

Florida Inland Navigation District

ANNUAL FINANCIAL REPORT

September 30, 2025

Florida Inland Navigation District

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TABLE OF CONTENTS

	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-3
MANAGEMENT’S DISCUSSION AND ANALYSIS	4-11
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet – Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	18
Notes to Financial Statements	19-46
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Changes in Total OPEB Liability and Related Ratios	47
Schedule of Employer Proportionate Share of Net Pension Liability	48
Schedule of Employer Contributions	49
Notes to Required Supplemental Information	50
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 <i>GOVERNMENT AUDITING STANDARDS</i>	51-52
MANAGEMENT LETTER	53-55
INDEPENDENT ACCOUNTANTS’ REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	56



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REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners
Florida Inland Navigation District
Jupiter, Florida

Report on Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 one year beyond the financial statement date, including currently known information that may raise substantial doubt thereafter.



To the Board of Commissioners
Florida Inland Navigation District

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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

- Exercise professional judgement 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 judgement, 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

Governmental Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in Total OPEB Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability, Schedule of Contributions, and Notes to Required Supplemental Information, as listed in the table of contents, be presented to supplement the basic financial statements.



To the Board of Commissioners
Florida Inland Navigation District

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 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 Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 19, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Florida Inland Navigation District internal control over financial reporting and compliance.

*Berger Toombs Elam
Gaines & Frank*

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

June 19, 2026

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

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

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements of the District include three components; 1) *Government-wide financial statements*, 2) *Fund financial statements* and 3) *Notes to the financial statements*.

Government-wide financial statements provide readers with an overview of the District's financial activities for the year. They can be found on pages 12 and 13 of this report.

These statements include; a **Statement of Net Position** which presents information on all of the District's assets and liabilities and shows the net position and a **Statement of Activities** which presents information showing how the District's net position changed during the most recent fiscal year.

All of the District's programs are considered to be governmental activities and are all related to the maintenance and management of the Atlantic Intracoastal and Okeechobee Waterways. The District's primary source of funds for these activities is ad valorem tax revenues from the twelve-member counties, Nassau through Miami-Dade.

Fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating the District's near-term financing needs. These statements group related accounts so as to maintain control over resources that have been segregated for specific activities or objectives. The District uses a General Fund for this purpose, which is classified as a governmental fund.

Fund financial statements include a **Balance Sheet** and a **Statement of Revenues, Expenditures and Changes in Fund Balance** for the General Fund. A **Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual** is provided for the District's General Fund to demonstrate compliance. *Fund financial statements* provide more detailed information about the District's activities, and can be found on pages 14, 16 and 18 of this report.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including land, infrastructure, improvements and equipment and all liabilities, including accrued compensation are reported in the **Statement of Net Position**. The **Statement of Activities** includes depreciation on all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the General Fund of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures, and long-term liabilities, such as accrued compensation, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, a reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

Explanations of the reconciling items between the governmental fund and the governmental activities can be found on pages 15 and 17 and in Note B on pages 29 through 31.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-46 of this report.

Financial Highlights

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

- The District's total net position at the end of the fiscal year totaled \$268,779,640. Of this amount, approximately \$75.2 million is contracted or obligated funds that will be utilized to complete Assistance Program projects, Interlocal Agreement projects and Intracoastal Waterway (ICW) maintenance dredging. The net investment in capital assets currently totals approximately \$136 million.
- The District's total fund balance at the end of the fiscal year totaled \$135,239,521. Of this amount, approximately \$103.6 million has been assigned for land acquisition, dredging projects, dredged material management area (DMMA) development, waterway studies and disaster relief as well as assistance projects, interlocal agreement projects and contracts.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Highlights (Continued)

- Total revenues exceeded expenses by \$16,429,412. Ad valorem tax revenues collected from the District's 12 counties totaled \$42 million.
- The District's long-term liabilities consist of a liability for compensated absences to employees in the amount of \$46,100, OPEB liability of \$1,288,905 and the net pension liability of \$798,851.
- The District has a total of \$5,615,505 in prepaid funds on account with the U.S. Army Corps of Engineers (the "Corps").
- Thirty-three Waterway Assistance Program projects with local governments were completed or furthered during the year totaling \$13.1 million in addition to the local government's financial contribution to these projects.
- The District expended \$635,459 for the construction of Dredged Material Management Areas. The sites were constructed as part of the District's Long Range Dredged Material Management Plan for the maintenance of the ICW.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

Over time, net position may serve as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$268,779,640 at the close of the most recent fiscal year. The majority of these net positions reflect the District's investment in land for the management of the waterway. The District has no related debt on these capital assets.

	Governmental Activities		%
	2025	2024	Change
Current assets	\$ 138,355,061	\$ 122,142,613	13.3%
Capital assets	135,834,038	136,307,928	-0.3%
Total Assets	274,189,099	258,450,541	6.1%
Deferred outflows of resources	508,077	414,217	22.7%
Current liabilities	3,153,020	4,433,814	-28.9%
Non-current liabilities	2,133,856	1,627,927	31.1%
Total Liabilities	5,286,876	6,061,741	-12.8%
Deferred inflows of resources	630,660	452,789	39.3%
Net investment in capital assets	135,834,038	136,307,928	-0.3%
Unrestricted	132,945,602	116,042,300	14.6%
Total Net Position	\$ 268,779,640	\$ 252,350,228	6.5%

The District's total net position at the end of the fiscal year totaled \$268,779,640. The net investment in capital assets currently totals approximately \$136 million. The remaining balance of \$133 million is unrestricted and is available to meet the District's ongoing obligations; however, approximately \$75.2 million is contracted or obligated funds that will be utilized to complete Assistance Program projects, Interlocal Agreement projects and ICW maintenance dredging.

The increase in current assets is mostly the result of an increase in investments in various certificates of deposits.

The decrease in current liabilities is mostly the result of timing of projects and payments to vendors as there was a decrease in the accounts payable balance at year end in the current year.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

The decrease in capital assets and net investment in capital assets is mostly the result of current year depreciation in excess of current year additions.

The increase in deferred outflows of resources, non-current liabilities, and deferred inflows of resources is mostly attributable to the pension and OPEB liability adjustments for pension assumption, pension experience, pension investment and the change in the District's proportionate share of the collective net pension liability.

Governmental activities increased the District's net position by \$16,429,412. Key elements of these changes are listed below.

