450
Unearned revenue	232,361	5,503,035	5,735,396
SBITA payable	2,150	-	2,150
Notes payable	267,817	-	267,817
Total Current Liabilities	<u>1,009,288</u>	<u>6,292,536</u>	<u>7,301,824</u>
Non-current Liabilities			
Notes payable	535,633	-	535,633
Bonds payable, net	-	10,464,209	10,464,209
Total Non-current Liabilities	<u>535,633</u>	<u>10,464,209</u>	<u>10,999,842</u>
Total Liabilities	<u>1,544,921</u>	<u>16,756,745</u>	<u>18,301,666</u>
NET POSITION			
Net investment in capital assets	27,760,722	26,631,061	54,391,783
Restricted capital connections	-	11,315,096	11,315,096
Unrestricted	5,021,031	(3,130,208)	1,890,823
Total Net Position	<u>\$ 32,781,753</u>	<u>\$ 34,815,949</u>	<u>\$ 67,597,702</u>

See accompanying notes to financial statements.

Seminole Improvement District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Capital Grants & Contributions	Governmental Activities	Business-type Activities	
Governmental Activities						
General government	\$ (1,021,564)	\$ 1,306,458	\$ -	\$ 284,894	\$ -	\$ 284,894
Physical environment	(4,967,874)	5,215,961	7,498,011	7,746,098	-	7,746,098
Transportation	(210,292)	270,392	-	60,100	-	60,100
Interest and other charges	(666)	-	-	(666)	-	(666)
Total Governmental Activities	<u>(6,200,396)</u>	<u>6,792,811</u>	<u>7,498,011</u>	<u>8,090,426</u>	<u>-</u>	<u>8,090,426</u>
Business-type Activities						
Water and sewer utilities	<u>(5,706,026)</u>	<u>5,811,648</u>	<u>4,050,524</u>	<u>-</u>	<u>4,156,146</u>	<u>4,156,146</u>
Total Primary Government	<u><u>\$(11,906,422)</u></u>	<u><u>\$ 12,604,459</u></u>	<u><u>\$ 11,548,535</u></u>	<u>8,090,426</u>	<u>4,156,146</u>	<u>12,246,572</u>
General Revenues						
Investment earnings				136,439	590,710	727,149
Other revenues				36,545	4,153	40,698
Total General Revenues				<u>172,984</u>	<u>594,863</u>	<u>767,847</u>
Change in Net Position				<u>8,263,410</u>	<u>4,751,009</u>	<u>13,014,419</u>
Net Position - October 1, 2024				<u>24,518,343</u>	<u>30,064,940</u>	<u>54,583,283</u>
Net Position - September 30, 2025				<u><u>\$ 32,781,753</u></u>	<u><u>\$ 34,815,949</u></u>	<u><u>\$ 67,597,702</u></u>

See accompanying notes to financial statements.

**Seminole Improvement District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2025**

	<u>General</u>
ASSETS	
Cash	\$ 5,144,468
Prepaid expenses	2,239
Due from other governments	697,024
Due from developer	14,131
Total Assets	<u>\$ 5,857,862</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accounts payable and accrued expenses	\$ 287,210
Contracts and retainage payable	117,250
Due to other funds	97,510
Deposits payable	102,500
Unearned revenues	232,361
Total Liabilities	<u>836,831</u>
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	<u>14,131</u>
 FUND BALANCES	
Nonspendable - prepaid	2,239
Assigned - operating reserves	1,758,263
Unassigned	3,246,398
Total Fund Balances	<u>5,006,900</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>\$ 5,857,862</u></u>

See accompanying notes to financial statements.

