

Financial Statements

September 30, 2025

**Trout Creek Community
Development District**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Trout Creek Community Development District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, and each major fund of the *Trout Creek Community Development District* (the "District"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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

The District's 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 GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, 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 starting on page 3 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 July 22, 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, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

McDiarmid Davis

Orlando, Florida
July 22, 2026

Our discussion and analysis of *Trout Creek Community Development District* (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2025. Please read it in conjunction with the District's Independent Auditor's Report, financial statements and accompanying notes.

This information is being presented to provide additional information regarding the activities of the District and to meet the disclosure requirements of Governmental Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999.

Financial Highlights

- The assets of the District exceeded its liabilities at September 30, 2025 by \$29,084,525, an increase of \$680,859 in comparison with the prior year.
- At September 30, 2025, the District's governmental funds reported fund balances of \$4,274,295 a decrease of \$1,044,513 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to *Trout Creek Community Development District's* financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows 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 government'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 result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include general government, maintenance and operations, and culture and recreation related functions.

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 a 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered to be major funds.

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.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

Statement of Net Position

The District's net position was \$29,084,525 at September 30, 2025. The analysis that follows focuses on the net position of the District's governmental activities.

	September 30, 2025	September 30, 2024
Assets, excluding capital assets	\$ 4,548,957	\$ 6,268,132
Capital assets, net	59,016,442	58,878,538
Total assets	63,565,399	65,146,670
Deferred outflows	185,747	-
Liabilities, excluding long-term liabilities	898,253	1,729,242
Long-term liabilities	33,768,368	35,013,762
Total liabilities	34,666,621	36,743,004
Net Position:		
Net investment in capital assets	27,124,964	25,775,718
Restricted for debt service	965,510	846,377
Restricted for capital projects	15,214	13,495
Unrestricted	978,837	1,768,076
Total net position	\$ 29,084,525	\$ 28,403,666

The following is a summary of the District's governmental activities for the fiscal year ended September 30, 2025.

	<u>2025</u>	<u>2024</u>
Revenues:		
Program revenues	\$ 7,034,512	\$ 6,890,719
General revenues	324,842	134,567
Total revenues	<u>7,359,354</u>	<u>7,025,286</u>
Expenses:		
General government	672,582	190,944
Maintenance and operations	2,577,559	2,227,182
Parks and recreation	1,624,781	1,126,522
Interest on long-term debt	<u>1,803,573</u>	<u>1,902,526</u>
Total expenses	<u>6,678,495</u>	<u>5,447,174</u>
Change in net position	680,859	1,578,112
Net position, beginning	<u>28,403,666</u>	<u>26,825,554</u>
Net position, ending	<u><u>\$ 29,084,525</u></u>	<u><u>\$ 28,403,666</u></u>

As noted above and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2025 was \$6,678,495. The majority of these costs are interest on long-term debt and maintenance and operations expenses.

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2025, the District's governmental funds reported combined ending fund balances of \$4,274,295. Of this total, \$26,426 is nonspendable, \$3,295,458 is restricted, \$691,409 is assigned and the remainder of \$261,002 is unassigned.

General Fund Budgetary Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown on page 12. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control is at the fund level.

Capital Asset and Debt Administration

Capital Assets

At September 30, 2025, the District had \$59,016,442 invested in capital assets net of depreciation. More detailed information about the District's capital assets is presented in the notes to financial statements.

Capital Debt

At September 30, 2025, the District had \$33,685,000 in bonds outstanding and \$107,941 in leases outstanding. More detailed information about the District's capital debt is presented in the notes to financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact *Trout Creek Community Development District's* Accounting Department at 3434 Colwell Ave, Suite 200, Tampa, Florida 33614.

FINANCIAL STATEMENTS

Trout Creek Community Development District
Statement of Net Position
September 30, 2025

	Governmental Activities
Assets	
Cash	\$ 1,175,228
Due from developer	15,214
Prepaid costs	20,377
Receivables	36,631
Deposits	6,049
Restricted assets:	
Temporarily restricted investments	3,295,458
Capital assets:	
Capital assets not being depreciated	55,910,974
Capital assets, being depreciated	3,105,468
Total assets	63,565,399
Deferred outflows of resources:	
Deferred amount on refunding	185,747
Liabilities	
Accounts payable and accrued expenses	259,448
Accrued interest payable	623,591
Retainage payable	15,214
Noncurrent liabilities:	
Due within one year	912,323
Due in more than one year	32,856,045
Total liabilities	34,666,621
Net Position	
Net investment in capital assets	27,124,964
Restricted for debt service	965,510
Restricted for capital projects	15,214
Unrestricted	978,837
Total net position	\$ 29,084,525