	Governmental Activities		%
	2025	2024	Change
General Revenues			
Ad valorem taxes	\$ 42,045,217	\$ 38,466,422	9.3%
Investment earnings	5,633,250	4,637,112	21.5%
Miscellaneous revenues	322,396	1,358,512	-76.3%
Total Revenues	<u>48,000,863</u>	<u>44,462,046</u>	<u>8.0%</u>
Expenses			
General government	3,196,000	2,511,380	27.3%
Physical environment	28,375,451	23,261,389	22.0%
Total Expenses	<u>31,571,451</u>	<u>25,772,769</u>	<u>22.5%</u>
Change in Net Position	16,429,412	18,689,277	-12.1%
Net Position - Beginning of Year	<u>252,350,228</u>	<u>233,660,951</u>	<u>8.0%</u>
Net Position - End of Year	<u>\$ 268,779,640</u>	<u>\$ 252,350,228</u>	<u>6.5%</u>

The increase in ad valorem taxes is primarily the result of increasing property values.

The increase in investment earnings is primarily the result of increased rates of return and increased principal amounts of investments.

The decrease in miscellaneous revenues mostly relates to amounts received in the prior year for use of materials previously held in the District's Dredged Material Management Areas.

The increase in physical environment expenses mostly relates to increased activity in the current year as the District continues to ramp up from the slowdown that resulted from the COVID pandemic and subsequent supply-chain issues.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District's Funds

The District has only one governmental fund which provides information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund fund balance increased \$17,493,204, from the prior year, to \$135,239,521 as of September 30, 2025. The key factor attributing to the increase was the District was still recovering to a full workload from the slowdown of District work in previous years as a result of the COVID pandemic. Of the total fund balance, \$103.6 million has been assigned for land acquisition, dredging projects, DMMA development, waterway studies and disaster relief as well as assistance projects and interlocal agreement projects contracts.

Capital Assets

During the fiscal year, the District expended \$1,103,007 towards the acquisition of land and easements, \$13,882 on dredged material management areas, and \$26,674 on buildings and improvements.

	Governmental Activities	
	2025	2024
Land and easements	\$ 92,477,188	\$ 91,374,181
Construction in progress	3,259,070	3,259,070
Building and improvements	222,078	195,404
Dredged material management	64,376,939	64,363,057
Furniture and equipment	397,464	397,464
Accumulated depreciation	(24,898,701)	(23,281,248)
Total Capital Assets (Net)	<u>\$ 135,834,038</u>	<u>\$ 136,307,928</u>

Additional information on the District's capital assets can be found in Note D in the notes to the financial statements.

Long-Term Liability

The District's long-term liability includes the amount for compensated absences to employees that totaled \$46,100 at September 30, 2025.

The additional long-term liabilities are net pension liability of \$798,851 and OPEB liability of \$1,288,905 at September 30, 2025.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

General Fund Budgetary Highlights

The actual revenues came in \$4 million over the final budget due to investment earnings and miscellaneous revenues coming in higher than expected.

The actual expenditures came in under the final budget by \$120 million. This was mostly due to multi-year funding of which \$43 million was appropriated for waterway assistance grants, \$24 million that was appropriated for capital outlay, and \$46.5 million that was appropriated for operations.

Several of the District's capital projects have been delayed due to permitting requirements, litigation, and securing proper easements for the dredged material management areas which has resulted in a positive budget variance for capital projects.

Several upcoming dredging projects are still in the design and permitting phase. These projects include Okeechobee waterway dredging, Nassau County Reach 1, Jupiter Inlet dredging, and M5 offloading at the St. Lucie inlet. This has also resulted in a positive budget variance in operations for multi-year projects.

The District's grant program is a multi-year program and at any given time has three years worth of budgeted grants. This has also resulted in a positive budget variance for the fiscal year.

In addition, actual administrative costs during the fiscal year were 1.08% of the entire budget. The District continues to operate with a full time staff of 5.

Economic Factors and Next Year's Budget

Florida Inland Navigation District does not anticipate any economic factors to have a significant effect on the financial position or results of operations of the District in fiscal year 2026.

The District is a partner with the U.S. Army Corps of Engineers in the maintenance and management of the Intracoastal and Okeechobee Waterways. Over the past several years, Federal budget cuts have required the District to increase its spending on waterway maintenance dredging and DMMA development to ensure safe and efficient navigation by our waterway users. The outlook on Federal funding for the waterways remains tight and could possibly be reduced even further. The District increased its millage rate in 1997 to address this federal shortfall but has not raised it since. The District's millage rate remained the same for fiscal year 24/25 at .0288 mills. This rate did not exceed the maximum millage rate of .0362 which was allowed by the Florida Department of Revenue.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget (Continued)

Interest earnings on the District's investments increased from the prior year as interest rates have been increasing and are expected to continue to increase in the short-term, as a result of inflation. All of the District deposits are Chapter 280 collateralized deposits. In addition, the District has implemented a conservative banking policy which utilizes the Bauer statewide banking report to objectively analyze qualified public depositories and their respective soundness. The District will evaluate each bank every 90 days for financial soundness. Banks downgraded to a two-star (problematic) Bauer rating are subject to having funds removed from that bank.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Janet Zimmerman, Executive Director, Florida Inland Navigation District, 1314 Marcinski Road, Jupiter, Florida 33477.

Florida Inland Navigation District
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 33,745,049
Investments	98,830,370
Due from other governments	164,137
Prepaid items	5,615,505
Total Current Assets	<u>138,355,061</u>
Non-current Assets:	
Capital assets not being depreciated	95,736,258
Capital assets being depreciated	64,996,481
Less: accumulated depreciation	<u>(24,898,701)</u>
Total Non-current Assets	<u>135,834,038</u>
Total Assets	<u>274,189,099</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension plan	317,595
Deferred outflows related to OPEB	<u>190,482</u>
Total Deferred Outflows of Resources	<u>508,077</u>
 LIABILITIES	
Current Liabilities	
Accounts payable	2,278,208
Retainage payable	837,332
Compensated absences	<u>37,480</u>
Total Current Liabilities	<u>3,153,020</u>
Non-current Liabilities:	
Net pension liability	798,851
OPEB liability	1,288,905
Compensated absences	<u>46,100</u>
Total Non-current Liabilities	<u>2,133,856</u>
Total Liabilities	<u>5,286,876</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension plan	174,804
Deferred inflows related to OPEB	<u>455,856</u>
Total Deferred Inflows of Resources	<u>630,660</u>
 NET POSITION	
Net investment in capital assets	135,834,038
Unrestricted	<u>132,945,602</u>
Total Net Position	<u><u>\$ 268,779,640</u></u>

See accompanying notes to financial statements.

Florida Inland Navigation District
STATEMENT OF ACTIVITIES
For the year ended September 30, 2025

Functions/Programs:	Expenses
Governmental Activities	
General government	\$ (3,196,000)
Physical environment	(28,375,451)
Total Governmental Activities	<u>(31,571,451)</u>
General Revenues:	
Ad valorem property taxes	42,045,217
Investment earnings	5,633,250
Miscellaneous revenues	322,396
Total General Revenues	<u>48,000,863</u>
Change in Net Position	16,429,412
Net Position - October 1, 2024	<u>252,350,228</u>
Net Position - September 30, 2025	<u><u>\$ 268,779,640</u></u>

See accompanying notes to financial statements.