Seminole Improvement District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2025

Total Governmental Fund Balances	\$ 5,006,900
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets not being depreciated, land and improvements, used in governmental activities are not current financial resources and; therefore, are not reported at the fund level.	7,410,700
Capital assets being depreciated, improvements other than building, \$7,738,742, infrastructure, \$16,534,361, and equipment, \$437,276, net of accumulated depreciation, \$(3,556,587), and right-to-use, SBITA, net, \$1,830, used in governmental activities are not current financial resources and; therefore, are not reported at the fund level.	21,155,622
Long-term liabilities, notes payable, \$(803,450), and SBITA payable, \$(2,150), are not due and payable in the current period and; therefore, are not reported at the fund level.	(805,600)
Unavailable revenues are reflected as deferred inflows of resources at the fund level however, revenues are recognized when earned at the government-wide level.	<u>14,131</u>
Net Position of Governmental Activities	<u><u>\$ 32,781,753</u></u>

See accompanying notes to financial statements.

Seminole Improvement District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	<u>General</u>
Revenues	
Special assessments	\$ 6,533,007
Licenses and permits	96,738
Intergovernmental revenues	887,801
Investment earnings	136,439
Other revenues	<u>36,545</u>
Total Revenues	<u>7,690,530</u>
Expenditures	
Current	
General government	1,016,070
Physical environment	3,929,782
Transportation	210,292
Capital outlay	1,041,356
Debt service	
Principal	273,771
Interest	<u>666</u>
Total Expenditures	<u>6,471,937</u>
Net change in fund balance	1,218,593
Fund Balance - October 1, 2024	<u>3,788,307</u>
Fund Balance - September 30, 2025	<u><u>\$ 5,006,900</u></u>

See accompanying notes to financial statements.

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

Net Change in Fund Balances - Total Governmental Funds	\$ 1,218,593
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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 allocated over their estimated useful lives as depreciation. This is the amount that capital outlay, \$1,041,356, and capital contributions, \$6,773,276, exceeded depreciation and amortization, \$(1,043,586), in the current period.	6,771,046
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Principal payments are reported as expenditures at the governmental fund level, but are reported as reductions of liabilities in the Statement of Net Position.	<u>273,771</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 8,263,410</u></u>
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See accompanying notes to financial statements.

Seminole Improvement District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 6,785,017	\$ 6,785,017	\$ 6,533,007	\$ (252,010)
Licenses and permits	43,700	43,700	96,738	53,038
Intergovernmental revenues	163,500	163,500	887,801	724,301
Investment earnings	10,400	10,400	136,439	126,039
Other revenues	15,401	15,401	36,545	21,144
Total Revenues	<u>7,018,018</u>	<u>7,018,018</u>	<u>7,690,530</u>	<u>672,512</u>
Expenditures				
Current				
General government	1,540,118	1,540,118	1,016,070	524,048
Physical environment	4,622,600	4,622,600	3,929,782	692,818
Transportation	150,800	150,800	210,292	(59,492)
Capital outlay	430,000	430,000	1,041,356	(611,356)
Debt service				
Principal	273,800	273,800	273,771	29
Interest	700	700	666	34
Total Expenditures	<u>7,018,018</u>	<u>7,018,018</u>	<u>6,471,937</u>	<u>546,081</u>
Net change in fund balances	-	-	1,218,593	1,218,593
Fund Balances - October 1, 2024	<u>2,609,987</u>	<u>2,609,987</u>	<u>3,788,307</u>	<u>1,178,320</u>
Fund Balances - September 30, 2025	<u>\$ 2,609,987</u>	<u>\$ 2,609,987</u>	<u>\$ 5,006,900</u>	<u>\$ 2,396,913</u>

See accompanying notes to financial statements.