Trout Creek Community Development District
Statement of Activities
Year Ended September 30, 2025

<u>Functions/Programs</u>	<u>Program Revenue</u>				<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Capital Grants</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental activities:					
General government	\$ 672,582	\$ 542,512	\$ -	\$ -	\$ (130,070)
Maintenance and operations	2,577,559	2,079,089	86,800	86,956	(324,714)
Parks and recreation	1,624,781	1,310,567	-	-	(314,214)
Interest on long-term debt	1,803,573	2,744,793	178,544	5,251	1,125,015
Total governmental activities	\$ 6,678,495	\$ 6,676,961	\$ 265,344	\$ 92,207	356,017
General Revenues:					
					324,842
					<u>324,842</u>
					680,859
					<u>28,403,666</u>
					<u>\$ 29,084,525</u>

Trout Creek Community Development District
Balance Sheet - Governmental Funds
September 30, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash	\$ 1,175,228	\$ -	\$ -	\$ 1,175,228
Investments	-	2,856,777	438,681	3,295,458
Due from developer	-	-	15,214	15,214
Receivables	36,631	-	-	36,631
Prepaid costs	20,377	-	-	20,377
Deposits	6,049	-	-	6,049
Total assets	<u>\$ 1,238,285</u>	<u>\$ 2,856,777</u>	<u>\$ 453,895</u>	<u>\$ 4,548,957</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued expenses	\$ 259,448	\$ -	\$ -	\$ 259,448
Retainage payable	-	-	15,214	15,214
Total liabilities	<u>259,448</u>	<u>-</u>	<u>15,214</u>	<u>274,662</u>
Fund balances:				
Nonspendable	26,426	-	-	26,426
Restricted for debt service	-	2,856,777	-	2,856,777
Restricted for capital projects	-	-	438,681	438,681
Assigned- capital reserve	691,409	-	-	691,409
Unassigned	261,002	-	-	261,002
Total fund balances	<u>978,837</u>	<u>2,856,777</u>	<u>438,681</u>	<u>4,274,295</u>
Total liabilities and fund balances	<u>\$ 1,238,285</u>	<u>\$ 2,856,777</u>	<u>\$ 453,895</u>	

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. 59,016,442

Deferred charge on refunding, which is an expenditure on the fund statements, is deferred and amortized over the life of the bonds. 185,747

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Accrued interest payable	(623,591)	
Bonds and capital leases payable	<u>(33,768,368)</u>	<u>(34,391,959)</u>
Net Position of Governmental Activities		<u>\$ 29,084,525</u>

Trout Creek Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Assessment revenue	\$ 3,932,168	\$ 2,694,325	\$ -	\$ 6,626,493
Prepayment revenue	-	50,468	-	50,468
Developer contributions	-	-	86,956	86,956
HOA contribution	193,921	-	-	193,921
Investment and miscellaneous income	217,721	178,544	5,251	401,516
Total revenues	4,343,810	2,923,337	92,207	7,359,354
Expenditures				
Current				
General government	301,392	-	371,190	672,582
Maintenance and operations	2,447,151	-	-	2,447,151
Parks and recreation	1,726,436	-	-	1,726,436
Debt Service:				
Interest	18,419	1,940,563	-	1,958,982
Principal	19,129	880,000	-	899,129
Capital outlay	-	-	166,657	166,657
Total expenditures	4,512,527	2,820,563	537,847	7,870,937
Excess (Deficit) of Revenues Over Expenditures	(168,717)	102,774	(445,640)	(511,583)
Other Financing Sources (Uses)				
Transfers in	-	-	11	11
Transfers out	(11)	-	-	(11)
Leases issued	127,070	-	-	127,070
Refunding bonds issued	-	15,168,034	876,966	16,045,000
Payment to bond refunding escrow agent	-	(16,705,000)	-	(16,705,000)
Total other financing sources (uses)	127,059	(1,536,966)	876,977	(532,930)
Net change in fund balances	(41,658)	(1,434,192)	431,337	(1,044,513)
Fund balances, beginning of year	1,020,495	4,290,969	7,344	5,318,808
Fund balances, end of year	\$ 978,837	\$ 2,856,777	\$ 438,681	\$ 4,274,295

Trout Creek Community Development District
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities**
Year Ended September 30, 2025

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balances - total governmental funds \$ (1,044,513)

Governmental Funds report outlays for Capital Assets as expenditures because such outlays use current financial resources; however, in the statement of net position the cost of those assets is recorded as capital assets. Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.

