

Financial Report
September 30, 2025

**Fiddler's Creek
Community
Development District #1**

Fiddler's Creek Community Development District #1
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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Fiddler's Creek Community Development District #1

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund, of Fiddler's Creek Community Development District #1, (the "District") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists.

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis starting on page 3, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2026 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

McDiarmid Davis

Orlando, Florida
June 16, 2026

Our discussion and analysis of *Fiddler's Creek Community Development District #1*, Collier County, Florida's (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2025. Please read it in conjunction with the District's Independent Auditor's Report, financial statements, and accompanying notes.

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

Financial Highlights

- The assets of the District exceeded its liabilities at September 30, 2025 by \$17,077,499, an increase in net position of \$794,028 in comparison with the prior year.
- At September 30, 2025, the District's governmental funds reported fund balances of \$4,486,110, a decrease of \$78,428 in comparison with the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

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

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Fiddler's Creek Community Development District #1
Management's Discussion and Analysis

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

Notes to Financial Statements

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

Government-Wide Financial Analysis

Statement of Net Position - The District's net position was \$17,077,499 at September 30, 2025. The analysis that follows focuses on the net position of the District's governmental activities.

	2025	2024
Assets, excluding capital assets	\$ 5,029,856	\$ 5,789,706
Capital assets, net	29,151,751	29,465,190
Total assets	34,181,607	35,254,896
Liabilities, excluding long-term liabilities	964,108	1,676,425
Long-term Liabilities	16,140,000	17,295,000
Total liabilities	17,104,108	18,971,425
Net Position:		
Net investment in capital assets	13,011,751	12,159,734
Restricted for debt service	346,081	834,671
Unrestricted	3,719,667	3,289,066
Total net position	\$ 17,077,499	\$ 16,283,471

Fiddler's Creek Community Development District #1
Management's Discussion and Analysis

The following is a summary of the District's governmental activities for the fiscal years ended September 30, 2025 and 2024.

	2025	2024
Revenues:		
Program revenues	\$ 4,890,539	\$ 5,139,822
General revenues	145,700	123,769
Total revenues	5,036,239	5,263,591
Expenses:		
General government	353,448	411,703
Maintenance and operations	2,840,898	2,764,177
Interest on long-term debt	1,047,865	1,123,689
Total expenses	4,242,211	4,299,569
Change in net position	794,028	964,022
Net position, beginning	16,283,471	15,319,449
Net position, ending	\$ 17,077,499	\$ 16,283,471

As noted above and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2025 was \$4,242,211. The majority of these costs are maintenance and operations.

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2025, the District's governmental funds reported combined ending fund balances of \$4,486,110. Of this total, \$6,387 is non-spendable, \$766,443 is restricted, \$1,789,720 is assigned, and the remainder of \$1,923,560 is unassigned.

The fund balance of the general fund increased \$441,057, due to assessments in excess of expenditures. The debt service fund balance decreased by \$519,485 due to decreased assessment revenues.

General Fund Budgetary Highlights

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

Capital Asset and Debt Administration

Capital Assets

At September 30, 2025, the District had \$29,151,751 invested in capital assets.

Capital Debt

At September 30, 2025, the District had \$16,140,000 in bonds outstanding. More detailed information about the District's capital debt is presented in the notes to financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact *Fiddler's Creek Community Development District #1's* Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

FINANCIAL STATEMENTS

Fiddler's Creek Community Development District #1
Statement of Net Position
September 30, 2025

	Governmental Activities
Assets	
Cash	\$ 3,744,147
Assessments receivable	37,546
Due from other governments	73,941
Other receivables	5,060
Due from Developer	402,347
Deposits	5,125
Prepaid expenses	1,262
Restricted assets:	
Temporarily restricted investments	760,428
Capital assets:	
Capital assets not being depreciated	23,647,468
Capital assets being depreciated, net	5,504,283
Total assets	34,181,607
Liabilities	
Accounts payable and accrued expenses	141,399
Accrued interest payable	420,362
Unearned revenue	402,347
Noncurrent liabilities:	
Due within one year	1,080,000
Due in more than one year	15,060,000
Total liabilities	17,104,108
Net Position	
Net investment in capital assets	13,011,751
Restricted for debt service	346,081
Unrestricted	3,719,667
Total net position	\$ 17,077,499

The accompanying Notes to Financial Statements are an integral part of this statement.