**Seminole Improvement District
STATEMENT OF NET POSITION –
WATER & SEWER FUND
September 30, 2025**

ASSETS

Current Assets:

Cash and cash equivalents	\$ 6,949,319
Accounts receivable	1,118,740
Prepaid expenses	4,944
Due from other funds	97,510
Deposits	555,189
Other current assets	1,907,100

Restricted Assets:

Cash restricted for deposits/water system	6,606,601
Total Current Assets	<u>17,239,403</u>

Non-current Assets:

Capital Assets:

Land and improvements	1,886,937
Construction in progress	1,859,094
Improvements other than building	30,200,093
Equipment	9,108,174
Accumulated depreciation	(8,721,007)
Total Non-current Assets	<u>34,333,291</u>
Total Assets	<u>51,572,694</u>

LIABILITIES

Current Liabilities:

Accounts payable and accrued expenses	227,355
Contracts/retainage payable	232,213
Due to other governments	8,983
Customer deposits, payable from restricted assets	320,950
Unearned revenues	5,503,035
Total Current Liabilities	<u>6,292,536</u>

Non-current Liabilities:

Bonds payable, net	10,464,209
Total Liabilities	<u>16,756,745</u>

NET POSITION

Net investment in capital assets	26,631,061
Restricted for capital connections	11,315,096
Unrestricted	<u>(3,130,208)</u>
Total Net Position	<u>\$ 34,815,949</u>

See accompanying notes to financial statements.

Seminole Improvement District
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION – WATER & SEWER FUND
For the Year Ended September 30, 2025

Operating Revenues	
Charges for services	
Water and sewer charges	\$ 5,811,648
Other operating revenues	4,153
Total Operating Revenues	<u>5,815,801</u>
Operating Expenses	
Water and sewer services	4,309,851
Personnel and administrative	837,023
Total Operating Expenses	<u>5,146,874</u>
Operating Income/(Loss)	<u>668,927</u>
Non-operating revenues/(expenses)	
Interest earnings	590,710
Interest and other charges	(559,152)
Total Non-operating Revenues/(Expenses)	<u>31,558</u>
Capital grants and contributions	<u>1,071,445</u>
Capital connection contributions	<u>2,979,079</u>
Change in Net Position	4,751,009
Net Position - October 1, 2024	<u>30,064,940</u>
Net Position - September 30, 2025	<u><u>\$ 34,815,949</u></u>

See accompanying notes to financial statements.

Seminole Improvement District
STATEMENT OF CASH FLOWS –
WATER & SEWER FUND
For The Year Ended September 30, 2025

Cash Flows From Operating Activities:	
Cash received from customers	\$ 5,427,484
Cash paid to suppliers	(4,618,949)
Net Cash Provided By Operating Activities	<u>808,535</u>
Cash Flows From Noncapital Financing Activities:	
Cash used by other funds	<u>(2,078,306)</u>
Cash Flows From Capital and Related Financing Activities:	
Investment in capital assets	(844,082)
Capital connections	1,363,628
Principal paid on long-term debt	(635,000)
Interest paid on long-term debt	(558,670)
Net Cash Used By Capital and Related Financing Activities	<u>(674,124)</u>
Cash Flows From Investing Activities:	
Interest income	<u>590,710</u>
Net decrease in cash and equivalents	(1,353,185)
Cash and equivalents, October 1, 2024	<u>14,909,105</u>
Cash and equivalents, September 30, 2025	<u><u>\$ 13,555,920</u></u>
Reconciliation of Net Operating Income to Net Cash Provided By Operating Activities	
Cash Flows From Operating Activities:	
Operating income	\$ 668,927
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,894,058
Changes in assets and liabilities:	
Increase in accounts receivable	(299,832)
Decrease in prepaid expenses	5,883
Increase in deposits	(167,243)
Increase in other current assets	(1,301,707)
Decrease in accounts payable	(70,797)
Increase in due to other governments	488
Increase in unearned revenues	38,620
Increase in customer deposits	40,138
Total Adjustments	<u>139,608</u>
Net Cash Provided By Operating Activities	<u><u>\$ 808,535</u></u>

See accompanying notes to financial statements.

Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established in 1970 pursuant to Chapter 70-854, Laws of Florida as Seminole Water Control District and was codified pursuant to Chapter 2000-431, Laws of Florida and its name was changed to Seminole Improvement District. The District is empowered to provide public infrastructure for water control and management, potable water, sewer, parking and transportation, culture and recreation, mosquito and arthropod control, education, public safety, fire control, wildlife conservation and public relations among other powers. The District currently provides irrigation, drainage, potable water and sewer and road maintenance services. The District is governed by a three-member Board of Supervisors, who are elected for a three-year term by the landowners of the District.

