St. Johns Improvement District

FINANCIAL STATEMENTS

September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
St. Johns Improvement District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund information of the St. Johns Improvement District, Florida (the "District") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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, budgetary comparison, pension, and OPEB information on pages 7-12 and 46-51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United

States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 District's internal control over financial reporting and compliance.

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

Melbourne, Florida
March 2, 2026

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Management's discussion and analysis of the St. Johns Improvement District (the "District"), financial performance provides an objective and easily readable analysis of the District's financial activities for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with the District's financial statements (beginning on page 15).

FINANCIAL HIGHLIGHTS

- Total net position at September 30, 2025 was $8,658,444 (net position). Of this amount, $1,068,968 (unrestricted net position) may be used to meet the District's ongoing obligations to creditors.
- Total revenues were $3,865,660, an increase of $45,616 from prior fiscal year.
- Total expenditures were $3,275,471, a decrease of $369,961 from prior fiscal year.
- The District's total net position increased by $590,189.
- As of the close of the current fiscal year, the District's governmental fund reported ending fund balance of $1,664,973, an increase of $428,185 in comparison with the prior year. Unassigned fund balance for the General Fund was $1,424,938, or 52.91% of total general fund expenditures, excluding capital outlay.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The government-wide financial statements are designed to provide readers with a broad overview of the District's financial position, in a manner similar to a private-sector business. They include a Statement of Net Position and a Statement of Activities. Emphasis is placed on the net position of governmental activities and the change in net position. District activities are primarily supported by assessments.

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected invoices and earned but unused vacation leave).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position: The District's net position for the years ending 2025 and 2024 was $8,658,444 an $8,068,255 respectively, an increase of $590,189. A large portion of the District's net position (87.65%) reflects its investment in capital assets, less any debt used to acquire those assets that is still outstanding. The District uses these capital assets to manage the District's surface waters and land area; these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Net Position Governmental Activities	
	2025	2024
Assets		
Current and other assets	**$ 1,776,003**	$ 1,616,849
Capital assets, net	**7,956,860**	7,950,019
Total assets	**9,732,863**	9,566,868
Deferred outflows of resources:		
Deferred outflows related to pensions	**170,529**	167,165
Deferred outflows related to OPEB[1]	**-**	-
Total deferred outflows of resources	**170,529**	167,165
Liabilities		
Current liabilities	**114,441**	374,184
Noncurrent liabilities	**976,737**	1,178,900
Total liabilities	**1,091,178**	1,553,084
Deferred inflows of resources:		
Deferred inflows related to pensions	**152,453**	109,255
Deferred inflows related to OPEB	**1,317**	3,439
Total deferred inflows of resources	**153,770**	112,694
Net position		
Investment in capital assets	**7,589,476**	7,144,632
Unrestricted	**1,068,968**	923,623
Total net position	**$ 8,658,444**	$ 8,068,255

[1] OPEB: Other Post-Employment Benefits.

The increase in unrestricted net position is because the pipe lining project that began in fiscal year 2024 completed earlier than anticipated and under the original anticipated costs. Additionally, the encumbered funds from fiscal year 2024 for the automation of Pump Station North 7 remained incomplete as of September 30, 2025. The unrestricted net position increased by $145,345.

GOVERNMENTAL OPERATIONS & ACTIVITIES

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: Governmental Funds.

Governmental Funds: 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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District'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 District balance sheet and the District statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund, the General Fund. The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

	Change in Net Position Governmental Activities	
	2025	2024
Revenues:		
Program revenues	$ **3,781,780**	$ 3,725,058
Investment income and miscellaneous	**70,879**	94,986
Gain on sale of fixed assets	**13,001**	-
Total revenues	**3,865,660**	3,820,044
Expenses:		
Physical environment	**3,260,637**	3,619,286
Interest on long-term debt	**14,834**	26,146
Total expenses	**3,275,471**	3,645,432
Change in net position	**590,189**	174,612
Net position:		
Beginning of year	**8,068,255**	7,893,643
End of year	$ **8,658,444**	$ 8,068,255

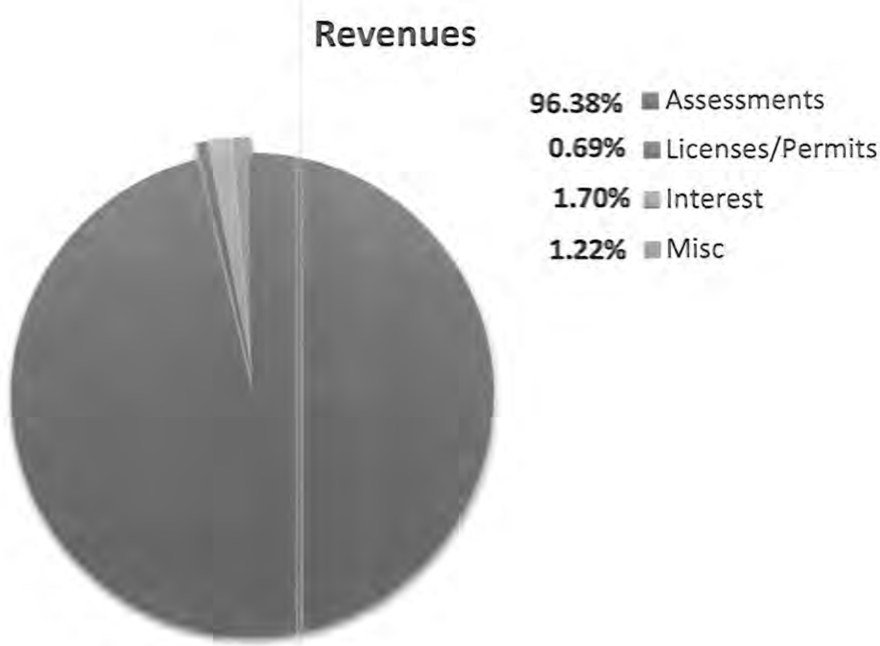
The revenues of the District were stable for the year, while the Expenses saw a net savings of $369,961. The savings came from several categories including outside repair service and a decrease in the actual cost of the pipe lining project.