Capital outlay	293,727	
Depreciation expense	<u>(155,823)</u>	137,904

Repayments of long-term liabilities are reported as expenditures in governmental funds, while repayments reduce long-term liabilities in the statement of net position.

Repayment of bonds payable	899,129	
Payment to bond escrow agent	16,705,000	
Bonds issued	(16,045,000)	
Leases issued	<u>(127,070)</u>	1,432,059

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest	156,327	
Amortization of bond discount	<u>(918)</u>	155,409

Change in Net Position of Governmental Activities		<u>\$ 680,859</u>
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Trout Creek Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Assessment revenue	\$ 3,883,618	\$ 3,883,618	\$ 3,932,168	\$ 48,550
HOA contribution	170,000	170,000	193,921	23,921
Miscellaneous	147,970	167,970	217,721	49,751
Total revenues	4,201,588	4,221,588	4,343,810	122,222
Expenditures				
Current				
General government	209,129	244,129	301,392	(57,263)
Maintenance and operations	2,459,701	2,519,701	2,447,151	72,550
Parks and recreation	1,532,758	1,532,758	1,726,436	(193,678)
Debt service:				
Principal	-	-	19,129	(19,129)
Interest	-	-	18,419	(18,419)
Total expenditures	4,201,588	4,296,588	4,512,527	(215,939)
Excess (deficit) of revenues over expenditures	-	(75,000)	(168,717)	(93,717)
Other Financing Sources (Uses):				
Leases issued	-	-	127,070	127,070
Transfers out	-	-	(11)	(11)
Total other financing sources	-	-	127,059	127,059
Net change in fund balance	-	(75,000)	(41,658)	33,342
Fund balance, beginning	1,020,495	1,020,495	1,020,495	-
Fund balance, ending	\$ 1,020,495	\$ 945,495	\$ 978,837	\$ 33,342

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Trout Creek Community Development District, (the “District”) was established on October 21, 2014 by St. Johns County Ordinance 2014-44 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and the power to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure. The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors (the “Board”), which is composed of five members. The Supervisors are elected on an at large basis by landowners within the District. Ownership of land within the District entitles the owner to one vote per acre, or lot. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2025 two of the Board members were affiliated with WFC Ashford Mills, LLC (the “Developer”). The District is economically dependent on the Developer.

The Board has final responsibility for:

1. Allocating and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board (“GASB”) Statements 14, 39, and 61. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

Government-Wide and Fund Financial Statements

The financial statements include both 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 non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants, contributions and investment earnings that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) operating-type special assessments that are treated as charges for services (including assessments for maintenance and debt service). Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for Developer receivables for retainage, which are collected from the Developer when the amount is due to the contractor. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments, including debt service assessments and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. Operation and maintenance special assessments are levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. These assessments are imposed upon all benefited lands located in the District. Debt service special assessments are imposed upon certain lots and lands as described in each resolution imposing the special assessment for each series of bonds issued by the District. Certain debt service assessments are collected upon the closing of those lots subject to short term debt and are used to prepay a portion of the bonds outstanding.

Assessments 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. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund - Is the District's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Debt Service Fund - Accounts for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Project Fund - Accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Restricted Assets

These assets represent cash and investments set aside pursuant to bond covenants.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

Investments of the District are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The District's investments consist of investments authorized in accordance with Section 218.415, Florida Statutes.

Accounts Receivable

Accounts receivable are reported net of an allowance for doubtful accounts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Prepaid items are recorded as expenditures when consumed rather than when purchased in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	25
Fitness Equipment	5

Long Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as expenses. Bonds payable are reported net of premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Leases

The District is a lessee for equipment leases. The District recognizes a lease liability and an intangible right to use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of the payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lease term.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and any extensions that are deemed reasonably certain to be exercised. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

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 (expense/expenditure) until then. The District has one item that qualifies for reporting in this category for the year ended September 30, 2025. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 (revenue) until that time. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2025.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide 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 net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (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 commitment (committed fund balance) or an assignment (assigned fund balance).