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

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

2. Measurement Focus and Basis of Accounting

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

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

a. Government-wide Financial Statements

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

Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements (Continued)

Governmental activities which normally are supported by special assessments are reported separately from business-type activities. Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

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

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

b. Fund Financial Statements

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

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

Governmental Funds

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

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

**Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

The District has various policies governing the fund balance classifications.

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

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

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

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

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

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

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

**Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

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

Debt service expenditures are recorded only when payment is due.

Enterprise Funds

In the fund financial statements, the enterprise fund is presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, enterprise funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position. The District applies all GASB pronouncements as well as all FASB and AICPA pronouncements, issued on or before November 30, 1989, which do not conflict with, or contradict, GASB pronouncements.

Enterprise fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as other financing sources.

Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

**Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation

a. Governmental Major Funds

General Fund

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

b. Enterprise Major Fund

Water and Sewer Fund

The water and sewer fund accounts for the operations that provide water and sewer utility services within the District.

c. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as capital assets, and non-current governmental liabilities, such as long-term debt, be reported in the governmental activities column in the government-wide statement of net position.

4. Assets, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

a. Cash and Investments

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

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

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

**Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**4. Assets, Liabilities, Deferred Inflows of Resources, and Net Position or Equity
(Continued)**

a. Cash and Investments (Continued)

For purposes of the statement of cash flows, cash equivalents include time deposits and certificates of deposit with original maturities of three months or less and held in a qualified public depository as defined by Florida Statute 280.02.

b. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported as “internal balances”.

c. Restricted Assets

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

d. Capital Assets

Capital assets, which include land, construction in progress, infrastructure, improvements other than building, and equipment, are reported in the applicable governmental or business-type activities column.

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

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

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

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

Infrastructure	20 years
Improvements other than buildings	15-40 years
Equipment	5-31.5 years

**Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**4. Assets, Liabilities, Deferred Inflows of Resources, and Net Position or Equity
(Continued)**

e. Subscription-Based Information Technology Arrangements (SBITA)

The District determines if an agreement is a subscription-based technology arrangement (SBITA) at inception. Arrangements are included as right-to-use SBITA assets and SBITA liabilities in the Statement of Net Position, however, are not reflected in the fund financial statements since they are not payable from current available resources. Payments for short-term arrangements with a term of 12 months or less are recognized as expenses as incurred. Right-to-use SBITA assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. The District has a \$5,000 threshold, for total annual payments, for arrangements subject to GASB 96. The right-to-use subscription assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period is 3 years.

f. Budgets

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

g. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District only has one item that qualifies for reporting in the category. Unavailable revenues are reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

h. Use of Estimates

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

**Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The “total fund balances” of the District’s governmental funds, \$5,006,900, differs from “net position” of governmental activities, \$32,781,753, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated as follows.

Capital related items

When capital assets, that are to be used in governmental activities, are purchased or constructed, the cost of those assets is reported as expenditures at the governmental fund level. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Land and improvements	\$ 7,410,700
Infrastructure	16,534,361
Improvements other than buildings	7,738,742
Equipment	437,276
Right-to-use – SBITA, net	1,830
Accumulated depreciation	<u>(3,556,587)</u>
Total	<u><u>\$ 28,566,322</u></u>

Long-term debt transactions

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund level liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position.

Notes payable	\$ (803,450)
SBITA payable	<u>(2,150)</u>
Total	<u><u>\$ (805,600)</u></u>

Unavailable revenues

Unavailable revenues are reflected as deferred inflows of resources at the fund level, however, revenue is recognized when earned at the government-wide level.

Unavailable revenues	<u><u>\$ 14,131</u></u>
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**Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds, \$1,218,593, differs from the “change in net position” for governmental activities, \$8,263,410, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated as follows.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures at the governmental fund level. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation changed for the year.

