



INDIAN RIVER COUNTY HOSPITAL DISTRICT

Financial Statements

September 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

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Independent Auditors' Report

The Board of Trustees
Indian River County Hospital District:

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Indian River County Hospital District (the District), as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of September 30, 2025 and 2024, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report January 6, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

JACOBY AND HANDLEY, PLLC

January 6, 2026

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

Indian River County Hospital District's Mission: To improve the health of Indian River County residents.

Indian River County Hospital District's Vision: An innovative and integrated healthcare network that improves the health of Indian River County residents.

The District was established by Special Act of the State of Florida legislature in 1959, re-established by amended legislation in 1961, was subsequently amended to express evolving legislative intent several times over the years, and finally amended and restated in 2003 with Florida House Bill No. 1601.

Pursuant to the Special Act of the Indian River County Hospital District (the "District"), the Board of Trustees is authorized to:

- a) Provide for the development and/or support of healthcare facilities, i.e., real property in Indian River County;
- b) Through which medical services would be provided, i.e., a wide range of healthcare services to include preventative care;
- c) For the benefit of the general public of the District, i.e., the entire population of Indian River County but particularly for those medically certified as indigent by the District Trustees; and,
- d) For the purpose of the preservation of public health and for the public good.

The following table provides an overview of taxable values and associated millage rates for all Indian River County taxing authorities, demonstrating the District represents just 5.43% of the total millage assessed in Indian River County for fiscal year 2024/2025:

TABLE 1
Total Indian River County 2024/2025 Millage Assessment

Final Adjusted Gross Taxable Property Values	\$	<u>29,340,048,282</u>	
Millage by Taxing Authority:			
Schools (State and Local)		5.7530	
County General Fund		3.5475	
Emergency Services		2.3531	
County Municipal Services		<u>1.1506</u>	
		<u>12.8042</u>	
Others (less than 1 Mil):			
Hospital District		0.7650*	5.43% of total
Mosquito Control District		0.2400	
St. Johns Water District		0.1793	
Land Acquisition Bond		0.0639	
Florida Inland Navigation District		<u>0.0288</u>	
		<u>1.2770</u>	
Total millage	\$	<u>14.0812</u>	

* - For 2025/2026 millage is 0.7450. Millage for 2024/2025 was 0.7650. Millage for 2023/2024 and 2022/2023 was 0.5110.

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INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

Millage In Perspective

Over the past decade, the average millage rate has been 0.7745. The IRCHD millage for 2025/2026 has been set to 0.7450. This is a 3.8% reduction from the historical average.

IRCHD Data and Timeline

FY 2021/2022, the millage rate was 0.7144.

FY 2022/2023, the millage rate was lowered to 0.5110 primarily due to a 13% year-over-year (YOY) increase in gross property taxes, driven by a sharp rise in home values. This YOY increase in property taxes was nearly triple the previous two years' average growth.

FY 2023/2024, the millage rate remained at 0.5110:

- Indian River County realized a 14% YOY increase in gross taxable value, again due to rising home values,
- \$3.5 million in revenue was projected from the planned property sale to VNATC. Without this revenue, the millage rate would have been increased to 0.7100 last year.

FY 2024/2025, the millage rate was increased to 0.7650:

- YOY growth in home values, slowed to 10%,
- Demand for essential services, including primary care, specialty medical and surgical care, and mental health services (especially for children), and substance use treatment and prevention services, have surged,
- Expiration of the COVID continuous coverage provision triggered Florida's Medicaid redetermination process in April 2023, affecting about 10,000 Indian River County residents, including children and adults,
- Inflation has substantially increased operational costs across the programs and services the District supports. In fact, inflation growth was more than double Medicare reimbursement growth between 2021 and 2023.
- The District does not have an additional revenue source, such as a property sale, to offset rising program expenses for FY24/25,
- The rising cost of care is primarily driven by increasing labor costs, rising supply costs, prescription drug prices, new technologies, and an aging population,
- Indian River County's population continues moderate growth,
- The District is now funding high-impact, successful, supportive programs such as Mental Health Court, and preventive care programs by Substance Awareness Center, Tykes & Teens, and Healthy Start, which are no longer supported by the state.
- Preventive care is a strategic investment and a significant priority for the District as preventable chronic conditions, such as heart disease, diabetes, stroke, and obesity are among the leading drivers of healthcare spending,
- Increasing access to primary and mental health preventive care now, reduces the incidence of more costly care in the future.

FY 2025/2026, the millage rate was decreased to 0.7450. Despite weak real estate sales trends nationally and locally, and mortgage interest rates that remained elevated compared to recent historical lows, the Gross Taxable Value of property in Indian River County increased from \$29,340,048,282 to \$31,859,428,297, an 8.6% YOY increase. As a result, the District Trustees reduced the millage rate while increasing strategic investments in essential healthcare services.

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INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

Data supports a positive impact on health of residents in Indian River County by the District's funded programs, as measured by long-term infant mortality results and access of quality healthcare by low-income residents. The District's strategy incorporates careful stewardship of tax dollars while serving as the community's voice in addressing the healthcare needs of Indian River County in accordance with the District's Special Act, Mission, and Vision.

As the District's relationship has developed with Cleveland Clinic Indian River Hospital (CCIRH), our work remains essential to ensuring access to high-quality healthcare and preventative care throughout Indian River County, which includes the uninsured and low-income residents who have nowhere else to turn.

The following table presents a few examples of the significant impact the District's supported programs and initiatives provide to Indian River County:

TABLE 2
Hospital District's Program Impact Examples on Healthcare

Maternity Care Access and Infant Health Outcomes:

Partners in Women's Health/CCIRH Maternity Sustainability:

- The District continued to support countywide access to prenatal and maternity care through its partnership with Partners in Women's Health and CCIRH, ensuring prenatal care coverage for a majority of births at CCIRH.
- In FY 24/25, the District played a central role in sustaining local labor and delivery services amid financial pressures facing rural and community hospitals nationwide. See further discussion in "Major Initiatives" section below.
- Long-term infant mortality data continue to demonstrate outcomes meaningfully better than the state average, reinforcing the value of sustained prenatal access and coordinated maternal health services.

Expanded Access to Primary, Dental and Behavioral Healthcare for Low-Income Residents:

Treasure Coast Community Health/Whole Family Health Center:

- In FY 24/25, the District invested approximately \$5 million to expand access to primary care, dental services, and behavioral health for uninsured and underinsured residents.
- District funding supported thousands of patient encounters, reducing avoidable emergency department utilization and improving access to preventative and chronic disease management services.
- These investments directly advanced the District's mission to ensure access to quality healthcare for residents who otherwise face significant barriers to care.

Mental Health and Substance Use Services Expansion:

Countywide Mental Health and Substance Abuse Programs:

- During FY 24/25, approximately 20% of the District's program budget was dedicated to mental health and substance use disorder services.
- District-supported programs expanded access to outpatient treatment, crisis intervention, and recovery-oriented services, addressing a documented community need.
- These investments strengthened the local safety net, improved service coordination, and reduced pressure on emergency services and law enforcement.

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INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

Through disciplined stewardship of taxpayer dollars and targeted investments aligned with its Special Act, the District continues to demonstrate measurable, positive impacts on access to care, maternal and infant health outcomes, and mental health services for Indian River County residents.

The following section of the District's annual financial report presents our discussion and analysis of the District's financial results for the fiscal year that ended September 30, 2025. Please read this section in conjunction with the District's financial statements that begin on page 21.

