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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
St. Augustine Port, Waterway and Beach District
St. Augustine, Florida

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of the St. Augustine Port, Waterway and Beach 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.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of valuing donated real estate at estimated value, as discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the District as of September 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on the General Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the District as of September 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified 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 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 qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

Real property is stated at estimated value based on appraisals that were not current at the donation dates of such assets in the accompanying Statement of Net Position of the governmental activities. In our opinion, such assets should be stated at cost, if purchased, or at fair value at the date the assets were donated, to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the governmental activities of this departure are not reasonably determinable.

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

Supplementary 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 supplementary information identified in the table of contents as schedule of expenditures is presented for purposes of additional analysis and is 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 schedule of expenditures is 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 June 30, 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.

Carr, Riggs & Ingram, L.L.C.

Jacksonville, Florida
June 30, 2026

As management of the St. Augustine Port, Waterway and Beach District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for fiscal year ended September 30, 2025. We encourage the readers to consider the information presented here in conjunction with the District's financial statements beginning on page 1 and the notes to the financial statements beginning on page 3.

Financial Highlights

The following are various financial highlights for fiscal year 2025:

- The District's overall net position increased by approximately $460,000.

- Total ending unrestricted net position was approximately $2.6 million, largely corresponding to investments.

- The District had total expenses for the year of $489,507, compared to revenues of $952,968.

Basic Financial Statements

The District is engaged in a single governmental program and administers only one fund, the General Fund. It has taken the option of presenting combined fund financial statements and government-wide statements using a columnar format that reconciles fund financial data to government-wide data in a separate column.

The Statement of Net Position and Governmental Fund Balance Sheet reports the District's financial position as of the end of the fiscal year for both the General Fund and the governmental activities.

The Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances reports changes in financial position of the General Fund and the governmental activities, and the degree to which the functional expenses are offset by program revenues for the governmental activities.

Condensed Financial Information

Net Position

September 30,	**2025**	2024
Assets:		
Non-capital assets	**$ 2,574,130**	$ 2,127,360
Capital assets	**82,800**	84,163
Total assets	**2,656,930**	2,211,523
Liabilities:		
Current liabilities	**-**	18,054
Net position:		
Investment in capital assets	**82,800**	84,163
Unrestricted	**2,574,130**	2,109,306
Total net position	**$ 2,656,930**	$ 2,193,469

Change in Net Position

For the year ended September 30,	**2025**	2024
General revenues:		
Taxes	**$ 929,756**	$ 813,436
Miscellaneous	**23,212**	35,234
Total revenues	**952,968**	848,670
Program expenses:		
Transportation	**489,507**	399,838
Change in net position	**463,461**	448,832
Beginning net position	**2,193,469**	1,744,637
Ending net position	**$ 2,656,930**	$ 2,193,469

Financial Information

As of September 30, 2025, the District had total assets of $2,656,930. This represents an increase of $445,407 from the prior year. The following tabulation outlines the components of the District's assets as of September 30:

		2025		2024
Cash and investments	$	2,574,130	$	2,127,360
Capital assets		82,800		84,163
Total assets	$	2,656,930	$	2,211,523

The primary source of revenue for the District is generally ad-valorem taxes, with additional revenues earned in the form of interest on cash deposits and investments. For the year ended September 30, 2025, the District had ad-valorem tax revenues of $929,756. Interest earnings on cash deposits totaled $13,602. Overall revenue increased by $104,298, which was the result of the District receiving an increase in ad-valorem tax. Expenditures increased by $89,669 from the prior year due to the increase of significant projects during the year. The increase in net position during the year was a reflection of tax revenue increasing while transportation expenses decreased.

Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with the generally accepted accounting principles for the General Fund. There were no amendments to the original budget for the General Fund for the year. The District did operate within its budget for the year ended September 30, 2025.

Capital Assets and Debt Administration

Capital Assets – There was no significant capital asset activity during 2025. Note 3 of the accompanying financial statements presents the District's capital asset activity.

Long-Term Debt – The District had no long-term liabilities at September 30, 2025.

Economic Factors

We are not currently aware of any conditions that are expected to have a significant effect on the District's financial position or results of operations.

Requests for Information

The financial report is designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions concerning any of the information provided in this report or need additional information, contact the District's Secretary/Treasurer, Elyse Kemper.