Fiddler's Creek Community Development District #1

Statement of Activities

Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 353,448	\$ 351,931	\$ -	\$ (1,517)
Maintenance and operations	2,840,898	2,819,869	-	(21,029)
Interest on long-term debt	1,047,865	1,684,748	33,991	670,874
Total governmental activities	\$ 4,242,211	\$ 4,856,548	\$ 33,991	648,328
		General Revenues:		
		Investment income		111,287
		Miscellaneous		34,413
		Total general revenues		145,700
		Change in net position		794,028
		Net position, beginning		16,283,471
		Net position, ending		\$ 17,077,499

The accompanying Notes to Financial Statements are an integral part of this statement.

Fiddler's Creek Community Development District #1

Balance Sheet - Governmental Funds

September 30, 2025

	General	Debt Service	Total Governmental Funds
Assets			
Cash	\$ 3,744,147	\$ -	\$ 3,744,147
Investments	-	760,428	760,428
Assessments receivable	31,531	6,015	37,546
Due from other governments	73,941	-	73,941
Other receivables	5,060	-	5,060
Due from Developer	-	402,347	402,347
Prepaid expenses	1,262	-	1,262
Deposits	5,125	-	5,125
Total assets	\$ 3,861,066	\$ 1,168,790	\$ 5,029,856
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued expenses	\$ 141,399	\$ -	\$ 141,399
Unearned revenue	-	402,347	402,347
Total liabilities	141,399	402,347	543,746
Fund balances:			
Nonspendable	6,387	-	6,387
Restricted for debt service	-	766,443	766,443
Assigned for subsequent years expenditures	1,789,720	-	1,789,720
Unassigned	1,923,560	-	1,923,560
Total fund balances	3,719,667	766,443	4,486,110
Total liabilities and fund balances	\$ 3,861,066	\$ 1,168,790	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

29,151,751

Liabilities not due and payable from current available resources are not reported in governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.

Accrued interest payable (420,362)

Bonds payable (16,140,000)

(16,560,362)

Net position of governmental activities

\$ 17,077,499

The accompanying Notes to Financial Statements are an integral part of this statement.

Fiddler's Creek Community Development District #1
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2025

	General	Debt Service	Total Governmental Funds
Revenues			
Assessment revenue	\$ 3,171,800	\$ 1,684,748	\$ 4,856,548
Investment and miscellaneous income	145,700	33,991	179,691
Total revenues	3,317,500	1,718,739	5,036,239
Expenditures			
Current:			
General government	348,984	4,464	353,448
Maintenance and operations	2,527,459	-	2,527,459
Debt Service:			
Interest	-	1,078,760	1,078,760
Principal	-	1,155,000	1,155,000
Total expenditures	2,876,443	2,238,224	5,114,667
Excess (Deficit) of Revenues Over Expenditures	441,057	(519,485)	(78,428)
Fund balances, beginning of year	3,278,610	1,285,928	4,564,538
Fund balances, end of year	\$ 3,719,667	\$ 766,443	\$ 4,486,110

The accompanying Notes to Financial Statements are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended September 30, 2025

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

Net Change in Fund Balances - total governmental funds	\$ (78,428)
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Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources; however, in the statement of net position the cost of those assets is recorded as capital assets. Depreciation of capital assets is not recognized in the governmental funds statement but is reported as an expense in the statement of activities.

Capital outlay	257,492
Depreciation expense	(570,931)

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

Repayment of bonds payable	1,155,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest	30,895
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Change in net position of governmental activities