**Florida Inland Navigation District
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2025**

ASSETS	General Fund
Cash and cash equivalents	\$ 33,745,049
Investments	98,830,370
Due from other governments	164,137
Prepaid items	5,615,505
Total Assets	<u>\$138,355,061</u>
 LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 2,278,208
Retainage payable	837,332
Total Liabilities	<u>3,115,540</u>
 FUND BALANCES	
Nonspendable	
Prepaid items	5,615,505
Assigned for:	
Grants, interlocals and contracts	40,660,255
Capital outlay	20,476,439
Dredging, deepening and restoration	15,769,100
Waterway studies	1,740,117
Disaster relief	4,371,800
Unassigned	46,606,305
Total Fund Balances	<u>135,239,521</u>
Total Liabilities and Fund Balances	<u>\$138,355,061</u>

See accompanying notes to financial statements.

Florida Inland Navigation District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2025

Total Governmental Fund Balances	\$ 135,239,521
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets not being depreciated, land and easements, \$92,477,188, and construction in progress, \$3,259,070, used in governmental activities are not financial resources, and, therefore, are not reported at the fund level.	95,736,258
Capital assets being depreciated, building and improvements, \$222,078, dredged material management areas, \$64,376,939, and furniture and equipment, \$397,464, net of accumulated depreciation, \$(24,898,701), used in governmental activities are not financial resources, and therefore, are not reported at the fund level.	40,097,780
Net pension liability is not due and payable in the current period, and therefore, is not reported at the fund level.	(798,851)
OPEB liability is not due and payable in the current period, and therefore, is not reported at the fund level.	(1,288,905)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods (and amortized as pension expense), and therefore, are not reported at the funds level;	
Deferred outflows of resources related to pensions and OPEB	508,077
Deferred inflows of resources related to pensions and OPEB	(630,660)
Accrued compensated absences are not financial uses, and therefore, are not reported in the funds.	(83,580)
Net Position of Governmental Activities	<u>\$ 268,779,640</u>

See accompanying notes to financial statements.

Florida Inland Navigation District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the year ended September 30, 2025

	General Fund
Revenues	
Ad valorem taxes	\$ 42,045,217
Investment earnings	5,633,250
Miscellaneous	322,396
Total Revenues	<u>48,000,863</u>
Expenditures	
Current	
General government	2,606,098
Physical environment	26,757,998
Capital outlay	1,143,563
Total Expenditures	<u>30,507,659</u>
Net change in fund balance	17,493,204
Fund Balances - October 1, 2024	<u>117,746,317</u>
Fund Balances - September 30, 2025	<u><u>\$ 135,239,521</u></u>

See accompanying notes to financial statements.

Florida Inland Navigation District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the year ended September 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ 17,493,204
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount that capital outlay, \$1,143,563, was exceeded by depreciation expense, \$(1,617,453), in the current period.	(473,890)
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Pension and OPEB expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Also, governmental funds report current pension contribution expense, whereas these amounts are deferred and amortized in the Statement of Activities.	(579,676)
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Some items 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. This is the change in accrued compensated absences.	<u>(10,226)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 16,429,412</u></u>
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See accompanying notes to financial statements.

Florida Inland Navigation District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
For the year ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Ad valorem taxes	\$ 42,034,849	\$ 42,034,849	\$ 42,045,217	\$ 10,368
Investment earnings	2,000,000	2,000,000	5,633,250	3,633,250
Miscellaneous	-	-	322,396	322,396
Total Revenues	<u>44,034,849</u>	<u>44,034,849</u>	<u>48,000,863</u>	<u>3,966,014</u>
Expenditures				
Current				
General government				
Administration	1,793,620	1,793,620	1,628,847	164,773
Public information	152,886	152,886	72,629	80,257
Tax assessment commission	1,400,000	1,400,000	904,622	495,378
Physical environment				
Waterway assistance grants	56,348,671	56,348,671	13,094,671	43,254,000
Cooperative assistance grants	7,399,000	7,399,000	5,339,155	2,059,845
Operations	54,160,798	54,160,798	7,680,079	46,480,719
Interlocal agreements	2,234,100	2,234,100	866,796	1,367,304
Long range studies	1,938,094	1,938,094	239,225	1,698,869
Capital outlay	24,753,703	24,753,703	681,635	24,072,068
Total Expenditures	<u>150,180,872</u>	<u>150,180,872</u>	<u>30,507,659</u>	<u>119,673,213</u>
Net change in fund balance	(106,146,023)	(106,146,023)	17,493,204	123,639,227
Fund Balances - October 1, 2024	<u>106,146,023</u>	<u>106,146,023</u>	<u>117,746,317</u>	<u>11,600,294</u>
Fund Balances - September 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,239,521</u>	<u>\$ 135,239,521</u>

See accompanying notes to financial statements.

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Pronouncements of the Financial Accounting Standards Board (FASB) issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). The District's more significant accounting policies are described below.

1. Reporting Entity

The Florida Inland Navigation District (the "District") is an independent special taxing district created by the Florida Legislature on May 25, 1927 for the purpose of acting as the "local interest" authorizing and directing the improvement and maintenance of the Intracoastal Waterway from the City of Jacksonville, Florida to the City of Miami, Florida. In 1943, the Legislature made the District the local interest sponsor of that portion of the waterway between the Florida-Georgia border and the City of Jacksonville. In 2004, the Florida Legislature approved the addition of Nassau County to the District's taxing boundaries. Nassau County voters approved the District tax by referendum in November 2004 and the Governor appointed the first District Commissioner from Nassau County in March 2005. The District's boundaries include the twelve counties on the east coast of Florida from Nassau to Miami-Dade County, both inclusive. The District is governed by a twelve member Board of Commissioners, one from each county included in the District, appointed by the Governor. The Commissioners serve for a term of four years and select a chair from among the Commission members.

The Florida Legislature, in 1996, passed Chapters 374.980 through 374.988 Florida Statutes, "The Florida Inland Navigation District Law", amending, codifying and containing the complete charter of the District in association with Sections 374.975-978, Florida Statutes effective July 1, 1996. This law also repealed all previous special acts relating to the District with the exception of Section 9 of Chapter 65-900 relating to the District's taxing authority.