Physical environment decreased from the prior year chiefly due to the continued improvement in diesel efficiency of our pump stations.

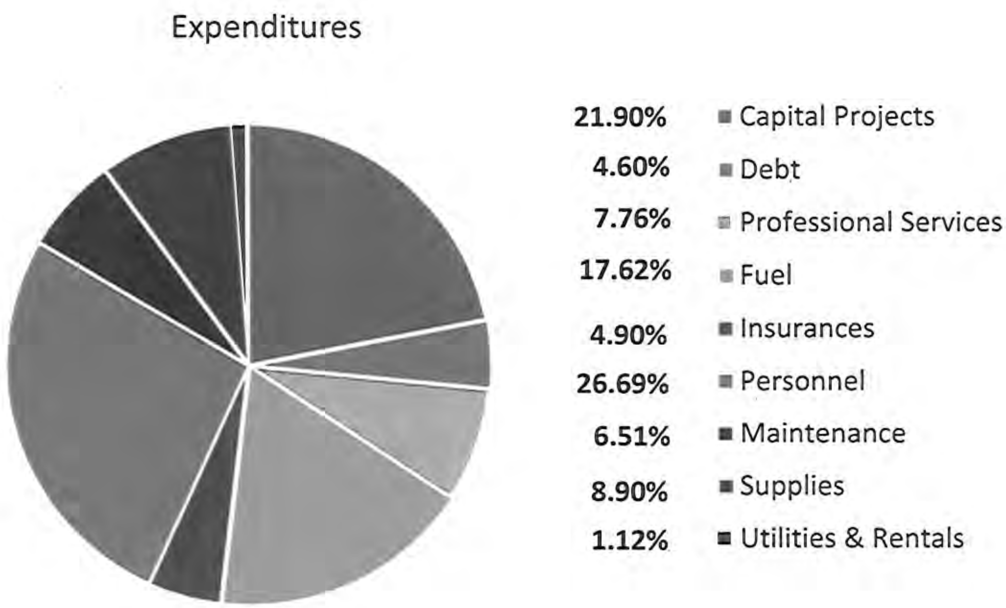
Notes to the financial statements
The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to financial statements can be found starting on page 21 of this report.

BUDGETARY HIGHLIGHTS

The District's primary budgetary income source is through the annual per acre assessment levied against landowners within the jurisdictional area represented by the District. The total annual per acre assessment for the period ending September 30, 2025, was $152.00 per acre or portion thereof. This assessment is levied against all of the privately held acres within the District. District's assessments are collected through the local county tax collection office. For the fiscal year end September 30, 2025, approximately 96.38% of the District's annual budgeted revenue came from this assessment source. Historically, the balance of the remaining annual budgeted revenues come from a variety of revenues sources; including the alligator harvesting agreement and bank interest.



Total expenditures for the year ending 2025 came in approximately $649,000 less than budgeted.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: At September 30, 2025, the District's investment in capital assets amounted to $7,956,860 (net of accumulated depreciation). This amount represents a net increase of $6,841 after fiscal year total depreciation of $748,229 for the year ending September 30, 2025. The District sold only those capital assets that were scheduled for replacement. No unanticipated capital assets were needed in fiscal year 2025.

Long-Term Debt: During 2025, the District paid $16,157 of interest on the loan obtained in fiscal year 2021. A principal payment was made in the amount of $142,407. The Line of Credit remained unused and there were no renewal fees this fiscal year as it was renewed for 2 years in fiscal year 2024.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

District Administration considers several factors when setting the fiscal year budget. The anticipated cost of fuel products and the forecast insurance rate increases are two of the hardest items to predict. Other costs are fixed or rise in a fairly predictable manner. Capital expenditures are weighed heavily on a necessity basis. In fiscal year 2026, no capital projects are planned beyond the finishing of the automation of Pump Station North 7.

FPL continues to prepare their previous acquisitions for additional solar energy centers, as well as the transmission lines necessary to their function. FPL and Epic Estates (thru various subsidiaries) are still the largest two landowners. The construction of the planned interchanged at I-95 and Oslo Rd began in August 2023 and significant progress has been made. It is now scheduled for completion in the Spring of 2027.