Major Initiatives for 2024/25

The following initiatives occurred to enable proper execution of its mission and vision during the fiscal year ended September 30, 2025:

Special District Performance Review

The Uniform Special District Accountability Act, outlined in Florida Statute Section 189.0695, ensures transparency, efficiency, and accountability for independent special districts in Florida. The statute mandates regular performance reviews to evaluate programs, activities, and financial management, assessing how well districts achieve their goals and serve their communities. These reviews must be conducted by an external entity with at least five years of relevant experience to ensure impartiality. Findings are compiled into a report and submitted to the District's governing board, the Auditor General, the President of the Senate, and the Speaker of the House of Representatives, promoting informed decision-making and public accountability.

Performance reviews are required every five years for hospital districts (beginning October 1, 2023). The Office of Program Policy Analysis and Government Accountability (OPPAGA) oversees reviews for rural districts, providing reports to legislative leaders. BJM CPA, Inc., an independent third party, was engaged to conduct this performance review for the period of .

The District received a positive Performance Review report, prepared by BJM CPA, Inc. as of June 2023 on April 11, 2024, with no major findings and nine recommendations. The District began immediately implementing the recommendations provided, and, as of this writing, the District has completed approximately 67%, or six, of the recommendations.

Annual Survey with Clearview Research

The District completed its first annual community health survey in partnership with Clearview Research to assess resident experiences, access to care, and emerging healthcare needs across Indian River County. The results are being used to inform District planning, set priorities, and evaluate funded initiatives, providing an independent, data-driven foundation for strategic decision-making. This inaugural survey establishes a countywide baseline against which future progress and impact will be measured.

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INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

Sustaining Labor and Delivery Services in Indian River County

During FY 24/25, the District took a leadership role in safeguarding the continuation of labor and delivery services in Indian River County amid mounting financial pressures facing maternity programs nationwide. The District led a comprehensive maternity sustainability initiative that included a countywide maternity care survey and a series of public town halls to gather input from patients, providers, clinicians, and community stakeholders. These efforts assessed access, utilization patterns, and service gaps across prenatal, labor and delivery, and postpartum care, and directly informed District planning and discussions with healthcare partners. Notably, 92% of residents surveyed expressed that maintaining local labor and delivery services is essential for the community.

In coordination with CCIRH, the District executed an amendment to the Partners in Women's Health agreement that includes a defined commitment to keep labor and delivery services open through December 31, 2028, while the District and its partners work toward a long-term, financially sustainable solution.

CCIRH continues to demonstrate nationally ranked maternal and neonatal outcomes, with local efforts supported by the District and the Healthy Start Coalition contributing to a neonatal mortality rate approximately 80% lower than the state average. Together, these actions reflect a coordinated, data-driven approach to stabilizing maternity services today while laying the groundwork for long-term sustainability for Indian River County families.

Fetal and Infant Mortality Review (FIMR)

The Florida Department of Health (FDOH) now recommends that counties conduct Fetal and Infant Mortality Reviews (FIMRs) annually. This shift in statewide policy was influenced, in part, by the District's decision to fund the Indian River County Health Start Coalition to conduct annual FIMRs.

Historically, the FDOH funded FIMRs in Indian River County approximately once every ten years, citing the county's relatively low annual birth volume. After more than a decade without a review, the District, through its Partners in Women's Health program, requested that the County Department of Health seek state funding for a FIMR. When the request was denied, the District stepped in and funded the review locally.

The results proved highly informative, leading the District to support annual FIMRs on an ongoing basis. Conducting reviews annually allows every infant mortality case to be examined rather than relying on a limited sample, resulting in more comprehensive data, stronger insights, and more actionable recommendations. As a result of this work, the FDOH has now asked Healthy Start to assist other low-birth-volume counties in implementing annual FIMRs.

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INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

Performance Measures and Health Outcomes Dashboard

The District's performance measures and health outcomes dashboard continued to mature into a strategic tool for tracking the impact of funded programs and monitoring progress against established goals. A new community partner visits and budget tracking dashboard was developed to provide real-time visibility into program performance and financial accountability across all funded agencies. The dashboard tracks monthly program expenditures, year-to-date budget utilization against targets, overall encounters, and unique individuals served, and highlights agencies trending over budget for continued monitoring and oversight.

Securing Federal Grants

The District has taken the next step toward securing federal grant funding by evaluating the feasibility of pursuing and administering federal awards consistent with its role as an independent special district. This status allows the District to access certain federal funding opportunities that are not available to, and do not compete with, local service providers. By serving as a neutral convener and funding intermediary, rather than a direct service provider, the District can leverage its statutory position to attract federal tax dollars and deploy them locally in support of community-identified healthcare priorities.

Legislative Outreach on Property Tax Reform, Maternity Service Sustainability, and Community Partner Advocacy

The District engaged in targeted legislative outreach related to property tax reform, maternity service sustainability, and advocacy of behalf of community healthcare partners. Letters were sent to Senator Erin Grall and Representative Robbie Brackett outlining the District's efforts to sustain maternity services in Indian River County and requesting state-level support. The correspondence emphasized that CCIRH is the county's sole provider of labor and delivery services and continues to operate the program despite ongoing financial losses. The District also shared results from recent town halls and a countywide survey indicating that 92% of respondents consider it essential to maintain local delivery services and underscored the need for legislative support related to Medicaid reimbursement reform, workforce incentives, and capital funding to support long-term sustainability.

The District also submitted letters to all 37 members of the Florida House Select Committee on Property Taxes in support of healthcare advocacy and legislative collaboration. In addition, in a meeting with Congressman Mike Haridopolos, the District raised concerns regarding potential federal funding reductions and the potential impact on local healthcare services. At his request, the District gathered and shared specific examples from community partners to illustrate these concerns. Congressman Haridopolos expressed support for the role of independent special healthcare and hospital districts in addressing local healthcare needs using local funding sources.

Community Alignment and Collaboration

The District actively participated in multiple community needs assessments to ensure its funding strategies and policy decisions remain aligned with documented community priorities. Most notably, the District participated in the 2025 Community Foundation of Indian River County Community Needs Assessment, in partnership with United Way of Indian River County and the Indian River County School District.

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INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

This collaborative effort provides Indian River County with a unified, data-driven roadmap for addressing health, education, and social challenges. By participating in these assessments, the District helps ensure that public resources are deployed strategically, duplication is minimized, and residents benefit from coordinated, community informed solutions.

Strengthening Oversight and Financial Accountability

In October 2021, the District hired a full-time Internal Audit & Data Analyst to conduct comprehensive audits of programs and services funded by taxpayer dollars. These audits have strengthened oversight of funded programs, improved financial accountability, and informed budgetary and policy decisions.

As the scope and importance of this work expanded, the District elevated the position to Director of Compliance and Accountability, reflecting a more robust approach to compliance, internal controls, performance monitoring, and transparency. This role now provides enhanced oversight of all District-funded activities and ensures alignment with statutory requirements, Board policies, and public-sector best practices, recognizing that these are taxpayer dollars, not philanthropic funds, and must be managed with the highest level of accountability and scrutiny.

To further enhance operational effectiveness, the District filled a Finance and Program Support Specialist position. This role focuses on reconciling and analyzing program performance against District goals, ensuring accurate monthly billing, and supporting the transition to fee-for-service funding models, aligning financial stewardship with measurable outcomes.

