# ST. JOHNS COUNTY, FLORIDA
# ANNUAL COMPREHENSIVE FINANCIAL REPORT
# FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025


**Prepared by:**

**ST. JOHNS COUNTY CLERK OF THE CIRCUIT COURT AND COUNTY COMPTROLLER**
**FINANCE DEPARTMENT**

**Brandon J. Patty**
**St. Johns County Clerk of the Circuit Court and County Comptroller**

**Dwala Anderson**
**Chief Financial Officer**

# ST. JOHNS COUNTY, FLORIDA
# ANNUAL COMPREHENSIVE FINANCIAL REPORT
# FOR THE YEAR ENDED SEPTEMBER 30, 2025

## TABLE OF CONTENTS

### INTRODUCTORY SECTION



### FINANCIAL SECTION

# ST. JOHNS COUNTY, FLORIDA
# ANNUAL COMPREHENSIVE FINANCIAL REPORT
# FOR THE YEAR ENDED SEPTEMBER 30, 2025

## TABLE OF CONTENTS

# ST. JOHNS COUNTY, FLORIDA
# ANNUAL COMPREHENSIVE FINANCIAL REPORT
# FOR THE YEAR ENDED SEPTEMBER 30, 2025

## TABLE OF CONTENTS

Page



**STATISTICAL SECTION**

# TABLE OF CONTENTS

## SINGLE AUDIT AND OTHER AUDIT REQUIREMENTS

**Brandon J. Patty**
Clerk of the Circuit Court and County Comptroller | St. Johns County, Florida
4010 Lewis Speedway, St. Augustine, FL 32084
(904) 819-3600 | www.stjohnsclerk.com

June 30, 2026

To the Honorable Members of the Board of County Commissioners and the Residents of St. Johns County:

Pursuant to Section 218.39, Florida Statutes, the Clerk of the Circuit Court and County Comptroller is pleased to submit the Annual Comprehensive Financial Report (ACFR) of St. Johns County, Florida, for the fiscal year ended September 30, 2025.

Prepared by the Comptroller's Office, this report presents the financial position and results of operations of St. Johns County in accordance with generally accepted accounting principles (GAAP). Responsibility for the accuracy, completeness, and fair presentation of the accompanying financial statements, including all disclosures, rests with the Clerk of the Circuit Court and County Comptroller in its capacity as Chief Financial Officer of St. Johns County. To the best of our knowledge and belief, the accompanying financial statements fairly present the financial position of the County, and the results of its operations and cash flows for the fiscal year ended September 30, 2025.

County administration is responsible for establishing and maintaining a system of internal controls designed to safeguard public assets, ensure the reliability of financial records, and provide accountability for the use of public resources. Because the cost of internal controls should not exceed the benefits derived, the system is designed to provide reasonable, rather than absolute, assurance that assets are protected and that the financial statements are free from material misstatement.

The financial statements have been audited by Forvis Mazars, LLP, an independent certified public accounting firm. The audit was conducted in accordance with generally accepted auditing standards and included examination of accounting records, evaluation of accounting principles and significant estimates, and assessment of the overall presentation of the financial statements. Based on this examination, the independent auditors issued an unmodified opinion that the County's financial statements are fairly presented, in all material respects, in conformity with GAAP. The independent auditors' report is presented in the Financial Section of this report.

The audit also serves as the basis for the federally required Single Audit of federal awards. Reports on internal control, compliance, and the administration of federal programs are included in the Compliance Section of this report.

GAAP requires management to provide a narrative introduction, overview, and analysis of the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the report of the independent auditors.

## GOVERNMENT PROFILE

Established in 1821, St. Johns County is one of Florida's oldest counties. The county seat, St. Augustine, founded in 1565, is recognized as the nation's oldest continuously occupied European-established city. Located in northeast Florida, the County encompasses approximately 608 square miles and is bordered by the Atlantic Ocean to the east, the St. Johns River to the west, Duval County to the north, and Flagler County to the south.

St. Johns County is a political subdivision of the State of Florida operating under the Constitution and laws of the State. As a non-charter county, it exercises home rule authority through ordinances adopted by the Board of County Commissioners.

