

**Armstrong Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2024**

**Armstrong Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2024**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
Armstrong Community Development District  
Clay County, Florida

### Report on Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the governmental activities and each major fund of Armstrong Community Development District (the "District"), as of and for the year ended September 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Armstrong Community Development District as of September 30, 2024, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

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

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



To the Board of Supervisors  
Armstrong Community Development District

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

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

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

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

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

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



To the Board of Supervisors  
Armstrong Community Development District

***Required Supplementary Information***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated October 6, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Armstrong Community Development District's internal control over financial reporting and compliance.

*Berger Toombs Elam  
Gaines & Frank*

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

October 6, 2025

**Armstrong Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2024**

Management's discussion and analysis of Armstrong Community Development District (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position are reported in three categories: net investment in capital assets, restricted, and unrestricted. Assets, liabilities, and net position are reported for all Governmental Activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental Activities financed by the District include general government, physical environment, culture/recreation, and interest and other charges.

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

**Armstrong Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including capital assets, are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as special assessment bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, reconciliations are provided from the *fund financial statements* to the *governmentwide financial statements*.

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

**Financial Highlights**

The following are the highlights of financial activity for the year ended September 30, 2024.

- ◆ The District's total assets exceeded total liabilities by \$335,202, (net position). Unrestricted net position for Governmental Activities was \$318,045. Net investment in capital assets was \$(351,901). Restricted net position was \$369,058.
- ◆ Governmental activities revenues totaled \$1,575,082 while governmental activities expenses and conveyances to other entities totaled \$16,514,651.

**Armstrong Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District**

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

**Net Position**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Current assets	\$ 346,582	\$ 230,311
Restricted assets	1,023,398	1,200,148
Capital assets	9,422,062	24,540,525
Total Assets	<u>10,792,042</u>	<u>25,970,984</u>
Current liabilities	437,258	430,755
Non-current liabilities	10,019,582	10,265,458
Total Liabilities	<u>10,456,840</u>	<u>10,696,213</u>
Net position - net investment in capital assets	(351,901)	14,752,524
Net position - restricted	369,058	313,644
Net position - unrestricted	318,045	208,603
Total Net Position	<u>\$ 335,202</u>	<u>\$ 15,274,771</u>

The increase in current assets is related to revenues exceeding expenditures in the General Fund in the current year.

The decrease in restricted assets is mainly related to capital activity in the current year.

The decrease in capital assets and net position – net investment in capital assets is primarily the result of conveyances to other entities in the current year.

The decrease in non-current liabilities is related to the principal payments made in the current year.



**Armstrong Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

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

**Change in Net Position**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Program Revenues		
Charges for services	\$ 1,335,366	\$ 1,183,381
Capital grants and contributions	142,568	24,235
General Revenues		
Investment earnings	76,554	45,554
Miscellaneous revenues	20,594	20,533
Total Revenues	<u>1,575,082</u>	<u>1,273,703</u>
Expenses		
General government	120,413	119,211
Physical environment	425,281	213,479
Culture/recreation	356,267	183,964
Interest and other costs	448,986	458,800
Total Expenses	<u>1,350,947</u>	<u>975,454</u>
Conveyances to other entities	<u>(15,163,704)</u>	<u>-</u>
Change in Net Position	(14,939,569)	298,249
Net Position - Beginning of Year	<u>15,274,771</u>	<u>14,976,522</u>
Net Position - End of Year	<u><u>\$ 335,202</u></u>	<u><u>\$ 15,274,771</u></u>

The increase in capital grants and contributions is related to the developer contributions to cover construction costs in the current year.

The increase in physical environment and culture/recreation is primarily related to depreciation in the current year.

The increase in conveyances to other entities is the result of the transferring the completed roadways and utilities to other entities in the current year.

**Armstrong Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Capital Assets Activity**

The following schedule provides a summary of the District's capital assets as of September 30, 2024 and 2023.

<b>Description</b>	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Construction in progress	\$ -	\$ 24,491,797
Buildings and improvements	6,081,526	-
Infrastructure	3,613,481	-
Equipment	91,333	81,212
Accumulated depreciation	(364,278)	(32,484)
Total Capital Assets (Net)	<u>\$ 9,422,062</u>	<u>\$ 24,540,525</u>

During the year, capital asset activity consisted of additions to construction in progress, \$366,914, the transfer of construction in progress to buildings and improvements, \$6,081,526, infrastructure, \$3,613,481, and conveyances to other entities, \$15,163,704, additions to equipment, \$10,121, and depreciation, \$331,794.