Compliance with Ethics Training

Beginning January 1, 2024, Florida state law requires all elected local officers of independent special districts, as well as individuals appointed to fill vacancies in these positions, to complete four hours of annual ethics training. This training is designed to uphold ethical standards and promote transparency in governance. The curriculum includes two hours dedicated to Chapter 112 of the Florida Statutes, the Code of Ethics for Public Officers and Employees, one hour focused on Chapter 119, Public Records, and one hour addressing Chapter 286, Public Meetings. These requirements ensure that all officials are well-versed in the laws governing ethics, public records, and public meetings, fostering accountability within independent special districts. All District Trustees completed this training as required.

Suncoast Mental Health Center Closure Response

When Suncoast Mental Health Center announced its permanent closure in February 2025, ending 27 years of service across Martin, St. Lucie, Indian River, and Okeechobee counties due to financial challenges, the District moved quickly to convene providers, partners, and key stakeholders. The District led meetings related to the closure, helping facilitate a community-wide response focused on continuity of care. Through this collaborative effort, patients were transitioned smoothly to alternative providers, and nearly all mental health clinicians serving Indian River County were retained locally. This approach mirrored the District's prior response to the closure of UF Psychiatry and Mental Health, reinforcing the District's role as a stabilizing force during critical service disruptions.

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INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

Financial Highlights

- The District's net position increased 15.1% or \$1,597,621 to \$12,191,530 at September 30, 2025. This net increase was primarily due to an increase in millage rate from 0.5110 in 2024 to 0.7650 in 2025.
- The District's combined cash and investments decreased \$1,661,630, as the District invested approximately \$4.1 million in capital expenditures but recovered cash through increased revenue.
- The Board of Trustees reserved \$8,100,000 from available cash brought forward for the 2026 budget.
- The Trustees increased the minimum reserve to \$7.8 million to meet the District's new reserve policy, which includes maintaining enough cash at fiscal year-end to fund operations and pay providers until tax receipts begin to be received again. Normally this occurs by mid-November each year.
- Net unrestricted position on September 30, 2025 was \$6,977,353.
- The indigent care and program funding increased by \$2,802,044 or 17.5% from the prior year (see pages 14 and 15 for more details). The more significant reasons for the net increase in fiscal year 2024/2025 funding are as follows:
 1. In July 2025, the District committed \$1 million over four years to support the expansion of Treasure Coast Community Health Center's Oslo Pediatric Center and West Primary Care services. This investment responds directly to data identifying the surrounding area as a high-need service gap for primary care access. The funding supports expanded capacity and improved access for underserved children and adult residents, while aligning District resources with documented community demand and measurable health outcomes.
 2. The District increased funding to Healthy Start of Indian River County. This was driven by expanded program needs and rising demand for maternal and child health services. This adjustment supports the District's mission by strengthening early intervention, improving birth outcomes, and ensuring continued access to evidence-based supports for pregnant women, infants, and families at higher risk for adverse health outcomes.
 3. The District increased funding to Whole Family Health Center in response to sustained growth in service volume among underserved and uninsured residents. This adjustment reflects ongoing utilization trends and ensures that District investments keep pace with rising demand for essential primary and behavioral health services.
 4. The District increased funding to the Visiting Nurse Association of the Treasure Coast in response to sustained growth in hospice utilization. This increase reflects rising demand for end-of-life care among medically vulnerable residents and supports the District's mission by ensuring timely access to compassionate, high-quality hospice services that improve quality of life, support families, and help avoid unnecessary hospitalizations and emergency care.

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INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

5. The District increased funding to the Mental Health Association to support the development of a multi-partner Parent and Family Center Collaboration at the site of the former UF Psychiatry and Mental Health property. This investment advances the District's mission by strengthening community-based mental health infrastructure, improving coordination among service providers, and expanding access to family-focused prevention, education, and early-intervention services in a high-need setting.
6. The District increased funding to New Horizons to establish a 24/7 mobile response team in Indian River County. This investment supports the District's mission by expanding around-the-clock access to crisis intervention and behavioral health response, reducing reliance on law enforcement and emergency departments, and ensuring timely, appropriate care for individuals experiencing mental health crises in the community.

Overview of the Financial Statements

The District's financial statements are prepared on the proprietary fund accrual basis of accounting and present the District's operational activities in a manner similar to that of private sector companies.

This annual report consists of two parts – management's discussion and analysis (this section) and the financial statements.

- The financial statements consist of three statements: (1) Statement of Net Position, (2) Statement of Revenues, Expenses, and Changes in Net Position, and (3) Statement of Cash Flows.
- The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position reflect the District's financial position at the end of the year and report the District's net position and changes in net position as a result of the District's revenues and expenses for the year.
- The term "net position" represents the difference between assets, or the District's investment in resources, and liabilities, or the District's obligation to its creditors. Increases or decreases in net position are an indicator of whether the financial health of the District is improving or deteriorating. In evaluating the financial health of the District, other non-financial factors should also be considered, such as taxable property values, tax millage rate, and changes in the economic climate of Indian River County and its residents.
- The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, financing, and investing activities. The statement explains where cash came from, how it was used and the change in cash balance during the year.

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INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

Financial Analysis of the District as a Whole

Net position of the District consisted of the following as of September 30, 2025 and 2024:

TABLE 3
Condensed Summary of Assets, Liabilities, and Net Position

	<u>2025</u>	<u>2024</u>
Current assets	\$ 9,251,635	10,903,301
Capital assets, net and other	<u>5,308,457</u>	<u>1,384,600</u>
Total assets	<u>14,560,092</u>	<u>12,287,901</u>
Current liabilities	1,854,134	1,633,068
Long term liabilities	<u>514,428</u>	<u>60,924</u>
Total liabilities	<u>2,368,562</u>	<u>1,693,992</u>
Net position:		
Net investment in capital assets	5,214,177	1,237,080
Unrestricted	<u>6,977,353</u>	<u>9,356,829</u>
Total net position	\$ <u>12,191,530</u>	<u>10,593,909</u>

The District's revenues, expenses, and changes in net position for the years ended September 30, 2025 and 2024 were as follows:

TABLE 4
Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Net ad valorem tax revenues	\$ 21,181,197	12,810,265
Operating expenses:		
Indigent care and program funding	18,844,188	16,042,144
Administrative expenses	1,213,884	1,115,139
Depreciation	<u>174,973</u>	<u>184,991</u>
Total operating expenses	<u>20,233,045</u>	<u>17,342,274</u>
Non-operating revenues:		
Gain on sale of land	—	3,800,000
Investment income	<u>649,469</u>	<u>696,242</u>
Change in net position	\$ <u>1,597,621</u>	<u>(35,767)</u>

The District's revenues increased by \$8,370,932 or 65.3%, due to an increase in the net ad valorem taxes, resulting from an approximate \$2.8 billion, or 10.5%, increase in the final gross taxable value of the tax base (property values), as well as an increase of millage rate of .7650 in 2025 compared to .5110 in 2024.