	<u>\$ 794,028</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

Fiddler's Creek Community Development District #1
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Assessment revenue	\$ 3,167,675	\$ 3,167,675	\$ 3,171,800	\$ 4,125
Investment and miscellaneous revenue	50,000	50,000	145,700	95,700
Total revenues	<u>3,217,675</u>	<u>3,217,675</u>	<u>3,317,500</u>	<u>99,825</u>
Expenditures				
Current:				
General government	401,800	401,800	348,984	52,816
Maintenance and operations	5,025,875	5,025,875	2,527,459	2,498,416
Total expenditures	<u>5,427,675</u>	<u>5,427,675</u>	<u>2,876,443</u>	<u>2,551,232</u>
Excess (deficit) of revenues over expenditures	<u>(2,210,000)</u>	<u>(2,210,000)</u>	<u>441,057</u>	<u>2,651,057</u>
Net change in fund balances	(2,210,000)	(2,210,000)	441,057	2,651,057
Fund balance, beginning	3,278,610	3,278,610	3,278,610	-
Fund balance, ending	<u>\$ 1,068,610</u>	<u>\$ 1,068,610</u>	<u>\$ 3,719,667</u>	<u>\$ 2,651,057</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Fiddler's Creek Community Development District #1, (the "District") was established on August 13, 1996 under the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") and Rule 42X 1.001-1.003 adopted by Florida Land and Water Adjudicatory Commission and amended on September 16, 2003, as further amended by boundary adjustments in 2016 and 2017, designated as Fiddler's Creek Community Development District #1. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and the power to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure. The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is in the Naples area of Collier County, Florida, within the Fiddler's Creek Development of Regional Impact ("DRI"), a master planned community that is comprised of the District and Fiddler's Creek Community Development District #2. The District consists of approximately 1,343 acres within the Fiddler's Creek DRI.

The District is governed by the Board of Supervisors (the "Board"), which is composed of five members. The Supervisors are elected by qualified electors within the District. The Board of Supervisors of the District exercises powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has final responsibility for:

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

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

Government-Wide and Fund Financial Statements

The financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Notes to Financial Statements

Year Ended September 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified *accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

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

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

Notes to Financial Statements

Year Ended September 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Restricted Assets

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

Investments

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

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

Prepaid Costs

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

Assessments Receivable

Assessments receivable are reported net of an allowance for uncollectibles. At year end, all receivables are considered collectible and no allowance is considered necessary.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	20 - 40
Buildings and Improvements	7 - 30
Equipment	5 - 10

Long Term Obligations

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category for the year ended September 30, 2025.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any items that qualify for reporting in this category for the year ended September 30, 2025.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Other Disclosures

Use of Estimates

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

New Accounting Standards Issued

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District is required to establish a budgetary system and an approved annual budget for the General Fund. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at the fiscal year end. The legal level of budgetary control is at the fund level. Any budget amendments that increase the aggregate budgeted appropriations, at the fund level, must be approved by the Board of Supervisors. There were no budget amendments for the fiscal year ended September 30, 2025.

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

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

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held.

Notes to Financial Statements

Year Ended September 30, 2025

NOTE 3

DEPOSITS AND INVESTMENTS (CONTINUED)

The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280.

In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Under GASB 72, assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted prices 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 uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

The District has the following recurring fair value measurements as of September 30, 2025:

- Federated Treasury Obligation Funds of \$760,428 are valued using Level 2 inputs.

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

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

Investments made by the District at September 30, 2025 are summarized below. In accordance with GASB 72, investments are reported at fair value.

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
Federated Treasury Obligation Fund	\$ 760,428	AAAm	47 Days

Credit Risk

For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Investments in U.S. Government securities and agencies must be backed by the full faith and credit of the United States Government.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Short term bond funds shall be rated by a nationally recognized ratings agency and shall maintain the highest credit quality rating. Investment ratings by investment type are included in the preceding summary of investments.

Custodial Credit Risk

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

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

Concentration of Credit Risk

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

Interest Rate Risk

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

Notes to Financial Statements

Year Ended September 30, 2025

NOTE 4 CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land and improvements	\$ 23,293,924	\$ 141,250	\$ -	\$ 23,435,174
Construction in progress	212,294	-	-	212,294
Total capital assets not being depreciated	23,506,218	141,250	-	23,647,468
Capital assets being depreciated:				
Infrastructure	16,263,295	54,316	-	16,317,611
Buildings and improvements	9,305,534	61,926	-	9,367,460
Equipment	480,442	-	-	480,442
Total capital assets being depreciated	26,049,271	116,242	-	26,165,513
Less accumulated depreciation for:				
Infrastructure	(11,792,376)	(485,993)	-	(12,278,369)
Buildings and improvements	(8,013,776)	(65,639)	-	(8,079,415)
Equipment	(284,147)	(19,299)	-	(303,446)
Total accumulated depreciation	(20,090,299)	(570,931)	-	(20,661,230)
Total capital assets being depreciated, net	5,958,972	(454,689)	-	5,504,283
Governmental activities capital assets, net	\$ 29,465,190	\$ (313,439)	\$ -	\$ 29,151,751

Depreciation expense was charged to maintenance and operations.

