

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

# **PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

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**SEPTEMBER 30, 2024**

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## **INDEPENDENT AUDITOR'S REPORT**

February 15, 2025

To the Board of Supervisors  
PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT  
Naples, Florida

Nathan A. Phillips, CPA  
Stephanie J. Feldman, CPA  
David N. Phillips, CPA, MBA  
Michelle V. Schalmo, CPA  
Shannon Huber, CPA  
Keith S. Boyle, CPA  
Bethany Bohall, CPA

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT as of and for the year ended September 30, 2024, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 to 12 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

**Required Supplementary Information (Continued)**

supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2025, on our consideration of the PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT's internal control over financial reporting and compliance.

  
PHILLIPS FELDMAN GROUP, P.A.  
Certified Public Accountants  
Naples, Florida

# **PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**SEPTEMBER 30, 2024**

## **MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW AND HISTORY**

The Pelican Marsh Community Development District (the “District”) has prepared the following Management Discussion and Analysis (the “MD&A”), which presents an overview of the District’s financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the letter of transmittal in the introductory section, and the District’s audited financial statements following the MD&A.

The Pelican Marsh Community Development District is a special purpose unit of government created in 1993 under Florida Statute Chapter 190. The purpose of Community Development Districts throughout Florida is to provide a uniform method for financing and maintaining public services and capital assets. Special Districts frequently substitute or “stand-in” for general-purpose governments when their priorities would not otherwise provide for these public facilities in Master Planned Communities.

### **Financial Highlights**

- Total net position, FY 2024 was \$22,279,867 in the statement of net position.
- There was a \$451,150 decrease in net position for 2024.
- Fund balances on hand at September 30, 2024 totaled approximately \$568,031; of this amount \$452,963 was in the District’s general fund.
- There were no instances of non-compliance or material weaknesses noted within the compliance report.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements comprise three components:

- 1) government-wide financial statements;
- 2) fund financial statements; and
- 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-Wide Financial Statements**

The District follows accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The statement requires that the difference between assets and liabilities be reported as net position. In addition, the impact of a deferred outflow of resources or a deferred inflow of resources must be explained.

The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the District’s finances, in a manner similar to private-sector businesses.

The statement of net position presents information on all of the District’s assets and liabilities, with the difference between the two reported as net position. Over time, as the original debt is retired, increases or decreases in net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

# **PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**SEPTEMBER 30, 2024**

## **MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW AND HISTORY**

### ***Government-Wide Financial Statements (continued)***

The statement of activities presents information showing how the government's net position changed during fiscal year 2024. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected but earned, and accrued interest).

Both of these financial statements distinguish functions of the District that are principally supported by non-ad valorem assessments, intergovernmental and miscellaneous revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. Examples of these would include the sale of irrigation meters and community service fees. The governmental activities of the District include general government, public works, security and physical environment. The government-wide financial statements can be found immediately following the MD&A.

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

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

The government-wide financial statements 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 buildings, land, roads, bridges, and traffic signals are reported in the statement of net position. All liabilities, including principal outstanding on bonds, obligated but not paid by the District, are included. 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 major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, 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.

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

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**SEPTEMBER 30, 2024**

**MANAGEMENT DISCUSSION AND ANALYSIS**  
**OVERVIEW AND HISTORY**

**FY 2024 Final Budget Analysis**

The following year-end adjustments for budgeted revenues and expenditures have been prepared from audited statements.

| <b><u>GENERAL FUND</u></b>     | <b><u>Original Budget</u></b> | <b><u>Final Budget</u></b> |
|--------------------------------|-------------------------------|----------------------------|
| <b><u>Revenue</u></b>          |                               |                            |
| Maintenance assessments        | \$ 4,272,450                  | \$ 4,272,450               |
| Capital reserve transfer       | 750,000                       | 992,526                    |
| Interest income                | 100,000                       | 100,000                    |
| Other revenues, net            | <u>(123,000)</u>              | <u>(123,000)</u>           |
| Total Revenue                  | 4,999,450                     | 5,241,976                  |
| <b><u>Expenditures</u></b>     |                               |                            |
| General government             | 472,500                       | 472,500                    |
| Community Services:            |                               |                            |
| Field management               | 215,894                       | 215,894                    |
| Water management               | 314,000                       | 314,000                    |
| Street lighting                | 112,100                       | 112,100                    |
| Landscape maintenance          | 1,591,400                     | 1,715,000                  |
| Access control                 | 888,224                       | 1,007,150                  |
| Roadway service                | 44,000                        | 44,000                     |
| Operating contingency          | 118,332                       | 118,332                    |
| Capital outlay                 | <u>1,243,000</u>              | <u>1,243,000</u>           |
| Total Expenditures             | <u>4,999,450</u>              | <u>5,241,976</u>           |
| Excess (deficiency) of revenue |                               |                            |
| Over (under) expenditures      | <u>\$ -</u>                   | <u>\$ -</u>                |

| <b><u>DEBT SERVICE FUND</u></b> | <b><u>Original</u></b> | <b><u>Final</u></b> |
|---------------------------------|------------------------|---------------------|
| <b><u>Revenue</u></b>           |                        |                     |
| Special assessments             | \$ 493,280             | \$ 493,280          |
| Prepaid assessments             | -                      | -                   |
| Interest income                 | -                      | -                   |
| Other revenues, net             | <u>-</u>               | <u>-</u>            |
| Total Revenues                  | 493,280                | 493,280             |



**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**SEPTEMBER 30, 2024**

**MANAGEMENT DISCUSSION AND ANALYSIS**  
**OVERVIEW AND HISTORY**

**FY 2024 Final Budget Analysis (Continued)**

**DEBT SERVICE FUND**

|                                                      | <u>Original</u> | <u>Final</u>   |
|------------------------------------------------------|-----------------|----------------|
| <u>Expenditures</u>                                  |                 |                |
| Current:                                             |                 |                |
| General government/administration                    | 36,996          | 36,996         |
| Contingency/revenue reserve                          | 16,453          | 16,453         |
| <u>Debt service</u>                                  |                 |                |
| Principal retirement                                 | 365,000         | 365,000        |
| Interest                                             | <u>74,831</u>   | <u>74,831</u>  |
| Total Expenditures                                   | <u>493,280</u>  | <u>493,280</u> |
| Excess (Deficiency) of revenues<br>over expenditures | <u>\$ -</u>     | <u>\$ -</u>    |

**Capital Asset Balances**

The following schedule provides a summary of the District's capital asset balances, net of accumulated depreciation, at September 30, 2024 and 2023.

| <u>Description</u>           | <u>Governmental Activities</u> |                      | <u>Percent<br/>Change</u> |
|------------------------------|--------------------------------|----------------------|---------------------------|
|                              | <u>2023</u>                    | <u>2024</u>          |                           |
| Land                         | \$ 6,838,000                   | \$ 6,838,000         | 0%                        |
| Land improvements            | 8,189,367                      | 8,189,367            | 0%                        |
| Construction in progress     | 759,091                        | 130,140              | (82.9%)                   |
| Buildings                    | 1,609,359                      | 2,276,239            | 41.4%                     |
| Improvements, net            | 2,378,857                      | 2,892,048            | 21.6%                     |
| Infrastructure, net          | 4,515,512                      | 3,964,732            | (12.2%)                   |
| Machinery and equipment, net | 205,844                        | 188,773              | (8.3%)                    |
| Total Capital Assets, net    | <u>\$ 24,496,030</u>           | <u>\$ 24,479,299</u> | (.2%)                     |

Construction in progress for 2024 and 2023 relates to costs incurred for the District's ongoing major guardhouse renovation project expected to be completed, in phases, in future years.

