Deering Park Stewardship District

ANNUAL FINANCIAL REPORT

September 30, 2025

Deering Park Stewardship District

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TABLE OF CONTENTS

	Page Number
FINANCIAL SECTION	
REPORT OF INDEPENDENT AUDITORS	1-4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5-9
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds	12
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	16
Notes to Financial Statements	17-23
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	24-25
MANAGEMENT LETTER	26-28
INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	29
COMPLIANCE SECTION	
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE	30
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE	31

Deering Park Stewardship District

ANNUAL FINANCIAL REPORT

September 30, 2025

TABLE OF CONTENTS

	Page Number
COMPLIANCE SECTION	
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE FINANCIAL ASSISTANCE	32-33
REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550 RULES OF THE AUDITOR GENERAL	34-37

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Deering Park Stewardship District
Brevard and Volusia Counties, Florida

Report on Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

To the Board of Supervisors
Deering Park Stewardship District

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

To the Board of Supervisors
Deering Park Stewardship District

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Deering Park Stewardship District. The accompanying schedule of expenditures of state financial assistance, as required by Section 215.97, Florida Statutes, Chapter 69I-5, Florida Administrative Code, and Chapter 10.550, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the accompanying schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

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

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Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Deering Park Stewardship District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 23, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters.

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

Berger Toombs Elam
Gaines + Frank

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

June 23, 2026

Deering Park Stewardship District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025

Management's discussion and analysis of Deering Park Stewardship District's (the "District") financial performance provides an analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The *Government-wide financial statements* include the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by operating grants and contributions and capital grants and contributions.

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

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities funded by the District include general government, physical environment, transportation, and debt service.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* are designed to provide the reader with a broad overview of the District's finances, in a manner similar to a private sector business. In the government-wide **statement of net position**, the governmental activities column is presented on a consolidated basis and is reported on a full-accrual economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations. The effect of interfund activity has been eliminated from the *government-wide financial statements*. In contrast, the governmental fund financial statements are grouped into funds to account for and to maintain control over resources that have been segregated for specific activities or objectives. The *fund financial statements* are presented using the current financial resources measurement focus and the modified accrual basis where as revenues are recorded when collected in the current period or within 90 days of year-end and expenditures are recorded when a liability is incurred. The difference between the two statements arises primarily from the long-term economic focus of the *government-wide statements* versus the current financial resources focus of the *fund financial statements*. A reconciliation of the *government-wide* and the *fund financial statement* is provided to illustrate these differences.

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

Financial Highlights

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

- The District's total assets exceeded total liabilities by $539,315 (net position). Net investment in capital assets was $2,479,182. Unrestricted net position was $(1,939,867).

- Governmental activities revenues totaled $661,757 while governmental activities expenses totaled $91,802.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2025	**2024**
Current assets	$ 604,422	$ 437,178
Capital assets	2,479,182	852,875
Total Assets	3,083,604	1,290,053
Current liabilities	2,544,289	1,320,693
Net Position		
Net investment in capital assets	2,479,182	852,875
Unrestricted	(1,939,867)	(883,515)
Total Net Position	$ 539,315	$ (30,640)

The increase in current assets is primarily related to the increase in due from other governments and due from developer in the current year.

The increase in capital assets is the result of the capital project activity in the current year.

The increase in current liabilities is primarily due to the increase in due to developer as a result of the capital projects activity in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Change In Net Position

	Governmental Activities	
	2025	**2024**
Program Revenues		
Operating grants and contributions	$ 82,595	$ 74,492
Capital grants and contributions	579,162	44,776
Total Revenues	661,757	119,268
Expenses		
General government	77,767	73,226
Interest and other charges	14,035	67,150
Total Expenses	91,802	140,376
Change in Net Position	569,955	(21,108)
Net Position - Beginning of Year	(30,640)	(9,532)
Net Position - End of Year	$ 539,315	$ (30,640)

The increase in capital grants and contributions is related to the additional State of Florida grant funds received in the current year.

The decrease in interest and other charges is primarily due to a reduction in certain costs associated with bond validation costs incurred in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

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

	Governmental Activities	
Description	2025	2024
Construction in progress	$ 2,479,182	$ 852,875

During the year, additions to construction in progress were $1,626,307.

General Fund Budgetary Highlights

The budget exceeded actual governmental expenditures primarily due to less maintenance costs and management fees than were anticipated.

There were no amendments to the September 30, 2025 budget.