The Board of County Commissioners consists of five members elected countywide from individual commission districts and serves as the governing body of the County. The constitutional officers—the Clerk of the Circuit Court and County Comptroller, Property Appraiser, Sheriff, Tax Collector, and Supervisor of Elections—operate independently of the Board as provided by the Florida Constitution and maintain separate accounting records and budgets. The St. Johns County School District is a separate taxing authority and is not under the jurisdiction of the Board.

In accordance with Governmental Accounting Standards Board (GASB) requirements, the County's financial reporting entity includes organizations for which the County is financially accountable. The Housing Finance Authority of St. Johns County and the St. Johns County Industrial Development Authority are reported as component units. The St. Johns County School District, Anastasia Mosquito Control District, the St. Augustine Airport Authority, and the St. Johns River Water Management District do not meet the criteria for inclusion in the reporting entity.

Preparation of the annual budget begins with development of the County's Capital Improvement Plan, followed by preparation of the operating budget, public workshops, and the public hearings required by Florida law before adoption by the Board of County Commissioners.

Annual budgets are adopted on a basis consistent with GAAP. Although Florida law establishes the fund as the legal level of budgetary control for the constitutional officers, St. Johns County has adopted a more restrictive policy requiring Board approval for changes to a department's total appropriated budget. Additional information regarding the budget process and budgetary control is presented in Note 2 to the financial statements.

Ordinance 96-70 established the position of County Administrator to oversee the day-to-day administration of County government under the direction of the Board of County Commissioners.

**ECONOMIC CONDITIONS**

Population growth continued during FY 2025, increasing demand for transportation, utilities, public safety, parks, and other public infrastructure. The County's estimated population reached approximately 334,928, representing an increase of 26.1 percent since 2019.

Located in Northeast Florida, St. Johns County continues to benefit from access to Interstate 95, U.S. Highway 1, the St. Augustine Airport, Jacksonville International Airport, and JAXPORT. These transportation assets support residential development, tourism, manufacturing, distribution, and commercial activity.

The local economy remains diversified, with tourism, healthcare, construction, retail trade, agriculture, and professional services serving as major employment sectors. Partnerships with regional and local organizations continue to support business recruitment, expansion of existing industries, workforce development, and small business development.

Labor market conditions remained favorable throughout 2025. The County's unemployment rate was 4.2 percent at year-end, among the lowest in Florida, while employment continued to expand in response to population growth and private investment.

Several significant private-sector investments advanced during the year. Publix Super Markets, Inc. announced development of a pharmaceutical central fill facility representing an anticipated capital investment of approximately $145 million and nearly 400 new jobs. The project received the Florida Economic Development Council's 2025 Urban Deal of the Year Award in recognition of the public-private partnership supporting its development.

The Board of County Commissioners also approved economic development initiatives supporting industrial, healthcare, and media production facilities. In addition, approximately $50 million in bond financing was approved to support expansion of Ascension St. Vincent's Hospital, increasing healthcare capacity for the County's growing population.

The St. Johns County School District again earned an "A" rating from the Florida Department of Education for the 2024-2025 school year, continuing its longstanding record of academic achievement.

Continued population growth, private investment, and a diversified economic base provided a favorable environment for fiscal year 2025 and continue to shape the County's long-term financial planning.

**FINANCIAL PLAN**

The FY 2026 Adopted Budget continues the Board of County Commissioners' emphasis on maintaining essential public services while investing in the infrastructure needed to support continued population growth. The budget reflects the County's long-term approach to capital planning, financial management, and fiscal sustainability.

**Capital Investment**: Continued population growth remains the primary driver of the County's capital program. During FY 2025, planning advanced through completion of the County's 2050 Comprehensive Plan, updates to impact and mobility fee studies, and continued work on the Habitat Conservation Plan. These efforts provide the framework for future land use, infrastructure investment, and service delivery.

Construction continued on several major public facilities, including the Public Service Center, Emergency Operations Center Annex, Medical Examiner's Office expansion, and Sheriff's Tactical Training Facility. Transportation investment also continued through roadway capacity improvements and intersection projects identified in the County's Capital Improvement Plan.

