HIGHWAY 79 CORRIDOR AUTHORITY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

HIGHWAY 79 CORRIDOR AUTHORITY
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JAMESMOORE

INDEPENDENT AUDITORS' REPORT

To the Authority Board Members,
Highway 79 Corridor Authority:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Highway 79 Corridor Authority (the Authority), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority'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 Authority, as of September 30, 2025, and the changes in financial position and its cash flows 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* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 the 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 Authority'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.

Auditors' 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 auditors' report that includes our opinion. 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 Authority'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 Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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 June 10, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Authority's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Daytona Beach, Florida
June 10, 2026

HIGHWAY 79 CORRIDOR AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

As management of the Highway 79 Corridor Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2025.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. Because the Authority is a special-purpose government engaged only in business-type activities, the basic financial statements consist of enterprise fund financial statements and notes to the financial statements.

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of two components: 1) fund financial statements and 2) notes to the financial statements.

Enterprise fund financial statements. The Authority operates as a single enterprise fund and uses the economic resources measurement focus and accrual basis of accounting. The Authority accounts for its sewer and water utility operations in a manner similar to a private business enterprise, where the costs of providing services are recovered primarily through user charges and County contributions.

The basic financial statements can be found on pages 6 – 8 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements can be found on pages 9 - 13 of this report.

Proprietary Fund Financial Analysis

A large portion of the Authority's net position (98.6 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The Authority has constructed capital assets that will provide services to citizens; consequently, these assets are not available for future spending. The remaining balance of *unrestricted net position* of $32,906 may be used to meet the Authority's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position.

Highway 79 Corridor Authority's Net Position

	2025	2024
Current assets	$ 37,954	$ 39,529
Capital assets being depreciated, net	2,356,880	2,459,262
Total assets	2,394,834	2,498,791
Current liabilities	5,048	2,925
Total liabilities	5,048	2,925
Net investment in capital assets	2,356,880	2,459,262
Unrestricted	32,906	36,604
	$ 2,389,786	$ 2,495,866

Highway 79 Corridor Authority's Changes in Net Position

	2025	2024
Operating Revenues		
Charges for services	$ 2,460	$ -
Operating Expenses		
Operating and management	101,658	122,525
Depreciation	102,382	90,968
Total operating expenses	204,040	213,493
Operating Income (Loss)	(201,580)	(213,493)
Nonoperating Revenues (Expenses), Net	93,000	120,000
Capital Contributions	2,500	33,000
Change in net position	(106,080)	(60,493)
Net position, beginning of year	2,495,866	2,556,359
Net position, end of year	$ 2,389,786	$ 2,495,866

Capital Assets

Capital assets. The Authority's net investment in capital assets for its business type activities as of September 30, 2025, amounts to $2,356,880. This net investment in capital assets includes infrastructure and equipment.

Additional information on the Authority's capital assets can be found in the notes to the financial statements as indicated in the table of contents.

Economic Factors and Next Year's Budget

- Basic operations and maintenance for the utility lines and lift stations.
- No other significant impacts are expected for next year.

All of these factors were considered in preparing the Authority's budget for the 2026 fiscal year.

On May 13, 2026, the Board voted to approve the transfer of the Highway 79 Corridor Authority to the City of Bonifay. The effective date and final terms of the transfer, including the disposition or assumption of assets, liabilities, commitments, and operations, had not been determined as of the date the financial statements were available to be issued. No adjustments have been made to the September 30, 2025 financial statements as a result of this subsequent event.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Highway 79 Corridor Authority, 672 North 5th St., Chipley, FL 32428.

HIGHWAY 79 CORRIDOR AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

ASSETS

Current assets	
Cash and cash equivalents	$ 36,270
Accounts receivable	814
Other current assets	870
Total current assets	37,954
Noncurrent assets	
Infrastructure (other than buildings)	2,278,279
Equipment	384,364
Accumulated depreciation	(305,763)
Total noncurrent assets	2,356,880
Total Assets	2,394,834

LIABILITIES

Current liabilities	
Accounts payable	5,048
Total current liabilities	5,048
Total Liabilities	5,048

NET POSITION

Net position	
Net investment in capital assets	2,356,880
Unrestricted	32,906
Total Net Position	$ 2,389,786

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

HIGHWAY 79 CORRIDOR AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Operating revenues	
Charges for services	$ 2,460
Total operating revenues	2,460
Operating expenses	
Operating and management	36,000
Professional services	18,501
Utilities	9,216
Other operating expenses	37,941
Depreciation	102,382
Total operating expenses	204,040
Operating income (loss)	(201,580)
Nonoperating revenues (expenses)	
County contributions	93,000
Total nonoperating revenues (expenses)	93,000
Income (loss) before capital contributions	(108,580)
Capital contributions	
Capital contributions and impact fees	2,500
Total capital contributions	2,500
Increase (decrease) in net position	(106,080)
Net position, beginning of year	2,495,866
Net position, end of year	$ 2,389,786