Economic Factors and Next Year's Budget

Deering Park Stewardship District will continue development and construction within the District in the next fiscal year. The District issued long-term debt and anticipates continuing construction projects. It is expected that revenues and expenses will increase as the District continues to develop; however, the District does not anticipate any economic factors to have a significant effect on operations in fiscal year 2026.

Request for Information

The financial report is designed to provide a general overview of Deering Park Stewardship District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Deering Park Stewardship District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

Deering Park Stewardship District
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	$ 27,823
Cash and cash equivalents - restricted	42,131
Due from other governments	187,838
Due from developer	346,630
Total Current Assets	604,422
Non-current Assets	
Capital assets, not being depreciated	
Construction in progress	2,479,182
Total Assets	3,083,604
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	405,704
Contracts payable	456
Due to developer	2,138,129
Total Liabilities	2,544,289
NET POSITION	
Net investment in capital assets	2,479,182
Unrestricted	(1,939,867)
Total Net Position	$ 539,315

See accompanying notes to financial statements.

Deering Park Stewardship District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities:				
General government	$ (77,767)	$ 82,595	$ -	$ 4,828
Physical environment	-	-	512,693	512,693
Transportation	-	-	66,469	66,469
Interest and other charges	(14,035)	-	-	(14,035)
Total Governmental Activities	$ (91,802)	$ 82,595	$ 579,162	569,955
	Change in Net Position			569,955
	Net Position - October 1, 2024			(30,640)
	Net Position - September 30, 2025			$ 539,315

See accompanying notes to financial statements.

Deering Park Stewardship District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 12,564	$ -	$ 15,259	$ 27,823
Cash and cash equivalents - restricted	-	-	42,131	42,131
Due from other funds	-	4,173	-	4,173
Due from other governments	-	-	187,838	187,838
Due from developer	9,375	-	337,255	346,630
Total Assets	$ 21,939	$ 4,173	$ 582,483	$ 608,595
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued expenses	$ 9,886	$ 4,173	$ 391,645	$ 405,704
Due to other funds	4,173	-	-	4,173
Contracts payable	-	-	456	456
Due to developer	6,000	89,503	2,042,626	2,138,129
Total Liabilities	20,059	93,676	2,434,727	2,548,462
Fund Balances				
Unassigned	1,880	(89,503)	(1,852,244)	(1,939,867)
Total Liabilities and Fund Balances	$ 21,939	$ 4,173	$ 582,483	$ 608,595

See accompanying notes to financial statements.

Deering Park Stewardship District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2025

Total Governmental Fund Balances	$ (1,939,867)
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, not being depreciated, which include construction in progress, used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	2,479,182
Net Position of Governmental Activities	$ 539,315

See accompanying notes to financial statements.

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

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Developer contributions	$ 79,595	$ -	$ 3,000	$ 82,595
Intergovernmental revenues	-	-	579,162	579,162
Total Revenues	79,595	-	582,162	661,757
Expenditures				
Current				
General government	77,767	-	-	77,767
Capital outlay	-	-	1,626,307	1,626,307
Debt service				
Other	-	14,035	-	14,035
Total Expenditures	77,767	14,035	1,626,307	1,718,109
Net change in fund balances	1,828	(14,035)	(1,044,145)	(1,056,352)
Fund Balances - October 1, 2024	52	(75,468)	(808,099)	(883,515)
Fund Balances - September 30, 2025	$ 1,880	$ (89,503)	$ (1,852,244)	$ (1,939,867)

See accompanying notes to financial statements.

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

Net Change in Fund Balances - Total Governmental Funds	$	(1,056,352)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of capital outlay in the current period.		1,626,307
Change in Net Position of Governmental Activities	$	569,955

See accompanying notes to financial statements.

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Developer contributions	$ 176,508	$ 176,508	$ 79,595	$ (96,913)
Expenditures				
Current				
General government	130,208	130,208	77,767	52,441
Physical environment	46,300	46,300	-	46,300
Total Expenditures	176,508	176,508	77,767	98,741
Net change in fund balances	-	-	1,828	1,828
Fund Balances - October 1, 2024	-	-	52	52
Fund Balances - September 30, 2025	$ -	$ -	$ 1,880	$ 1,880

See accompanying notes to financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established on September 4, 2020, by Brevard and Volusia Counties, Florida pursuant to Florida House Bill #1303 and Chapter 2005-338, Laws of Florida, as amended (the "Act"), as a Stewardship District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or without the boundaries of the Deering Park Stewardship District. The District is governed by a five-member Board of Supervisors who are elected for two and four year terms.