The enabling legislation outlines the following responsibilities:

- Obtain and convey free of cost to the United States all lands necessary for a right of way and dredge material management for the Atlantic Intracoastal and Intracoastal waterways.
- Contract directly for, or enter into agreements with, the United States Army Corps of Engineers (the "Corps") or other agencies for waterway dredging or dredged material management area construction.
- Collect data on the advantages and benefits of the Intracoastal Waterway.
- Expend funds for publicizing the Intracoastal Waterway.
- Developing long-range plans for maintenance of the Intracoastal Waterway and for dredge material management.
- Acting as the local sponsor of the Okeechobee Waterway from St. Lucie Inlet to the St. Lucie Lock.

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

- Funding of projects under “Section 107, River and Harbor Act of 1960” in cooperation with the Corps.
- Provide funding assistance for beach re-nourishment and inlet management projects, within certain guidelines.
- Furnishing of financial support to local governments in the District for public navigation, public recreation, inlet management, environmental education and boating safety programs, within certain guidelines.
- Providing financial assistance within certain guidelines to the state and counties to pay part of the costs of acquisition, planning, development construction, reconstruction, extension, improvement, operation and maintenance of waterway related projects.
- Paying part of the costs of acquisition of dredge material management sites in cooperation with navigation-related districts.
- Assistance to port authorities for certain projects.
- The Florida Legislature, in 2005, amended the law to extend the District’s local interest responsibilities to that section of the Okeechobee Waterway between the St. Lucie lock and the western Palm Beach County line.

These financial statements present the Florida Inland Navigation District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District’s Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

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

2. Measurement Focus and Bases of Accounting

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

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

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Bases of Accounting (Continued)

a. Government-wide Financial Statements

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government.

Governmental activities are primarily supported by property tax revenues and investment income.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure.

b. Fund Financial Statements

The underlying accounting system of the District is organized and operated with one fund. The operations of that fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

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

Governmental Funds

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 become measurable and available. Revenues are considered to be available when they are collected within the current period or soon thereafter, to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Ad valorem assessments and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Revenues for expenditure driven grants and interlocal agreements are recognized when the related expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

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

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than capitalized as fund assets.

The District implemented the Governmental Accounting Standards Board Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications include non-spendable, restricted, committed, assigned and unassigned.

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

The District has various policies governing the fund balance classifications.

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

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

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

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Also, any remaining deficit fund balances within other governmental fund types are reported as unassigned. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Fund Balance Spending Hierarchy – When restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

3. Basis of Presentation

a. Governmental Major Funds

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

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds, be reported in the governmental activities column in the government-wide Statement of Net position.

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position or Equity

a. Cash and Cash Equivalents

Chapter 280, Florida Statutes requires state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits. Cash and cash equivalents consist of cash on hand, time and demand deposits.

For purposes of reporting, demand deposits, certificates of deposit and money market funds with original maturity of three months or less are considered cash equivalents.

b. Investments

Funds in excess of those required to meet current or short term expenses may be invested, per the District's investment policy, in Certificates of Deposit (CD's) or a fully insured interest bearing account such as money market with a local bank. Limited in the aggregate, to five percent (5%) of the District's total investment portfolio may be invested in an alternate investment vehicle, authorized by Florida Statutes.

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

1. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
2. Interest-bearing time deposits or savings accounts in qualified public depositories;
3. Direct obligations which are secured by the United States Treasury;
4. Other investments authorized by law or resolution of the District.

c. Restricted Assets

Pursuant to agreements with the Corps, the District has deposits in financial institutions held in escrow to pay for their share of the estimated costs of dredging and other waterway projects undertaken by the Corps. Fund balance is reserved and net positions are restricted to the extent of restricted assets available for dredging projects with the Corps. At the completion of the project, any unspent funds will be returned to the District. Qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position or Equity (Continued)

d. Prepaid Items

Florida Inland Navigation District funds certain projects relating to the management of the Intracoastal Waterway pursuant to agreements with the Corps. The District has funds on account with the Corps that may be returned or reallocated to other projects. Reported amounts in the governmental fund are equally offset by a reservation of fund balance in the fund financial statements, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

e. Capital Assets and Depreciation

Capital assets, which include land, buildings and equipment, are reported in the government-wide financial statements. When purchased, acquired or constructed for over \$1,000, capital assets are recorded as expenditures in the governmental fund and capitalized as assets in the government-wide statement of net position. Capital assets are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure, such as dredged material management areas, is capitalized along with other general capital assets at historical costs. The valuation basis for capital assets is historical cost. Donated capital assets are recorded at estimated fair value on the date donated.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

The estimated lives for each major class of depreciable capital assets are as follows:

Building and improvements	30 years
Dredged material management areas	15-50 years
Furniture and equipment	3-5 years

The District has easements on approximately 250 properties that cover an estimated 32,000 acres within the District. Additionally, another 25,000 acres of land is encompassed by the right of way easement for the Atlantic Intracoastal Waterway. The District’s easements are included in land, but do not represent fee simple ownership in real property.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position or Equity (Continued)

e. Capital Assets and Depreciation (Continued)

The easements represent the right of the District to use the easement site for waterway purposes at any time necessary. Therefore, the property may be rendered useless for any type of other development until the easement is released by the District. The District has developed a policy which states the conditions that must be met before an easement will be considered for release. The District will not release any easements until a comprehensive long-range study of its dredged material management needs is complete in that county. Easements for dredge material management may be released if they are not needed pursuant to the Long-Range Dredge Material Management Plan. Following District Board approval of the easement for release, the information is submitted to the Corps for their approval.

f. Taxes Receivable – Property Taxes

Under Florida Law, the assessment of all properties and collection of all county, municipal and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The tax levy of the District is established by the District Board of Commissioners prior to October 1st of each year at which time the various County Tax Collectors incorporate the District millage into the total tax levy, which includes the various county, municipal and other special district tax levies. All property is reassessed according to its fair value on January 1st of each year and certain residential property is limited to a 3% annual increase. Each County's assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all the appropriate requirements of State statutes.

All real and tangible personal property taxes are due and payable on November 1st each year. Each County mails to each property owner on the assessment roll, a notice of the taxes due and each County also collects the taxes for the District. Taxes may be paid upon receipt of such notice from each County, with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January and 1% if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1st of the year following the year in which taxes were assessed. There were no material delinquent taxes at September 30, 2025.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position or Equity (Continued)

g. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position has a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future reporting period(s) and will not be recognized as an outflow of resources (expense/expenditure) until that time.

The District has two items that qualify for reporting as deferred outflow of resources reported in the government-wide statement of net position. These two items are the deferred outflows related to pensions and deferred outflows related to OPEB. Deferred outflows related to the pension plan represents the District's share of the FRS (Florida Retirement System) and HIS (Health Insurance Subsidy) pension liabilities. Deferred outflows related to OPEB represent the District's liability for OPEB to be recognized in future years.

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

The deferred inflows related to pensions are aggregate of items related to pension. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. The deferred inflows related to OPEB represent the District's inflows of resources to be recognized in future years.