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**SEPTEMBER 30, 2024**

**MANAGEMENT DISCUSSION AND ANALYSIS**  
**OVERVIEW AND HISTORY**

**Financial Analysis of the District (Continued)**

**Changes in General Fund Balances For The Years Ended September 30, 2023 and 2024:**

|                                  | <u>2023</u>         | <u>2024</u>       | <u>Percent<br/>Change</u> |     |
|----------------------------------|---------------------|-------------------|---------------------------|-----|
| <u>Program Revenues</u>          |                     |                   |                           |     |
| Maintenance Assessments          | \$ 4,118,178        | \$ 4,117,217      | (.02%)                    |     |
| <u>General Revenue</u>           |                     |                   |                           |     |
| Interest Income                  | 134,246             | 124,573           | (7.21%)                   |     |
| Other Revenues                   | <u>115,765</u>      | <u>118,832</u>    | 2.65%                     |     |
|                                  | <u>4,368,189</u>    | <u>4,360,622</u>  | (.17%)                    |     |
| <u>Expenses</u>                  |                     |                   |                           |     |
| General Government               | 463,854             | 501,399           | 8.1%                      |     |
| Community Services               | 3,272,955           | 3,532,184         | 7.9%                      |     |
| Capital Outlay                   | <u>1,159,878</u>    | <u>1,152,528</u>  | (0.6%)                    |     |
| Total Expenses                   | <u>4,896,687</u>    | <u>5,186,111</u>  | 5.9%                      |     |
| Change in Fund Balance           | (528,498)           | (824,489)         | (56%)                     | (1) |
| Total Financing Sources (Uses)   | -                   | -                 |                           |     |
| Fund Balance - Beginning of Year | <u>1,806,950</u>    | <u>1,278,452</u>  | (29.2%)                   |     |
| Fund Balance - End of Year       | <u>\$ 1,278,452</u> | <u>\$ 452,963</u> | (64.6%)                   |     |

(1) The decrease in fund balance is primarily due to higher payroll expenses in FY'24 compared to FY'23. The Board approved market adjustments and CPI increases in landscape maintenance and access control community services.

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**SEPTEMBER 30, 2024**

**MANAGEMENT DISCUSSION AND ANALYSIS**  
**OVERVIEW AND HISTORY**

**Financial Analysis of the District (Continued)**

**Changes in Debt Service Fund Balances**

|                                  | <u>2023</u>      | <u>2024</u>       | <u>Percent<br/>Change</u> |     |
|----------------------------------|------------------|-------------------|---------------------------|-----|
| <u>Program Revenues</u>          |                  |                   |                           |     |
| Special Assessments              | \$ 476,260       | \$ 475,358        | (0.2%)                    |     |
| Prepaid Assessments              | 5,255            | -                 | (100%)                    |     |
| <u>General Revenue</u>           |                  |                   |                           |     |
| Interest Income                  | 6,131            | 9,143             | 49.1%                     |     |
| Other Revenues                   | 5,365            | 5,511             | 2.7%                      |     |
|                                  | <u>493,011</u>   | <u>490,012</u>    | (0.6%)                    |     |
| <u>Expenses</u>                  |                  |                   |                           |     |
| General Government               | 26,307           | 27,765            | 5.5%                      |     |
| Principal Retirement             | 355,000          | 365,000           | 2.8%                      |     |
| Interest                         | 91,724           | 74,831            | (18.4%)                   | (1) |
| Bond issue costs                 | -                | -                 | -                         |     |
| Total Expenses                   | <u>473,031</u>   | <u>467,596</u>    | (1.1%)                    |     |
| Change in Fund Balance           | 19,980           | 22,416            | 12.2%                     |     |
| Total Financing Sources (Uses)   | -                | -                 | -                         |     |
| Fund Balance - Beginning of Year | 72,672           | 92,652            | 27.5%                     |     |
| Fund Balance - End of Year       | <u>\$ 92,652</u> | <u>\$ 115,068</u> | 24.2%                     |     |

(1) The decrease in interest expense is due to bond refinancing resulting in a principal reduction and a subsequent reduction in interest expense.

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**SEPTEMBER 30, 2024**

**MANAGEMENT DISCUSSION AND ANALYSIS**  
**OVERVIEW AND HISTORY**

**Financial Analysis of the District (Continued)**

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**

|                             | <b>Governmental Activities</b> |               | <b>Percent Change</b> |     |
|-----------------------------|--------------------------------|---------------|-----------------------|-----|
|                             | <b>2023</b>                    | <b>2024</b>   |                       |     |
| <u>Assets</u>               |                                |               |                       |     |
| Current Assets              | \$ 1,442,007                   | \$ 709,108    | (50.8%)               | (1) |
| Restricted Assets           | 100,037                        | 101,685       | (1.6%)                |     |
| Capital Assets              | 24,496,030                     | 24,479,299    | 1.1%                  |     |
| Total Assets                | 26,038,074                     | 25,290,092    | (0.1%)                |     |
| <u>Liabilities</u>          |                                |               |                       |     |
| Current Liabilities         | 202,057                        | 270,225       | 33.7%                 | (2) |
| Non-Current Liabilities     | 3,105,000                      | 2,740,000     | (11.8%)               | (3) |
| Total Liabilities           | 3,307,057                      | 3,010,225     | (9.0%)                |     |
| <u>Net Position</u>         |                                |               |                       |     |
| Investment in Capital       |                                |               |                       |     |
| Assets, Net of Related Debt | 21,391,030                     | 21,739,299    | 1.6%                  |     |
| Restricted for Debt Service | 68,920                         | 74,222        | 7.7%                  |     |
| Unrestricted                | 1,271,067                      | 466,346       | (63.3%)               | (4) |
| Total Net Position          | \$ 22,731,017                  | \$ 22,279,867 | (2.0%)                |     |

- (1) The net decrease in current assets is primarily attributable to decrease in cash balances in FY'24.
- (2) The increase in current liabilities is primarily due to an increase in general accounts payable, partially attributable to amounts accrued in FY'24 relating to the new Shoreline Restoration project.
- (3) The decrease in non-current liabilities is due to the bond principal payments totaling \$365,000 in FY'24, in accordance with the amortization schedule for the Series 2022 Bonds.
- (4) The decrease in unrestricted due to funds used for specific operational and/or capital needs.

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**SEPTEMBER 30, 2024**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**OVERVIEW AND HISTORY**

**Financial Analysis of the District (Continued)**

**Change in Net Position**

|                                  | <b>Governmental Activities</b> |                      | <b>Percent<br/>Change</b> |
|----------------------------------|--------------------------------|----------------------|---------------------------|
|                                  | <b><u>2023</u></b>             | <b><u>2024</u></b>   |                           |
| Program Revenues                 |                                |                      |                           |
| Charges for services             | \$ 4,599,693                   | \$ 4,592,575         | (0.2%)                    |
| General Revenues                 |                                |                      |                           |
| Interest Income                  | 140,377                        | 133,716              | (4.7%)                    |
| Loss on disposals                | -                              | (259,134)            | 100% (1)                  |
| Miscellaneous income             | <u>121,130</u>                 | <u>124,342</u>       | 2.7%                      |
| Total Revenues                   | <u>4,861,200</u>               | <u>4,591,499</u>     | (0.2%)                    |
| Expenses                         |                                |                      |                           |
| General government               | 490,159                        | 529,280              | 8.0%                      |
| Community services               | 4,162,978                      | 4,442,192            | 6.7%                      |
| Interest on long-term debt       | <u>81,285</u>                  | <u>71,177</u>        | (12.4%) (2)               |
| Total Expenses                   | <u>4,734,422</u>               | <u>5,042,649</u>     | 6.5%                      |
| Change in Position               | 126,778                        | (451,150)            | (455.9%) (3)              |
| Net Position - Beginning of Year | <u>22,604,239</u>              | <u>22,731,017</u>    | (0.6%)                    |
| Net Position - End of Year       | <u>\$ 22,731,017</u>           | <u>\$ 22,279,867</u> | (2.0%)                    |

(1) Increase in loss on disposal due to capital assets disposed of due to new gate house project.