**General Fund Budgetary Highlights**

The budget exceeded actual expenditures for the year primarily because security monitoring, insurance, and electric costs were less than anticipated.

The budget was not amended for the year ended September 30, 2024.

**Debt Management**

Governmental Activities debt includes the following:

- ◆ In September 2017, the District issued \$4,035,000 Series 2017A Special Assessment Revenue Bonds. These bonds were issued to finance the cost of acquiring, constructing, and equipping certain assessable improvements. The balance outstanding at September 30, 2024 was \$3,680,000.
- ◆ In October 2019, the District issued \$7,500,000 Series 2019A Special Assessment Revenue Bonds. These bonds were issued to finance a portion of the cost of acquisition, construction, installation and equipping of the Series 2019A Project. The balance outstanding at September 30, 2024 was \$6,665,000.

**Armstrong Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Economic Factors and Next Year's Budget**

Armstrong Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2025.

**Request for Information**

The financial report is designed to provide a general overview of Armstrong Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Armstrong Community Development District, Governmental Management Services, LLC, 475 West Town Place, Suite 114, St. Augustine, Florida 32092.

**Armstrong Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2024**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 264,795
Investments	41,338
Due from others	3,416
Prepaid expenses	37,033
Total Current Assets	<u>346,582</u>
Non-current Assets	
Restricted	
Investments	1,023,398
Capital assets, being depreciated	
Buildings and improvements	6,081,526
Infrastructure	3,613,481
Equipment	91,333
Less: accumulated depreciation	<u>(364,278)</u>
Total Non-current Assets	<u>10,445,460</u>
Total Assets	<u><u>10,792,042</u></u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	28,537
Accrued interest	183,721
Bonds payable	225,000
Total Current Liabilities	<u>437,258</u>
Non-current Liabilities	
Bonds payable, net	<u>10,019,582</u>
Total Liabilities	<u><u>10,456,840</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	(351,901)
Restricted for debt service	364,984
Restricted for capital projects	4,074
Unrestricted	318,045
Total Net Position	<u><u>\$ 335,202</u></u>

*See accompanying notes to financial statements.*

**Armstrong Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2024**

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Capital Grants and Contributions	Revenues and Changes in Net Position
				Governmental Activities
<b>Primary government</b>				
Governmental Activities				
General government	\$ (120,413)	\$ 137,445	\$ -	\$ 17,032
Physical environment	(425,281)	325,779	142,568	43,066
Culture/recreation	(356,267)	175,269	-	(180,998)
Interest and other costs	(448,986)	696,873	-	247,887
Total Governmental Activities	<u>\$ (1,350,947)</u>	<u>\$ 1,335,366</u>	<u>\$ 142,568</u>	<u>126,987</u>
General Revenues:				
		Investment earnings		76,554
		Miscellaneous revenues		20,594
		Total General Revenues		<u>97,148</u>
		Conveyance to other entities		<u>(15,163,704)</u>
		Change in Net Position		(14,939,569)
		Net Position - October 1, 2023		<u>15,274,771</u>
		Net Position - September 30, 2024		<u>\$ 335,202</u>

*See accompanying notes to financial statements.*

**Armstrong Community Development District**  
**BALANCE SHEET –**  
**GOVERNMENTAL FUNDS**  
**September 30, 2024**

				Total
<b>ASSETS</b>	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Governmental Funds</b>
Cash	\$ 264,795	\$ -	\$ -	\$ 264,795
Investments	41,338	-	-	41,338
Due from others	3,416	-	-	3,416
Prepaid expenses	37,033	-	-	37,033
Restricted assets				
Investments	-	1,019,324	4,074	1,023,398
Total Assets	<u>\$ 346,582</u>	<u>\$ 1,019,324</u>	<u>\$ 4,074</u>	<u>\$ 1,369,980</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	<u>\$ 28,537</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,537</u>
<b>FUND BALANCES</b>				
Nonspendable - prepaid expenses	37,033	-	-	37,033
Restricted for debt service	-	1,019,324	-	1,019,324
Restricted for capital projects	-	-	4,074	4,074
Unassigned	<u>281,012</u>	<u>-</u>	<u>-</u>	<u>281,012</u>
Total Fund Balances	<u>318,045</u>	<u>1,019,324</u>	<u>4,074</u>	<u>1,341,443</u>
 Total Liabilities and Fund Balances	 <u>\$ 346,582</u>	 <u>\$ 1,019,324</u>	 <u>\$ 4,074</u>	 <u>\$ 1,369,980</u>