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has authorized the District Manager to assign amounts for specific purposes. The Board of Supervisors 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Disclosures

Use of Estimates

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

New Accounting Standards

In fiscal year 2025, the District has not implemented any new accounting standards with a material effect on the District's financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District is required to establish a budgetary system and an approved annual budget for the General Fund. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at the fiscal year end. The legal level of budgetary control is at the fund level. Any budget amendments that increase the aggregate budgeted appropriations, at the fund level, must be approved by the Board of Supervisors.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
2. A public hearing is conducted to obtain comments.
3. Prior to October 1, the budget is legally adopted by the District Board.
4. All budget changes must be approved by the District Board.
5. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Excess Expenditures over Appropriations

For the year ended September 30, 2025, expenditures of the general fund exceeded appropriations. These over expenditures were funded by greater than anticipated revenues and available fund balance.

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable, and uses significant unobservable inputs that use the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

Instead of establishing a written investment policy, the District elected to limit investments to those approved by Florida Statutes and the District Trust Indenture. Authorized District investments include, but are not limited to:

1. The Local Government Surplus Funds Trust Fund (SBA);
2. Securities and Exchange Commission Registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency;
3. Interest-bearing time deposits or savings accounts in qualified public depositories;
4. Direct obligations of the U.S. Treasury.

Investments made by the District at September 30, 2025 are summarized below.

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
Dreyfus Treasury Securities	\$ 3,295,458	AAAm	58 days
	<u>\$ 3,295,458</u>		

Credit Risk

For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Investments in U.S. Government securities and agencies must be backed by the full faith and credit of the United States Government. Short term bond funds shall be rated by a nationally recognized ratings agency and shall maintain the highest credit quality rating. Investment ratings by investment type are included in the preceding summary of investments.

Custodial Credit Risk

In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2025, all of the District's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2025, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk

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

Interest Rate Risk

The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of less than three months.

NOTE 4 CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Improvements under construction	\$ 55,744,317	\$ 166,657	\$ -	\$ 55,910,974
Total capital assets not being depreciated	55,744,317	166,657	-	55,910,974
Capital assets being depreciated:				
Infrastructure	3,724,691	-	-	3,724,691
Equipment	31,262	-	-	31,262
Fitness equipment	159,176	-	-	159,176
Lease asset - equipment	-	127,070	-	127,070
Total capital assets being depreciated	3,915,129	127,070	-	4,042,199
Less accumulated depreciation for:				
Infrastructure	(613,396)	(124,156)	-	(737,552)
Equipment	(8,336)	(6,252)	-	(14,588)
Fitness equipment	(159,176)	-	-	(159,176)
Lease asset - equipment	-	(25,415)	-	(25,415)
Total accumulated depreciation	(780,908)	(155,823)	-	(936,731)
Total capital assets being depreciated, net	3,134,221	(28,753)	-	3,105,468
Governmental activities capital assets, net	\$ 58,878,538	\$ 137,904	\$ -	\$ 59,016,442

Depreciation expense of \$130,408 was charged to maintenance operations and \$25,415 was charged to parks and recreation for 2025.

NOTE 5 LONG-TERM LIABILITIES

Series 2015 Capital Improvement Revenue Bonds - Public Offering

In February 2015, the District issued \$21,215,000 of Capital Improvement Revenue Bonds, Series 2015. The Bonds consist of \$3,770,000 Term Bonds due May 1, 2025 with a fixed interest rate of 4.875%, \$6,355,000 Term Bonds due May 1, 2035 with a fixed interest rate of 5.50% and \$11,090,000 Term Bonds due May 1, 2045 with a fixed interest rate of 5.625%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the property within the District. Interest is paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2016 through May 1, 2045.

The Series 2015 Bonds are subject to redemption at the option of the District prior to maturity at a redemption price as set forth in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirements as defined in the Indenture. The requirement has been met at September 30, 2025.

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. Payment of principal and interest on the 2015 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is in compliance with the requirements of the Bond Indenture.

As of September 30, 2025, the Series 2015 Special Assessment Bonds were fully refunded. For the fiscal year ended September 30, 2025, principal and interest paid was \$18,215,138, which includes redemption of the refunded bonds. Special assessment revenue pledged was \$1,419,125.