(2) Bonds were refinanced in FY'22 for rate gain purposes; continual paydown of principal resulted in lower expense each year.

(3) The Board approved increased payroll rates in response to the economic conditions in FY'24. The loss on disposals impact with higher operational costs resulted in a significant decrease in overall change in position

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**SEPTEMBER 30, 2024**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
OVERVIEW AND HISTORY**

**Conclusion**

The 2024 fiscal year was another year of continued refinement of focus and challenged financial accounting. If you, upon review of the above, have any questions or concerns, please do not hesitate to contact me.

Sincerely,

*W. Neil Dorrill*

W. Neil Dorrill, District Manager  
Pelican Marsh Community Development District  
cc: Supervisors

**PART I. FINANCIAL SECTION**

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**STATEMENTS OF NET POSITION**

**SEPTEMBER 30, 2024 AND 2023**

| <b>ASSETS</b>                                        | <b>Governmental Activities</b> |                      |
|------------------------------------------------------|--------------------------------|----------------------|
|                                                      | <b>2024</b>                    | <b>2023</b>          |
| Cash                                                 | \$ 632,935                     | \$ 1,376,463         |
| Receivables                                          | 60,922                         | 52,684               |
| Prepaid expenses                                     | 15,251                         | 12,860               |
| Restricted assets:                                   |                                |                      |
| Investments, restricted for principal and interest   | 101,685                        | 100,037              |
| Capital assets, net:                                 |                                |                      |
| Nondepreciable assets:                               |                                |                      |
| Land                                                 | 6,838,000                      | 6,838,000            |
| Land improvements                                    | 8,189,367                      | 8,189,367            |
| Construction in progress                             | 130,140                        | 759,091              |
| Depreciable assets, net of accumulated depreciation: |                                |                      |
| Buildings                                            | 2,276,239                      | 1,609,359            |
| Improvements                                         | 2,892,048                      | 2,378,857            |
| Infrastructure                                       | 3,964,732                      | 4,515,512            |
| Machinery and equipment                              | 188,773                        | 205,844              |
| Total capital assets, net (Note 4)                   | <u>24,479,299</u>              | <u>24,496,030</u>    |
| Total assets                                         | <u>25,290,092</u>              | <u>26,038,074</u>    |
| <b>LIABILITIES</b>                                   |                                |                      |
| Accounts payable                                     | 184,237                        | 128,926              |
| Accrued payroll and other                            | 58,525                         | 42,014               |
| Accrued interest payable                             | 27,463                         | 31,117               |
| Non-current liabilities:                             |                                |                      |
| Portion due within one year (Note 5)                 | 375,000                        | 365,000              |
| Portion due after one year (Note 5)                  | <u>2,365,000</u>               | <u>2,740,000</u>     |
| Total liabilities                                    | <u>3,010,225</u>               | <u>3,307,057</u>     |
| <b>NET POSITION</b>                                  |                                |                      |
| Investment in capital assets, net<br>of related debt | 21,739,299                     | 21,391,030           |
| Restricted for:                                      |                                |                      |
| Debt service                                         | 74,222                         | 68,920               |
| Unrestricted                                         | <u>466,346</u>                 | <u>1,271,067</u>     |
| Total net position                                   | <u>\$ 22,279,867</u>           | <u>\$ 22,731,017</u> |

The accompanying notes are an integral part of these financial statements.



**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**(with comparative totals for 2023)**

| <b><u>Functions/Programs</u></b> | <b><u>2024</u></b>             |                                    | <b><u>2023</u></b>                                 |                                                    |
|----------------------------------|--------------------------------|------------------------------------|----------------------------------------------------|----------------------------------------------------|
|                                  |                                |                                    | <b><u>Net (Expenses)</u></b>                       | <b><u>Net (Expenses)</u></b>                       |
|                                  | <b><u>Program Revenues</u></b> | <b><u>Charges for Services</u></b> | <b><u>Revenues and Changes in Net Position</u></b> | <b><u>Revenues and Changes in Net Position</u></b> |
|                                  | <b><u>Expenses</u></b>         |                                    | <b><u>Governmental Activities</u></b>              | <b><u>Comparative Totals</u></b>                   |
| Primary Government:              |                                |                                    |                                                    |                                                    |
| Governmental activities:         |                                |                                    |                                                    |                                                    |
| General government               | \$ 529,280                     | \$ 525,708                         | \$ (3,572)                                         | \$ (379)                                           |
| Community services               | 4,442,192                      | 3,643,016                          | (799,176)                                          | (479,872)                                          |
| Interest on long term debt       | 71,177                         | 423,851                            | 352,674                                            | 345,522                                            |
| Total governmental activities    | <u>\$ 5,042,649</u>            | <u>\$ 4,592,575</u>                | <u>(450,074)</u>                                   | <u>(134,729)</u>                                   |
| General revenues:                |                                |                                    |                                                    |                                                    |
| Interest income                  |                                |                                    | 133,716                                            | 140,377                                            |
| Loss on disposals                |                                |                                    | (259,134)                                          | -                                                  |
| Miscellaneous                    |                                |                                    | <u>124,342</u>                                     | <u>121,130</u>                                     |
| Total general revenues           |                                |                                    | <u>(1,076)</u>                                     | <u>261,507</u>                                     |
| Change in net position           |                                |                                    | (451,150)                                          | 126,778                                            |
| Net position, September 30, 2023 |                                |                                    | <u>22,731,017</u>                                  | <u>22,604,239</u>                                  |
| Net position, September 30, 2024 |                                |                                    | <u>\$ 22,279,867</u>                               | <u>\$ 22,731,017</u>                               |

The accompanying notes are an integral part of these financial statements.

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2024**

|                                                                                                                                                                                                                                                                                            | <b>2024</b>        |                                  |                                         | <b>2023</b>          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------|-----------------------------------------|----------------------|
|                                                                                                                                                                                                                                                                                            | <b>MAJOR FUNDS</b> |                                  |                                         |                      |
|                                                                                                                                                                                                                                                                                            | <b>GENERAL</b>     | <b>DEBT<br/>SERVICE<br/>2022</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>Totals</b>        |
| <b><u>ASSETS</u></b>                                                                                                                                                                                                                                                                       |                    |                                  |                                         |                      |
| Cash (Note 3)                                                                                                                                                                                                                                                                              | \$ 632,935         | \$ -                             | \$ 632,935                              | \$ 1,376,463         |
| Investments (Note 3)                                                                                                                                                                                                                                                                       | -                  | 101,685                          | 101,685                                 | 100,037              |
| Receivables                                                                                                                                                                                                                                                                                | 55,411             | 5,511                            | 60,922                                  | 52,684               |
| Prepaid expenses                                                                                                                                                                                                                                                                           | 15,251             | -                                | 15,251                                  | 12,860               |
| Due from other funds                                                                                                                                                                                                                                                                       | -                  | 7,872                            | 7,872                                   | 12,750               |
| Total Assets                                                                                                                                                                                                                                                                               | <u>\$ 703,597</u>  | <u>\$ 115,068</u>                | <u>\$ 818,665</u>                       | <u>\$ 1,554,794</u>  |
| <b><u>LIABILITIES AND FUND BALANCES</u></b>                                                                                                                                                                                                                                                |                    |                                  |                                         |                      |
| Liabilities:                                                                                                                                                                                                                                                                               |                    |                                  |                                         |                      |
| Accounts payable                                                                                                                                                                                                                                                                           | \$ 184,237         | \$ -                             | \$ 184,237                              | \$ 128,926           |
| Accrued payroll and other                                                                                                                                                                                                                                                                  | 58,525             | -                                | 58,525                                  | 42,014               |
| Due to other funds                                                                                                                                                                                                                                                                         | 7,872              | -                                | 7,872                                   | 12,750               |
| Total Liabilities                                                                                                                                                                                                                                                                          | <u>250,634</u>     | <u>-</u>                         | <u>250,634</u>                          | <u>183,690</u>       |
| Fund Balances (Note 8):                                                                                                                                                                                                                                                                    |                    |                                  |                                         |                      |
| Reserved for:                                                                                                                                                                                                                                                                              |                    |                                  |                                         |                      |
| Non-spendable                                                                                                                                                                                                                                                                              | -                  | -                                | -                                       | -                    |
| Restricted                                                                                                                                                                                                                                                                                 | -                  | 115,068                          | 115,068                                 | 182,652              |
| Assigned                                                                                                                                                                                                                                                                                   | 782,000            | -                                | 782,000                                 | 1,361,332            |
| Unassigned                                                                                                                                                                                                                                                                                 | (329,037)          | -                                | (329,037)                               | (172,880)            |
| Total Fund Balances                                                                                                                                                                                                                                                                        | <u>452,963</u>     | <u>115,068</u>                   | <u>568,031</u>                          | <u>1,371,104</u>     |
| Total Liabilities and Fund Balances                                                                                                                                                                                                                                                        | <u>\$ 703,597</u>  | <u>\$ 115,068</u>                | <u>\$ 818,665</u>                       | <u>\$ 1,554,794</u>  |
| Amounts reported for governmental activities in the statement of net position are different because:                                                                                                                                                                                       |                    |                                  |                                         |                      |
| Fund balances - governmental funds                                                                                                                                                                                                                                                         |                    |                                  | \$ 568,031                              | \$ 1,371,104         |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of accumulated depreciation, in the assets of the government as a whole. |                    |                                  | 24,479,299                              | 24,496,030           |
| Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.                                                         |                    |                                  | (2,767,463)                             | (3,136,117)          |
| Net position of governmental activities                                                                                                                                                                                                                                                    |                    |                                  | <u>\$ 22,279,867</u>                    | <u>\$ 22,731,017</u> |