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INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

Indigent care and program funding increased \$2,802,044 or 17.5% from prior year. This was primarily due to the following items:

- The District funding for Mental Health Association (MHA) increased by \$178,484, or 23.6%, primarily to support expanded services associated with the development of a new Parent and Child Center. This initiative was launched through a collaborative partnership with Tykes & Teens and Suncoast Mental Health, strengthening coordinated behavioral health services for children and families and addressing growing community demand for early intervention and family-centered care.
- The District funding for Whole Family Health Center (WFHC) increased by \$434,507, or 43.6%, driven by substantial growth in patient encounters across its Medical and Behavioral Health programs, the launch of a new Mobile Medical Office, and expanded laboratory services, reflecting both increased utilization and rising community demand for comprehensive, accessible care.
- The District funding for Sunshine Physical Therapy increased by \$260,060, or 74.32%, reflecting a substantial increase in community demand for physical therapy services following Medicaid redetermination that occurred one year prior. This policy shift resulted in higher patient volumes during the fiscal year, particularly among uninsured and underinsured residents. District support scaled accordingly to ensure timely access to medically necessary rehabilitation services, reduce barriers to care, and help prevent avoidable downstream healthcare costs associated with delayed or foregone therapy.
- The District funding for Treasure Coast Community Health Clinic increased by \$1,136,911, or 31.4%, driven primarily by a \$1,000,000 capital expenditure contribution from the District to support TCCH's operational expansion and long-term growth. This investment funds the addition of two new facilities, West Primary Care and the Oslo Pediatric Center, expanding access to primary and pediatric care in the community. Of the total capital contribution, \$250,000 was disbursed during the fiscal year ended September 30, 2025, with the remaining balance scheduled to be paid over the next three years.
- The District funding for Visiting Nurse Association increased by \$197,981, or 23.3%, reflecting a clear rise in community need. The increase was driven largely by a substantial growth in hospice patient enrollment, which followed a targeted and effective investment in marketing efforts on behalf of VNA, expanding awareness of services and access to end-of-life care in the community.
- The District initiated new funding of \$260,000 for the Women's Care Center of Indian River County, strengthening support for women facing unplanned pregnancies and related challenges. This investment expands access to free, confidential services, including pregnancy testing, ultrasounds, counseling, education, and material assistance, helping women make informed decisions and obtain timely support. The funding reflects the District's commitment to preventive, upstream care that improves maternal and family stability while reducing downstream health and social service costs for the community.

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

Administrative expenses rose by \$98,745, or 8.8%, reflecting, in part, six months of salary for the newly filled Finance and Program Support Specialist position. This role strengthens financial oversight by reconciling and analyzing program performance against District goals, ensuring accurate monthly billing, and supporting the District's transition to fee-for-service funding models directly aligning administrative costs with improved accountability, financial stewardship, and measurable outcomes.

During the years ended September 30, 2025 and 2024, the District provided indigent care and program funding to the following agencies:

TABLE 5
Agencies Funded by the District for Indigent Care and Programs

	<u>2025</u>	<u>2024</u>
Treasure Coast Community Health, Inc.	\$ 4,761,685	3,624,774
CCIRH – Partners In Women's Health	3,201,971	3,127,359
Whole Family Health Center, Inc.	1,430,659	996,153
Senior Resource Association, Inc.	1,374,874	1,271,225
Visiting Nurse Association of the Treasure Coast, Inc.	1,046,684	848,703
Mental Health Association in Indian River County	934,555	756,071
Tykes & Teens	813,048	723,306
Sunshine Physical Therapy	610,000	349,940
Indian River County Medicaid Assessment	596,463	513,627
Substance Awareness Center	590,402	422,543
Indian River Healthy Start Coalition, Inc.	535,420	522,300
Mental Health Court (TCCH in 2025)	508,959	494,909
CCIRH – Integration of Mental Health in Emergency Dept	345,590	450,000
Childcare Resources of Indian River, Inc.	314,438	279,878
CCIRH – Intensive Outpatient Program	310,712	268,167
Mental Health Collaborative	260,000	220,000
New Horizons of the Treasure Coast, Inc.	234,320	90,362
Treasure Coast Homeless Services Council	164,417	334,113
The Learning Alliance	146,872	87,815
Dynamic Life Recovery	128,450	70,100
Women's Care Center of IRC	126,982	—
We Care Foundation of Indian River	77,200	47,800
United Way of Indian River County (one-time emergency funding for Hurricane Milton related response)	75,000	—
Hope for Families Center	68,416	53,883
Catholic Charities - Samaritan Center Mental Health	67,025	66,893
Camp Haven	57,332	19,600
Suncoast Mental Health Center	47,219	45,133
United Against Poverty	14,457	9,211
GlobeChek (provided by Whole Family in 2025)	—	304,879
Other	<u>1,038</u>	<u>43,400</u>
Total indigent care and program funding	\$ <u>18,844,188</u>	<u>16,042,144</u>

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

Related Party Information

During 2025 and 2024, the District funded Senior Resource Association, Inc, as indicated above. Senior Resource Association, Inc.'s executive director also serves as a District Trustee. In addition, District Trustees may serve as volunteer board members of funded agencies. In each case, the Trustees maintain compliance with the District's conflict of interest policies and disclosures.

Capital Assets and Debt Financing

Capital Position

As of September 30, 2025, the District had invested \$5,275,101, net of depreciation, in a variety of capital assets as reflected in the following table, which represent a net increase (additions less disposals and depreciation) of \$3,924,990, or 290.7% from September 30, 2024.

TABLE 6
Capital Assets

	<u>2025</u>	<u>2024</u>
Land and improvements:		
Gifford Health Center	\$ 35,000	35,000
Human Services Building	220,473	222,021
Buildings and improvements:		
Gifford Health Center	674,596	757,003
Human Services Building	170,520	205,409
10 th Street property	4,090,506	—
Leasehold improvements	4,166	8,333
Equipment – Gifford Health Center	1,690	3,587
Equipment	20,189	8,681
Leased assets	<u>57,961</u>	<u>110,077</u>
Net property and equipment	\$ <u>5,275,101</u>	<u>1,350,111</u>

Certain land and building properties held and operated by CCIRH under the terms of its agreement with the District are excluded from the District's financial statements.

During the year ended September 30, 2025, the District purchased real property on 10th Street, for the purpose of renovating the building to create a sober living facility and housing. The District has made targeted capital investments to improve the buildings and clear the grounds, bringing the site to a turn-key, lease ready condition. While this work positions the property for activation, the District is taking a deliberate and thoughtful approach to selecting an operational partner. Community needs have evolved since the initial concept, with additional women's and men's sober living facilities now in operation. As a result, the District is carefully evaluating potential uses and operator proposals to ensure the property is deployed in a manner that best addresses current, data identified gaps and delivers the greatest community impact.

Depreciation and amortization expense of \$174,973 for the year ended September 30, 2025 was \$10,018 less than the prior year as capital expenditures in the prior years have become fully depreciated resulted in lower depreciation.

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

Long-Term Debt

The District has no debt financing as of September 30, 2025.

Leases

The District follows the accounting and financial reporting provisions of *GASB Statement No. 87, Leases*, whereby lessees are required to recognize a lease liability and an intangible right-to-use asset, and lessors are required to recognize a lease receivable and a deferred inflow of resources.

Edward Via College of Osteopathic Medicine:

The District remains in process with the lease-to-own arrangement involving Edward Via College of Osteopathic Medicine (VCOM) for the Human Services Building located on the CCIRH campus. The lease is currently in effect, with VCOM responsible for maintenance expenses in accordance with the agreement. VCOM is continuing to refine its development plan, which is expected to include updated timelines and milestones for renovation and activation of the building. The District will review these revisions to ensure alignment with agreed-upon objectives before advancing to the next phase.

Current Budget

Annually, the Board of Trustees for the District approves a budget for the upcoming fiscal year prior to the beginning of that fiscal year. The following table presents the budget, as modified from the original budget for professional fees, as compared to 2024/2025 actual results.