Details on the composition of deferred outflows and deferred inflows of resources related to pensions are reported in a subsequent note.

h. Pensions

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to and deductions from the FRS and the HIS plans. For this purpose, defined benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position or Equity (Continued)

i. Compensated Absences

The District implemented GASB Statement No. 101, Compensated Absences, which changes the accounting and financial report for compensated absences, effective for the fiscal year beginning October 1, 2024. This statement replaces GASB Statement No. 16 and provides updated guidance for recognizing and measuring liabilities related to compensated absences, such as vacation and sick leave. The District has incorporated the provisions of GASB 101 prospectively and updated its financial reporting disclosures to reflect the new standard.

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulated and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment, subject to caps. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The District's policy permits employees to accumulate earned but unused vacation leave, which is payable upon separation at the employee's current rate of pay, subject to a maximum payout of 26 days for regular employees, and 30 days for Senior management employees. If regular employees have annual vacation leave hours in excess of the 30 days maximum, at the end of the fiscal year all such excess leave will be cancelled and the employee will have the option to either be paid in cash for 50% of all such cancelled leave, or convert the cancelled hours to sick leave credits to be added to the accrual of unused sick leave credits. Senior management employees may accumulate up to 60 days of annual leave. Any excess annual leave accrued over 60 days by senior management employees may be converted to sick leave. Employees accrue vacation leave monthly based on length of continuous service, ranging from one day per month during the first five years of service to higher accrual rates thereafter, up to a maximum of 20 days per year.

Sick Leave

The District's policy permits employees to accumulate earned but unused sick leave, which is payable upon separation at a rate of 25% and subject to a maximum payout of 60 days at the aforementioned rate. Up to 6 days of sick leave may be accrued during the year. Senior management employees earn 15 days of sick leave each year. Sick leave accrued in excess of 60 days shall be lost. Employees are reimbursed for 25% of accumulated sick leave upon leaving District employment in good standing.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position or Equity (Continued)

j. Net Position

Equity in the government-wide statement of net position is displayed in three categories: 1) net investment in capital assets, 2) restricted and 3) unrestricted. Net position investment in capital assets, consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net position consists of all net position that does not meet the definition of either of the other two components.

k. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 189, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. Formal budgets are adopted for the general fund. The legal level of budgetary control is at the fund level.

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

“Total fund balances” of the District’s governmental funds, \$135,239,521, differs from “net position” of governmental activities, \$268,779,640, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Fund Balance Sheet. The effect of the differences is illustrated below.

Capital related items

When capital assets are to be used in governmental activities are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net position included those capital assets among the assets of the District as a whole.

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Capital related items (Continued)

Construction in progress	\$ 3,259,070
Land, land improvements and easements	92,477,188
Buildings and improvements	222,078
Dredged material management areas	64,376,939
Furniture and equipment	397,464
Accumulated depreciation	<u>(24,898,701)</u>
Total	<u><u>\$ 135,834,038</u></u>

Net pension liability

Net pension liability is not due and payable in the current period, therefore, is not reported in the fund.

Net pension liability	<u><u>\$ (798,851)</u></u>
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Deferred outflows and inflows of resources related to pensions

Deferred outflows and inflows of resources related to pensions are applicable to future periods and amortized as pension expense, and therefore are not reported in the fund.

Deferred outflows of resources related to pensions	\$ 317,595
Deferred outflows of resources related to OPEB	<u>190,482</u>
Total	<u><u>\$ 508,077</u></u>
Deferred inflows of resources related to pensions	\$ (174,804)
Deferred inflows of resources related to OPEB	<u>(455,856)</u>
Total	<u><u>\$ (630,660)</u></u>

OPEB liability

OPEB liability is not due and payable in the current period, therefore, is not reported in the fund.

OPEB liability	<u><u>\$ (1,288,905)</u></u>
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Accrued compensated absences

Accrued compensated absences are not financial uses, therefore, are not reported in the fund.

Accrued compensated absences	<u><u>\$ (83,580)</u></u>
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**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds, \$17,493,204, differs from the “change in net position” for governmental activities, \$16,429,412, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decreased by the amount of financial resources expended, whereas net position decrease by the amount of depreciation expense charged for the year.

Capital outlay	\$ 1,143,563
Depreciation	<u>(1,617,453)</u>
Total	<u>\$ (473,890)</u>

Long-term obligation transactions

Net (increase)/decrease in accrued compensated absences	<u>\$ (10,226)</u>
Net (increase)/decrease in net pension liability	<u>\$ 38,314</u>
Net (increase)/decrease in OPEB liability	<u>\$ (617,990)</u>

NOTE C – CASH AND INVESTMENTS

Deposits

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and equivalents. The carrying value of these deposits at September 30, 2025 was \$33,745,049 and the bank balance was \$37,584,212.

In addition, the District holds various certificates of deposit, with a carrying value of \$98,830,370 at September 30, 2025 that are classified as investments, not cash equivalents, due to their original maturity being greater than three months. All the deposits, inclusive of the certificates of deposit, were covered by Federal Deposit Insurance Corporation (FDIC) or collateralized in accordance with the “Florida Security for Public Deposits Act”.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE C – CASH AND INVESTMENTS (CONTINUED)

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

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted 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.

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

Concentration of Credit Risk

The District's investment policy states that investments shall be diversified to control the risk of loss resulting from concentration of assets. There is no cap on funds being invested in Certificates of Deposits (CD's), or a fully insured interest bearing account (example being a money market account) with a local bank. Alternative investment vehicles may be utilized; however, the investments will be limited in the aggregate to five percent (5%) of the District's total investment portfolio.

Interest Rate Risk

The District's investment policy limits interest rate risks by attempting to match investments with known cash needs and anticipated cash flow requirements. To meet the operating needs and any other unforeseen temporary cash requirements, the District maintains sufficient cash to cover all checks and wire transfers in liquid investments having a maturity of 90 days or less.

Credit Risk

The District's investments are limited by state statutory requirements. As of September 30, 2025, the investments in Certificates of Deposit consisted of 100% of the District's total investments.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE D – CAPITAL ASSETS

	October 1, 2024	Increases	Decreases	September 30, 2025
Non-Depreciable Assets:				
Land, improvements and easements	\$ 91,374,181	\$ 1,103,007	\$ -	\$ 92,477,188
Construction in progress	3,259,070	-	-	3,259,070
Total Non-Depreciable Assets	94,633,251	1,103,007	-	95,736,258
Depreciable Capital Assets:				
Building and improvements	195,404	26,674	-	222,078
Dredged material management areas	64,363,057	13,882	-	64,376,939
Furniture and equipment	397,464	-	-	397,464
Total Depreciable Assets	64,955,925	40,556	-	64,996,481
Total Capital Assets	159,589,176	1,143,563	-	160,732,739
Accumulated Depreciation:				
Building and improvements	(195,404)	(111)	-	(195,515)
Dredged material management areas	(22,749,216)	(1,603,653)	-	(24,352,869)
Furniture and equipment	(336,628)	(13,689)	-	(350,317)
Total Accumulated Depreciation	(23,281,248)	(1,617,453)	-	(24,898,701)
Depreciable Assets, Net of Depreciation	41,674,677	(1,576,897)	-	40,097,780
Total Capital Assets, Net of Depreciation	\$ 136,307,928	\$ (473,890)	\$ -	\$ 135,834,038

Depreciation of \$1,617,453 was charged to physical environment.