The accompanying notes are an integral part of these financial statements.

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

|                                                              | <b>2024</b>        |                                  |                                         | <b>2023</b>         |
|--------------------------------------------------------------|--------------------|----------------------------------|-----------------------------------------|---------------------|
|                                                              | <b>MAJOR FUNDS</b> |                                  |                                         |                     |
|                                                              | <b>GENERAL</b>     | <b>DEBT<br/>SERVICE<br/>2022</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>Totals</b>       |
| <b>REVENUES:</b>                                             |                    |                                  |                                         |                     |
| Maintenance assessments                                      | \$ 4,117,217       | \$ -                             | \$ 4,117,217                            | \$ 4,118,178        |
| Special assessments                                          | -                  | 475,358                          | 475,358                                 | 476,260             |
| Prepaid assessments                                          | -                  | -                                | -                                       | 5,255               |
| Interest income                                              | 124,573            | 9,143                            | 133,716                                 | 140,377             |
| Other revenues, net                                          | <u>118,832</u>     | <u>5,511</u>                     | <u>124,343</u>                          | <u>121,130</u>      |
| Total Revenues                                               | <u>4,360,622</u>   | <u>490,012</u>                   | <u>4,850,634</u>                        | <u>4,861,200</u>    |
| <b>EXPENDITURES:</b>                                         |                    |                                  |                                         |                     |
| Current:                                                     |                    |                                  |                                         |                     |
| General government                                           | 501,399            | 27,765                           | 529,164                                 | 490,161             |
| Community services:                                          |                    |                                  |                                         |                     |
| Field management                                             | 229,135            | -                                | 229,135                                 | 219,695             |
| Water management                                             | 305,835            | -                                | 305,835                                 | 312,764             |
| Street lighting                                              | 125,918            | -                                | 125,918                                 | 115,514             |
| Landscaping maintenance                                      | 1,714,526          | -                                | 1,714,526                               | 1,587,041           |
| Access control                                               | 1,007,123          | -                                | 1,007,123                               | 938,759             |
| Roadway service                                              | 149,647            | -                                | 149,647                                 | 99,182              |
| Capital outlay                                               | 1,152,528          | -                                | 1,152,528                               | 1,159,878           |
| Debt service:96                                              |                    |                                  |                                         |                     |
| Principal                                                    | -                  | 365,000                          | 365,000                                 | 355,000             |
| Interest                                                     | -                  | 74,831                           | 74,831                                  | 91,274              |
| Bond issue costs                                             | -                  | -                                | -                                       | -                   |
| Total Expenditures                                           | <u>5,186,111</u>   | <u>467,596</u>                   | <u>5,653,707</u>                        | <u>5,369,718</u>    |
| (Deficiency) excess of revenues<br>over (under) expenditures | (825,489)          | 22,416                           | (803,073)                               | (508,518)           |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                    |                                  |                                         |                     |
| Interfund transfers                                          | -                  | -                                | -                                       | -                   |
| Total Financing Sources (Uses)                               | -                  | -                                | -                                       | -                   |
| Net Change in Fund Balances                                  | (825,489)          | 22,416                           | (803,073)                               | (508,518)           |
| Fund Balances, September 30, 2023                            | <u>1,278,452</u>   | <u>92,652</u>                    | <u>1,371,104</u>                        | <u>1,879,622</u>    |
| Fund Balances, September 30, 2024                            | <u>\$ 452,963</u>  | <u>\$ 115,068</u>                | <u>\$ 568,031</u>                       | <u>\$ 1,371,104</u> |

The accompanying notes are an integral part of these financial statements.

**PELICAN MARSH COMMUNITY DEVELOPMENT 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, 2024**

Amounts reported for governmental activities in the statement of activities (page 14)  
are different because:

|                                                                                                                                                                                                                                                                                                                                                             |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Net change in fund balances - total governmental funds (page 16)                                                                                                                                                                                                                                                                                            | \$ (803,073)        |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.                                                                                                                                            | 242,520             |
| Governmental funds report capital outlays as expenditures and are not capitalized. However, in the statement of activities capital assets disposed of during the year are recorded as gain or loss net of any sale proceeds, if any.                                                                                                                        | (259,134)           |
| The issuance of long-term debt (e.g., special assessment bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items. | 365,000             |
| Interest expense and other reported in the statement of activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.                                                                                                                                                          | <u>3,537</u>        |
| Change in net position of governmental activities (page 14)                                                                                                                                                                                                                                                                                                 | <u>\$ (451,150)</u> |

The accompanying notes are an integral part of these financial statements.

# **PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

### **NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Reporting Entity**

Pelican Marsh Community Development District ("the District") was created on November 23, 1993 pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), as a Community Development District and operates within the criteria established. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and waste water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or without the boundaries of Pelican Marsh Community Development District. The District is governed by a five-member Board of Supervisors, who are elected on a rotating basis for terms of four years. The Supervisors are elected on an at large basis by qualified electors residing within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

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

#### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes, are reported separately from *business-type activities* of which the District had no such activities during 2024. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds even though such funds are excluded from the government-wide financial statements. All governmental funds of the District are reported as major individual funds.

# **PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

### **NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The primary revenue sources that are susceptible to accrual are assessments (i.e. non-ad valorem assessments) and interest. Other receipts and fees become measurable and available when cash is received by the District and are recognized as revenue at that time.

#### **Assessments**

Maintenance assessments are non-ad-valorem assessments on all property benefited within the District. Maintenance assessments are levied each year after the adoption of the annual budget. The fiscal year for which assessments are levied begins on October 1 with a maximum discount available for payments through November 30 and becomes delinquent on April 1. The Collier County Florida Tax Collector's Office bills and collects maintenance assessments on behalf of the District.