A decrease in the assessment per acre is anticipated in fiscal year 2026.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the St. Johns Improvement District's finances for all those with an interest in the District's finances. Questions concerning any of the information should be addressed to the Administrator's office at 905 122nd Ave SW; Vero Beach, Florida 32968.

St. Johns Improvement District

Basic Financial Statements

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St. Johns Improvement District
Statement of Net Position

September 30, 2025	Primary Government
Assets	
Cash and cash equivalents	$ 484,300
Investments	1,009,246
Receivables, net	42,422
Inventory	239,113
Prepaid items	922
Capital assets	
Non-depreciable	1,418,715
Depreciable, net	6,538,145
Total assets	9,732,863
Deferred Outflows of Resources	
Deferred outflows related to pensions	170,529
Total deferred outflows of resources	170,529
Liabilities	
Accounts payable	80,853
Accrued liabilities	15,372
Accrued interest	3,411
Unearned revenue	14,805
Non-current liabilities	
Due within one year	
Compensated absences	29,797
Notes payable	147,035
Due in more than one year	
Other post-employment benefits	1,611
Net pension liability	577,945
Notes payable	220,349
Total liabilities	1,091,178
Deferred Inflows of Resources	
Deferred inflows related to pensions	152,453
Deferred inflows related to OPEB	1,317
Total deferred inflows of resources	153,770
Net Position	
Net investment in capital assets	7,589,476
Unrestricted	1,068,968
Total net position	$ 8,658,444

The accompanying notes are an integral part of this financial statement.

St. Johns Improvement District
Statement of Activities

For the year ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services and Fines	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Primary Government Net (Expense) Revenue and Changes in Net Position
Physical environment	$ 3,260,637	$ 3,781,780	$ -	$ -	$ 521,143
Interest on long term debt	14,834	-	-	-	(14,834)
Total governmental activities	$ 3,275,471	$ 3,781,780	$ -	$ -	506,309

General revenues	
Investment income and miscellaneous	70,879
Gain on sale of fixed assets	13,001
Total general revenues	83,880
Change in net position	590,189
Net position, beginning of year	8,068,255
Net position, end of year	$ 8,658,444

The accompanying notes are an integral part of this financial statement.

September 30, 2025		General
Assets		
Cash and cash equivalents	$	484,300
Investments		1,009,246
Accounts receivable		42,422
Inventory		239,113
Prepaid items		922
Total assets	$	1,776,003
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	80,853
Unearned revenue		14,805
Other accrued liabilities		15,372
Total liabilities		111,030
Fund balances		
Nonspendable		
Inventory and prepaid items		240,035
Unassigned		1,424,938
Total fund balances		1,664,973
Total liabilities and fund balances	$	1,776,003

The accompanying notes are an integral part of this financial statement.

St. Johns Improvement District
Reconciliation of the Balance Sheet of Governmental Fund
to the Statement of Net Position

September 30, 2025

Total fund balances - governmental fund		$	1,664,973
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reporting in the funds.			
Governmental capital assets	21,586,197		
Less accumulated depreciation	(13,629,337)		7,956,860
Deferred amounts are reported on the Statement of Net Position as deferred outflows or deferred inflows of resources but are not reported in the fund. Those deferred amounts consist of:			
Deferred outflows related to pensions			170,529
Deferred inflows related to pensions			(152,453)
Deferred inflows related to other post-employment benefits			(1,317)
Long-term liabilities, including total OPEB liability, net pension liability, compensated absences, and accrued interest are not due and payable in the current period and, therefore, are not reported at the fund level.			
Net pension liability	(577,945)		
Notes payable	(367,384)		
Compensated absences	(29,797)		
Other post-employment benefits	(1,611)		
Accrued interest	(3,411)		(980,148)
Net position of governmental activities		$	8,658,444

The accompanying notes are an integral part of this financial statement.

St. Johns Improvement District
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund

For the year ended September 30, 2025	General
Revenues	
Special assessments	$ 3,723,392
Licenses and permits	26,765
Interest earnings	65,820
Miscellaneous	47,293
Total revenues	3,863,270
Expenditures	
Physical environment:	
Salaries, wages and benefits	920,202
Fuel, grease and oil	607,392
Repair and maintenance	224,601
Professional services	266,960
Insurance	169,090
Utilities	20,267
Supplies	307,034
Rental and leases	18,356
Permit and state fees	550
Debt service	
Principal	142,407
Interest	16,157
Capital outlay	755,070
Total expenditures	3,448,086
Excess (deficiency) of revenues over (under) expenditures	415,184
Other Financing Sources	
Proceeds from sale of capital assets	13,001
Total other financing sources	13,001
Net change in fund balances	428,185
Fund balances, beginning of year	1,236,788
Fund balances, end of year	$ 1,664,973

The accompanying notes are an integral part of this financial statement.