Depreciation and amortization	\$ (1,043,586)
Capital contributions	6,773,276
Capital outlay	<u>1,041,356</u>
Total	<u><u>\$ 6,771,046</u></u>

Long-term debt transactions

Repayments of principal are reported as an expenditure at the governmental fund level and, thus, have the effect of reducing fund balance because current financial resources have been used.

Principal payments	<u><u>\$ 273,771</u></u>
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**Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE C – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. The District does, however, follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2025, the District's bank balance was \$18,927,767 and the carrying value was \$18,700,388. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by the Federal Deposit Insurance Corporation or collateralized under Chapter 280, Florida Statutes.

Investments

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

The District did not have any investments as of September 30, 2025.

Interest Rate Risk

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

Credit Risk

The District's investments are limited by state statutory requirements. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund.

NOTE D – SPECIAL ASSESSMENT REVENUES

Assessment revenues recognized for the 2024-2025 fiscal year were levied in August 2024. All assessments are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes, discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Assessments paid in March are without discount.

All unpaid assessments become delinquent as of April 1. Virtually all unpaid assessments are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material assessments receivable at fiscal year end.

**Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE E – INTERFUND BALANCES

Interfund balances at September 30, 2025, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>
<u>Enterprise Fund</u>	<u>General Fund</u>
	\$ 97,510

Interfund balances are the result of collections and disbursements by one fund on behalf of the other.

NOTE F – CAPITAL ASSETS

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

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Construction in progress	\$ 292,370	\$ -	\$ (292,370)	\$ -
Land and improvements	5,365,800	2,044,900	-	7,410,700
Total Capital Assets, Not Being Depreciated	<u>5,658,170</u>	<u>2,044,900</u>	<u>(292,370)</u>	<u>7,410,700</u>
Capital assets, being depreciated:				
Infrastructure	14,636,905	1,897,456	-	16,534,361
Improvements other than buildings	3,608,131	4,130,611	-	7,738,742
Equipment	403,241	34,035	-	437,276
Total Capital Assets, Being Depreciated	<u>18,648,277</u>	<u>6,062,102</u>	<u>-</u>	<u>24,710,379</u>
Less accumulated depreciation for:				
Infrastructure	(1,906,420)	(803,983)	-	(2,710,403)
Improvements other than buildings	(294,837)	(225,567)	-	(520,404)
Equipment	(317,238)	(8,542)	-	(325,780)
Total Accumulated Depreciation	<u>(2,518,495)</u>	<u>(1,038,092)</u>	<u>-</u>	<u>(3,556,587)</u>
Total Capital Assets Depreciated, Net	<u>16,129,782</u>	<u>5,024,010</u>	<u>-</u>	<u>21,153,792</u>
Governmental Activities Capital Assets	<u>\$ 21,787,952</u>	<u>\$ 7,068,910</u>	<u>\$ (292,370)</u>	<u>\$ 28,564,492</u>

Depreciation was charged to physical environment, \$1,038,092.

Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE F – CAPITAL ASSETS (CONTINUED)

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

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025
<u>Business-type Activities:</u>				
Capital assets, not being depreciated:				
Construction in progress	\$ 942,436	\$ 916,658	\$ -	\$ 1,859,094
Land and improvements	1,886,937	-	-	1,886,937
Total Capital Assets, Not Being Depreciated	<u>2,829,373</u>	<u>916,658</u>	<u>-</u>	<u>3,746,031</u>
Capital assets, being depreciated:				
Improvements other than buildings	28,472,069	1,728,024	-	30,200,093
Equipment	9,059,397	48,777	-	9,108,174
Total Capital Assets, Being Depreciated	<u>37,531,466</u>	<u>1,776,801</u>	<u>-</u>	<u>39,308,267</u>
Less accumulated depreciation for:				
Improvements other than buildings	(5,330,318)	(1,474,216)	-	(6,804,534)
Equipment	(1,496,631)	(419,842)	-	(1,916,473)
Total Accumulated Depreciation	<u>(6,826,949)</u>	<u>(1,894,058)</u>	<u>-</u>	<u>(8,721,007)</u>
Total Capital Assets Depreciated, Net	<u>30,704,517</u>	<u>(117,257)</u>	<u>-</u>	<u>30,587,260</u>
Business-type Activities Capital Assets	<u><u>\$ 33,533,890</u></u>	<u><u>\$ 799,401</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 34,333,291</u></u>