Current Refunding of Bonds Payable

In the current year, the District issued \$16,045,000 of Capital Improvement Revenue Refunding Bonds, Series 2025 with an interest rate of 4.25%. Proceeds were used to refund \$16,705,000 of the Series 2015 bonds. The reacquisition price exceeded carrying value by \$185,747 which is deferred and amortized over the shorter of the remaining life or the life of the new bonds. The refunding reduced total payments by \$4,113,776 and resulted in an economic gain of \$1,653,833.

Series 2018 Capital Improvement Revenue Bonds - Public Offering

In July 2018, the District issued \$12,100,000 of Capital Improvement Revenue Bonds, Series 2018. The Bonds consist of \$745,000 Term Bonds due May 1, 2023 with a fixed interest rate of 4.5%, \$1,155,000 Term Bonds due May 1, 2028 with a fixed interest rate of 5.0%, \$3,455,000 Term Bonds due May 1, 2038 with a fixed interest rate of 5.375% and \$6,745,000 Term Bonds due May 1, 2049 with a fixed interest rate of 5.50%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the property within the District. Interest is paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2020 through May 1, 2049.

The Series 2018 Bonds are subject to redemption at the option of the District prior to maturity at a redemption price as set forth in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirements as defined in the Indenture. The requirement has been met at September 30, 2025.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. Payment of principal and interest on the 2018 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is in compliance with the requirements of the Bond Indenture.

As of September 30, 2025, total principal and interest remaining on the Series 2018 Special Assessment Bonds was \$19,778,219. For the fiscal year ended September 30, 2025, principal and interest paid was \$862,153. Special assessment revenue of \$856,620 was pledged.

Series 2020 Capital Improvement Revenue Bonds - Public Offering

In October 2020, the District issued \$4,185,000 of Capital Improvement Revenue Bonds, Series 2020. The Bonds consist of \$330,000 Term Bonds due May 1, 2025 with a fixed interest rate of 2.625%, \$470,000 Term Bonds due May 1, 2030 with a fixed interest rate of 3.25%, \$1,270,000 Term Bonds due May 1, 2040 with a fixed interest rate of 4.00% and \$2,115,000 Term Bonds due May 1, 2051 with a fixed interest rate of 4.00%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the property within the District. Interest is paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2022 through May 1, 2051.

The Series 2020 Bonds are subject to redemption at the option of the District prior to maturity at a redemption price as set forth in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture.

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirements as defined in the Indenture. The requirement has been met at September 30, 2025.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. Payment of principal and interest on the 2020 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is in compliance with the requirements of the Bond Indenture.

As of September 30, 2025, total principal and interest remaining on the Series 2020 Special Assessment Bonds was \$6,228,238. For the fiscal year ended September 30, 2025, interest and principal paid was \$237,106 and special assessment revenue of \$242,943 was pledged.

Series 2022 Capital Improvement Revenue Bonds - Public Offering

In May 2022, the District issued \$3,085,000 of Capital Improvement Revenue Bonds, Series 2022. The Bonds consist of \$245,000 Term Bonds due May 1, 2027 with a fixed interest rate of 4.750%, \$310,000 Term Bonds due May 1, 2032 with a fixed interest rate of 5.100%, \$925,000 Term Bonds due May 1, 2042 with a fixed interest rate of 5.375% and \$1,605,000 Term Bonds due May 1, 2052 with a fixed interest rate of 5.500%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the property within the District. Interest is paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2023 through May 1, 2052.

The Series 2022 Bonds are subject to redemption at the option of the District prior to maturity at a redemption price as set forth in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirements as defined in the Indenture. The requirement has been met at September 30, 2025.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. Payment of principal and interest on the 2022 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is in compliance with the requirements of the Bond Indenture.

As of September 30, 2025, total principal and interest remaining on the Series 2022 Special Assessment Bonds was \$5,702,466. For the fiscal year ended September 30, 2025, principal and interest was paid in the amount of \$211,166. Special assessment revenue of \$210,307 was pledged.

Series 2025 Capital Improvement Revenue Refunding Bonds - Public Offering

In May 2025, the District issued \$16,045,000 of Capital Improvement Revenue Bonds, Series 2025. The Bonds have a fixed interest rate of 4.250%. The Bonds were issued to refund the Series 2015 Capital Improvement Revenue Bonds and finance the acquisition and construction of certain improvements for the benefit of the property within the District. Interest is paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid commencing May 1, 2026 through May 1, 2045.

The Series 2025 Bonds are subject to redemption at the option of the District prior to maturity at a redemption price as set forth in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture.