In October 2021, two Districts, Deering Park Center Community Development District and Farmton-Brevard Community Development District located within the boundaries of Deering Park Stewardship District, merged with Deering Park Stewardship District, the surviving entity.

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

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

2. Measurement Focus and Basis of Accounting

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

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

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements (Continued)

Governmental activities normally are supported by operating grants and contributions and capital grants and contributions. Program revenues include operating grants and contributions, capital grants and contributions, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

b. Fund Financial Statements

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

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

Governmental Funds

The District has various policies governing the fund balance classifications.

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

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation

a. Governmental Major Funds

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

Debt Service Fund – The Debt Service Fund accounts for certain preliminary costs associated with the issuance of long-term debt.

Capital Projects Fund – The Capital Projects Fund accounts for construction of infrastructure improvements within the boundaries of the District.

b. Non-current Governmental Assets/Liabilities

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

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

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

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

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

Cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

b. Budgets

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

c. Capital Assets

Capital assets, which include construction in progress, are reported in the applicable governmental activities column.

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

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

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

d. Use of Estimates

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

NOTE B – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet and statement of net position as cash.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. The District does, however, follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2025, the District's bank balance was $147,274 and the carrying value was $69,954. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by the Federal Deposit Insurance Corporation or collateralized under Chapter 280, Florida Statutes.

Investments

The District categorizes its fair value measurements within the fair value hierarchy recently 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.

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.

As of September 30, 2025, the District does not hold any investments subject to the fair value hierarchy.

The District’s investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. As of September 30, 2025, the District held no investments.

Interest Rate Risk

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

Concentration of Credit Risk

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

NOTE C – CAPITAL ASSETS

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

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025
Governmental Activities:				
Capital assets, not being depreciated:				
Construction in progress	$ 852,875	$ 1,626,307	$ -	$ 2,479,182

NOTE D – ECONOMIC DEPENDENCY AND RELATED PARTIES

A significant portion of the District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations. During the current fiscal year, all voting members of the Board of Supervisors were employed by a developer or a related entity. The District recognized $82,595 in contributions from the developer for the year ended September 30, 2025. Additionally, the District has a balance due from the developer of $346,630, and a balance due to the developer of $2,138,129 as of September 30, 2025.

NOTE E – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no claims or settled claims from these risks in the last three years.

NOTE F – INTERFUND BALANCES

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

	Payable Fund
Receivable Fund	General Fund
Debt Service Fund	$ 4,173

Interfund balances are related to amounts collected in one fund on behalf of another that were not yet remitted.

NOTE G – SUBSEQUENT EVENT

In October 2025, the District issued $18,225,000 Special Assessment Revenue Bonds, Series 2025, DPSD JV1 #1 Assessment Area, to fund a portion of the cost of acquiring, constructing, and equipping the DPSD JV1 #1 Project.

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

To the Board of Supervisors
Deering Park Stewardship District
Brevard and Volusia Counties, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements, as listed in the table of contents, of Deering Park Stewardship District, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated June 23, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Deering Park Stewardship District

Report on Compliance and Other Matters

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

Purpose of this Report

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

Berger Toombs Elam Gaines & Frank

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

June 23, 2026

Berger, Toombs, Elam,
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MANAGEMENT LETTER

To the Board of Supervisors
Deering Park Stewardship District
Brevard and Volusia Counties, Florida

Report on the Financial Statements

We have audited the financial statements of Deering Park Stewardship District as of and for the year ended September 30, 2025, and have issued our report thereon dated June 23, 2026.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, our Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance Required by Chapter 10.550, Rules of the Auditor General, and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 23, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

To the Board of Supervisors
Deering Park Stewardship District

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not Deering Park Stewardship 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 Deering Park Stewardship 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 Deering Park Stewardship District. It is management's responsibility to monitor Deering Park Stewardship District's financial condition; and our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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

Specific Information

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

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

1) The total number of District employees compensated in the last pay period of the District's fiscal year as: 4
2) The total number of independent contractors, to whom nonemployee compensation was paid in the last month of the District's fiscal year as: 2
3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: $4,090.70
4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: $49,310.14
5) Each construction project with a total cost of at least $65,000 approved by the District that is scheduled to begin on or after October 1, 2024, together with the total expenditures for such project as: Series 2025
6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The Board did not amend the budget. See budget comparison on page 16 of the report.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Deering Park Stewardship District

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

1) The rate or rates of non-ad valorem special assessments imposed by the District: N/A
2) The amount of special assessments collected by or on behalf of the District: N/A
3) The total amount of outstanding bonds issued by the District and the terms of such bonds are as follows: N/A

Additional Matters

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

Purpose of this Letter

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

Berger Toombs Elam Gaines & Frank

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

June 23, 2026

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INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Board of Supervisors
Deering Park Stewardship District
Brevard and Volusia Counties, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Deering Park Stewardship 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 Deering Park Stewardship District's compliance with the specified requirements.