*See accompanying notes to financial statements.*

**Armstrong Community Development District**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**September 30, 2024**

Total Governmental Fund Balances	\$ 1,341,443
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, buildings and improvements, \$6,081,526, equipment, \$91,333, and infrastructure, \$3,613,481, net of accumulated depreciation, \$(364,278), used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	9,422,062
Long-term liabilities, including bonds payable, \$(10,345,000), net of bond discounts, net, \$100,418, are not due and payable in the current period, and therefore, are not reported at the fund level.	(10,244,582)
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the fund level.	<u>(183,721)</u>
Net Position of Governmental Activities	<u><u>\$ 335,202</u></u>

*See accompanying notes to financial statements.*

**Armstrong Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2024**

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
Revenues				
Special assessments	\$ 638,493	\$ 696,873	\$ -	\$ 1,335,366
Miscellaneous revenues	20,594	-	-	20,594
Investment earnings	19,846	54,209	2,499	76,554
Total Revenues	<u>678,933</u>	<u>751,082</u>	<u>2,499</u>	<u>1,432,514</u>
Expenditures				
Current				
General government	120,413	-	-	120,413
Physical environment	285,408	-	10,797	296,205
Culture/recreation	153,549	-	-	153,549
Capital outlay	10,121	-	224,346	234,467
Debt service				
Principal	-	245,000	-	245,000
Interest	-	450,188	-	450,188
Total Expenditures	<u>569,491</u>	<u>695,188</u>	<u>235,143</u>	<u>1,499,822</u>
Revenues over/(under) expenditures	<u>109,442</u>	<u>55,894</u>	<u>(232,644)</u>	<u>(67,308)</u>
Other Financing Sources/(Uses)				
Transfers in	-	2,747	9,000	11,747
Transfers out	-	(9,000)	(2,747)	(11,747)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(6,253)</u>	<u>6,253</u>	<u>-</u>
Net change in fund balances	109,442	49,641	(226,391)	(67,308)
Fund Balances - October 1, 2023	<u>208,603</u>	<u>969,683</u>	<u>230,465</u>	<u>1,408,751</u>
Fund Balances - September 30, 2024	<u><u>\$ 318,045</u></u>	<u><u>\$ 1,019,324</u></u>	<u><u>\$ 4,074</u></u>	<u><u>\$ 1,341,443</u></u>

*See accompanying notes to financial statements.*



**Armstrong Community Development District**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ (67,308)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount that capital outlay, \$234,467, and capital contributions, \$142,568, were exceeded by depreciation, \$(331,794), and conveyances, \$(15,163,704), in the current year.	(15,118,463)
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Repayments of principal are expenditures at the governmental fund level and reduce long-term liabilities at the government-wide level.	245,000
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Amortization of bond discount reported in the Statement of Activities does not require the use of current financial resources and therefore, is not reported as an expenditure at the fund level.	(4,124)
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In the Statement of Activities, interest is accrued on outstanding bonds; whereas at the fund level, interest expenditures are reported when due. This is the change in accrued interest from the prior year.	<div style="border-top: 1px solid black; display: inline-block;">5,326</div>
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Change in Net Position of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ (14,939,569)</div>
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*See accompanying notes to financial statements.*

**Armstrong Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –**  
**GENERAL FUND**  
**For the Year Ended September 30, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues				
Special assessments	\$ 637,369	\$ 637,369	\$ 638,493	\$ 1,124
Investment income	3,250	3,250	19,846	16,596
Miscellaneous revenues	20,000	20,000	20,594	594
Total Revenues	<u>660,619</u>	<u>660,619</u>	<u>678,933</u>	<u>18,314</u>
Expenditures				
Current				
General government	124,478	124,478	120,413	4,065
Physical environment	297,083	297,083	285,408	11,675
Culture/recreation	194,176	194,176	153,549	40,627
Capital outlay	-	-	10,121	(10,121)
Total Expenditures	<u>615,737</u>	<u>615,737</u>	<u>569,491</u>	<u>46,246</u>
Net change in fund balances	44,882	44,882	109,442	64,560
Fund Balances - October 1, 2023	<u>8,656</u>	<u>8,656</u>	<u>208,603</u>	<u>199,947</u>
Fund Balances - September 30, 2024	<u>\$ 53,538</u>	<u>\$ 53,538</u>	<u>\$ 318,045</u>	<u>\$ 264,507</u>