Depreciation of \$1,894,058 was charged to water and sewer.

**Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE G – LONG-TERM DEBT

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

Governmental Activities

Long-term debt at October 1, 2024	\$ 1,071,266
Principal payments	<u>(267,816)</u>
Long-term Debt at September 30, 2025	<u><u>\$ 803,450</u></u>

Business-type Activities

Long-term debt at October 1, 2024	\$ 11,105,000
Principal payments	<u>(635,000)</u>
Long-term Debt at September 30, 2025	10,470,000
Bond discount, net	<u>(5,791)</u>
Long-term Debt, Net at September 30, 2025	<u><u>\$ 10,464,209</u></u>

Governmental Activities

Note Payable

In April 2023, the District amended a funding agreement with the Developer, originally established in February 2021. Under this agreement, the Developer committed to fund the District's payment obligations for the Seminole Pratt Whitney Road box culvert replacement project, ensuring its timely completion. The agreement allows the District to pursue financing for the project, with the Developer eligible for reimbursement of previously provided funds. The District has allocated \$1,339,082.70 to fund a portion of the project over the next five years, with the first reimbursement payment to the Developer beginning in fiscal year 2024. As of September 30, 2025, the balance outstanding was \$803,450.

The annual requirements for payments of long-term debt outstanding, as of September 30, 2025 are as follows:

<u>Year Ending September 30,</u>	<u>Payment</u>
2026	\$ 267,817
2027	267,816
2028	<u>267,817</u>
Total	<u><u>\$ 803,450</u></u>

**Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE G – LONG-TERM DEBT (CONTINUED)

Business-type Activities

Revenue Bonds

In July 2022, the District issued Series 2022 Utilities Revenue Bonds, due in annual principal installments beginning October 2024 and maturing October 2027. Interest is payable in April and October at a various rate between 4.4% and 5.3% beginning October 2022. As of September 30, 2025, the balance outstanding was \$10,470,000.

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

Year Ending September 30,	Principal	Interest	Total
2026	\$ -	\$ 265,365	\$ 265,365
2027	665,000	516,100	1,181,100
2028	690,000	486,290	1,176,290
2029	725,000	452,985	1,177,985
2030	760,000	415,860	1,175,860
2031-2035	4,400,000	1,450,455	5,850,455
2036-2038	3,230,000	262,880	3,492,880
Totals	<u>\$ 10,470,000</u>	<u>\$ 3,849,935</u>	<u>\$ 14,319,935</u>

Summary of Significant Bond Resolution Terms and Covenant

The District pledged, as security for payment of the principal and interest on the Bonds, the net revenues (gross revenues less operating expenses) derived from the operation of the District's water and sewer system. The Bond Indenture contains a rate covenant that requires net revenues to be at least 120% of the debt service requirements for that fiscal year. At September 30, 2025, the District is in compliance with the rate covenant.