Special assessments are imposed on each parcel of benefited land within the District. Certain assessments are collected upon closing on each lot and are used to prepay a portion of the Bonds and to pay a portion of the interest owed. The District must also levy and collect additional annual assessments to provide funds for additional debt service on the portion of the bonds which are not paid from prepaid assessments. The fiscal year for which assessments levied begins on October 1 with a maximum discount available for payments through November 30 and becomes delinquent on April 1. The Collier County, Florida Tax Collector's Office bills and collects special assessments on behalf of the District.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of assessments receivable within the current fiscal period are considered to be susceptible to accrual as revenue of the current period.

# **PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

### **NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The District reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**Debt Service Fund 2022** - This Debt Service Fund 2022 accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt for the 2022 Bonds Series.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

#### **Budgetary Process**

The General and Debt Service Fund budgets and amendments, if any, are approved by the Board of Supervisors. The budgets are prepared on a basis, which is consistent with modified accrual basis in accordance with generally accepted accounting principles. The budget amounts presented in the accompanying financial statements are as originally adopted, unless subsequently amended, by the District's Board of Supervisors. During 2024, the District approved one budget amendment to increase the budget for capital outlay, offset by an increase in the capital reserve transfer (see supplementary schedule on page 32). Budgetary control is established by the District through appropriated budgets for both the General and the Debt Service Fund.

The annual budget serves as the legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted. All budget amendments, which change the legally adopted total appropriation, are approved by the Board of Supervisors. Appropriations, if any, lapse at the year-end.

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

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) A public hearing is conducted to obtain taxpayer comments.
- c) Prior to September 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

# **PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

### **NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Encumbrances**

Encumbrance accounting under which purchase orders and other commitments for expenditures of monies are recorded is not employed by the District and thus no amount has been included in these financial statements for encumbrances.

#### **Due to and From Other Funds**

Interfund receivables and payables arise from interfund transactions and are recorded by funds affected in the period in which transactions are executed. There were amounts due to and from other funds at September 30, 2024 included in the accompanying fund statements.

#### **Special Assessments**

The District's special assessment revenues (non-ad valorem assessments) are levied through Collier County based on the approved budget submitted to the County by the District on or before September 15 of each tax year. The assessments are included in the property's tax levy, which begins each November 1 and is due on or before April 1.

#### **Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types**

The budget column of this statement is prepared from the District's adopted annual budget, as amended during the year, which reflects budgeted revenues and expenditures in total for all budgeted governmental fund types on a basis which is comparable to the modified accrual basis of accounting for the year ended September 30, 2024. Appropriations lapse at year-end.

#### **Total Column on the Statement of Net Position, Statement of Activities, Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**

The total columns on the statement of net position, statement of activities, balance sheet and the statement of revenues, expenditures and changes in fund balances is presented only to facilitate financial analysis and also is utilized for reconciliation purposes to the government-wide financial statements. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles, and such data is not comparable to a consolidation.

#### **Investments**

Investments are reported and are equal or equivalent to fair value. Florida Statutes allows the District to invest surplus funds in:

- a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s.183.01.
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02.
- d) Direct obligations of the U.S. Treasury.
- e) Other investments authorized by law and/or denoted at Section 218.415 (16) of the Florida Statutes.



# **PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

### **NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Investments (Continued)**

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair values of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

All investments held by the District at September 30, 2024 are in First American Government Obligations Fund. Investments are recorded at fair value, which 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 (Level 1 inputs). Money market funds and short-term investments in the First American Government Obligation Fund are recorded at net asset value (NAV) per share. This method of determining fair value uses member units to which a proportionate share of net assets is attributed.

#### **Payables and Accruals**

Such payable and accrual amounts are recorded as expenses and liabilities when incurred in the government wide financial statements and as expenditures and liabilities in the fund financial statements when expected to be liquidated with available current expendable financial resources.

#### **Restricted Assets**

Certain resources set aside for the repayment of the District's special assessment bond proceeds are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "Investments, restricted for principal and interest" account is used to segregate resources accumulated for future debt service payments.

#### **Capital Assets**

Capital assets, which include property, buildings, improvements, infrastructure assets (e.g. roads, bridges, sidewalks and similar items) and machinery and equipment are reported in the government activities columns in the government-wide financial statements (see Note 4). Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than two years.

As the District constructs or acquires additional infrastructure and capital assets each period, such assets are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life. In the case of donations, the District values these capital assets at the estimated fair value of the item at the date of donation. There were no such donated assets during 2024.

Buildings, improvements, infrastructure and machinery and equipment of the District are being depreciated using the straight line method over the following estimated useful lives.

|                         | <b><u>YEARS</u></b> |
|-------------------------|---------------------|
| Buildings               | 10 - 50             |
| Improvements            | 10 - 20             |
| Infrastructure          | 20 - 30             |
| Machinery and equipment | 5 - 7               |

# **PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

### **NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond issuance costs, if any, are expensed when incurred. Related interest is expensed in the accompanying Statement of Activities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. Issuance costs are reported as debt service expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Related principal and interest payments are reported as expenditures in such Statement.

#### **Fund Equity**

The District establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The District's fund balance classifications, under GASB 54, are: Nonspendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restrictions placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of various fund balance classifications refer to Note 8.

Net Position in the government-wide statements are categorized as invested in capital assets, net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt, represents net position related to land, buildings, improvements, infrastructure and machinery and equipment, net of any related debt. Restricted net position represents the assets restricted by the District's bond covenants net of accrued interest payable.

#### **Risk Management**

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; and natural disasters. Insurance coverage for such losses is purchased from third-party carriers. The financial impact of the District's risk management activities is reported in the general fund. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. There was no such type of occurrence during fiscal 2024. No accrual has been provided for claims and incidents not reported to the insurer. Claims made have not exceeded the insurance coverage for 2024.

**Reclassifications:** Certain reclassifications were made to the prior year's audited financial statements in order for them to be in conformity with the current year presentation.

# **PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

### **NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Use of Estimates**

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

### **NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND GOVERNMENTAL FUND FINANCIAL STATEMENTS**

#### **Explanation of certain differences between the government-wide statement of net position and the governmental funds balance sheet**

##### **Capital Assets, Net:**

The government fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$24,479,299 difference are as follows:

|                                                                                                                                         |                      |
|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Total cost of capital assets at September 30, 2024 (see Note 4)                                                                         | \$ 51,319,396        |
| Accumulated depreciation at September 30, 2024 (see Note 4)                                                                             | <u>(26,840,097)</u>  |
| Net adjustment to increase <i>fund balance - total governmental funds</i><br>to arrive at <i>net position - governmental activities</i> | <u>\$ 24,479,299</u> |

##### **Bonds Payable and Other Debt Items:**

Another element of that reconciliation explains that “long term liabilities, including special assessment bonds payable, and related interest payable are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$2,767,463) difference are as follows:

|                                                                                                                                       |                       |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Special assessment bonds payable (see Note 5)                                                                                         | \$ (2,740,000)        |
| Accrued interest payable                                                                                                              | <u>(27,463)</u>       |
| Net adjustment to reduce <i>fund balance - total governmental funds</i><br>to arrive at <i>net position - governmental activities</i> | <u>\$ (2,767,463)</u> |

# PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

### NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND GOVERNMENTAL FUND FINANCIAL STATEMENTS (Continued)

#### Explanation of certain differences between government-wide statement of activities and the governmental funds statement of revenues, expenditures and changes in fund balances

##### Depreciation , Capital Outlay and Disposal of Capital Assets:

The governmental funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense as well as assets sold are recorded as gain or losses. The details of this \$242,520 and (\$259,134) difference are as follows:

|                                                                                                                                                                |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Depreciation expense (see Note 4)                                                                                                                              | \$ (910,008)        |
| Capital outlay (see Note 4)                                                                                                                                    | <u>1,152,528</u>    |
| Net adjustment to increase <i>net change in fund balances – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i> | <u>\$ 242,520</u>   |
| Loss on disposal of capital asset (see Note 4)                                                                                                                 | \$ (259,134)        |
| Proceeds on disposal of capital assets                                                                                                                         | <u>-</u>            |
| Net adjustment to decrease <i>net change in fund balances – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i> | <u>\$ (259,134)</u> |