TABLE 7
Budget vs. Actual

	<u>2024/2025</u>		Favorable (Unfavorable) <u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Ad valorem tax revenues	\$ 21,771,783	21,631,403	(140,380)
Investment income	<u>129,000</u>	<u>649,469</u>	<u>520,469</u>
Total revenues	<u>21,900,783</u>	<u>22,280,872</u>	<u>380,089</u>
Expenses:			
Indigent care and program funding	18,900,745	18,844,188	56,557
Property Appraiser commissions	185,685	165,793	19,892
Tax Collector commissions	435,436	284,413	151,023
Professional fees	367,000	334,672	32,328
Salaries and benefits	595,000	610,377	(15,377)
Other	372,000	268,835	103,165
Depreciation	<u>125,000</u>	<u>174,973</u>	<u>(49,973)</u>
Total expenses	<u>20,980,866</u>	<u>20,683,251</u>	<u>297,615</u>
Change in net position	\$ <u>919,917</u>	<u>1,597,621</u>	<u>677,704</u>

The District's ad valorem tax revenues and related commissions for the property appraiser and tax assessor are shown gross to conform with the budgetary presentation.

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

The District's net favorable variance from budget of \$677,704 was due to investment income being greater than expected by \$520,469, and expenditures for indigent care and program funding being less than expected by \$56,557, as more fully discussed on pages 11 and 12. Gross ad valorem tax revenues were less than budget by \$140,380 but were offset by lower than budgeted commissions causing an ad valorem tax revenues, net of related commissions, \$30,535 favorable variance from budget.

Factors Bearing on the Future and Plan for 2025/2026

In planning for the 2025/2026 fiscal year, and at the time these financial statements were audited and prepared, the District was aware of the following conditions:

- For FY 2025/2026, the millage rate was decreased to 0.7450. Despite weak real estate sales trends nationally and locally, and mortgage interest rates that remained elevated compared to recent historical lows, the Gross Taxable Value of property in Indian River County increased from \$29,340,048,282 to \$31,859,428,297, an 8.6% YOY increase. As a result, the District Trustees reduced the millage rate from 0.7650 and 0.7450 while increasing strategic investments in essential healthcare services.
- The healthcare landscape continues to face significant uncertainty driven by evolving federal and state policy, including potential changes to the Affordable Care Act, the 340B Drug Pricing Program, Medicaid eligibility and reimbursement, and the availability of federal healthcare grants. These policy shifts have direct implications for local providers' financial stability, service capacity, and ability to meet community demand. In this environment, the District is closely monitoring policy developments and assessing their potential impact on Indian River County's healthcare system, while positioning its investments to help stabilize essential services, mitigate risk, and ensure continued access to care for vulnerable populations amid ongoing regulatory and funding uncertainty.
- Rising operational costs driven by inflation and increased industry pressures continue to significantly impact many District-funded organizations and programs. As a result, the District anticipates higher funding requests in the upcoming funding cycle as providers seek to sustain essential services amid escalating costs. The District will evaluate these requests through a data-driven and fiscally responsible lens to ensure continued access to critical care while maintaining prudent stewardship of taxpayer dollars.
- For the 2025/2026 fiscal year, the District is taking deliberate steps to further maximize the value of taxpayer dollars entrusted to it. As part of this effort, the District established a high interest money market account to enhance earnings on invested funds while maintaining prudent financial stewardship, ensuring public funds are managed responsibly, optimized for return where appropriate, and directed toward high-impact healthcare investments that benefit Indian River County residents.

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

- For the 2025/2026 fiscal year, the District is refining and recalibrating its strategic goals and their application to reflect evolving community health needs. Building on the strategic framework established, this effort will incorporate multiple data sources, including community surveys, state and county-level health data, local assessments, and other relevant analyses. These inputs will inform how goals are interpreted and operationalized, ensuring District priorities remain responsive, evidence-based, and aligned with current conditions. This approach reinforces the District's commitment to the prudent use of taxpayer dollars by directing resources toward interventions that demonstrate clear need, effectiveness, and measurable impact for Indian River County residents.
- For the 2025/2026 fiscal year, the District remains firmly committed to strengthening the continuum of mental health care for Indian River County residents. Building on documented community need and utilization trends, the District is prioritizing investments that expand access to crisis response, outpatient and community-based services, and care coordination across providers. This includes supporting programs that reduce reliance on emergency departments and law enforcement, improve early intervention and stabilization, and ensure timely access to appropriate levels of care. Through targeted, data-driven funding and active system coordination, the District is focused on improving outcomes, closing service gaps, and ensuring taxpayer dollars are invested where they deliver the greatest impact on community mental health.
- In the coming year, the District is committed to significantly strengthening its legislative presence and advocacy on behalf of Indian River County residents. Recognizing the decisive role state and federal policy plays in access to quality healthcare, the District will actively engage in legislative efforts in Tallahassee to advance priorities that directly impact local healthcare delivery. This includes advocating for expanded access to primary care, behavioral health services, and preventive care, as well as pursuing policy and funding opportunities that support community-identified needs. Through a more proactive and visible legislative strategy, the District will work to secure resources, remove policy barriers, and ensure that the healthcare needs of Indian River County are effectively represented and addressed at the state and federal levels.
- As an independent special taxing district, the District is positioned to pursue state and federal grant opportunities that are not available to, and do not compete with, local service providers. In the coming year, the District will actively advance a grants strategy by engaging experienced grant-writing expertise to develop a targeted scope of work and identify high-value funding opportunities aligned with community-identified needs. This approach is intended to leverage external dollars, reduce reliance on local tax revenue, and support sustainable, high-impact investments in healthcare services for Indian River County residents.
- The District has completed acquisition of the 10th Street property and invested in necessary building improvements and site preparation to bring the facility to a turn-key, lease-ready condition. With community needs evolving, the District is taking a deliberate, data-driven approach to identifying an appropriate operational partner and use for the site. Rather than advancing a predetermined model, the District is evaluating proposals that address current service gaps and deliver the greatest community impact, ensuring the property is deployed in a manner that reflects responsible stewardship of taxpayer assets and alignment with identified healthcare priorities.

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Management's Discussion and Analysis, Continued

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. If you have questions about this report or need additional information, contact the District's office as follows:

By Mail:

Indian River County Hospital District
1705 19th Place, Suite G3
Vero Beach, Florida 32960

By Phone or Fax:

Indian River County Hospital District
(772) 770-0935
(772) 770-1974

Website: irchd.com

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Statements of Net Position

September 30, 2025 and 2024

<u>Assets</u>	<u>2025</u>	<u>2024</u>
Assets:		
Cash and cash equivalents	\$ 649,721	292,547
Investments (note 2)	8,385,641	10,404,445
Accounts receivable	168,512	166,216
Prepaid expenses	<u>47,761</u>	<u>40,093</u>
Total current assets	9,251,635	10,903,301
Property and equipment, net (note 3)	5,217,140	1,240,034
Right-of-use asset, net (notes 3 and 4)	57,961	110,077
Other asset	<u>33,356</u>	<u>34,489</u>
Total assets	\$ <u>14,560,092</u>	<u>12,287,901</u>
<u>Liabilities and Net Position</u>		
Liabilities:		
Accounts payable	1,441,337	1,480,904
Accrued expenses	116,301	100,057
Grant payable, current portion	250,000	—
Lease liabilities, current portion (note 4)	<u>46,496</u>	<u>52,107</u>
Total current liabilities	1,854,134	1,633,068
Grant payable, long term portion	500,000	—
Lease liabilities, long term portion (note 4)	<u>14,428</u>	<u>60,924</u>
Total liabilities	<u>2,368,562</u>	<u>1,693,992</u>
Net position:		
Net investment in capital assets	5,214,177	1,237,080
Unrestricted (note 6)	<u>6,977,353</u>	<u>9,356,829</u>
Total net position	12,191,530	10,593,909
Commitments and contingencies (note 9)	<u> </u>	<u> </u>
Total liabilities and net position	\$ <u>14,560,092</u>	<u>12,287,901</u>

See accompanying notes to financial statements.