St. Johns Improvement District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to the Statement of Activities

For the year ended September 30, 2025		
Net change in fund balance - total governmental funds	$	428,185
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 expense. This is the amount by which capital outlay of $755,070 exceed depreciation of $748,229 in the current period.		6,841
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		142,407
Interest payable on long-term debt that is not due and payable in the current period is not recorded in the governmental funds, but increases interest expense in the statement of activities.		1,323
Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year.		(12,462)
Other post-employment benefit obligation reported in the statement of activities does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds. This is the amount by which the required financial resources changed in the current period.		1,626
Cash pensions contributions reported in the funds were greater than the calculated pension expense on the statement of activities and therefore decrease net position.		32,880
Some revenues not collected within 60 days after the close of the District's fiscal year-end are not considered as "available" revenue in the governmental funds. In the statement of activities, presented on full accrual basis, these revenues are recognized.		(10,611)
Change in net position of governmental activities	$	590,189

The accompanying notes are an integral part of this financial statement.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Johns Improvement District (the "District"), was incorporated in 1962 by decree of the Circuit Court of the Ninth Judicial Circuit in Indian River County under Florida Statutes (Chapter 298.01), and consists of landowners who receive the benefit of water management and are assessed taxes on a per acre basis of the areas within District boundaries. On June 26, 2007, the St. Johns Water Control District was renamed and converted from a single-purpose Water Control District, to a multiple-purpose Improvement District by legislative approval and signature of the Governor. As a multi-purpose improvement district, the District is governed primarily by Chapter 189 of the Florida Statutes, and as such, the District has the statutory power to build and maintain every type of municipal infrastructure and provide any kind of municipal service that a county or district would provide, with the exceptions of public safety, and zoning changes, which must be in compliance with the adopted comprehensive plan administered by the County. Improvements and services provided are for the exclusive benefit of the landowners and are paid for by them through annual land assessments. The District is empowered to sell bonds to pay for capital improvements, and is authorized to create units of development within the District.

Reporting Entity

The District is a multi-purpose improvement district governed by a three-member Board of Supervisors (the "Board"). The accompanying financial statements present the District. The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the District are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The 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. Special Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government.

Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. As permitted by section 2400, *Budgetary Reporting*, the District has elected to disclose all budgetary information in the notes to the required supplemental information.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and cash equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

The District holds investments in Florida Prime which meets all of the specified criteria in Section I50: *Investments* of the GASB Codification to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the District's position in the pool is equal to the value of pooled shares.

Receivables

All account and tax receivables are shown net of allowance for uncollectible accounts. Management has determined that no allowance is necessary at year-end, as all amounts are considered fully collectible.

Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method and consists of fuel. The cost of such inventory is recorded as expenditures/expenses when purchased.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of five years.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the District chose to include all such items regardless of their acquisition date or amount. The District was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the District constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	39
Equipment and vehicles	5-10
Bridges, culverts, roads	15
Intangibles	5-10
Infrastructure	7-50

Deferred Outflows/Inflows of Resources

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

The District has one item that qualifies for reporting as deferred outflows of resources, the *deferred outflows related to pensions*, which is reported in the government-wide statement of net position. The *deferred outflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

The *deferred outflows related to pensions* will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

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

The District has two items that qualify for reporting as deferred inflows of resources, the *deferred inflows related to pensions* and *deferred inflows related to other post-employment benefits*, reported in the government-wide statement of net position. The *deferred inflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The *deferred inflows related to pensions* will be recognized as a reduction to pension expense in future reporting years. The *deferred inflows related to other post-employment benefits* are an aggregate of items related to other post-employment benefits as calculated in accordance with GASB Codification Section P52: *Other Post-employment Benefits*, and result from the change in assumptions and will be amortized in future years. The *deferred inflows related to other post-employment* benefits will be recognized as either group health insurance expense or a reduction in the net OPEB liability in future reporting years.

Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service upon the approval of the Administrator. Sick leave is anticipated to be used prior to an employee's separation. The liability for such leave is reported as incurred in the government-wide financial statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

In the fund financial statements, governmental fund types recognize principal payments during the current period. The face amount of debt issued is reported as other financing sources.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Defined Benefit Pension Plans

The District participates in cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State, the Florida Retirement System. For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plan's fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The District's employer contributions are recognized when due, and the District has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plan.

Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan.

Categories and Classification of Fund Equity

Fund balance flow assumptions – Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

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.

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 – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The governing council ("council") has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

Revenues and Expenditures/Expenses

Special Assessments – The District's taxpayer assessment revenue (non ad-valorem) is levied through the Indian River County Tax Collector based on the approved budget submitted to the County by the District on or before July 1 of each tax year. The assessment is included in the County's property tax levy which begins each November 1, and becomes a lien on the first day of the levy year, and is due on or before March 31. Discounts are allowed for early payment.

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, March 2, 2026.

Recently Issued Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The District had decided to early implement, and implemented the standard during the last fiscal year. There were no significant impacts of implementing this Statement.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

The District is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2025, $250,000 of the District's bank balances is covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the District pursuant to Section 280.08, Florida Statutes.

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the District places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District's investment policy pursuant to Florida State Statutes 218.415(10) requires securities, with the exception of certificates of deposit, to be held with a third-party custodian; all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution.

A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida.

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The District's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. This policy is pursuant to Florida State Statute 218.415(6).