##### Bond and Repayments:

Another element of that reconciliation states that, “The issuance of long-term debt (e.g., special assessment bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions, however, do not have any effect on net position. The details of this \$365,000 difference are as follows:

|                                                                                                                                                                |                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Revenue bonds-principal repayments (see Note 5)                                                                                                                | \$ <u>365,000</u> |
| Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i> | <u>\$ 365,000</u> |

##### Accrued Interest:

Another element of that reconciliation states that, “interest expense reported in the statement of activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$3,537 difference are as follows:

|                                                                                                                                                                |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Special assessment bonds accrued interest payable at September 30, 2024                                                                                        | \$ (27,463)     |
| Other minor items affecting change                                                                                                                             | (117)           |
| Special assessments interest charged to expense which was accrued in 2023                                                                                      | <u>31,117</u>   |
| Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i> | <u>\$ 3,537</u> |

# **PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

### **NOTE 3 - CASH AND INVESTMENTS**

#### **Cash**

Cash held at September 30, 2024 consisted of the following:

|                 | <b><u>GENERAL<br/>FUND</u></b> | <b><u>DEBT<br/>SERVICE<br/>FUNDS</u></b> | <b><u>TOTAL</u></b> |
|-----------------|--------------------------------|------------------------------------------|---------------------|
| Demand Deposits | \$ 632,935                     | \$ -                                     | \$ 632,935          |
| Total           | <u>\$ 632,935</u>              | <u>\$ -</u>                              | <u>\$ 632,935</u>   |

All deposits with banks are entirely insured by Federal Depository Insurance. All District depositories are banks designated by the Florida State Treasurer as qualified public depositories. Chapter 280 of the Florida Statutes "Florida Security for Public Deposits Act" provides procedures as discussed below for public depositories to ensure public monies in banks and savings and loans are collateralized with the Treasurer as agent for the public entities.

Financial institutions qualifying as public depositories shall deposit with the Treasurer eligible collateral having a market value equal to or in excess of the average daily balance of public deposits times the depository collateral pledging level required pursuant to Chapter 280 as computed and reported monthly or 25 percent of the average monthly balance, whichever is greater. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and certificates of deposit.

At September 30, 2024, the District's demand deposits bank balance and carrying amounts were \$689,459 and \$632,935 respectively.

#### **Investments**

The District has no written and/or adopted formal investment policy and consequently adheres to the Investment Guidelines as set forth in Section 218.415 (16) of the Florida Statutes. Consequently, the District does not have a formal investment policy that addresses credit risk and/or interest rate risk. All investments held by the District at September 30, 2024 are held in First American Government Obligations Fund and are secured by underlying U.S. Government obligations.

The District records all interest income related to investment activities in the respective funds.

The District's investments were held as follows at September 30, 2024:

|                                            |                   |
|--------------------------------------------|-------------------|
| First American Government Obligations Fund | <u>\$ 101,685</u> |
|--------------------------------------------|-------------------|

The average yield on these investments was 4.51% at September 30, 2024.

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

**Interest Rate Risk**

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

**Credit Risk**

Florida Statutes Section 218.415 (16) authorizes certain investment instruments that the District is permitted to invest in since the District does not have a formal investment policy. Consequently, the District has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk**

The District places no limit on the amount it may invest in any one issuer. All the District's investments are in the First American Government Obligations Fund.

**NOTE 4 - CAPITAL ASSETS, NET**

Capital asset activity for the year ended September 30, 2024 was as follows:

|                                               | <b><u>BALANCE<br/>SEPT. 30,<br/>2023</u></b> | <b><u>ADDITIONS</u></b> | <b><u>OTHER</u></b>   | <b><u>BALANCE<br/>SEPT. 30,<br/>2024</u></b> |
|-----------------------------------------------|----------------------------------------------|-------------------------|-----------------------|----------------------------------------------|
| <b><u>Governmental activities</u></b>         |                                              |                         |                       |                                              |
| Capital assets, not being depreciated:        |                                              |                         |                       |                                              |
| Land                                          | \$ 6,838,000                                 | \$ -                    | \$ -                  | \$ 6,838,000                                 |
| Land Improvements                             | 8,189,367                                    | -                       | -                     | 8,189,367                                    |
| Construction in progress                      | 759,091                                      | 130,140                 | (759,091)             | 130,140                                      |
| Total capital assets, not being depreciated   | <u>15,786,458</u>                            | <u>130,140</u>          | <u>(759,091)</u>      | <u>15,157,507</u>                            |
| Capital assets, being depreciated:            |                                              |                         |                       |                                              |
| Buildings                                     | 2,657,263                                    | 989,162                 | (471,153)             | 3,175,272                                    |
| Improvements— landscaping and common areas    | 11,258,763                                   | 739,724                 | -                     | 11,998,487                                   |
| Infrastructure                                | 19,153,157                                   | -                       | -                     | 19,153,157                                   |
| Machinery and equipment (inc. capital leases) | 1,782,429                                    | 52,593                  | -                     | 1,835,022                                    |
| Total capital assets being depreciated        | <u>34,851,612</u>                            | <u>1,781,479</u>        | <u>(471,153)</u>      | <u>36,161,938</u>                            |
| Less accumulated depreciation for:            |                                              |                         |                       |                                              |
| Buildings                                     | (1,047,904)                                  | (63,148)                | 212,019               | (899,033)                                    |
| Improvements— landscaping and common areas    | (8,879,906)                                  | (226,416)               | (117)                 | (9,106,439)                                  |
| Infrastructure                                | (14,637,645)                                 | (550,780)               | -                     | (15,188,425)                                 |
| Machinery and equipment (inc. capital leases) | (1,576,585)                                  | (69,664)                | -                     | (1,646,249)                                  |
| Total accumulated depreciation                | <u>(26,142,040)</u>                          | <u>(910,008)</u>        | <u>211,902</u>        | <u>(26,840,146)</u>                          |
| Total capital assets, being depreciated, net  | <u>8,709,572</u>                             | <u>871,471</u>          | <u>(259,251)</u>      | <u>9,321,792</u>                             |
| Governmental activities capital assets, net   | <u>\$24,496,030</u>                          | <u>\$ 1,001,611</u>     | <u>\$ (1,018,342)</u> | <u>\$24,479,299</u>                          |

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

**NOTE 4 - CAPITAL ASSETS, NET (Continued)**

Depreciation expense totaling \$910,008 was charged to Community Services program during the year in the accompanying Statement of Activities on page 14. Construction in progress as of September 30, 2024 and 2024 related to costs for the District's ongoing major guardhouse renovation project, which is expected to be completed in phases in future years. The aggregate cost and accumulated depreciation of assets acquired under capital leases at September 30, 2024 were \$281,187.

**NOTE 5 - CAPITAL IMPROVEMENT REVENUE BONDS AND LINE OF CREDIT**

**Special Assessment Revenue Bonds - Series 2022**

On March 1, 2022, the District issued \$3,460,000 of Special Assessment Revenue Refunding Bond 2022 Series. Bond Series 2022 is due May 1, 2031 bearing interest at an initial rate of 2.41%. Interest is paid semiannually on each May 1 and November 1 and principal is paid annually each May 1. These Bonds were issued along with the District's other available 2012 bond investment funds to advance refund and redeem all the outstanding principal amounts of the District's Special Revenue Assessment Revenue Bonds 2012 Series. As of September 30, 2022, the Series 2012 Bonds were in substance defeased and deemed paid in full. There was no activity in 2024 related to the Series 2012 Bonds.