NOTE E – FLORIDA RETIREMENT SYSTEMS

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs.

A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

(www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports).

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE E – FLORIDA RETIREMENT SYSTEMS (CONTINUED)

General Information about the Florida Retirement System (FRS) – (Continued)

The District's pension expense totaled \$177,640 for the fiscal year ended September 30, 2025.

FRS Pension Plan

Plan Description – The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with DROP for eligible employees. The general classes of membership for the District are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided – Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE E – FLORIDA RETIREMENT SYSTEMS (CONTINUED)

FRS Pension Plan (Continued)

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Senior Management Service Class</i>	2.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024-2025 fiscal year were as follows:

Class	July 1, 2024		July 1, 2025	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	13.63	3.00	14.03
FRS, Senior Management Service	3.00	34.52	3.00	33.24
DROP - Applicable to				
Members from all of the above classes	0.00	21.13	0.00	22.02
FRS, Re-employed Retiree	(2)	(2)	(2)	(2)

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE E – FLORIDA RETIREMENT SYSTEMS (CONTINUED)

FRS Pension Plan (Continued)

Notes: (1) Employer rates include 2.00 percent for the postemployment health insurance subsidy for the period October 1, 2024 through June 30, 2025 and 2.00 percent for the period July 1, 2025 through September 30, 2025. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the investment plan for the period October 1, 2024 through June 30, 2025 and July 1, 2025 through September 30, 2025.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The District's contributions, including employee contributions, to the Pension Plan totaled \$179,726 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the District reported a liability of \$588,746 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The District's proportionate share of the net pension liability was based on the District's 2024-25 fiscal year contributions relative to the 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the District's proportionate share was 0.001897 percent, which was an increase of 7.68 percent from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the District recognized pension expense of \$132,067 related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 62,884	\$ -
Change of assumptions	68,369	-
Net difference between projected and actual earnings on Pension Plan investments	-	(98,297)
Changes in proportion and differences between contributions and proportionate share of contributions	109,882	-
District Pension Plan contributions subsequent to the measurement date	28,775	-
Total	<u>\$ 269,910</u>	<u>\$ (98,297)</u>

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE E – FLORIDA RETIREMENT SYSTEMS (CONTINUED)

FRS Pension Plan (Continued)

The deferred outflows of resources related to pensions, totaling \$28,775, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2026	\$ 132,920
2027	14,702
2028	3,252
2029	(8,036)
2030	-
Thereafter	-

Actuarial Assumptions – The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.50 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB2010 base table with Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study dated December 2024.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE E – FLORIDA RETIREMENT SYSTEMS (CONTINUED)

FRS Pension Plan (Continued)

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.20%	3.20%	1.10%
Fixed income	29.00%	5.50%	5.40%	4.00%
Global Equity	45.00%	8.50%	6.90%	18.30%
Real Estate (Property)	12.00%	8.40%	7.10%	16.80%
Private Equity	11.00%	12.40%	8.80%	28.40%
Strategic Investments	2.00%	6.50%	6.10%	8.70%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.50%

(1) As outlined in the Pension Plan's investment policy

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

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
District's proportionate share of the net pension liability	<u>\$ 1,155,404</u>	<u>\$ 588,746</u>	<u>\$ 113,667</u>

FRS Pension Plan Fiduciary Net Position – Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan – At September 30, 2025, the District did not hold any outstanding amounts of contributions to the Plan required for the fiscal year ended September 30, 2025 and therefore, did not report a payable.

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE E – FLORIDA RETIREMENT SYSTEMS (CONTINUED)

HIS Pension Plan

Plan Description – The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided – For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2025, the HIS contribution was 2.00% for the period October 1, 2024 through June 30, 2025 and 2.00% from July 1, 2025 through September 30, 2025. The District contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$14,921 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the District reported a net pension liability of \$210,105 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2024-25 fiscal year contributions relative to the total 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the District's proportionate share was 0.00164 percent, which was a decrease of 9.97 percent from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the District recognized pension expense of \$7,259 related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE E – FLORIDA RETIREMENT SYSTEMS (CONTINUED)

HIS Pension Plan (Continued)

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,254	\$ (333)
Change of assumptions	1,860	(50,819)
Net difference between projected and actual earnings on HIS Pension Plan investments	-	(175)
Changes in proportion and differences between contributions and proportionate share of contributions	41,045	(25,182)
District HIS Pension Plan contributions subsequent to the measurement date	3,526	-
Total	<u>\$ 47,685</u>	<u>\$ (76,509)</u>

The deferred outflows of resources related to pensions, totaling \$3,526 resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2025	\$ (5,140)
2026	(7,683)
2027	(6,694)
2028	(5,561)
2029	(7,272)
Thereafter	-

Actuarial Assumptions – The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.50 percent, average, including inflation
Municipal bond rate	5.20 percent

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE E – FLORIDA RETIREMENT SYSTEMS (CONTINUED)

HIS Pension Plan (Continued)

Mortality rates were based on the Generational PUB2010 with Projected Scale MP-2021.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study dated December 2024.

Discount Rate – The discount rate used to measure the total pension liability was 5.20 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20 - Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 5.20%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current rate.

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
District's proportionate share of the net pension liability	\$ 233,927	\$ 210,105	\$ 187,609

HIS Pension Plan Fiduciary Net Position – Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the HIS Pension Plan – At September 30, 2025, the District did not hold any outstanding amounts of contributions to the HIS Plan required for the fiscal year ended September 30, 2025 and therefore, did not report a payable.

NOTE F – LONG TERM LIABILITIES

The long-term liabilities of the District consists of compensated absences. The changes for the year ended September 30, 2025 are:

	Beginning Balance	Additions	Decreases	Ending Balance	Due Within One Year
Compensated Absences	\$ 73,354	\$ 51,429	\$ 41,203	\$ 83,580	\$ 37,480

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE G – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. General Information about the OPEB Plan

Plan Administration – The State of Florida administers the State Employees' Group Health Insurance Plan (OPEB Plan) – a cost-sharing multiple-employer defined benefit OPEB plan that provides OPEB for the retired employees of the State of Florida, State Universities, and other entities.