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Net ad valorem tax revenues	\$ 21,181,197	12,810,265
Operating expenses:		
Indigent care and program funding (note 5)	18,844,188	16,042,144
Professional fees	334,672	331,928
Salaries and benefits	610,377	542,244
Other	268,835	240,967
Depreciation and amortization	<u>174,973</u>	<u>184,991</u>
Total operating expenses	<u>20,233,045</u>	<u>17,342,274</u>
Operating income (loss)	948,152	(4,532,009)
Non-operating revenues:		
Gain on sale of vacant land	—	3,800,000
Investment income	<u>649,469</u>	<u>696,242</u>
Change in net position	1,597,621	(35,767)
Net position, beginning of year	<u>10,593,909</u>	<u>10,629,676</u>
Net position, end of year	\$ <u>12,191,530</u>	<u>10,593,909</u>

See accompanying notes to financial statements.

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Statements of Cash Flows

Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating activities:		
Net ad valorem taxes received	\$ 21,145,109	12,793,166
Cash paid for programs, net	(18,067,458)	(15,691,998)
Cash paid for goods and activities	<u>(1,234,011)</u>	<u>(1,089,302)</u>
Net cash provided by (used in) operating activities	<u>1,843,640</u>	<u>(3,988,134)</u>
Capital and related financing activities:		
Cash received from sale of vacant land	—	3,800,000
Acquisition of capital assets	(4,099,963)	(94,263)
Interest expense payments	(2,669)	(4,331)
Payment of lease liability	<u>(52,107)</u>	<u>(49,398)</u>
Net cash provided by (used in) capital and related financing activities	<u>(4,154,739)</u>	<u>3,652,008</u>
Investing activities:		
Purchase of investments	(20,833,604)	(17,096,506)
Proceeds on sale of investments	22,827,658	16,744,271
Investment income receipts	<u>674,219</u>	<u>707,337</u>
Net cash provided by investing activities	<u>2,668,273</u>	<u>355,102</u>
Net increase in cash and cash equivalents	357,174	18,976
Cash and cash equivalents at beginning of year	<u>292,547</u>	<u>273,571</u>
Cash and cash equivalents at end of year	\$ <u>649,721</u>	<u>292,547</u>
Reconciliation of change in net position to net cash provided by (used in) operating activities:		
Change in net position	\$ 1,597,621	(35,767)
Add (deduct):		
Depreciation and amortization	174,973	184,991
Amortization of other assets	1,133	1,133
Investment income	(649,469)	(696,242)
Interest expense	2,669	4,331
Gain on sale of land and lease terminations	—	(3,800,038)
(Increase) decrease in current assets:		
Accounts receivable	(2,296)	(44,900)
Prepaid assets	(7,668)	(4,906)
Increase (decrease) in current liabilities:		
Accounts payable	(39,567)	405,118
Grant payable	750,000	—
Accrued expenses	<u>16,244</u>	<u>(1,854)</u>
Net cash provided by (used in) operating activities	\$ <u>1,843,640</u>	<u>(3,988,134)</u>

See accompanying notes to financial statements.

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Notes to Financial Statements

September 30, 2025 and 2024

(1) Organization and Summary of Significant Accounting Policies

(a) Reporting Entity and Basis of Presentation

The Indian River County Hospital District (the District) is an independent special tax district located in Indian River County, Florida. The District was created pursuant to Chapter 61-2275 of the Laws of Florida, Special Acts (the Acts) of 1961, as amended. The District currently owns a general acute-care hospital known as the Cleveland Clinic Indian River Hospital (CCIRH) located in Vero Beach, Florida, which is licensed for 335 beds. CCIRH, including the approximately 24 acres of land on which it is located, the buildings, improvements, fixtures and equipment is referred to as the “hospital facility”. The District is governed by a Board of Trustees (the Board) which is empowered by the Acts to establish and construct such health facilities in the district area and to levy taxes and issue bonds to finance such operations.

Effective January 1, 2019, the District leased the hospital facility and approximately 45 acres of undeveloped property to Indian River Memorial Hospital, Inc., an affiliated not-for-profit organization established and owned by Cleveland Clinic Florida Regional Health System Nonprofit Corporation, to operate the hospital facility. The lease expires on December 31, 2049 unless extended. The lease term extends automatically for three additional fifteen-year periods unless CCIRH delivers to the District a written Non-Renewal Notice, delivered no later than 30 months prior to the end of the then existing lease term. The District reimburses the CCIRH for certain services provided to the residents of the District. The contractual relationships between the District and CCIRH are discussed further in note 9. Because of the nature of these agreements, the District’s financial statements are presented in a manner similar to those of a proprietary fund enterprise.

As more fully described in note 4, the District also leases real estate to other not-for-profit organizations serving in the healthcare industry.

(b) Authorized Investments

The District’s enabling legislation permits investments as described in Section 218.415 of the Florida Statutes. The District’s investment in the Florida Fixed Income Trust is an external investment pool, which does not meet certain amortized cost criteria defined by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and therefore is reported at fair value, as provided for by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

(c) Cash and Cash Equivalents

Cash and cash equivalents are defined as highly liquid investments with original maturities of three months or less and consist of amounts held in commercial bank demand deposit accounts and money market accounts.

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Notes to Financial Statements

(d) *Property and Equipment*

Property and equipment, which include betterments of existing facilities, are recorded at cost or fair market value at the time of donation. Maintenance, repairs and minor renewals are charged to expense as incurred.

Depreciation is provided using the straight-line method over the estimated lives indicated below.

	<u>Years</u>
Land improvements	15-20
Buildings	24-30
Leasehold improvements	6
Equipment	5-7
Leased assets	Shorter of lease term or useful life

(e) *Leases*

The District follows the accounting and financial reporting provisions of *GASB Statement No. 87, Leases* (GASB 87), whereby lessors are required to recognize a lease receivable and a deferred inflow of resources equal to the present value of future lease payments to be received.

In addition, under GASB 87, lessees are required to recognize a lease liability and an intangible right-of-use asset representing the present value of future lease payments. The right-of-asset is amortized over the shorter of the lease term or the useful life.

(f) *Ad Valorem Tax Revenue*

Ad valorem tax revenues are recorded in the year for which the taxes are received, net of uncollectible amounts, collection expenses, and appraisal fees. The District is responsible for setting their portion of the ad valorem millage rates. A millage rate is the rate of tax per thousand dollars of taxable value. The ad valorem taxes are paid in arrears and are based on the calendar year. The Indian River County Tax Collector levies the taxes for the District as provided under the state law. The taxes are collected by the Indian River County Tax Collector and are remitted to the District as received.

Net ad valorem tax revenues consist of the following for the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Ad valorem tax revenues, net of uncollectible amounts	\$ 21,631,403	13,114,227
Less commissions and fees:		
Property Appraiser	165,793	154,214
Tax Collector	<u>284,413</u>	<u>149,748</u>
Net Ad valorem tax revenues received	\$ <u>21,181,197</u>	<u>12,810,265</u>

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Notes to Financial Statements

The taxable assessed property valuation and the millage rate were \$29,340,048,282 and \$0.7650 for 2025, respectively, and \$26,561,149,800 and \$0.5110 for 2024, respectively.