*See accompanying notes to financial statements.*

**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

**1. Reporting Entity**

The District was established on July 12, 2016 pursuant to Clay County, Florida Ordinance 2016-03 and amended by Clay County, Florida Ordinance 2018-40 and Chapter 190, Florida Statutes. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or outside the boundaries of the Armstrong Community Development District. The District is governed by a five-member Board of Supervisors. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Armstrong Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

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

**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting**

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

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

**a. Government-wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are primarily supported by special assessments and interest. Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

**b. Fund Financial Statements**

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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

**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds**

The District classifies fund balance in accordance with Governmental Accounting Standards Board Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

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

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

**Assigned Fund Balance** – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

**Unassigned Fund Balance** – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter, to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

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

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

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

**3. Basis of Presentation**

**a. Governmental Major Funds**

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

Debt Service Fund – Accounts for debt service requirements to retire the special assessment revenue bonds which were used, among other things, to retire the debt of the bond anticipation notes and to finance the acquisition and construction of certain master infrastructure improvements within the District.

Capital Projects Fund – The Capital Projects Fund accounts for construction of certain infrastructure improvements within the boundaries of the District.

**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Basis of Presentation (Continued)**

**b. Non-current Governmental Assets/Liabilities**

GASB Statement 34 requires that non-current governmental assets, such as capital assets, and non-current governmental liabilities, such as special assessment bonds, be reported in the governmental activities column in the government-wide Statement of Net Position.

**4. Assets, Liabilities, and Net Position or Equity**

**a. Cash and Investments**

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

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

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depositor as defined by Section 280.02, Florida Statutes.

**b. Restricted Assets**

Certain net position of the District will be classified as restricted assets on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors.

**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, and Net Position or Equity (Continued)**

**c. Capital Assets**

Capital assets, which include buildings and improvements, infrastructure, and equipment, are reported in the applicable governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Infrastructure	30 years
Buildings and improvements	30 years
Equipment	10 years

**d. Budgets**

Budgets are prepared and adopted after a public hearing for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. Formal budgets are adopted for the general fund. The legal level of budgetary control is at the fund level. As a result, deficits in the budget variance columns of the accompanying financial statements may occur. All budgeted appropriations lapse at year end.

**e. Unamortized Bond Discount**

Bond discounts are presented on the government-wide financial statements. The costs are amortized over the life of the bonds using the straight-line method. For financial reporting, the unamortized bond discount is netted against the applicable long-term debt.



**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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

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

“Total fund balances” of the District’s governmental funds, \$1,341,443, differs from “net position” of governmental activities, \$335,202, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Fund Balance Sheet. The effect of the differences is illustrated below.

**Capital related items**

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

Infrastructure	\$ 3,613,481
Buildings and improvements	6,081,526
Equipment	91,333
Accumulated depreciation	<u>(364,278)</u>
Total	<u><u>\$ 9,422,062</u></u>

**Long-term debt transactions**

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities are reported in the Statement of Net Position. Balances at September 30, 2024 were:

Bonds payable	\$ (10,345,000)
Bond discount, net	<u>100,418</u>
Total	<u><u>\$ (10,244,582)</u></u>

**Accrued interest**

Accrued liabilities in the Statement of Net Position differ from the amount reported at the fund level due to the accrued interest on bonds.

Accrued interest	<u><u>\$ (183,721)</u></u>
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**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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

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

The “net change in fund balances” for government funds, \$(67,308), differs from the “change in net position” for governmental activities, \$(14,939,569), reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital related items**

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

Capital outlay	\$ 234,467
Capital contributions	142,568
Conveyances to other entities	(15,163,704)
Depreciation	(331,794)
Total	<u>\$ (15,118,463)</u>

**Long-term debt transactions**

Repayments of principal are reported as expenditures in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Principal payments	<u>\$ 245,000</u>
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Bond discounts are amortized over the life of the bonds as interest. This is the current year amortization.

Amortization of bond discount	<u>\$ (4,124)</u>
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Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in accrued interest payable	<u>\$ 5,326</u>
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**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE C – CASH AND INVESTMENTS**

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District follows the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2024, the District's bank balance was \$268,092 and the carrying value was \$264,795. Exposure to custodial credit risk was as follows: the District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

Investments

As of September 30, 2024, the District had the following investments and maturities:

Investment	Maturities	Fair Value
U S Bank Money Market	N/A	\$ 1,023,398
Florida PRIME	39 days*	41,338
Total		<u>\$ 1,064,736</u>

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

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that use the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, the investment in U S Bank Money Market is a Level 1 investment.