Utility infrastructure expanded through continued investment in water and wastewater facilities, reclaimed water distribution, and system capacity improvements. During the year, the Board approved acquisition of the North Beach Utility system, expanding County utility service within the Vilano Beach area.

**Public Safety**: Investment in public safety infrastructure continued through construction of additional Fire Rescue facilities, renovation of existing stations, and expansion of emergency medical resources to serve growing areas of the County.

Emergency Management coordinated response and recovery efforts associated with Hurricanes Debby, Helene, and Milton while continuing to pursue federal and state reimbursement for eligible disaster-related expenditures. Grant-funded coastal restoration projects also continued during the year to improve shoreline resiliency.

**Financial Stewardship**: Bond ratings of AA+ from S&P Global Ratings and AAA from Moody's Ratings were reaffirmed during FY 2025, reflecting continued confidence in the County's financial position and long-term financial management.

The FY 2026 Adopted Budget establishes a $20 million emergency response reserve within the General Fund to strengthen the County's ability to respond to future natural disasters. This reserve supplements the County's existing operating reserve policy and supports long-term financial resilience.

State and federal grant awards exceeded $27 million during FY 2025, providing additional funding for infrastructure and public service initiatives. Value engineering associated with capital projects reduced anticipated borrowing requirements by approximately $20 million, preserving financial capacity for future investment.

**Economic Development**: The Board approved economic development initiatives supporting manufacturing, healthcare, commercial, and media production facilities. These projects are intended to diversify the local economy, encourage private investment, and expand employment opportunities.

**Community Investment**: Continued investment in housing assistance, veterans' services, parks, libraries, recreational facilities, and cultural programs supported the County's quality of life. Major capital projects underway or completed during the year included the Silverleaf Sportsplex, Shearwater Community Center, North Beach Park, and the Hastings Community Center and Library.

Population growth is expected to continue influencing capital planning and service delivery in the coming years. The FY 2026 Adopted Budget positioned the County to address those demands through continued investment in infrastructure, prudent financial management, and long-term planning.

**AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to St. Johns County for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. This marked the thirty-second consecutive year the County received this distinction.

To receive the Certificate of Achievement, a government must publish an Annual Comprehensive Financial Report that is readily understandable, well organized, and prepared in accordance with generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for one year. The County believes this report continues to meet the program's standards and will submit the Fiscal Year 2025 Annual Comprehensive Financial Report to GFOA for consideration.

During FY 2025, the County also received the Government Finance Officers Association's Triple Crown recognition, reflecting excellence in financial reporting, budgeting, and financial transparency.

Preparation of this report required the cooperation and dedication of personnel throughout County government. Appreciation is extended to the staff of the Comptroller's Office, the Office of Management and Budget, and other County departments whose efforts contributed to the preparation of this report.

Appreciation is also extended to the Board of County Commissioners for its continued support of sound financial management and long-range fiscal planning.

Respectfully submitted,

Brandon J. Patty
Clerk of the Circuit Court and County Comptroller

## MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS

Clay Murphy, Chair
Ann Taylor, Vice-Chair
Krista Joseph
Christian Whitehurst
Sarah Arnold

## CONSTITUTIONAL OFFICERS

Robert A. Hardwick, Sheriff
Brandon J. Patty, Clerk of the Circuit Court and County Comptroller
Jennifer Ravan, Tax Collector
Eddie Creamer, Property Appraiser
Vicky Oakes, Supervisor of Elections

## COUNTY ADMINISTRATION

Joy Andrews, County Administrator
Brad Bradley – Deputy County Administrator
Jesse Dunn, Deputy County Administrator
Sarah Taylor, Assistant County Administrator