The Series 2022 Bonds are subject to redemption at the option of the District in whole or in part (a) on any date prior to March 25, 2025, at the Redemption Price of 102% of the principal amount of the Series 2022 Bond or portion thereof to be redeemed together with accrued interest, or (b) on any date on or after March 25, 2025, at the Redemption price of 100% of the principal amount of the Series 2022 Bond or portion thereof to be redeemed together with accrued interest to the date of redemption. The Series 2022 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole or in part on any Redemption Date at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the Redemption Date, from amounts, including Series 2022 Prepayments, required by the Indenture to be deposited into the Series 2022 Prepayment subaccount. The Bond Indenture does not require the District maintain a reserve account to meet any debt service reserve requirement as defined in the Indenture.

At September 30, 2024, future debt service requirements on the District's Series 2022 Bonds are as follows:

| <b><u>YEAR ENDING<br/>SEPTEMBER 30</u></b> | <b><u>BONDS – SERIES 2022</u></b> |                        |                     |
|--------------------------------------------|-----------------------------------|------------------------|---------------------|
|                                            | <b><u>PRINCIPAL</u></b>           | <b><u>INTEREST</u></b> | <b><u>TOTAL</u></b> |
| 2025                                       | \$ 375,000                        | \$ 66,034              | \$ 441,034          |
| 2026                                       | 385,000                           | 56,997                 | 441,997             |
| 2027                                       | 390,000                           | 47,718                 | 437,718             |
| 2028                                       | 400,000                           | 38,320                 | 438,320             |
| 2029                                       | 410,000                           | 28,679                 | 438,679             |
| 2030-2031                                  | <u>780,000</u>                    | <u>27,474</u>          | <u>807,474</u>      |
| Total                                      | <u>\$ 2,740,000</u>               | <u>\$ 265,222</u>      | <u>\$ 3,005,222</u> |

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

**NOTE 5 - CAPITAL IMPROVEMENT REVENUE BONDS AND LINE OF CREDIT (Continued)**

**Capital Improvement Revenue Bonds (Continued):**

**Long Term Debt Transactions**

Changes in long-term liability activity for the fiscal year ended September 30, 2024 was as follows:

|                                               | <u>BALANCE<br/>SEPTEMBER 30,<br/>2023</u> | <u>ADDITIONS</u> | <u>(REDUCTIONS)</u> | <u>BALANCE<br/>SEPTEMBER 30,<br/>2024</u> | <u>DUE<br/>WITHIN<br/>ONE YEAR</u> |
|-----------------------------------------------|-------------------------------------------|------------------|---------------------|-------------------------------------------|------------------------------------|
| <u>Capital Improvement<br/>Revenue Bonds:</u> |                                           |                  |                     |                                           |                                    |
| Series 2022                                   | \$ 3,105,000                              | \$ -             | \$ (365,000)        | \$ 2,740,000                              | \$ 375,000                         |
| Total                                         | <u>\$ 3,105,000</u>                       | <u>\$ -</u>      | <u>\$ (365,000)</u> | <u>\$ 2,740,000</u>                       | <u>\$ 375,000</u>                  |

**Line of Credit:**

The District has a line of credit for up to \$500,000 with a local bank through a maturity date of November 5, 2025. The interest rate for any borrowings under the line of credit is a variable rate based on the prime rate as published in the Wall Street Journal. The line of credit is unsecured; however, the District is required to maintain their primary business deposit accounts with the lending bank. The District did not borrow any monies under this line of credit during the year ended September 30, 2024.

**NOTE 6 - EMPLOYEE BENEFIT PLAN**

The District established a defined contribution pension plan (the "Plan") in fiscal year 1996. The Plan, which is available to all District employees upon completion of one year of service, provides that the District will contribute 6% of an employee's annual salary, and the employee has the ability to contribute an additional 4%. Vesting occurs 20% per year after one year of service and is fully vested in the sixth year of continuous employment. Forfeitures are used to reduce the District's contribution. At September 30, 2024, there were twenty-eight participant accounts and no contributing participants in the Plan. For the fiscal year ended September 30, 2024, total payroll was approximately \$1,820,997. Total contribution pension payments made for all employees in fiscal 2024 were \$87,808.



# **PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

### **NOTE 7 - MANAGEMENT COMPANY**

The District has contracted with a management company to perform management advisory services, which includes financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs. Total fees paid to this management company for such services in 2024 was approximately \$160,382.

### **NOTE 8 - FUND BALANCE DISCLOSURE**

In accordance with GASB No. 54, the District classifies governmental fund balances (as applicable) as follows:

- Nonspendable - includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual requirements.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, lenders or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through a formal action of the highest level of decision making authority.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned through the following: (1) the District Manager is authorized by the Supervisors to assign amounts for specific purpose; (2) The Supervisors have authorized the District Manager, in coordination with the District's external auditors, to recapture excess fund balance that isn't restricted or committed and transfer the excess to the General Fund.
- Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned classifications. Unassigned fund balance may include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

**NOTE 8 - FUND BALANCE DISCLOSURE (Continued)**

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents and /or contracts that prohibit doing this, such as grant agreements requiring certain dollars spent. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District does not have a formal minimum fund balance policy. However, the District addresses various targeted reserve balances via the annual budget process and calculates targets and actuals to report the results to the Supervisors annually.

A schedule of the District's fund balances at September 30, 2024 is as follows:

|               | <u>MAJOR FUNDS</u> |                                  | <u>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</u> |
|---------------|--------------------|----------------------------------|-----------------------------------------|
|               | <u>GENERAL</u>     | <u>DEBT<br/>SERVICE<br/>2022</u> |                                         |
| Non-spendable | \$ -               | \$ -                             | \$ -                                    |
| Restricted    | -                  | 115,068                          | 115,068                                 |
| Committed     | -                  | -                                | -                                       |
| Assigned      | 782,000            | -                                | 782,000                                 |
| Unassigned    | (329,037)          | -                                | (329,037)                               |
| Total         | <u>\$ 452,963</u>  | <u>\$ 115,068</u>                | <u>\$ 568,031</u>                       |

**NOTE 9 - SUBSEQUENT EVENTS**

Subsequent to September 30, 2024, the District made an interest payment in November 2024 totaling \$33,107 for the Series 2022 Bonds.

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through January 19, 2025, the date that the financial statements were available to be issued. No items requiring disclosure were noted.

**NOTE 10 - LITIGATION AND DISPUTES**

The District is involved in various legal matters primarily involving District residents and certain government agencies arising in the ordinary course of its governmental activities and services. The District believes that these various asserted claims will not adversely affect the overall District's financial position.

The outcome of any legal action is uncertain and thus it is not possible to predict with any degree of certainty the outcome or result of any such litigation nor is it possible to predict with any degree of certainty the impact of any such litigation on the District.