Credit Risk – The District's investment policy pursuant to Florida State Statute 218.415 permits for investments in the Local Government Surplus Trust Fund, Securities and Exchange Commission registered money market funds with the highest credit rating quality from a nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified depositories and direct obligations of the United States Treasury.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Concentration risk – Section I50: Investment of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S. government, investment in mutual funds, external investment pools and other pooled investments. The District's investment policy does not address concentration risk.

As of September 30, 2025, the District had the following investments and effective duration presented in terms of years.

		Investment Maturities (in years)			
Investment Type	Credit Rating	Fair Value / Cost plus Accrued	Less than 1	From 1-5	More than 5
Primary government:					
State Board of Administration Florida Prime	AAAm	$ 1,009,246	$ 1,009,246	$ -	$ -
Total primary government investments		$ 1,009,246	$ 1,009,246	$ -	$ -

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

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

	Beginning Balance	Transfer/ Increases	Transfer/ Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 1,369,751	$ -	$ -	$ 1,369,751
Construction-in-progress	395,968	48,964	(395,968)	48,964
Total capital assets, not being depreciated	1,765,719	48,964	(395,968)	1,418,715
Capital assets, being depreciated				
Infrastructure	14,106,930	546,294	395,968	15,049,192
Intangibles	46,554	-	-	46,554
Buildings	670,994	-	-	670,994
Bridges culverts & roads - other costs	2,025,921	-	-	2,025,921
Equipment and vehicles	2,293,436	159,812	(78,427)	2,374,821
Total capital assets, being depreciated	19,143,835	706,106	317,541	20,167,482
Less accumulated depreciation for				
Infrastructure	(9,207,321)	(571,604)	-	(9,778,925)
Intangibles	(37,242)	(4,655)	-	(41,897)
Buildings	(251,861)	(14,513)	-	(266,374)
Bridges culverts & roads - other costs	(1,595,937)	(34,607)	-	(1,630,544)
Equipment and vehicles	(1,867,174)	(122,850)	78,427	(1,911,597)
Total accumulated depreciation	(12,959,535)	(748,229)	78,427	(13,629,337)
Total capital assets being depreciated, net	6,184,300	(42,123)	-	6,538,145
Governmental activities capital assets, net	$ 7,950,019	$ 6,841	$ -	$ 7,956,860

Depreciation expense for the year ended September 30, 2025 was $748,229.

Long-Term Debt and Liabilities

Line of Credit

The District has a line of credit up to $650,000 that expired September 14, 2024 and was renewed for an additional 2 years expiring September 14, 2026, and has a floating interest rate per annum of Secured overnight financing rate plus a spread of 260 basis points. There was $0 outstanding at September 30, 2025 on the line of credit.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Notes Payable

On June 14, 2019, the District entered into a $1,400,000 note with Synovus bank with a maturity date of June 1, 2029. The interest rate was fixed at 3.25%. Principal payment is due annually starting on June 1, 2020 and interest is due semi-annually on January 1 and June 1 of each year. Interest of $16,157 was paid on this note during the year ended September 30, 2025. The note is secured by available future special assessment levies issued by the district.

At September 30, 2025 the outstanding balance on the note was $367,384. In the event of default all principal and interest of the note will become immediately due and payable.

The following is a summary of governmental activities notes payable, direct borrowing, for the year ended September 30, 2025:

	Governmental Activities	
	Series 2019 Note	
Year ending September 30,	Principal	Interest
2026	$ 147,035	$ 11,940
2027	151,813	7,161
2028	68,536	2,228
Total	367,384	21,329
Current portion	(147,035)	(11,940)
Payable after one year	$ 220,349	$ 9,389

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Changes In Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows for governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable					
Series 2019 Note	$ 509,791	$ -	(142,407)	$ 367,384	$ 147,035
Compensated absences	17,335	12,462 *		29,797	29,797
Governmental activity long-term liabilities	$ 527,126	$ 12,462	$ (142,407)	$ 397,181	$ 176,832

*The change in the compensated absences liability is presented as a net change.

Net Investment in Capital Assets

The elements of this calculation are as follows:

	Governmental Activities
Capital assets (net)	$ 7,956,860
Outstanding debt related to capital assets	(367,384)
Net investment in capital assets	$ 7,589,476

Note 3: RETIREMENT PLANS

Description of Plans

The District participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

Note 3: RETIREMENT PLANS (Continued)

Description of Plans (Continued)

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan.

Note 3: RETIREMENT PLANS (Continued)

Contributions (Continued)

The employer's contribution rates as of September 30, 2025, were as follows:

	FRS	HIS
Regular class	12.03%	2.00%

The employer's contributions for the year ended September 30, 2025, were $95,579 to the FRS Pension Plan and $11,404 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2025, the District reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2025. The District's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability	$ 418,004	$ 159,941
Proportion at:		
Current measurement date	0.0013%	0.0012%
Prior measurement date	0.0012%	0.0012%
Pension expense	$ 52,161	$ 6,915

The General Fund is used to liquidate net pension liabilities.