## COMPTROLLER’S OFFICE

Dwala Anderson, Chief Financial Officer

## OFFICE OF MANAGEMENT AND BUDGET

Wade Schroeder, Director

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

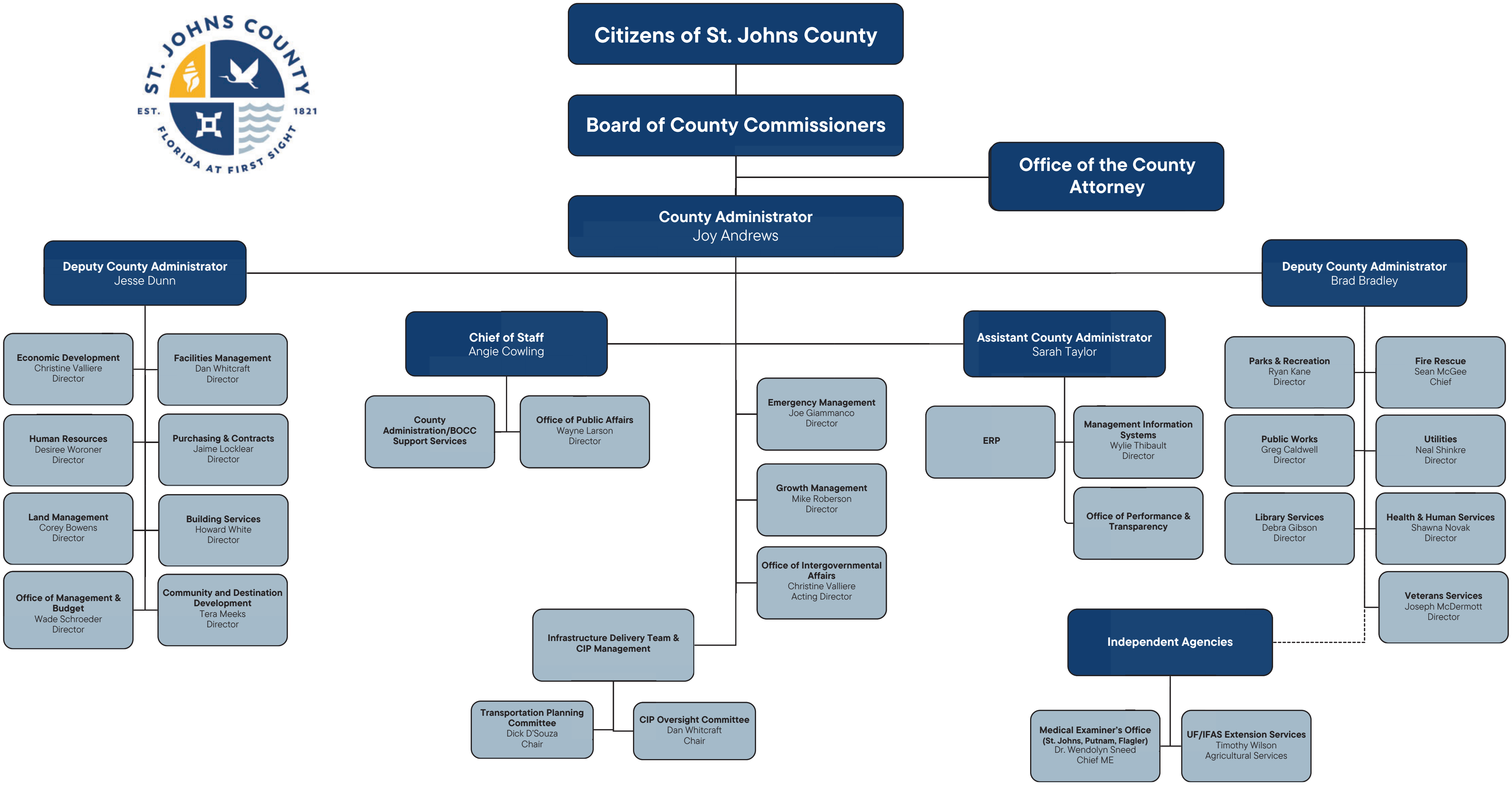
**St. Johns County**
**Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO