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

Berger Toombs Elam Gaines & Frank

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

June 23, 2026

Deering Park Stewardship District
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2025

DESCRIPTION	CSFA Number	Contract/ Grant Number	Expenditures
STATE FINANCIAL ASSISTANCE:			
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			
Statewide Water Quality Restoration Projects	37.039	LG009	$ 724,422
FLORIDA DEPARTMENT OF TRANSPORTATION			
Florida Shared-Use Nonmotorized (SUN) Trail Program	55.038	454363-1-34-01	123,842
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			$ 848,264

See accompanying notes to schedule of expenditures of state financial assistance.

Deering Park Stewardship District
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance includes the state financial assistance activity of the Deering Park Stewardship District under the projects of the state government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes, Chapter 69I-5, Florida Administrative Code, and Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the Deering Park Stewardship District, it is not intended to and does not present the net position or changes in net position of the Deering Park Stewardship District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the applicable provisions of Section 215.97, Florida Statutes, Chapter 69I-5, Florida Administrative Code, and Chapter 10.550, *Rules of the Auditor General* for state financial assistance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if applicable, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The Deering Park Stewardship District has elected not to use the 10-percent indirect de minimis rate allowed under Uniform Guidance, when applicable.

NOTE 3 – SUBRECIPIENT MONITORING

Deering Park Stewardship District has not provided state financial assistance to subrecipients during the year ended September 30, 2025.

NOTE 4 – CONTINGENCIES

Amounts received, or receivable, from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of Deering Park Stewardship District. In the opinion of Management, any such adjustment would not be significant.

Deering Park Stewardship District
Schedule of Findings and Questioned Costs – State Financial Assistance
For the Year Ended September 30, 2025

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	__X__ No
Significant deficiency(ies) identified?	____ Yes	__X__ None reported
Noncompliance material to financial statements noted?	____ Yes	__X__ No

State Financial Assistance

Internal Control over major state projects:		
Material weakness(es) identified?	____ Yes	__X__ No
Significant deficiency(ies) identified?	____ Yes	__X__ None reported
Type of auditor's report issued on compliance for major state projects:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550?	____ Yes	__X__ No

Identification of major state projects:

CSFA Number(s)	Name of State Project(s)
37.039	Statewide Water Quality Restoration Projects

Dollar threshold used to distinguish between Type A and B State Projects: $300,000

Auditee qualified as low-risk auditee? ____ Yes __X__ No

Deering Park Stewardship District
Schedule of Findings and Questioned Costs – State Financial Assistance
For the Year Ended September 30, 2025

FINDINGS – FINANCIAL STATEMENTS

There are no findings related to the financial statements in the current year which are required to be reported in accordance with *Government Auditing Standards*.

FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS

There were no audit findings related to state projects in the current year required to be reported by Chapter 10.550, *Rules of the Auditor General*.

OTHER ISSUES – SUMMARY OF PRIOR AUDIT FINDINGS

There is no Summary of Prior Audit Findings or Corrective Action Plan required to be reported under the Florida Single Audit Act, as a single audit was not required in the prior year.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

The Board of Supervisors
Deering Park Stewardship District
Brevard and Volusia Counties, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited Deering Park Stewardship District's compliance with the types of compliance requirements identified as subject to audit in the Florida Department of Financial Services Projects Compliance Supplement that could have a direct and material effect on each of Deering Park Stewardship District's major State projects for the year ended September 30, 2025. Deering Park Stewardship District's major State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Deering Park Stewardship District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended September 30, 2025.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

The Board of Supervisors
Deering Park Stewardship District

We are required to be independent of Deering Park Stewardship District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major State project. Our audit does not provide a legal determination of Deering Park Stewardship District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Deering Park Stewardship District's state projects.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Deering Park Stewardship District's compliance based on our audit. 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, *Government Auditing Standards*, and the Florida Single Audit Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Deering Park Stewardship District's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Florida Single Audit Act, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Deering Park Stewardship District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

The Board of Supervisors
Deering Park Stewardship District

- Obtain an understanding of Deering Park Stewardship District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Florida Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of Deering Park Stewardship District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

The Board of Supervisors
Deering Park Stewardship District

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Berger Toombs Elam
Gaines + Frank

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

June 23, 2026