St. Augustine Port, Waterway and Beach District
Statement of Net Position and Governmental Fund Balance Sheet

September 30, 2025	General Fund	Adjustments (Note 3)	Statement of Net Position
Assets			
Cash	$ 714,629	$ -	$ 714,629
Investments	1,859,501	-	1,859,501
Capital assets:			
Non-depreciable	-	82,800	82,800
Total assets	$ 2,574,130	$ 82,800	$ 2,656,930
Fund balance			
Assigned fund balance:			
Law enforcement overtime	$ 5,186	$ (5,186)	$ -
Derelict boats	22,795	(22,795)	-
Permits and dredging	437,445	(437,445)	-
Unassigned fund balance	2,108,704	(2,108,704)	-
Total fund balance	2,574,130	(2,574,130)	-
Total liabilities and fund balance	$ 2,574,130	$ (2,574,130)	$ -
Net position			
Investment in capital assets		$ 82,800	$ 82,800
Unrestricted		2,574,130	2,574,130
Total net position		$ 2,656,930	$ 2,656,930

The accompanying notes are an integral part of these financial statements.

St. Augustine Port, Waterway and Beach District
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance

For the year ended September 30, 2025	General Fund	Adjustments (Note 3)	Statement of Activities
Expenditures/expenses			
Transportation	$ 488,144	$ 1,363	$ 489,507
General revenues			
Taxes	929,756	-	929,756
Miscellaneous	23,212	-	23,212
Total general revenues	952,968	-	952,968
Excess of revenues over (under) expenditures	464,824	(464,824)	-
Change in net position	-	463,461	463,461
Fund balance/net position			
Beginning of year	2,109,306	84,163	2,193,469
End of year	$ 2,574,130	$ 82,800	$ 2,656,930

The accompanying notes are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The District is an independent special district, created in 1937 by the legislature of the State of Florida (Chapter 18879, and ratified, restated and approved by Chapter 2000-478, Laws of Florida). It operates under the direction of a Board of Commissioners elected by registered voters within the District.

The main purpose of the District is to improve and maintain the waterways within the District. It is designed to foster commercial use of the port, harbor, and waterways.

The District uses the criteria established in GASB Statement No. 14, as amended, to define the reporting entity and identify component units. Component units are entities for which the District is considered to be financially accountable or entities that would be misleading to exclude. There are no entities to consider for inclusion as a component unit within the District's reporting entity. The District did not participate in any joint ventures during the 2024-2025 fiscal year.

Basic Financial Statements

The District is engaged in a single governmental program and administers only one fund, the General Fund. It has taken the option of presenting combined fund financial statements and government-wide statements using a columnar format that reconciles fund financial data to government-wide data in a separate column.

The Statement of Net Position and Governmental Fund Balance Sheet reports the District's financial position as of the end of the fiscal year for both the General Fund and the governmental activities.

The Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances reports changes in financial position of the General Fund and the governmental activities, and the degree to which the functional expenses are offset by program revenues for the governmental activities.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The General Fund's financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

All of the cash deposits of the District are placed with qualified public depositories and are entirely insured by Federal depository insurance and/or collateralized pursuant to Chapter 280, Florida Statutes.

Investments

Section 218.415, Florida Statutes, authorizes the District to invest in the Local Government Investment Pool, Security and Exchange Commission ("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 U.S. Treasury.

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost, except for contributed assets which are recorded at acquisition value at the date of contribution and land which is recorded at estimated value. The District uses a capitalization threshold of $5,000 for all classes of capital assets.

The District owns no infrastructure assets.

Depreciation of signage and markers is provided using the straight-line method over the estimated useful lives of the assets, which is 30 years.

Categories and Classification of Net Position and Fund Balance

Net Position

Net position represents the difference between assets and liabilities reported for the governmental activities. Net position is reported as *restricted* when there are externally imposed restrictions or restrictions imposed by enabling legislation. *Unrestricted* net position is net position that does not meet the definition of the classification previously described.

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

Fund Balance

The District follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Fund balance classifications are described below:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the District's highest level of decision-making authority, which is a resolution of the Board of Directors. Committed amounts cannot be used for any other purpose unless the District removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Directors or (b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The District's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Property Taxes

In the General Fund, property tax revenues are recognized when levied, to the extent that they result in current receivables.

Details of the property tax calendar are presented below.

Lien date	January 1
Levy date	October 1
Discount periods	November – February
No discount period	March
Delinquent date	April 1

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2026 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 2 – INVESTMENTS

The District's investments at September 30, 2025 are summarized in the following table:

		Amount	S&P Rating
Florida PRIME	$	27,117	AAAm
Money market		1,832,384	Not rated
Total	$	1,859,501	

The District's investments expose it to credit risk and interest rate risk. The District does not have formal policies relating to these risks, which are hereafter described.

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Interest Rate Risk - The risk that changes in interest rates will adversely affect the fair value of an investment.

Money Market Account

The District's money market account is in a qualified public depository and is entirely insured and/or collateralized pursuant to Chapter 280, Florida Statutes.

Florida PRIME

The District's investment in the Local Government Surplus Trust Fund ("Florida PRIME") is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight, as defined in Florida Statute 218.409.

Florida PRIME is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the District's investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. The dollar weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2025, was 47 days and the weighted average life was 73 days.