The District's investment policy allows management to invest in investments permitted under Section 218.415, Florida Statutes. The investment in Florida PRIME is measured at amortized cost. Florida PRIME has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2024, there were no redemption fees, maximum transaction amounts, or any other requirements that would limit daily access to 100% of the account value.

**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE C – CASH AND INVESTMENTS (CONTINUED)**

Interest Rate Risk

The formal investment policy of the District conforms with State statutory requirements and bond indentures for investment maturities as a means of managing its exposure to increasing interest rates.

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2024, the District's investments in Florida PRIME were rated AAAM by Standard & Poor's and the investments in U S Bank Money Market were not rated by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in the U S Bank Money Market Account represent 96% of the District's total investments. The investments in Florida PRIME represent 4% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2024 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

**NOTE D – SPECIAL ASSESSMENT REVENUES**

Special assessment revenues recognized for the 2023-2024 fiscal year were levied in August 2023. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount.

All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on, or prior to, June 1; therefore, there were no material taxes receivable at fiscal year end.

**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE E – CAPITAL ASSETS**

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

	Balance October 1, 2023	Additions	Deletions	Balance September 30, 2024
<u>Governmental Activities:</u>				
Capital assets, not being depreciated				
Construction in progress	\$ 24,491,797	\$ 366,914	\$ (24,858,711)	\$ -
Capital Assets, being depreciated:				
Infrastructure	-	3,613,481	-	3,613,481
Buildings and improvements	-	6,081,526	-	6,081,526
Equipment	81,212	10,121	-	91,333
Total Capital Assets, Being Depreciated	81,212	9,705,128	-	9,786,340
Less accumulated depreciation for:				
Infrastructure	-	(120,449)	-	(120,449)
Buildings and improvements	-	(202,718)	-	(202,718)
Equipment	(32,484)	(8,627)	-	(41,111)
Total Accumulated Depreciation	(32,484)	(331,794)	-	(364,278)
Total Capital Assets Depreciated, Net	48,728	9,373,334	-	9,422,062
Governmental Activities Capital Assets, Net	\$ 24,540,525	\$ 9,740,248	\$ (24,858,711)	\$ 9,422,062

Depreciation of \$331,794, was charged to physical environment, \$129,076, and culture/recreation, \$202,718.

**NOTE F – INTERFUND TRANSFERS**

Interfund transfers for the year ended September 30, 2024, consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>		<u>Total</u>
	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
Debt Service Fund	\$ -	\$ 2,747	\$ 2,747
Capital Projects Fund	9,000	-	9,000
Total	\$ 9,000	\$ 2,747	\$ 11,747

Interfund transfers are in accordance with the respective trust indentures.

**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE G – LONG-TERM DEBT**

The following is a summary of debt activity for the District for the year ended September 30, 2024:

Bonds payable at October 1, 2023	\$ 10,590,000
Principal payments	<u>(245,000)</u>
Bonds payable at September 30, 2024	\$ 10,345,000
Less: bond discount	<u>(100,418)</u>
Bonds Payable, Net	<u>\$ 10,244,582</u>

Long-term debt is comprised of the following as of September 30, 2024:

\$4,035,000 Special Assessment Revenue Bonds, Series 2017A due in annual principal installments, beginning November 1, 2017. Interest is due annually on November 1, beginning November 1, 2017 at rates between 3.625% and 5.125% with a maturity date of November 1, 2048. Current portion is \$80,000.

\$ 3,680,000

\$7,500,000 Special Assessment Revenue Bonds, Series 2019A due in annual principal installments, beginning November 1, 2020. Interest is due annually on November 1, beginning November 1, 2020 at rates between 3.125% and 4% with a final maturity date of November 1, 2050. Current portion is \$145,000.

6,665,000

Bonds Payable at September 30, 2024 \$ 10,345,000

The annual requirements to amortize the principal and interest of long term debt as of September 30, 2024 are as follows:

Year Ending September 30,	Principal	Interest	Total
2025	\$ 225,000	\$ 439,131	\$ 664,131
2026	230,000	432,906	662,906
2027	240,000	423,856	663,856
2028	250,000	414,406	664,406
2029	265,000	404,469	669,469
2030-2034	1,475,000	1,841,919	3,316,919
2035-2039	1,820,000	1,489,884	3,309,884
2040-2044	2,265,000	1,038,991	3,303,991
2045-2049	2,810,000	477,016	3,287,016
2050-2051	<u>765,000</u>	<u>30,900</u>	<u>795,900</u>
Totals	<u>\$ 10,345,000</u>	<u>\$ 6,993,478</u>	<u>\$ 17,338,478</u>