Citizens of St. Johns County
Board of County Commissioners
Office of the County Attorney
County Administrator
Joy Andrews
Deputy County Administrator
Jesse Dunn
Deputy County Administrator
Brad Bradley
Chief of Staff
Angie Cowling
Assistant County Administrator
Sarah Taylor
Economic Development
Christine Valliere
Director
Facilities Management
Dan Whitcraft
Director
Human Resources
Desiree Woroner
Director
Purchasing & Contracts
Jaime Locklear
Director
Land Management
Corey Bowens
Director
Building Services
Howard White
Director
Office of Management & Budget
Wade Schroeder
Director
Community and Destination Development
Tera Meeks
Director
County Administration/BOCC Support Services
Office of Public Affairs
Wayne Larson
Director
Emergency Management
Joe Giammanco
Director
Growth Management
Mike Roberson
Director
Office of Intergovernmental Affairs
Christine Valliere
Acting Director
Infrastructure Delivery Team & CIP Management
Transportation Planning Committee
Dick D'Souza
Chair
CIP Oversight Committee
Dan Whitcraft
Chair
ERP
Management Information Systems
Wylie Thibault
Director
Office of Performance & Transparency
Parks & Recreation
Ryan Kane
Director
Fire Rescue
Sean McGee
Chief
Public Works
Greg Caldwell
Director
Utilities
Neal Shinkre
Director
Library Services
Debra Gibson
Director
Health & Human Services
Shawna Novak
Director
Veterans Services
Joseph McDermott
Director
Independent Agencies
Medical Examiner's Office (St. Johns, Putnam, Flagler)
Dr. Wendolyn Sneed
Chief ME
UF/IFAS Extension Services
Timothy Wilson
Agricultural Services

Forvis Mazars, LLP
255 South Orange Avenue, Suite 600
Orlando, FL 32801
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# Independent Auditor's Report

Honorable Board of County Commissioners
St. Johns County, Florida

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Johns County, Florida (the "County"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *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 County'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 County'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, budgetary comparison schedules, pension, and other postemployment benefit information 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 GAAS, 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Orlando, Florida**
**June 30, 2026**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

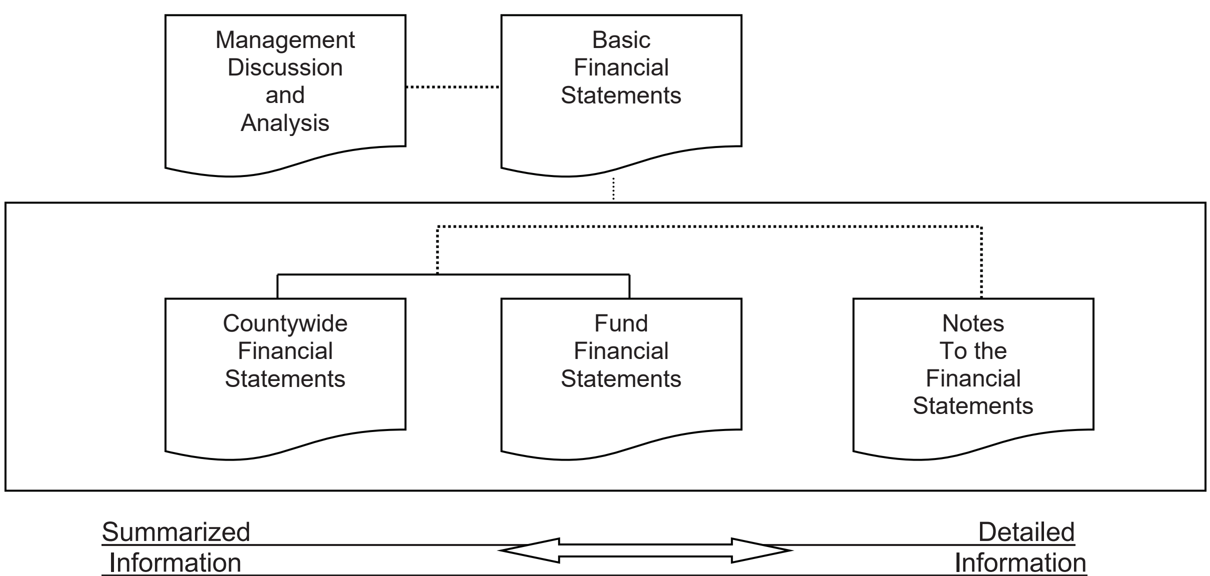
This section of St. Johns County, Florida's Annual Comprehensive Financial Report presents a narrative overview and analysis of the County's financial performance during our most recent fiscal year, which ended September 30, 2025. It is designed to provide an objective and easy to read overview analysis of the County's financial activities; significant financial issues; material deviations from the Financial Plan (budget); changes in the county's financial position and individual fund concerns. We encourage readers to consider the information contained in this discussion in conjunction with additional information contained in our transmittal letter in the front of this report and the county's financial statements.