NOTE 5 LONG-TERM LIABILITIES**Series 2014 Special Assessment Revenue Refunding Bonds - Public Offering**

In June 2014, the District issued \$6,060,000 of Special Assessment Revenue Bonds, Series 2014-1 to refund the Special Assessment Revenue Bonds, Series 2002B. The Series 2014-1 Bonds are due on May 1, 2033 with a fixed interest rate of 6.625%. Interest is paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2014 through May 1, 2033.

The Series 2014-1 Bonds are not subject to redemption at the option of the District prior to maturity. The Bonds are subject to mandatory sinking fund and extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture. In the event of default, all principal and interest of the Bonds will become immediately due and payable.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. Payment of principal and interest on the 2014-1 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is in compliance with the requirements of the Bond Indenture.

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

As of September 30, 2025, total principal and interest remaining on the Series 2014-1 Special Assessment Revenue Bonds was \$2,914,207. Interest and principal paid in the current year was \$390,325. Special assessment revenue pledged for the current year was \$372,568.

In June 2014, the District issued \$11,620,000 of Special Assessment Revenue Bonds, Series 2014-2 to refund the Special Assessment Revenue Bonds, Series 2002A. The Series 2014-2 Bonds are due on May 1, 2033 with a fixed interest rate of 6.875%. Interest is paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2015 through May 1, 2033.

During 2017, the District bifurcated the Series 2014-2 Bonds into two separate Bond Series. As a result of the bifurcation, the outstanding Series 2014-2 Bonds with a principal balance of \$10,155,000 was exchanged for; \$3,475,000 in the principal amount of the District's Series 2014-2A and \$6,680,000 in the principal amount of the District's Series 2014-2B (collectively the "Series 2014-2 Bonds").

The Series 2014-2 Bonds are subject to redemption at the option of the District prior to maturity at a redemption price as set forth in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture. In the event of default, all principal and interest of the Bonds will become immediately due and payable.

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

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. Payment of principal and interest on the 2014-2 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is in compliance with the requirements of the Bond Indenture.

As of September 30, 2025, total principal and interest remaining on the Series 2014-2 Special Assessment Revenue Bonds was \$4,075,906. Interest and principal paid in the current year was \$623,235. Special assessment revenue pledged for the current year was \$434,580.

In June 2014, the District issued \$7,460,000 of Special Assessment Revenue Bonds, Series 2014-3 to refund the Special Assessment Revenue Bonds, Series 2005. The Series 2014-3 Bonds are due on May 1, 2038 with a fixed interest rate of 6.00%. Interest is paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2015 through May 1, 2038.

The Series 2014-3 Bonds are not subject to redemption at the option of the District prior to maturity. The Bonds are subject to mandatory sinking fund and extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture. In the event of default, all principal and interest of the Bonds will become immediately due and payable.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service.

Notes to Financial Statements

Year Ended September 30, 2025

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Payment of principal and interest on the 2014-3 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is in compliance with the requirements of the Bond Indenture.

As of September 30, 2025, total principal and interest remaining on the Series 2014-3 Special Assessment Revenue Bonds was \$7,782,900. Interest and principal paid in the current year was \$593,300. Special assessment revenue pledged for the current year was \$426,650.

In June 2014, the District issued \$7,875,000 of Special Assessment Revenue Bonds, Series 2014-4 to refund the Special Assessment Revenue Bonds, Series 2005. The Series 2014-4 Bonds are due on May 1, 2038 with a fixed interest rate of 6.00%. Interest is paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2015 through May 1, 2038.