The following is a schedule of the debt service reserve requirement and balance in the reserve account at September 30, 2025:

	Reserve Balance	Reserve Requirement
Series 2022 Utilities Revenue Bonds	<u>\$ 600,813</u>	<u>\$ 598,055</u>

**Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE H – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

In October 2022, the District entered into a software arrangement for three years. Monthly payments under this agreement are \$551.80. The arrangement qualifies as a subscription-based information technology arrangement (SBITA) under GASB 96 and, therefore, has been recorded at the present value of future minimum payments as of the date of inception. In addition, in accordance with the implementation of GASB 96, the District has recorded a right-to-use subscription asset and a subscription liability for the software. The SBITA was measured at a discount rate of 12.27%

The future minimum payments under this arrangement and the present value of the minimum payments as of September 30, 2025, are as follows:

Year Ending September 30,	Principal	Interest	Total
<u>2026</u>	<u>\$ 2,150</u>	<u>\$ 56</u>	<u>\$ 2,206</u>

Right-to-use subscription asset activity for the year ended September 30, 2025, was as follows:

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025
Right-to-use subscription assets				
Software	\$ 16,481	\$ -	\$ -	\$ 16,481
Less accumulated amortization:				
Software	(9,157)	(5,494)	-	(14,651)
Right-to-use Subscription Assets, Net	<u>\$ 7,324</u>	<u>\$ (5,494)</u>	<u>\$ -</u>	<u>\$ 1,830</u>

NOTE I – 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 government carries commercial insurance. There were no claims or settled claims from these risks that have exceeded commercial insurance coverage over the past three years.

NOTE J – RELATED PARTY TRANSACTIONS

One member of the Board of Supervisors is affiliated with a consulting company for the District. Payments made to the company for consulting services during the fiscal year ended September 30, 2025 were \$187,122.

**Seminole Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE K – LITIGATION

The District is a party to litigation involving road access and right-of-way matters with a neighboring district. On May 14, 2024, the Court entered Final Judgment against the District. On February 5, 2026, the judgment was affirmed on appeal. No monetary damages are sought by either party, and legal costs are shared with a co-party.



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

To the Board of Supervisors
Seminole Improvement District
Palm Beach County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements, as listed in the table of contents, of Seminole Improvement District, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated July 14, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Seminole Improvement 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 Seminole Improvement District's internal control. Accordingly, we do not express an opinion on the effectiveness of Seminole Improvement District's internal control.

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

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



To the Board of Supervisors
Seminole Improvement District

Report on Compliance and Other Matters

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

Purpose of this Report

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

*Berger Toombs Elam
Gaines & Frank*

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

July 14, 2026



Berger, Toombs, Elam, Gaines & Frank

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MANAGEMENT LETTER

To the Board of Supervisors
Seminole Improvement District
Palm Beach County, Florida

Report on the Financial Statements

We have audited the financial statements of Seminole Improvement District as of and for the year ended September 30, 2025, and have issued our report thereon dated July 14, 2026.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated July 14, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been made to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding financial audit report.



To the Board of Supervisors
Seminole Improvement District

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not Seminole Improvement District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Seminole Improvement 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 Seminole Improvement District. It is management's responsibility to monitor Seminole Improvement District's financial condition; and our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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

Specific Information

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

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

- 1) The total number of District employees compensated in the last pay period of the District's fiscal year as: 0
- 2) The total number of independent contractors, to whom nonemployee compensation was paid in the last month of the District's fiscal year as: 16
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$0
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$1,605,255
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2024, together with the total expenditures for such project as: District Office and Vehicle Maintenance Building \$751,708
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The Board did not amend the budget.



To the Board of Supervisors
Seminole Improvement District

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

- 1) The rate or rates of non-ad valorem special assessments imposed by the District:
\$1 – \$7,446 for the General Fund
- 2) The amount of special assessments collected by or on behalf of the District: \$6,513,457
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds are as follows: See Note G for details

Additional Matters

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

Purpose of this Letter

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

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

July 14, 2026



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

To the Board of Supervisors
Seminole Improvement District
Palm Beach County, Florida

We have examined Seminole Improvement District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2025. Management is responsible for Seminole Improvement District's compliance with those requirements. Our responsibility is to express an opinion on Seminole Improvement District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Seminole Improvement District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Seminole Improvement District's compliance with the specified requirements.

In our opinion, Seminole Improvement District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2025.

*Berger Toombs Elam
Gaines & Frank*

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

July 14, 2026