Note 3: RETIREMENT PLANS (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 44,647	$ -	$ 955	$ (254)
Change of assumptions	48,541	-	1,416	(38,686)
Net difference between projected and actual earnings on pension plan investments	-	(69,790)	-	(133)
Changes in proportion and differences between District pension plan contributions and proportionate share of contributions	32,579	(36,900)	20,759	(6,690)
District pension plan contribution subsequent to the measurement date	18,763	-	2,869	-
Total	$ 144,530	$ (106,690)	$ 25,999	$ (45,763)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2025. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30:	FRS	HIS
2026	$ 68,892	$ (4,051)
2027	(14,690)	(6,742)
2028	(22,224)	(6,112)
2029	(12,901)	(4,114)
2030	-	(1,614)
Thereafter	-	-
Total	$ 19,077	$ (22,633)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2025. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2025. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2025. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

Note 3: RETIREMENT PLANS (Continued)

Actuarial Assumptions (Continued)

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases, including inflation	3.50%	3.50%
Investment rate of return	6.70%	N/A

Mortality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2021.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

The following changes in key actuarial assumptions occurred in 2025:

HIS: The discount rate used in calculation of the pension liability increased from 3.93% to 5.20%.

The long-term expected investment rate of return assumption for the FRS Pension Plan was based on two building block components: 1) a long-term average annual inflation assumption of 2.40% and 2) an inferred real (in excess of inflation) return of 4.20%. Geometrically combining those building blocks using the formula (1 + .024) x (1 + .042) - 1 generates an expected nominal return of 6.70%. In the opinion of the FRS consulting actuary, both building block components and the overall 6.70% return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70% reported investment return assumption is the same as the investment return assumption chosen by the 2024 FRS Actuarial Assumption Conference for funding policy purposes. Each asset class assumption is based on a consistent set of underlying assumptions.

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying real return assumptions from the FRS consulting actuary's model combined with the FRS Actuarial Assumption Conference's 2.4% inflation assumption. The FRS consulting actuary's assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Note 3: RETIREMENT PLANS (Continued)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.0%	3.2%	3.2%
Fixed income	29.0%	5.5%	5.4%
Global equity	45.0%	8.5%	6.9%
Real estate	12.0%	8.4%	7.1%
Private equity	11.0%	12.4%	8.8%
Strategic investments	2.0%	6.5%	6.1%
Total	100%		

Discount Rate

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

Because the HIS Program is essentially funded on a pay-as-you-go basis and the depletion date is considered to be immediate, a municipal bond rate of 5.20% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Year Municipal Bond Index rate as of June 30, 2025 was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
September 30, 2025	5.70%	6.70%	7.70%	4.20%	5.20%	6.20%
District's proportionate share of the net pension liability	$ 820,326	$ 418,004	$ 80,703	$ 180,359	$ 159,941	$ 142,817

Note 3: RETIREMENT PLANS (Continued)

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The District administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical insurance to its employees and their eligible dependents. Pursuant to Section 112.0801 Florida Statutes, the District is required to provide eligible retirees (as defined in the District's pension plans) the opportunity to participate in this Plan at the same cost that is applicable to active employees. The District does not issue stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the District's basic financial statements.

Funding Policy

The District is funding the post employee benefits on a pay-as-you-go basis. Contribution rates for the Plan are established by District Board of Supervisors annually during the budget process. The District does not pay for health insurance premiums for retirees. Blended premium rates for active and retired employees combined provide an implicit subsidy for retirees because on an actual basis, their current and future claims are expected to result in higher costs to the Plan than those of active employees. The current year contributions are determined as annualized claims incurred based on the retiree age at the beginning of the fiscal year and the claims table used for liability determination offset by the annual premium paid by the retiree for such coverage. District contributions are assumed to be equal to benefits paid.

Plan Membership

The District's Plan includes eleven active participants and no participating retirees as of September 30, 2025.

Actuarial Assumptions and Other Inputs

In the September 30, 2025 measurement data, the actuarial assumptions and other inputs, applied include the following:

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Inflation	2.00%
Salary increases	6.00% projected annual salary increase, based on historical trends of employees currently employed by the District
Discount rate	4.50% investment rate of return
Healthcare cost trend rates	The expected rates of increase in health-care costs are based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services, in National Health Care Expenditures Projections: 2013-2031 (www.cms.hhs.gov). Health-care costs are expected to increase as follows:

2026:	0.00%
2027:	5.20%
2028:	5.00%
2029:	4.20%
2030:	3.90%
2031:	3.90%
Ultimate:	4.10%

Retirees' share of benefit-related costs	100.0% of projected health insurance premiums

The discount rate was selected based on an S&P Municipal 20-year high grade rate index.

Mortality rates were based on the RP-2023 Mortality Tables for annuitants for small plans for Males and Females as appropriate with both rates, with adjustments for mortality improvements based on Scale MP, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430.

The actuarial assumptions used in the September 30, 2025 valuation were not based on the results of an actuarial experience study.

At September 30, 2025, the District reported a total OPEB liability of $1,611. The information has been provided as of the September 30, 2025 measurement date.