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. Payment of principal and interest on the 2025 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is in compliance with the requirements of the Bond Indenture.

As of September 30, 2025, total principal and interest remaining on the Series 2025 Special Assessment Bonds was \$24,115,430. For the fiscal year ended September 30, 2025, no principal and interest was due. Special assessment revenue of \$15,798 was pledged.

At September 30, 2025, the scheduled debt service requirements on the bonds payable were as follows:

<u>Year Ending September 30,</u>	Governmental Activities	
	Principal	Interest
2026	\$ 890,000	\$ 1,538,287
2027	928,000	1,541,060
2028	971,000	1,500,445
2029	1,016,000	1,457,748
2030	1,056,000	1,411,971
2031 - 2035	6,107,000	6,287,614
2036 - 2040	7,658,000	4,745,433
2041 - 2045	9,684,000	2,785,121
2046 - 2050	4,750,000	829,474
2051- 2052	625,000	42,200
	<u>\$ 33,685,000</u>	<u>\$ 22,139,353</u>

Leases

The District entered into a lease agreement on October 1, 2024 to lease fitness equipment. The lease requires 60 monthly payments of \$3,129. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 15.537%. As a result of the lease, the District has recorded a right to use asset with a net book value of \$101,655 as of September 30, 2025.

The future minimum lease obligations and the present value of these lease payments as of September 30, 2025 were as follows:

<u>Year Ending September 30,</u>	Governmental Activities	
	Principal	Interest
2026	\$ 22,323	\$ 15,225
2027	26,049	11,499
2028	30,397	7,151
2029	29,172	2,117
	<u>\$ 107,941</u>	<u>\$ 35,992</u>

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds Payable:					
Series 2015	\$ 17,190,000	\$ -	\$ (17,190,000)	\$ -	\$ -
Less: Discount	(185,747)	-	185,747	-	-
Series 2018	11,120,000	-	(260,000)	10,860,000	230,000
Series 2020	3,920,000	-	(85,000)	3,835,000	90,000
Less: Discount	(12,831)	-	475	(12,356)	-
Series 2022	2,995,000	-	(50,000)	2,945,000	50,000
Less: Discount	(12,660)	-	443	(12,217)	-
Series 2025	-	16,045,000	-	16,045,000	520,000
Capital lease	-	127,070	(19,129)	107,941	22,323
Governmental activity term liabilities	\$ 35,013,762	\$ 16,172,070	\$ (17,417,464)	\$ 33,768,368	\$ 912,323

NOTE 6 DEVELOPER TRANSACTIONS

Developers own a portion of land within the District; therefore assessment revenue in the general fund and debt service fund includes assessments levied on land owned by the Developers. The Developer contributed \$86,956 to the capital projects fund, and \$15,214 was due from the developer at year end.

NOTE 7 MANAGEMENT COMPANY

The District has contracted with a management company to perform management services, which include financial and accounting services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreements, the District compensates the management company for management, accounting, financial reporting and other administrative costs.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in the previous three years.

COMPLIANCE SECTION

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

To the Board of Supervisors
Trout Creek Community Development 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 (Government Auditing Standards), the financial statements of the governmental activities and each major fund of *Trout Creek Community Development District* (the "District") as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the District's financial statements and have issued our report thereon dated July 22, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

McDermitt Davis

Orlando, Florida
July 22, 2026

MANAGEMENT LETTER

Board of Supervisors
Trout Creek Community Development District

Report on the Financial Statements

We have audited the financial statements of *Trout Creek Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated July 22, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated July 22, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

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 District reported:

- a. The total number of District employees compensated in the last pay period of the District's fiscal year was 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year was 16.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was 0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$58,214.

- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project was none.
- 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 budget under Section 189.016(6), Florida Statutes, as included in the general fund budget statement.

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

- a. The rate or rates of non-ad valorem special assessments imposed by the District as:
O&M: \$1,386.33-\$1,512.25
Debt Service: \$879.50-\$1,379.50
- b. The total amount of special assessments collected by or on behalf of the District was \$6,676,961.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as disclosed in the notes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we 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, and applicable management, the Board of Supervisors, and is not intended to be and should not be used by anyone other than these specified parties.

McDiarmid Davis

Orlando, Florida
July 22, 2026



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF
SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Trout Creek Community Development District

We have examined *Trout Creek Community Development District's* (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2025. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants *and the* standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

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

McDermitt Davis

Orlando, Florida
July 22, 2026