The Series 2014-4 Bonds are not subject to redemption at the option of the District prior to maturity. The Bonds are subject to mandatory sinking fund and extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture. In the event of default, all principal and interest of the Bonds will become immediately due and payable.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. Payment of principal and interest on the 2014-4 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is in compliance with the requirements of the Bond Indenture.

As of September 30, 2025, total principal and interest remaining on the Series 2014-4 Special Assessment Revenue Bonds was \$8,215,900. Interest and principal paid in the current year was \$626,900. Special assessment revenue pledged for the current year was \$450,950.

Business Line-of-Credit

In October 2016, the District executed a Line-of-Credit ("LOC") for \$500,000 with First Horizon Bank. The interest rate is 5.50%. There were no draws on the LOC during the fiscal year ended September 30, 2025. The LOC matured in March 2025, and was not renewed.

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable:					
Series 2014-1	\$ 2,435,000	\$ -	\$ (230,000)	\$ 2,205,000	\$ 215,000
Series 2014-2	3,440,000	-	(390,000)	3,050,000	295,000
Series 2014-3	5,555,000	-	(260,000)	5,295,000	275,000
Series 2014-4	5,865,000	-	(275,000)	5,590,000	295,000
Governmental activity long-term liabilities	\$ 17,295,000	\$ -	\$ (1,155,000)	\$ 16,140,000	\$ 1,080,000

Notes to Financial Statements

Year Ended September 30, 2025

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

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

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2026	\$ 1,080,000	\$ 1,008,869
2027	1,150,000	946,144
2028	1,230,000	866,950
2029	1,310,000	788,643
2030	1,395,000	705,195
2031-2035	6,665,000	2,128,112
2036-2038	3,310,000	405,000
	<u>\$ 16,140,000</u>	<u>\$ 6,848,913</u>

NOTE 6 RELATED PARTY TRANSACTIONS**Related Entity**

The District shares the same Developer as Fiddler's Creek Community Development District #2. The District has a receivable in the amount of \$73,941 from Fiddler's Creek Community Development District #2 for shared costs as of September 30, 2025.

NOTE 7 MANAGEMENT COMPANY

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

NOTE 8 RISK MANAGEMENT

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

NOTE 9 CONTINGENCIES

The District is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2025. While the ultimate outcome of the litigation cannot be determined at this time, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the District.

The District has applied for federal grants from FEMA for emergency hurricane relief services for Hurricane Irma during a prior fiscal year for a total of \$583,790. In May 2019, the District received notice from FEMA denying the reimbursement requests. The District hired an appeals specialist in June 2019 to process and file an appeal. The District is unable to estimate the amount that may be received from FEMA, therefore, no receivable or revenues have been recorded.

COMPLIANCE SECTION



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

To the Board of Supervisors
Fiddler's Creek Community Development District #1

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the governmental activities and each major fund of Fiddler's Creek Community Development District #1 (the "District") as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 16, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

McDiarmid Davis

Orlando, Florida
June 16, 2026



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MANAGEMENT LETTER

Board of Supervisors
Fiddler's Creek Community Development District #1

Report on the Financial Statements

We have audited the financial statements of *Fiddler's Creek Community Development District #1*, (the "District") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 16, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 16, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

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

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

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

Specific Information (Unaudited)

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

- A. The total number of District employees compensated in the last pay period of the District's fiscal year as 0.
- B. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year was 10.
- C. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- D. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$145,400.
- 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: none.
- F. A budget variance based on budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final budget under Section 189.016(6), Florida Statutes, this information is included in the general fund budget statement.

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

- A. The rate or rates of non-ad valorem special assessments imposed by the District as follows:
O&M- \$1,736.29 per ERU
Debt Service \$5,100 per ERU
- B. The total amount of special assessments collected by or on behalf of the District as \$4,856,548.
- C. The total amount of outstanding bonds issues by the District and the terms of such bonds is disclosed in the notes.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, 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.

McDermitt Davis

Orlando, Florida
June 16, 2026



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

To the Board of Supervisors
Fiddler's Creek Community Development District #1

We have examined *Fiddler's Creek Community Development District #1's* (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2025. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

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

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

McDermitt Davis

Orlando, Florida
June 16, 2026