## 1. Financial Highlights.

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources, which are reported as net position, by $3,028,169,545 as of September 30, 2025.
- Unrestricted net position of $246,215,577 represents the amount that may be used to meet the County's ongoing obligations to citizens and creditors.
- Total net position of the county increased by $307,641,745.
- The net change in total governmental fund balance increased by $125,724,956. This increase reflects a strong economy and continued strength in construction and development in the county.

## 2. Overview of the Financial Statements.

This discussion is intended to introduce St. Johns County, Florida's basic financial statements. The basic financial statements are comprised of two kinds of statements that present different views of the county: (1) government-wide statements, and (2) fund statements. The basic financial statements also include notes essential to a full understanding of both kinds of statements. This report also has a separate section for supplementary and statistical information in addition to the basic financial statements themselves as indicated below.



The first two statements are government-wide financial statements that focus on the county as a whole and provide both long-term and short-term information about the county's overall financial condition. These statements provide readers with a broad view of the county's finances, similar to a private sector business.

The remaining statements are fund financial statements that are similar to traditional governmental financial statements. These statements report on individual parts of the county's operations and include more detail than the countywide statements.

A. Government-wide financial statements. The government-wide statements report on St. Johns County as a whole using accounting rules very similar to those used by private companies. There are two government-wide statements. The statement of net position combines and reports all of the county's assets, deferred outflows, liabilities and deferred inflows. The statement of activities combines and reports all of the county's revenues and expenses regardless of when cash is paid or received. These two financial statements demonstrate how the county's net position has changed. Net position is the difference between total assets and deferred outflows of resources, and total liabilities and deferred inflows. It is one way of assessing the county's current financial condition. Increases or decreases in net position are good indicators of whether the county's financial health is improving or deteriorating over time. Other non-financial factors, such as diversity in the local economy, are important in evaluating the county's overall financial condition.

   The countywide financial statements are grouped into three categories:

   - *Governmental Activities*. Most of the county's basic services are included here, such as police, fire, public works, recreation, and general administration. Property taxes, sales and gas taxes, and federal and state funding finance most of the cost of these activities.

   - *Business-type Activities*. The county's water and sewer utilities and solid waste are classified here. In these activities, the county charges customer fees to cover all or a portion of the cost of providing these goods and services.

   - *Component Units.* These are other governmental units over which the county exercises influence, and are presented as separate columns in the countywide statements. The component units presented as such are the Housing Finance Authority of St. Johns County, Florida and the St. Johns County Industrial Development Authority.

B. Fund financial statements. The county's fund statements report in greater detail than the countywide statements the county's most significant funds. A fund is a group of related accounts used to exercise control over specific resources set apart for specific activities. The county, like other state and local governments, uses funds to ensure and demonstrate compliance with financial requirements imposed by law, bond covenants, and local administrative and legislative actions.

   The county maintains 73 individual governmental funds. The General Fund, Transportation Trust, Fire District Fund, and the 2025 Capital Improvement Projects Funds are presented separately in the governmental fund balance sheet and in the statement of revenues, expenditures, and changes in fund balances. All other governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds is provided in the form of combining statements in a separate section of this report.

All of the county's funds are classified in one of the following categories:

- Governmental funds tell how basic governmental services were paid for in the short-term as well as what remains for near future spending. These funds account for essentially the same services as those reported as governmental activities in the countywide statements. Because the fund view does not include the additional long-term focus of the countywide statements, we provide additional information following the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances that explains the differences between the two views.