**PART II. REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A**

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

|                                                      | GENERAL FUND     |                  |                   |                     |
|------------------------------------------------------|------------------|------------------|-------------------|---------------------|
|                                                      | BUDGETED AMOUNTS |                  | ACTUAL            | VARIANCE            |
|                                                      | ORIGINAL         | FINAL            | AMOUNT            | WITH FINAL          |
|                                                      |                  |                  |                   | BUDGET              |
| REVENUES:                                            |                  |                  |                   |                     |
| Maintenance assessments                              | \$ 4,272,450     | \$ 4,272,450     | \$ 4,117,217      | \$ (155,233)        |
| Special assessments                                  | -                | -                | -                 | -                   |
| Prepaid assessments                                  | -                | -                | -                 | -                   |
| Capital reserve transfer                             | 750,000          | 992,526          | -                 | (992,526)           |
| Interest income                                      | 100,000          | 100,000          | 124,573           | 24,573              |
| Other revenues, net                                  | (123,000)        | (123,000)        | 118,832           | 241,832             |
| Total Revenues                                       | <u>4,999,450</u> | <u>5,241,976</u> | <u>4,360,622</u>  | <u>(881,354)</u>    |
| EXPENDITURES:                                        |                  |                  |                   |                     |
| Current:                                             |                  |                  |                   |                     |
| General government                                   | 472,500          | 472,500          | 501,399           | (28,899)            |
| Community services:                                  |                  |                  |                   |                     |
| Field management                                     | 215,894          | 215,894          | 229,135           | (13,241)            |
| Water management                                     | 314,000          | 314,000          | 305,835           | 8,165               |
| Street lighting                                      | 112,100          | 112,100          | 125,918           | (13,818)            |
| Landscape maintenance                                | 1,591,400        | 1,715,000        | 1,714,526         | 474                 |
| Access control                                       | 888,224          | 1,007,150        | 1,007,123         | 27                  |
| Roadway service                                      | 44,000           | 44,000           | 149,647           | (105,647)           |
| Operating contingency                                | 118,332          | 118,332          | -                 | 118,332             |
| Capital outlay                                       | 1,243,000        | 1,243,000        | 1,152,528         | 90,472              |
| Contingency/revenue reserve                          | -                | -                | -                 | -                   |
| Debt service:                                        |                  |                  |                   |                     |
| Principal retirement                                 | -                | -                | -                 | -                   |
| Interest                                             | -                | -                | -                 | -                   |
| Total Expenditures                                   | <u>4,999,450</u> | <u>5,241,976</u> | <u>5,186,111</u>  | <u>55,865</u>       |
| (Deficiency) excess of revenues<br>over expenditures | -                | -                | (825,489)         | (825,489)           |
| OTHER FINANCING SOURCES (USES):                      |                  |                  |                   |                     |
| Proceeds from bond issuance                          | -                | -                | -                 | -                   |
| Debt service payments to bond<br>escrow agent        | -                | -                | -                 | -                   |
| Total Financing Sources (Uses)                       | -                | -                | -                 | -                   |
| Net change in fund balances                          | <u>\$ -</u>      | <u>\$ -</u>      | (824,489)         | <u>\$ (824,489)</u> |
| Fund Balances, September 30, 2023                    |                  |                  | <u>1,278,452</u>  |                     |
| Fund Balances, September 30, 2024                    |                  |                  | <u>\$ 452,963</u> |                     |

**DEBT SERVICE FUND**

| <b>BUDGETED AMOUNTS</b> |                | <b>ACTUAL<br/>AMOUNT</b> | <b>VARIANCE<br/>WITH FINAL<br/>BUDGET</b> |
|-------------------------|----------------|--------------------------|-------------------------------------------|
| <b>ORIGINAL</b>         | <b>FINAL</b>   |                          |                                           |
| \$ -                    | \$ -           | \$ -                     | \$ -                                      |
| 493,280                 | 493,280        | 475,358                  | (17,922)                                  |
| -                       | -              | -                        | -                                         |
| -                       | -              | -                        | -                                         |
| -                       | -              | 9,143                    | 9,143                                     |
| -                       | -              | 5,511                    | 5,511                                     |
| <u>493,280</u>          | <u>493,280</u> | <u>490,012</u>           | <u>(3,268)</u>                            |
| 36,996                  | 36,996         | 27,765                   | 9,231                                     |
| -                       | -              | -                        | -                                         |
| -                       | -              | -                        | -                                         |
| -                       | -              | -                        | -                                         |
| -                       | -              | -                        | -                                         |
| -                       | -              | -                        | -                                         |
| -                       | -              | -                        | -                                         |
| 16,453                  | 16,453         | -                        | 16,453                                    |
| 365,000                 | 365,000        | 365,000                  | -                                         |
| <u>74,831</u>           | <u>74,831</u>  | <u>74,831</u>            | <u>-</u>                                  |
| <u>493,280</u>          | <u>493,280</u> | <u>467,596</u>           | <u>25,684</u>                             |
| -                       | -              | 22,416                   | 22,416                                    |
| -                       | -              | -                        | -                                         |
| -                       | -              | -                        | -                                         |
| -                       | -              | -                        | -                                         |
| <u>\$ -</u>             | <u>\$ -</u>    | <u>22,416</u>            | <u>\$ 22,416</u>                          |
|                         |                | <u>92,652</u>            |                                           |
|                         |                | <u>\$ 115,068</u>        |                                           |

The accompanying notes are an integral part of these financial statements.

### **PART III. OTHER REPORTS**



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

Nathan A. Phillips, CPA  
Stephanie J. Feldman, CPA  
David N. Phillips, CPA, MBA  
Michelle V. Schalmo, CPA  
Shannon Huber, CPA  
Keith S. Boyle, CPA  
Bethany Bohall, CPA

February 15, 2025

To the Board of Supervisors  
PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT  
Naples, 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 the governmental activities and each major fund of PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT ("the District"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT'S basic financial statements, and have issued our report thereon dated February 15, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

To the Board of Supervisors  
PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT  
February 15, 2025

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

  
PHILLIPS FELDMAN GROUP, P.A.  
Certified Public Accountants  
Naples, Florida





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

Nathan A. Phillips, CPA  
Stephanie J. Feldman, CPA  
David N. Phillips, CPA, MBA  
Michelle V. Schalmo, CPA  
Shannon Huber, CPA  
Keith S. Boyle, CPA  
Bethany Bohall, CPA

February 15, 2025

To the Board of Supervisors  
PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT  
Naples, Florida

We have examined PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT's management is responsible for compliance with those requirements. Our responsibility is to express an opinion on PELICAN MARSH COMMUNITY DEVELOPMENT 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT complied, in all material respects, with those requirements. An examination involves performing procedures to obtain evidence about whether PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT complied with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on PELICAN MARSH COMMUNITY DISTRICT's compliance with the specified requirements.

In our opinion, PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT complied, in all material respects, with Section 218.415 of the Florida Statutes for the year ended September 30, 2024.

This report is intended solely for the information and use of the PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

  
PHILLIPS FELDMAN GROUP, P.A.  
Certified Public Accountants  
Naples, Florida



**MANAGEMENT LETTER  
LOCAL GOVERNMENT ENTITIES**

February 15, 2025

Nathan A. Phillips, CPA  
Stephanie J. Feldman, CPA  
David N. Phillips, CPA, MBA  
Michelle V. Schalmo, CPA  
Shannon Huber, CPA  
Keith S. Boyle, CPA  
Bethany Bohall, CPA

To the Board of Supervisors  
PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT  
Naples, Florida

**Report on the Financial Statements**

We have audited the financial statements of PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT, Florida, as of and for the fiscal year ended September 30, 2024 and have issued our report thereon dated February 15, 2025.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 15, 2025, 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 annual financial audit report. There were no recommendations reported in the preceding annual financial audit report.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rule of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements. The District does not have any component units as of September 30, 2024.

## Financial Condition and Management

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

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

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

## Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, PELICAN MARSH COMMUNITY DISTRICT reported:

- a. The total number of District employees compensated in the last pay period of the District's fiscal year as 39.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$1,831,575.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as Guardhouse renovation project **\$233,459**; Lake Restoration: **\$161,490**; Paving: **\$345,044** ; Building (Vanderbilt): **\$545,703**, and Building (Airport Road): **\$443,459**.
- f. A budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes, as included below: there was a 2024 budget amendment for the District's General Fund; however, there were no 2024 budget amendments for the Debt Service Fund, see page 32.

To the Board of Supervisors  
PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT  
February 15, 2025

### **Specific Information (Continued)**

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

- a. The rate or rates of non-ad valorem special assessments imposed by the District as  
O&M assessment: \$1,449, Debt Service special assessment varies from \$836 to \$2,573, per  
respective neighborhood.
- b. The total amount of special assessments collected by or on behalf of the District as \$4,592,575.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds  
as \$2,740,000.

### **Additional Matters**

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

### **Purpose of this Letter**

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

  
PHILLIPS FELDMAN GROUP, P.A.  
Certified Public Accountants  
Naples, Florida