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

HIGHWAY 79 CORRIDOR AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Cash flows from operating activities		
Cash received from customers	$	1,646
Cash paid to vendors and others		(96,359)
Net cash provided by (used in) operating activities		(94,713)
Cash flows from noncapital financing activities		
County contributions		93,000
Net cash provided by (used in) noncapital financing activities		93,000
Cash flows from capital and related financing activities		
Capital grants and contributions		2,500
Net cash provided by (used in) capital and related financing activities		2,500
Net change in cash and cash equivalents		787
Cash and cash equivalents, beginning of year		35,483
Cash and cash equivalents, end of year	$	36,270
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	$	(201,580)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation		102,382
Changes in assets and liabilities:		
Accounts receivable		(814)
Prepaid expenses		3,176
Accounts payable		2,123
Net cash provided by (used in) operating activities	$	(94,713)

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

(1) Summary of Significant Accounting Policies:

The financial statements of the Highway 79 Corridor Authority (the Authority) have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the Authority's significant accounting policies:

(a) **Reporting entity—**The Highway 79 Corridor Authority was formed as a legal entity and public body pursuant to Chapters 125, 166 and 163, Florida Statutes and an Interlocal Agreement dated June 11, 2018 (the "Interlocal Agreement") by and between the City of Bonifay, Holmes County, and Washington County (the "Authority Members"), each a local government located in the State of Florida. The purpose of the Authority is to foster and assist economic development and acquire, plan for, develop, fund, construct, own, maintain, manage, improve, operate, and at its option, dispose of the Authority facilities and projects within the Corridor Area. On May 13, 2026, the Board voted to approve the transfer of the Authority to the City of Bonifay, as discussed further in Note (8).

Based on the criteria in Governmental Accounting Standards Board (GASB) Codification, the Authority has determined that there are no other units that meet the criteria for inclusion in the Authority's financial statements.

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

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Operating revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental revenue sharing items, grants, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

(d) **Receivables and payables**—The Authority's accounts receivable, if any, consists of amounts due from customers for services provided prior to fiscal year-end. Payables consists of expenses incurred but unpaid prior to fiscal year end.

(e) **Capital assets—**Capital assets are defined by the Authority as assets with an initial individual cost of $5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost, if purchased or constructed. Contributed assets, including donations are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization. Capital assets are depreciated using the straight-line method over 10-15 years for equipment and 5-10 years for infrastructure. Maintenance and repairs of capital assets are charged to operating expenses.

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **Net position flow assumption**—Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the Authority's policy to consider restricted net position to have been used before unrestricted net position is applied.

(g) **Operating and nonoperating revenues and expenses**—The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. Operating revenues consist primarily of charges for services. Operating expenses include the cost of services, administrative and management expenses, professional services, utilities, other operating expenses, and depreciation on capital assets.

Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonoperating revenues consist primarily of member government or county contributions that are not capital in nature. Capital contributions, including impact fees or contributions restricted for capital purposes, are reported separately after nonoperating revenues and expenses.

(h) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(2) **Capital Assets:**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Infrastructure	$ 2,278,279	$ -	$ -	2,278,279
Equipment	384,364	-	-	384,364
Total capital assets being depreciated	2,662,643	-	-	2,662,643
Less accumulated depreciation:				
Infrastructure	(136,801)	(72,791)	-	(209,592)
Equipment	(66,580)	(29,591)	-	(96,171)
Total accumulated depreciation	(203,381)	(102,382)	-	(305,763)
Capital assets being depreciated, net	2,459,262	(102,382)	-	2,356,880
Total capital assets	$ 2,459,262	$ (102,382)	$ -	$ 2,356,880

(3) Commitments and Contingencies:

Amounts received or receivable from grantor agencies in current and prior years are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute, a liability of the applicable fund(s). The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial. As of September 30, 2025, the Authority had no remaining commitments related to unfinished projects.

In August 2023, the Authority entered into an agreement with a developer to contribute $33,000 toward the construction of a sewer lateral. Under the terms of the agreement, the developer is eligible for reimbursement of up to $31,733 based on actual future connections made to the sewer lateral. This reimbursement is contingent upon eligible connections occurring before May 2034.

As of September 30, 2025, no connections to the sewer lateral have been made that would require the Authority to reimburse the developer. Consequently, the Authority has not recognized a liability in the financial statements as of this date. The potential future reimbursement is disclosed as a contingent liability, as the obligation to pay is dependent on future events that are uncertain at this time.

(4) Risk Management:

The Authority 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.

(5) Related Parties and Significant Service Agreements:

During the year ended September 30, 2025, the Authority received $93,000 from member governments as a part of the revenue sharing provision in the Authority's interlocal agreement. Revenue sharing amounts for member governments are set each year during the Authority's budgeting process. There were no amounts receivable from the member governments as of September 30, 2025.

Additionally, in order to execute the powers of the Authority pursuant to the Interlocal Agreement and the responsibilities of the Authority, effective July 1, 2023, the Authority retained Carr, Riggs & Ingram, LLC (CRI) for comprehensive financial services of the Authority. The Consulting Services Agreement between the Authority and CRI defines the basic services CRI will carry out for the Authority and expires June 30, 2026, with the option to extend through June 30, 2028. CRI receives a monthly payment based on hours worked not to exceed $3,000 for basic services without prior approval by the Authority. Additional payments are made for other services as approved by the Authority's Board of Directors. Total amounts paid to CRI for the year ended September 30, 2025, were $36,678. At September 30, 2025, there were no amounts payable to CRI.