(g) Basis of Accounting and Presentation

The District presents the financial statements in accordance with the provisions of Statement No. 34 of the Governmental Accounting Standards Board (“GASB 34”), *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. GASB 34 established standards for external financial reporting for all state and local governmental entities. These standards require three financial statements that include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows. The Statement of Net Position requires that total net position be reported in three components: (1) invested in capital assets, net of related debt, (2) restricted, and (3) unrestricted.

- “Net investment in capital assets” consists of capital assets, including restricted capital assets, net of accumulated depreciation, reduced by the amount outstanding for any bonds, notes, or other financing liabilities that were incurred related to the acquisition, construction, or improvement of the capital assets.
- “Restricted net position” consists of assets that are restricted as to use by external factors such as debt covenants, grantors, contributors, or laws and regulations of other governments or legislation.
- “Unrestricted net position” consists of assets that do not meet the definitions above for “invested in capital assets, net of related debt” or “restricted net position.”

The Governmental Accounting Standards Board released Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* on March 11, 2009, which applies only to governmental fund types. The District operates under proprietary fund accounting, therefore, Statement 54 is not applicable.

(h) Non-operating Revenues (Expenses)

The District classifies revenues and expenses which are directly related to the healthcare needs of the citizens of Indian River County, Florida, as operating. All other revenues and expenses are classified as non-operating, including investment income.

(i) Statement of Cash Flows

The District follows Governmental Accounting Standards Board Statement No. 9 “*Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*”, as amended by GASB 34. The primary effect of this Statement is the classification of interest receipts and payments as cash flows from capital and related financing activities in the statement of cash flows.

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Notes to Financial Statements

(j) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 expenses during the reporting period. Actual results could differ from these estimates.

(k) Concentration of Credit Risk

The District maintains cash and cash equivalents in accounts, which are not covered by or which at times may be in excess of FDIC and SIPC insurance limits. The District has not experienced any losses on such accounts and does not believe it is exposed to any risk with respect to cash and cash equivalents. The District maintains a savings account at a qualified public depository which had a balance of \$100,166 and \$105,932 at September 30, 2025 and 2024, respectively, and which is insured by the State of Florida under the Florida Security for Public Deposits Act.

(2) Investments

Investments as of September 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Preferred Deposit Pool	\$ 3,032,531	5,014,655
U.S. Treasury bills	3,270,464	—
U.S. Treasury notes	2,068,327	4,068,482
First American Government money market fund	<u>14,319</u>	<u>1,321,308</u>
Total investments	\$ <u>8,385,641</u>	<u>10,404,445</u>

The District invests cash reserves in the Florida Fixed Income Trust's Preferred Deposit Pool (PDP Pool). The PDP Pool consists of overnight and term FDIC insured deposits and qualified public depositories, as defined in Chapter 280, Florida Statutes, and therefore the PDP Pool is not currently rated. The PDP Pool provides same day liquidity and, as of September 30, 2025 and 2024, the PDP Pool's weighted average days to maturity is 4 and 3 days, respectively. The District's PDP Pool investment is measured at NAV of \$1 per share, and therefore is not classified within fair value hierarchy defined by GASB No. 72, *Fair Value Measurement and Application*.

During the year ended September 30, 2025, the District invested in short term treasury bills totaling \$3,290,000. The treasury bills were purchased at a discount which is amortized over the maturity period of each respective bill and is recognized as interest income. The amortized value of treasury bills is \$3,270,464 at September 30, 2025.

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Notes to Financial Statements

As of September 30, 2025, the District had invested in a U.S. Treasury note with a face value of \$2,081,000 with stated interest rates of 0.375% and maturing on November 30, 2025. As of September 30, 2024, the District had invested in U.S. Treasury notes with face value totaling \$4,083,000 with stated interest rates ranging from 0.625% to 2.250% and maturing from October 15, 2024 through December 31, 2024.

During the years ended September 30, 2025 and 2024, the District's investment earnings totaled \$649,469 and \$696,242, respectively.

(3) *Property and Equipment*

The District's investment in property and equipment consists of the following as of September 30, 2025 and 2024:

	Balance <u>2024</u>	Additions/ <u>Transfers</u>	Retirements/ <u>Transfers</u>	Balance <u>2025</u>
Land	\$ 241,160	—	—	241,160
Land improvements	434,083	—	—	434,083
Buildings	4,231,749	8,390	—	4,240,139
10 th Street property	—	4,090,506	—	4,090,506
Leasehold improvements	25,000	—	—	25,000
Equipment	286,650	1,067	—	287,717
Leased building	138,908	—	—	138,908
Leased equipment	30,517	—	—	30,517
Total at historical costs	<u>5,388,067</u>	<u>4,099,963</u>	<u>—</u>	<u>9,488,030</u>
Less accumulated depreciation for:				
Land improvements	418,222	1,548	—	419,770
Buildings	3,281,982	113,040	—	3,395,022
Leasehold improvements	16,667	4,167	—	20,834
Equipment	261,737	4,102	—	265,839
Less accumulated amortization for:				
Leased assets	<u>59,348</u>	<u>52,116</u>	<u>—</u>	<u>111,464</u>
Total accumulated depreciation and amortization	<u>4,037,956</u>	<u>174,973</u>	<u>—</u>	<u>4,212,929</u>
	\$ <u>1,350,111</u>	<u>3,924,990</u>	<u>—</u>	<u>5,275,101</u>

(4) *Leases*

As Lessor

The District leases real estate located in Gifford, Florida, upon which the District constructed a health center, referred to as the Gifford Health Center, to Treasure Coast Community Health, Inc. The lease is for \$1 per year and automatically renews on an annual basis, unless 60 days written notice of nonrenewal is provided by either party. This lease is not covered by the provisions of GASB 87 as it is not considered an exchange transaction.

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Notes to Financial Statements

Effective October 1, 2024, as part of its commitment to addressing the growing need for primary care providers in Indian River County, the District entered into a lease-to-own agreement with the Edward Via College of Osteopathic Medicine (VCOM) in August 2024. This partnership includes a 5.6-acre parcel, formerly known as the Human Services building, which will be transformed into a state-of-the-art educational and healthcare facility. The lease agreement is for 20 years through September 30, 2044, however cancelable by either party with 12 months notice. In lieu of rental payments, the lease agreement establishes certain requirements for developing a medical school and an annual capital investment of at least \$1 million for an aggregate of \$5 million. The agreement further provides an option to purchase the property after October 1, 2034 and the then fair market value of the property. As of September 30, 2025, the property improvements have not yet been completed and VCOM is not yet occupying the property.

As Lessee

On August 1, 2023, the District entered into a new lease agreement to lease office space for administrative purposes. The three-year lease agreement provides for monthly payments during the first year of \$3,885 and is subject to annual increases of 3%, but excluded any options to renew. Monthly payments increased to \$4,002 beginning August 1, 2024 and \$4,122 beginning August 1, 2025.

The District leases copying equipment under an agreement that provides for monthly payments of \$543 through January 2029.