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs (Continued)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	OPEB Liability (a) - (b)
Balance as of October 1, 2024	$ 1,115	$ -	$ 1,115
Changes for the year:			
Service cost	37	-	37
Interest	51	-	51
Changes of assumptions	408	-	408
Net changes	496	-	496
Balance as of October 1, 2025	$ 1,611	$ -	$ 1,611

Sensitivity of the Net OPEB Liability

The following table represents the District's OPEB liability calculated using the discount rate of 4.50%, as well as what the District's OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (3.5%)	Discount Rate (4.50%)	1% Increase (5.50%)
Total OPEB Liability	$ 1,629	$ 1,611	$ 1,594

The following table represents the District's OPEB liability as if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 1,635	$ 1,611	$ 1,651

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2025, the District recognized an increase to OPEB expense of $496. In addition the District reported deferred outflows of resources related to the OPEB plan from the following sources:

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	$ -	$ 1,317
Total	$ -	$ 1,317

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

Year ending September 30,	
2026	$ (1,714)
2027	(1,714)
2028	(1,715)
2029	1,159
2030	601
Thereafter	2,066
Total	$ (1,317)

Note 5: DEFERRED COMPENSATION PLANS

All employees of the District may voluntarily elect to participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The District's individual plan was closed during fiscal year 2023, and no longer accepts contributions.

The District joined the State of Florida's Deferred Compensation 457(b) Plan during 2023. The plan permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Because the plans assets are held in a trust for the exclusive benefit of plan participants and their beneficiaries, the plan is not accounted for in the District's financial statements. The District has not made any plan contributions for either plan during the fiscal year.

Note 6: 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; injuries to employees; and natural disasters. Risk of loss from the above is transferred by the District to various commercial insurers through the purchase of insurance. The District has maintained continuous coverage and does not believe it has any exposure to events which occurred prior to the year ended September 30, 2025.

Note 7: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operations, the District is a party to various claims, legal actions, and complaints. Currently there is no pending litigation.

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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

St. Johns Improvement District
Statement of Revenues, Expenditures and Changes in Fund Balance
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	$ 3,726,512	$ 3,726,512	$ 3,723,392	$ (3,120)
Licenses and permits	22,800.00	22,800	26,765	3,965
Interest earnings	-	-	65,820	65,820
Miscellaneous	100,000	100,000	47,293	(52,707)
Total revenues	3,849,312	3,849,312	3,863,270	13,958
Expenditures				
Physical environment:				
Salaries, wages and benefits	976,488	916,488	920,202	(3,714)
Fuel, grease and oil	1,119,500	1,032,500	607,392	425,108
Repair and maintenance	268,408	277,408	224,601	52,807
Professional services	159,400	279,200	266,960	12,240
Insurance	182,100	182,100	169,090	13,010
Utilities	21,600	21,600	20,267	1,333
Supplies	314,255	340,255	307,034	33,221
Rental and leases	22,200	20,400	18,356	2,044
Permit and state fees	1,200	1,200	550	650
Debt service				
Line of credit	7,000	7,000	-	7,000
Principal	137,924	141,924	142,407	(483)
Interest	14,034	18,034	16,157	1,877
Capital outlay	625,904	1,153,904	755,070	398,834
Total expenditures	3,850,013	4,392,013	3,448,086	943,927
Excess (Deficiency) of Revenues Over (Under) Expenditures	(701)	(542,701)	415,184	957,885
Net change in fund balance	(701)	(542,701)	428,185	970,886
Fund balance, beginning of the year	1,236,788	1,236,788	1,236,788	-
Fund balance, end of year	$ 1,236,087	$ 694,087	$ 1,664,973	$ 970,886

Budgetary Information

The District adopts an annual operating budget prior to September 30 for the ensuing fiscal year. Legal budgets are adopted by resolution for the General Fund. The budget is prepared on a modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

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St. Johns Improvement District
Schedule of Proportionate Share of Net Pension Liability

Florida Retirement System (FRS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.0013%	0.0012%	0.0014%	0.0014%	0.0014%	0.0013%	0.0011%	0.0011%	0.0011%	0.0012%
District's proportionate share of the net pension liability	$ 418,004	$ 482,556	$ 571,210	$ 529,042	$ 104,014	$ 566,430	$ 392,902	$ 343,807	$ 338,799	$ 290,765
District's covered payroll	557,505	474,255	459,005	437,172	416,197	379,857	356,760	357,460	343,266	330,392
District's proportionate share of the pension liability as a percentage of its net covered payroll	74.98%	101.75%	124.45%	121.01%	24.99%	149.12%	110.13%	96.18%	98.70%	88.01%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

Health Insurance Subsidy (HIS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.0012%	0.0012%	0.0012%	0.0012%	0.0012%	0.0011%	0.0011%	0.0011%	0.0011%	0.0011%
District's proportionate share of the net pension liability	$ 159,941	$ 168,103	$ 183,599	$ 127,056	$ 144,207	$ 133,632	$ 119,356	$ 115,836	$ 115,151	$ 124,734
District's covered payroll	557,505	474,255	459,005	437,172	416,197	379,857	356,760	357,460	343,266	330,392
District's proportionate share of the net pension liability as a percentage of its covered payroll	28.69%	35.45%	40.00%	29.06%	34.65%	35.18%	33.46%	32.41%	33.55%	37.75%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

Note 1: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 3 of the Plan's Comprehensive Annual Financial Report.

Note 2: Amounts presented for each fiscal year were determined as of 6/30.