The Authority also retained U.S. Water Services Corporation (US Water) for capital project administration services of the Authority and general management services were cancelled effective October 1, 2025. The Operation Services Agreement between the Authority and US Water defines the basic services US Water will carry out for the Authority and renews annually. US Water receives a monthly payment as base operations service fee of $625 adjusted annually for CPI without prior approval by the Authority. Additional payments are made for capital project administration and other services as approved by the Authority's Board of Directors. Total amounts paid to US Water for the year ended September 30, 2025, were $2,975 for customer service fee and $8,072 for Operations and maintenance. At September 30, 2025, there were no amounts payable to USW.

(6) **Cash and Cash Equivalents:**

The Authority's cash is held with a local financial institution that is a qualified public depository pursuant to Chapter 280, Florida Statutes, the *Florida Security for Public Deposits Act* (the Act). At September 30, 2025, the maximum deposit amount covered by the Federal Deposit Insurance Corporation (FDIC) was $250,000 per depositor at each separately chartered FDIC-insured depository institution. The Authority's deposits with the local financial institution were not in excess of $250,000, although any such excess would be covered by collateral held by the financial institution and pledged to a state trust fund in accordance with the Act.

The Act established guidelines for qualification and participation in Florida's public deposits program by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125%, may be required if deemed necessary. Obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney. Under the Act, the Authority is authorized to deposit funds only in qualified public depositories.

(7) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board ("GASB") has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the Authority's financial statements:

(a) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

(b) GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. The standard introduces requirements for enhanced disclosure of specific types of capital assets in governmental financial reports. It focuses on assets such as leased assets, intangible right-to-use assets, subscription-based IT arrangements (SBITAs), and capital assets held for sale. The guidance becomes effective for fiscal years beginning after June 15, 2025.

(c) GASB issued Statement No. 105, *Subsequent Events*, in December 2025. This statement clarifies the subsequent events time frame and establishes accounting and disclosure requirements for recognized and nonrecognized subsequent events. The provisions are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

(8) **Subsequent Events:**

On May 13, 2026, the Board voted to approve the transfer of the Highway 79 Corridor Authority to the City of Bonifay. The Authority is an independent special district and separate legal entity created by interlocal agreement among the City of Bonifay, Holmes County, and Washington County under Section 163.01, Florida Statutes. The Interlocal Agreement provides that the Authority may not be dissolved while Authority facilities are owned, operated, leased, or managed by the Authority or while Authority obligations remain outstanding, and that dissolution may occur only after disposition of Authority property and facilities and satisfaction of outstanding obligations in accordance with the agreement. The effective date and final terms of the transfer, including the disposition or assumption of assets, liabilities, commitments, and operations, had not been determined as of the date the financial statements were available to be issued. Because the transfer terms and effective date remain pending, the financial statement effect of the transfer cannot presently be estimated. No adjustments have been made to the September 30, 2025, financial statements as a result of this subsequent event.

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 Authority Board Members,
Highway 79 Corridor Authority:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Highway 79 Corridor Authority (the Authority) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 10, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

James Moore & Co., P.L.

Daytona Beach, Florida
June 10, 2026

JAMESMOORE

INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE OF THE AUDITOR GENERAL

To the Board of Directors,
Highway 79 Corridor Authority:

Report on the Financial Statements

We have audited the financial statements of the Highway 79 Corridor Authority (the Authority) as of and for the year ended September 30, 2025, and have issued our report thereon dated June 10, 2026.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United State 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standar*ds, 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 10, 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. Corrective actions have been taken to address findings and recommendations made 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 the financial statements. The legal authority for the primary government of the reporting entity is disclosed in Note (1) of the basic financial statements.

Financial Condition and Management

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we did not note any such component units that failed to provide the necessary information, nor is any specific special district information required to be reported.

Special District Specific Information

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the Authority reported the following unaudited data:

a) The total number of district employees compensated in the last pay period of the district's fiscal year: -0-.

b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: -0-.

c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: $-0-.

d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: $-0-.

e) Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:

    a. None noted

f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: there were no amendments between the original and final total district expenditure budget.

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 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 State granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Daytona Beach, Florida
June 10, 2026

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Authority Board Members,
Highway 79 Corridor Authority:

We have examined the Highway 79 Corridor Authority's (the Authority) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies,* for the year ended September 30, 2025. The Authority's management is responsible for the Authority's compliance with those requirements. Our responsibility is to obtain reasonable assurance by evaluating the Authority's investment policies against Section 218.415, Florida Statutes, *Local Government Investment Policies*, to determine the Authority's compliance for the year ended September 30, 2025, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating the Authority's investment policies against Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our measurement or evaluation of the Authority's compliance for the year ended September 30, 2025. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with those requirements in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the Highway 79 Corridor Authority complied with the aforementioned requirements for the year ended September 30, 2025, in all material respects.

James Moore & Co., P.L.

Daytona Beach, Florida
June 10, 2026