Long-term liabilities associated with leases as of September 30, 2025, is as follows:

	Balance <u>2024</u>	<u>Additions</u>	Repayments <u>Modifications</u>	Balance <u>2025</u>
Building lease	\$ 87,352	—	(46,604)	40,748
Copier lease	<u>25,679</u>	<u>—</u>	<u>(5,503)</u>	<u>20,176</u>
	\$ <u>113,031</u>	<u>—</u>	<u>(52,107)</u>	<u>60,924</u>

The future maturities of long-term leases, as of September 30, 2025, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 46,496	1,236	47,732
2027	6,004	511	6,515
2028	6,272	243	6,515
2029	<u>2,152</u>	<u>20</u>	<u>2,172</u>
Outstanding at September 30, 2025	\$ <u>60,924</u>	<u>2,010</u>	<u>62,934</u>

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Notes to Financial Statements

(5) *Indigent Care and Program Funding*

During the years ended September 30, 2025 and 2024, the District provided indigent care and program funding to the following agencies:

	<u>2025</u>	<u>2024</u>
Treasure Coast Community Health, Inc.	\$ 4,761,685	3,624,774
CCIRH – Partners In Women’s Health	3,201,971	3,127,359
Whole Family Health Center, Inc.	1,430,659	996,153
Senior Resource Association, Inc.	1,374,874	1,271,225
Visiting Nurse Association of the Treasure Coast, Inc.	1,046,684	848,703
Mental Health Association in Indian River County	934,555	756,071
Tykes & Teens	813,048	723,306
Sunshine Physical Therapy	610,000	349,940
Indian River County Medicaid Assessment	596,463	513,627
Thrive IRC (FKA Substance Awareness Center)	590,402	422,543
Indian River Healthy Start Coalition, Inc.	535,420	522,300
Mental Health Court (TCCH in 2025)	508,959	494,909
CCIRH – Integration of Mental Health in Emergency Dept	345,590	450,000
Childcare Resources of Indian River, Inc.	314,437	279,878
CCIRH – Intensive Outpatient Program	310,712	268,167
Mental Health Collaborative	260,000	220,000
New Horizons of the Treasure Coast, Inc.	234,320	90,362
Treasure Coast Homeless Services Council	164,417	334,113
The Learning Alliance	146,872	87,815
Dynamic Life Recovery	128,450	70,100
Women’s Care Center of IRC	126,982	–
We Care Foundation of Indian River	77,200	47,800
United Way of Indian River County (one-time emergency funding for Hurricane Milton related response)	75,000	–
Hope for Families Center	68,416	53,883
Catholic Charities - Samaritan Center Mental Health	67,025	66,893
Camp Haven	57,332	19,600
Suncoast Mental Health Center	47,219	45,133
United Against Poverty	14,457	9,211
Indian River County	674	–
City of Sebastian	200	–
Gifford Youth Achievement Center	165	–
Globechek (Whole Family in 2025)	–	304,879
Senior Collaborative of Indian River County	–	30,000
Crossover Mission	–	10,000
University of Florida Psychiatric OP Clinic	–	3,400
Total indigent care and program funding	\$ <u>18,844,188</u>	<u>16,042,144</u>

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Notes to Financial Statements

Related Party Information

During 2025 and 2024, the District funded Senior Resource Association, Inc, as indicated above. Senior Resource Association, Inc.'s executive director also serves as a District Trustee.

(6) Designated Unrestricted Net Position

To the extent the District has unrestricted net position available, the following designations have been established as of September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Designated for healthcare contingency	\$ 7,850,000	3,000,000
Designated for capital expenditures	—	4,000,000
Designated for investments	—	2,550,000
Designated for 10 th Street property capital	<u>250,000</u>	<u>—</u>
Total designations	\$ <u>8,100,000</u>	<u>9,550,000</u>

(7) Employee Benefit Plans

The District maintains the I.R.C.H.D. Profit Sharing Plan, a qualified defined contribution profit sharing plan covering all eligible employees, as defined, of the District, which provides for employer contributions on a discretionary basis. Participants vest in employer contributions based on years of service over a 6-year vesting period. The District contributed \$20,569 and \$15,483 to the plan during the years ended September 30, 2025 and 2024, respectively.

In addition, the District provides a contributory Section 457 plan that allows employees to defer salary on a pre-tax and after-tax basis, and provides for no employer contributions.

(8) Risk Management

The district maintains general liability, professional liability, and property coverage through purchased commercial insurance with minimal or no deductibles for each line of coverage. During each of the three years ending September 30, 2025, 2024, and 2023, the District experienced no settlements in excess of insurance coverage.

(9) Hospital Facility Agreements

Under the terms of the lease agreement discussed in note 1(a), the District leased the hospital facilities to CCIRH, a separate 501(c)(3) organization. Upon the expiration of the CCIRH lease on December 31, 2049, unless extended or the earlier termination thereof, the District will be required to renew the lease, lease it to another entity, or if it chooses, operate the hospital facilities. At the expiration or termination of the lease, the tangible and intangible assets of the CCIRH and its subsidiaries, together with any outstanding bond obligations, will be transferred to the District, subject to the following paragraph.

(Continued)

INDIAN RIVER COUNTY HOSPITAL DISTRICT

Notes to Financial Statements

Under the terms of the lease agreement, certain land and building improvements owned by the District are operated and held by CCIRH and are therefore excluded from the District's financial statements.

In December 2007, the District, Indian River Medical Center, Inc., and Indian River Hospital Foundation, Inc. (Foundation) entered into an agreement whereby certain real property additions to the hospital facilities funded by the Foundation would be subject to reimbursement to the Foundation in the event of sale of the facilities by the District to entities other than Indian River Medical Center, Inc. or other similar Florida not-for-profit corporations. The reimbursement would be equal to the then undepreciated cost of the assets, as defined by the agreement, using a 30-year depreciable life.

In connection with the January 1, 2019 closing with CCIRH, the First Amendment to the Agreement Regarding Return of Granted Funds remained substantially the same as the original 2007 document, with the following amendment: all grants and contributions made by the Foundation after closing will not be subject to the terms of the Agreement.

(10) *Subsequent Events*

In preparing these financial statements, management has evaluated subsequent events and transactions for potential disclosure through January 6, 2026, the date the financial statements were available to be issued.

Effective October 1, 2025, as part of the 2025/26 budget cycle, the District entered into agency funding contracts that provided for a fee for service reimbursement with each of the funded agencies. In total, the 2025/26 budget provided for indigent care and program funding in the amount of \$22,234,045.

**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

The Board of Trustees
Indian River County Hospital District:

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 Indian River County Hospital District (the District), which comprise the statement of net position as of September 30, 2025, and the related statement of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 6, 2026.

Report on Internal Control Over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

JACOBY AND HANDLEY, PLLC

January 6, 2026

Management Letter

The Board of Trustees
Indian River County Hospital District:

Report on the Financial Statements

We have audited the financial statements of the Indian River County Hospital District (the District) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated January 6, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Accountants' 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 January 6, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The official title and legal authority are disclosed in note 1 to the financial statements. There were no component units related to the District.



Financial Condition and Management

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

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

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

- a. The total number of district employees compensated in the last pay period of the District's fiscal year as 6.
- 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 \$487,141.
- 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 project as follows: None.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes as follows: the District had no amendments between the original and final total District expenditure budget.

Specific Information for an Independent Special District that Imposes Ad Valorem Taxes

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

- a. The millage rate or rates imposed by the District as \$0.7650.
- b. The total amount of ad valorem taxes collected by or on behalf of the District as \$21,631,403.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as follows: None.



Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that 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, the District's Board of Trustees, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

JACOBY AND HANSLEY, PLLC

January 6, 2026

Independent Accountants' Report

The Board of Trustees
Indian River County Hospital District:

We have examined Indian River County Hospital District's (the District) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* regarding the investment of public funds during the year ended September 30, 2025. Management is responsible for the District's compliance with those requirements. Our responsibility is to an express opinion on the 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 the District complied, in all material respects, with the specified requirement referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified 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 evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

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



January 6, 2026