Note 3: GASB Statement No. 83, was implemented during fiscal year 2017. Covered payroll shown includes the payroll for defined benefit actives, members in DROP, and investment plan members.

St. Johns Improvement District
Schedule of Contributions

Florida Retirement System (FRS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 95,579	$ 84,336	$ 88,366	$ 60,967	$ 64,647	$ 49,550	$ 38,263	$ 40,887	$ 38,552	$ 34,780
Contributions in relation to the contractually required contribution	(95,579)	(84,336)	(88,366)	(60,967)	(64,647)	(49,550)	(38,263)	(40,887)	(38,552)	(34,780)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 571,722	$ 486,456	$ 472,330	$ 435,243	$ 433,025	$ 385,153	$ 372,296	$ 349,145	$ 347,036	$ 332,666
Contributions as a percentage of covered payroll	16.72%	17.34%	18.71%	14.01%	14.93%	12.87%	10.28%	11.71%	11.11%	10.45%

Health Insurance Subsidy (HIS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 11,404	$ 9,153	$ 8,224	$ 7,226	$ 6,971	$ 6,395	$ 6,198	$ 5,935	$ 5,699	$ 5,486
Contributions in relation to the contractually required contribution	(11,404)	(9,153)	(8,224)	(7,226)	(6,971)	(6,395)	(6,198)	(5,935)	(5,699)	(5,486)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 571,722	$ 486,456	$ 472,330	$ 435,243	$ 385,153	$ 385,153	$ 372,296	$ 349,145	$ 347,036	$ 332,666
Contributions as a percentage of covered payroll	1.99%	1.88%	1.74%	1.66%	1.81%	1.66%	1.66%	1.70%	1.64%	1.65%

St. Johns Improvement District
Schedule of Changes in the District's Total Other Postemployment Benefits Liability and Related Ratios

	2025	2024	2023	2022	2021
Service cost	$ 37	$ 29	$ 1,028	$ 583	$ 963
Interest	51	603	635	867	548
Changes of assumptions or other inputs	408	(14,366)	717	(6,874)	(5,690)
Net change in total OPEB liability	496	(13,734)	2,380	(5,424)	(4,179)
Total OPEB liability - beginning	1,115	14,849	12,469	17,893	22,072
Total OPEB liability - ending	$ 1,611	$ 1,115	$ 14,849	$ 12,469	$ 17,893
Covered-employee payroll	$ 571,722	$ 474,255	$ 508,583	$ 464,681	$ 447,815
Total OPEB liability as a percentage of covered-employee payroll	0.28%	0.24%	2.92%	2.68%	4.00%

Note 1: Only four years of data is available for other post-employment benefits in accordance with GASB Codification P52: Other Post-employment Benefits.

Note 2: The following discount rate was used:

9/30/2025 4.50%
9/30/2024 4.06%
9/30/2023 4.89%
9/30/2022 4.77%
9/30/2021 2.43%

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

To the Board of Supervisors
St. Johns Improvement District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the major fund of St. Johns Improvement District, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise District's basic financial statements and have issued our report thereon dated March 2, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Johns 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 St. Johns Improvement District's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Johns 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 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 St. Johns Improvement 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 did not disclose 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.

Melbourne, Florida
March 2, 2026

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Supervisors
St. Johns Improvement District

Report on the Financial Statements

We have audited the financial statements of the St. Johns Improvement District, Florida, as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 2, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the 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 March 2, 2026 should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of each finding and recommendation made in the preceding annual financial audit report, is noted below:

Original No.	Description	Status	2024 No.
2023-001	Accounts Payable and Expenditures	Cleared	2024-001

Official Title and Legal Authority

Section 10.554(l)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority of the St. Johns Improvement District is disclosed in the footnotes. The District has no component units.

Financial Condition and Management

Section 10.554(l)(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 St. Johns 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 the St. Johns 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 the St. Johns Improvement District. It is management's responsibility to monitor the St. Johns Improvement District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Specific Information (Unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the St. Johns Improvement District reported the schedule below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

a. The total number of District employees compensated in the last pay period of the District's fiscal year as		11
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as		None
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as	$	573,650
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as		None

e. Each construction project with a total cost of at least $65,000 approved by the District that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures for such projects as	Automation of PSN7 $100,000
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	See Budget and Actual Statement on page 46

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the St. Johns Improvement District did not impose any ad valorem taxes, therefore there are no amounts to report.

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

a. The millage rate or rates of non-ad valorem special assessments imposed by the District as	$152.00/acre
b. The total amount of special assessments collected by or on behalf of the District as	$ 3,710,926 *
c. The total amount of outstanding bonds issued by the District and the terms of such bonds as	None

* Does not include delinquent interest

Property Assessed Clean Energy (PACE Programs)

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

Additional Matters

Section 10.554(l)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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, applicable management and the St. Johns Improvement District's Board of Supervisors, and is not intended to be and should not be used by anyone other than these specified parties.

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

Melbourne, Florida
March 2, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

To the Board of Supervisors
St. Johns Improvement District

We have examined the St. Johns Improvement 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 of the District 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 requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

This report is intended solely for the information and use of the District Board of Supervisors, 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.

Melbourne, Florida
March 2, 2026