The District permits participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees, pursuant to Section 112.0801, Florida Statutes.

All retired District employees are eligible to continue coverage with the State's health insurance plan for a monthly premium.

At July 1, 2024, the date of the last actuarial valuation, plan participation consisted of:

Active employees	154,747
DROP	6,071
Retirees, beneficiaries, and disabled members	32,305
Dependent spouses	<u>9,580</u>
Total participants	<u><u>202,703</u></u>

B. Total OPEB Liability

The District's total OPEB liability was \$1,288,905 measured as of June 30, 2024 and determined by an actuarial valuation as of July 1, 2024.

Actuarial assumptions and other inputs – The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary increases	Varies by FRS class
Discount rate	4.21%
Investment rate of return	N/A

The discount rate was based on a 20-year S&P Municipal Bond High Grade Rate Index.

Mortality rates were based on various PUB-2010 mortality tables with fully generational improvement using Scale MP-2018. Disabled Employees based on PUB-2010 mortality tables set forward 3 years for both males and females and no projected improvements.

The actuarial assumptions used in the July 1, 2024 actuarial valuation are based on results of experience studies conducted by Milliman on July 1, 2023.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

**NOTE G – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)
(CONTINUED)**

B. Total OPEB Liability (Continued)

Changes in the Total Liability:

Service Cost	\$ 5,807
Interest	26,133
Benefit changes	14,833
Difference between actual and expected experience	166,134
Assumption changes	459,742
Benefit payments	<u>(21,191)</u>
Net change in Total OPEB Liability	651,458
 Total OPEB Liability (TOL) – (beginning)	 <u>637,447</u>
Total OPEB Liability (TOL) – (ending)	<u><u>\$ 1,288,905</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21 percent) or 1-percentage point higher (5.21 percent) than the current discount rate:

Measurement Date: June 30, 2024

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount rate	3.21%	4.21%	5.21%
Total OPEB liability	\$ 1,490,710	\$ 1,288,905	\$ 1,125,875

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE G – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)
(CONTINUED)

B. Total OPEB Liability (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

Measurement Date: June 30, 2024

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 1,130,939</u>	<u>\$ 1,288,905</u>	<u>\$ 1,481,428</u>

For the year ended September 30, 2025, the District recognized OPEB expenses of \$806,389.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 460	\$ 95,129
Changes of assumptions or other inputs	<u>190,022</u>	<u>360,727</u>
Total	<u>\$ 190,482</u>	<u>\$ 455,856</u>

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2026	\$ (92,987)
2027	(78,289)
2028	(42,951)
2029	(42,961)
2030	(36,888)
Thereafter	28,702

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE H – COMMITMENTS AND CONTINGENCIES

Waterway Assistance and Cooperative Assistance Programs

The District provides matching funds of up to 50% for waterway projects related to waterway access and recreation and up to 75% for public navigation programs. For the fiscal year ended September 30, 2025, the District had approved projects totaling approximately \$56.3 million, of which, approximately \$43 million remains to be paid upon completion of the projects. The remaining amount is included in the District's budget for the fiscal year ending September 30, 2026.

Grants

Grant monies received and disbursed by the District are for specific purposes and may be subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures or other actions by grantor agencies. The District does not believe that such disallowances or other actions taken by the grantor agencies, if any, would have a material effect on the financial position of the District.

NOTE I – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for the risks of losses to which it is exposed. Policy limits and deductibles are reviewed annually by management and established at amounts which provide reasonable protection from significant financial loss. Settlements have not exceeded insurance coverage for any of the prior three fiscal years.

The District is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of districts to individual claims of \$100,000/\$200,000 for all claims relating to the same accident.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE J – SUBSEQUENT EVENT

Subsequent to year end, the Florida Legislature introduced proposals that could significantly modify the property tax structure applicable to homestead property, including measures that would reduce or eliminate certain non-school ad valorem taxes or expand homestead exemptions, which are, in some cases, subject to voter approval. The District is funded in significant part by ad valorem property tax revenues; therefore, if enacted, such changes could materially affect future revenues. As of the date of this audit report, the outcome and potential financial impact of this proposed legislation cannot be reasonably estimated.

Required Supplementary Information

**FLORIDA INLAND NAVIGATION DISTRICT
OTHER POSTEMPLOYMENT BENEFITS**
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Fiscal Year Ended September 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
<u>District OPEB Plan</u>								
Valuation Date	July 1, 2024	July 1, 2022	July 1, 2022	July 1, 2020	July 1, 2020	July 1, 2019	July 1, 2017	July 1, 2017
Measurement Date	June 30, 2024	June 30, 2022	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
A. Total OPEB Liability (TOL)								
Service cost	\$ 5,807	\$ 5,666	\$ 12,811	\$ 9,550	\$ 12,130	\$ 8,747	\$ 11,000	\$ 13,000
Interest	26,133	25,453	13,569	14,994	19,171	10,537	10,000	10,000
Benefit changes	14,833	-	-	-	-	-	-	-
Difference between actual and expected experience	166,134	-	160,900	-	360,458	(29,650)	-	-
Assumption changes	459,742	(79)	(162,930)	44,457	(139,584)	25,878	(29,000)	(55,000)
Benefit payments	(21,191)	(20,306)	(14,425)	(12,631)	(294)	(975)	-	-
Net change in total OPEB liability	\$ 651,458	\$ 10,734	\$ 9,925	\$ 56,370	\$ 251,881	\$ 14,537	\$ (8,000)	\$ (32,000)
Total OPEB Liability (TOL) - Beginning	637,447	626,713	616,788	560,418	308,537	294,000	302,000	334,000
Total OPEB Liability (TOL) - Ending	<u>\$ 1,288,905</u>	<u>\$ 637,447</u>	<u>\$ 626,713</u>	<u>\$ 616,788</u>	<u>\$ 560,418</u>	<u>\$ 308,537</u>	<u>\$ 294,000</u>	<u>\$ 302,000</u>
B. Covered Employee Payroll	\$ 746,067	\$ 603,058	\$ 603,058	\$ 535,801	\$ 503,504	\$ 472,454	\$ 457,646	\$ 496,422
C. TOL as a percentage of covered employee payroll: (A)/(B)	172.76%	105.70%	103.92%	115.12%	111.30%	65.31%	64.24%	60.84%

Note: This table will be built out to include a ten-year history.