NOTE 2 – INVESTMENTS (CONTINUED)

As of September 30, 2025, there were no redemption fees, maximum transaction amounts or liquidity fees, although Florida Statutes do provide authority for the SBA to impose penalties for early withdrawals in certain situations.

NOTE 3 – CAPITAL ASSETS

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

	Balance October 1, 2024	Increases	Decreases	Balance September 30, 2025
Capital assets not being depreciated:				
Land	$ 82,800	$ -	$ -	$ 82,800
Capital assets being depreciated:				
Signage	81,314	-	-	81,314
Less accumulated depreciation:				
Signage	79,951	1,363	-	81,314
Total capital assets being depreciated, net	1,363	(1,363)	-	-
Capital assets, net	$ 84,163	$ (1,363)	$ -	$ 82,800

NOTE 4 – RISK MANAGEMENT

The District is exposed to various risks of loss including general liability, property, and officials' liability. To manage its risks, the District has commercial insurance and participates in the Preferred Governmental Insurance Trust (the "Trust") a public entity risk pool currently operating as a common risk management and insurance program for the district and other eligible entities. The District pays an annual premium to the Trust for its coverage. The premiums are designed to fund the liability risks assumed by the Trust and are based on certain actual exposures of each member.

Required Supplementary Information

St. Augustine Port, Waterway and Beach District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund

For the year ended September 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget
Revenues				
Taxes	$ 930,766	$ 930,766	$ 929,756	$ (1,010)
Interest	11,000	11,000	13,602	2,602
Excess Fees	7,000	7,000	8,628	1,628
Other Income	-	-	982	982
Total revenues	948,766	948,766	952,968	4,202
Expenditures				
Transportation	948,766	948,766	488,144	460,622
Excess of revenues over expenditures	-	-	464,824	464,824
Fund balances – beginning of year	2,109,306	2,109,306	2,109,306	-
Fund balances – end of year	$ 2,109,306	$ 2,109,306	$ 2,574,130	$ 464,824

Note to Schedule:

1. The budget is prepared by the Treasurer and approved by the Board of Commissioners. The final budgeted revenues and expenditures reflect all amendments approved by the Board of Commissioners. The budget is prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The fund is the legal level of control.

2. The annual budget was under expended due to a decrease in significant projects during the year.

Supplementary Information

St. Augustine Port, Waterway and Beach District
Schedule of Expenditures – General Fund

For the year ended September 30, 2025		
District projects	$	334,950
Collection cost - ad valorem tax		50,773
Accounting		21,043
Professional services		14,850
Travel allowance		14,060
Legal		15,930
County assessment		10,629
Insurance		11,009
Other		7,740
Engineering		3,560
Web hosting		2,090
Telephone		1,290
Commissioner pay		220
Total	$	488,144

Additional Elements Required by the Rules of the Auditor General

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MANAGEMENT LETTER

Board of Commissioners
St. Augustine Port, Waterway and Beach District
St Augustine, Florida

Report on the Financial Statements

We have audited the financial statements of the St. Augustine Port, Waterway and Beach District, (the "District") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 30, 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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent 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 June 30, 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 financial audit report. The District has no uncorrected prior audit findings that are required to be identified. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report.

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 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, District management represented that a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the District's geographical boundaries during the fiscal year under audit.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the St. Augustine Port, Waterway and Beach District reported:

a. The total number of district employees compensated in the last pay period of the district's fiscal year as zero.

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 2.

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as not applicable.

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $24,560.

e. 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 of the fiscal year being reported, together with the total expenditures for such project as not applicable.

f. 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, as included in the Required Supplementary Information as the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the St. Augustine Port, Waterway and Beach District reported:

a. The mileage rate or rates imposed by the District as 0.0598.
b. The total amount of ad valorem taxes collected by or on behalf of the District as $929,756.
c. No outstanding bonds issued by the District.

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, fraud, waste, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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, the members of the governing board of the District, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Carr, Riggs & Ingram, L.L.C.

Jacksonville, Florida
June 30, 2026

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

Board of Commissioners
St. Augustine Port, Waterway and Beach District
St. Augustine, Florida

We have audited, 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, the financial statements of the governmental activities and the general fund of the St. Augustine Port, Waterway and Beach 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 June 30, 2026. In our report, our opinion on the financial statements of the governmental activities was qualified because real estate was valued using estimated value, which does not conform with accounting principles generally accepted in the United States of America.

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*.

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.

Carr, Riggs & Ingram, L.L.C.

Jacksonville, Florida
June 30, 2026

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

Board of Commissioners
St. Augustine Port, Waterway and Beach District
St. Augustine, Florida

We have examined the St. Augustine Port, Waterway and Beach District's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies,* 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 AICPA. 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. 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 responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

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

This report is intended solely for the information and use of 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.

Carr, Riggs & Ingram, L.L.C.

Jacksonville, Florida
June 30, 2026