**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE G – LONG-TERM DEBT (CONTINUED)**

Summary of Significant Resolution Terms and Covenants

Significant Bond Provisions

The Series 2017A Bonds may, at the option of the District, be called for redemption prior to maturity in whole or in part on any date on or after November 1, 2027. The Series 2017A Bonds are subject to mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Series 2019A Bonds may, at the option of the District, be called for redemption prior to maturity in whole or in part on any date on or after November 1, 2029. The Series 2019A Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Trust Indenture established certain amounts be maintained in a reserve account. In addition, the Trust Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements.

Depository Funds

The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

Reserve Funds – The Series 2017A and 2019A Reserve Accounts were funded from the proceeds of the Series 2017A and 2019A Bonds in amounts equal to the maximum annual debt service of the Series 2017A and 2019A Bonds.

The following is a schedule of required reserve balances as of September 30, 2024:

	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Special Assessment Bonds, Series 2017A	\$ 265,819	\$ 265,819
Special Assessment Bonds, Series 2019A	\$ 205,400	\$ 204,800

**Armstrong Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE H – COST SHARE AGREEMENT**

In August 2020, the District entered into a cost share agreement with Armstrong Owners' Association, Incorporated ("the Association") for landscape and irrigation maintenance services of certain lands in which both parties agreed is a shared benefit between the District and the Association. The Association has agreed to pay monthly to the District \$1,100 plus reimbursements to the District for actual costs incurred. The District recognized \$16,092 in cost share revenue in relation to this agreement. Additionally, the District had a balance due from the Association of \$2,054 as of September 30, 2024.

**NOTE I – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no claims or settled claims from these risks that have exceeded commercial coverage during the past three years.





# Berger, Toombs, Elam, Gaines & Frank

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

To the Board of Supervisors  
Armstrong Community Development District  
Clay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, as listed in the table of contents, of Armstrong Community Development District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated October 6, 2025.

### **Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.



Berger, Toombs, Elam,  
Gaines & Frank  
Certified Public Accountants PL

To the Board of Supervisors  
Armstrong Community Development District

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

October 6, 2025



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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## MANAGEMENT LETTER

To the Board of Supervisors  
Armstrong Community Development District  
Clay County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Armstrong Community Development District as of and for the year ended September 30, 2024, and have issued our report thereon dated October 6, 2025.

### Auditor's Responsibility

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

### Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated October 6, 2025, should be considered in conjunction with this management letter.

### Prior Audit Findings

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



To the Board of Supervisors  
Armstrong Community Development District

### **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not Armstrong Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Armstrong Community Development District has not met one 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 conditions assessment procedures as of September 30, 2024 for the Armstrong Community Development District. It is management's responsibility to monitor the Armstrong Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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

### **Specific Information**

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

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

- 1) The total number of District employees compensated in the last pay period of the District's fiscal year: 4
- 2) The total number of independent contractors, defined as individuals or entities that receive 1099s, to whom nonemployee compensation was paid in the last month of the District's fiscal year: 14
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$10,527.90
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$537,210.68
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2023, together with the total expenditures for such project: N/A
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The Board did not amend the budget.



To the Board of Supervisors  
Armstrong Community Development District

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

- 1) The rate or rates of non-ad valorem special assessments imposed by the District:  
\$1,403.80 for the General Fund and \$1,122.85 – \$1,746.76 for the Debt Service Fund.
- 2) The amount of special assessments collected by or on behalf of the District: Total special assessments collected was \$1,335,366.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds are as follows: \$3,680,000 Series 2017 Bonds due on November 1, 2048 at various rates from 3.625% to 5.125%. \$6,665,000 Series 2019 Bonds due on November 1, 2050 at various rates from 3.125% to 4%.

#### **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 has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

#### **Purpose of this Letter**

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

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

October 6, 2025



**Berger, Toombs, Elam,  
Gaines & Frank**

Certified Public Accountants PL

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

To the Board of Supervisors  
Armstrong Community Development District  
Clay County, Florida

We have examined Armstrong Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2024. Management is responsible for Armstrong Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Armstrong Community Development District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Armstrong Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Armstrong Community Development District's compliance with the specified requirements.

In our opinion, Armstrong Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2024.

*Berger Toombs Elam  
Gaines & Frank*

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

October 6, 2025