**FLORIDA INLAND NAVIGATION DISTRICT
SUPPLEMENTAL FLORIDA RETIREMENT SYSTEM PENSION INFORMATION
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY
SEPTEMBER 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability *	0.00189%	0.00176%	0.00145%	0.00141%	0.00135%	0.00124%	0.00150%	0.00180%	0.00193%	0.00198%
District's proportionate share of the net pension liability *	\$ 588,746	\$ 681,515	\$ 577,344	\$ 525,216	\$ 101,686	\$ 535,745	\$ 517,512	\$ 543,035	\$ 570,730	\$ 500,752
District's covered payroll *	747,295	770,559	603,058	535,801	503,504	472,454	457,646	496,422	553,549	535,713
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	78.78%	88.44%	95.74%	98.02%	20.20%	113.40%	113.08%	109.39%	103.10%	93.47%
Plan fiduciary net position as a percentage of the total pension liability	83.70%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

* The amounts presented for each fiscal year were determined as of June 30

*Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

**FLORIDA INLAND NAVIGATION DISTRICT
SUPPLEMENTAL HEALTH INSURANCE SUBSIDY PENSION INFORMATION
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY
SEPTEMBER 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability *	0.00164%	0.00182%	0.00152%	0.00147%	0.00142%	0.00136%	0.00133%	0.00152%	0.00169%	0.00173%
District's proportionate share of the net pension liability *	\$ 210,105	\$ 273,129	\$ 241,746	\$ 155,721	\$ 174,459	\$ 166,207	\$ 148,983	\$ 160,866	\$ 180,936	\$ 201,115
District's covered payroll *	747,295	770,559	603,058	535,801	503,504	472,454	457,646	496,422	553,549	535,713
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	28.12%	35.45%	40.09%	29.06%	34.65%	35.18%	32.55%	32.41%	32.69%	37.54%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

* The amounts presented for each fiscal year were determined as of June 30

*Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

**FLORIDA INLAND NAVIGATION DISTRICT
SUPPLEMENTAL FLORIDA RETIREMENT SYSTEM PENSION INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SEPTEMBER 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 162,719	\$ 125,484	\$ 96,371	\$ 74,542	\$ 54,894	\$ 45,533	\$ 44,140	\$ 52,187	\$ 52,072	\$ 47,788
Contributions in relation to the contractually required contribution	162,719	125,484	96,371	74,542	54,894	45,533	44,140	52,187	52,072	47,788
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 746,067	\$ 753,640	\$ 661,734	\$ 548,139	\$ 500,191	\$ 491,316	\$ 440,290	\$ 500,720	\$ 556,272	\$ 513,186
Contributions as a percentage of covered-employee payroll	21.81%	16.65%	14.56%	13.60%	10.97%	9.27%	10.03%	10.42%	9.36%	9.31%

* The amounts presented for each fiscal year were determined as of September 30

*Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

**FLORIDA INLAND NAVIGATION DISTRICT
SUPPLEMENTAL HEALTH INSURANCE SUBSIDY PENSION INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SEPTEMBER 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 14,921	\$ 15,073	\$ 11,646	\$ 9,099	\$ 8,303	\$ 8,156	\$ 7,309	\$ 8,312	\$ 9,234	\$ 8,519
Contributions in relation to the contractually required contribution	14,921	15,073	11,646	9,099	8,303	8,156	7,309	8,312	9,234	8,519
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 746,067	\$ 753,640	\$ 661,734	\$ 548,139	\$ 500,191	\$ 491,316	\$ 440,290	\$ 500,720	\$ 556,272	\$ 513,186
Contributions as a percentage of covered-employee payroll	2.00%	2.00%	1.76%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

* The amounts presented for each fiscal year were determined as of September 30

*Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

**FLORIDA INLAND NAVIGATION DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY
SEPTEMBER 30, 2025**

The following are relevant to the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) Program:

1. Actuarial assumptions for defined benefit plans are reviewed annually by the Florida Retirement System. The FRS Pension Plan has a valuation performed annually whereas the HIS Program has a valuation performed biennially which was updated for GASB reporting in the year a valuation was not performed. The most recent experience study for the pension plan was completed in 2024 for the period of July 1, 2018 through June 30, 2023.
2. Method and assumptions used in calculation of actuarially determined contributions:

FRS Pension Plan

Valuation Date	July 1, 2024	July 1, 2025
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Discount Rate	6.70%	6.70%
Investment Rate of Return	6.70%	6.70%
Projected Salary Increases	3.50%	3.50%
Rate of Inflation Adjustment	2.40%	2.40%
Mortality assumption:	PUB2010 base table with Scale MP-2018	PUB2010 base table with Scale MP-2018

HIS Program

Valuation Date	July 1, 2024	July 1, 2024
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Discount Rate	3.93%	5.20%
Investment Rate of Return	N/A	N/A
Projected Salary Increases	3.50%	3.50%
Rate of Inflation Adjustment	2.40%	2.40%
Mortality assumption:	PUB2010 base table with Scale MP-2018	PUB2010 base table with Scale MP-2018



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

To the Board of Commissioners
Florida Inland Navigation District
Jupiter, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida Inland Navigation District, as of and for the year ended September 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated June 19, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.



To the Board of Commissioners
Florida Inland Navigation District

Report on Compliance and Other Matters

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

Purpose of this Report

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

*Berger Toombs Elam
Gaines & Frank*

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

June 19, 2026



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MANAGEMENT LETTER

To the Board of Commissioners
Florida Inland Navigation District
Jupiter, Florida

Report on the Financial Statements

We have audited the financial statements of the Florida Inland Navigation District, Florida, as of and for the year ended September 30, 2025, and have issued our report thereon dated June 19, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and our 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 19, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 Florida Inland Navigation District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that Florida Inland Navigation District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Commissioners
Florida Inland Navigation District

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2025 for Florida Inland Navigation District. It is management's responsibility to monitor Florida Inland Navigation District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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

Specific Information

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, Florida Inland Navigation District reported:

- 1) The total number of District employees compensated in the last pay period of the District's fiscal year: 5
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 2
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$761,692
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$138,000
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2024, together with the total expenditures for such project:

Project Name	Budget	Expenditures YTD
SJ-14	\$ 242,000	\$ 50,812
SJ-1	200,000	-
MSA 504C	3,830,532	93,111
FL-8	500,000	-

- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The District did not amend the budget.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, Florida Inland Navigation District reported:

- 1) The millage rate of ad valorem taxes imposed by the District as: .0288
- 2) The total amount of ad valorem taxes collected by or on behalf of the District: \$42,034,848.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds: N/A – no outstanding bonds.



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Gaines & Frank
Certified Public Accountants PL

To the Board of Commissioners
Florida Inland Navigation District

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 have 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 Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Berger Toombs Elam
Gaines & Frank*

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

June 19, 2026



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

To the Board of Commissioners
Florida Inland Navigation District
Jupiter, Florida

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

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

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

*Berger Toombs Elam
Gaines & Frank*

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

June 19, 2026