- Enterprise funds report on business-type operations of the utility fund and solid waste fund where the fees for services typically cover all or most of the costs of operations. These statements offer both long and short-term financial information and offer more detailed reporting of the amounts classified as business-type activities in the countywide statements.

- Internal service funds are used to account for the financing of activities provided by one department or agency to other departments or agencies of the county on a cost reimbursement basis.

- Fiduciary funds report information about financial arrangements in which the county acts solely as an agent or trustee for others. The county is responsible for ensuring these resources are used for their intended purposes. Since these funds are not resources of the county, but are held for the benefit of others, we exclude these activities from the countywide statements.

C. Notes to the financial statements - the notes provide additional information and explanation that is necessary for a full understanding of both the countywide and fund statements.

D. Required supplementary information - budgetary comparisons between beginning, ending, and actual results for the general fund and each individual major special revenue fund are located in the Supplementary Information section of the report. Additionally, schedules providing information on the pension plan and other post-employment benefits are located here.

E. Other supplementary information - the combining statements for the non-major governmental funds, internal service and custodial funds, as well as individual fund budget and actual comparison schedules are found in the Supplementary Information section of this report; after the required supplementary information section.

Additional statistical information is presented to give users of the report a historical perspective and to assist in determining current financial trends of the county.

### 3. Financial Analysis of the County as a Whole.

At the end of fiscal year 2025, the financial position of the county continues to reflect a healthy and improving economy. The county is one of the fastest growing areas in the State. This growth continues to provide significant resources to the county.

Summary Statement of Net Position
September 30, 2025 and 2024
(In Thousands)

| | Governmental Activities | | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | | 2025 | 2024 | 2025 | 2024 |
| ASSETS | | | | | | | |
| Cash and investments | $ 687,150 | $ 558,423 | | $ 199,106 | $ 249,891 | $ 886,256 | $ 808,314 |
| Other current assets | 30,678 | 63,321 | | 17,497 | 17,711 | 48,175 | 81,032 |
| Internal balances | 21,262 | 129 | | (21,262) | (129) | - | - |
| Other noncurrent assets | 13,904 | 13,589 | | 1,173 | 1,193 | 15,077 | 14,782 |
| Capital assets | 2,071,478 | 1,870,677 | * | 968,274 | 819,362 | 3,039,752 | 2,690,039 |
| TOTAL ASSETS | 2,824,472 | 2,506,139 | | 1,164,788 | 1,088,028 | 3,989,260 | 3,594,167 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| Bond refunding losses | 1,831 | 4,372 | | 2,209 | 2,473 | 4,040 | 6,845 |
| Pension related | 81,396 | 84,742 | | 3,816 | 3,996 | 85,212 | 88,738 |
| OPEB related | 6,971 | 7,779 | | 585 | 654 | 7,556 | 8,433 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 90,198 | 96,893 | | 6,610 | 7,123 | 96,808 | 104,016 |
| LIABILITIES | | | | | | | |
| Current liabilities | 129,311 | 128,299 | * | 48,135 | 48,890 | 177,446 | 177,189 |
| Non-current liabilities | 505,274 | 430,890 | * | 301,815 | 316,301 | 807,089 | 747,191 |
| TOTAL LIABILITIES | 634,585 | 559,189 | | 349,950 | 365,191 | 984,535 | 924,380 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Bond refunding gains | 2,360 | - | | 12 | 30 | 2,372 | 30 |
| Pension related | 47,286 | 24,692 | | 2,217 | 1,164 | 49,503 | 25,856 |
| OPEB related | 13,236 | 13,311 | | 1,273 | 1,280 | 14,509 | 14,591 |
| Lease related | 6,541 | 6,105 | | 438 | 333 | 6,979 | 6,438 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 69,423 | 44,108 | | 3,940 | 2,807 | 73,363 | 46,915 |
| NET POSITION | | | | | | | |
| Net investment of capital assets | 1,787,874 | 1,709,792 | * | 665,816 | 580,195 | 2,453,690 | 2,289,987 |
| Restricted | 313,649 | 224,012 | | 14,616 | 13,530 | 328,265 | 237,542 |
| Unrestricted | 109,139 | 65,931 | | 137,076 | 133,428 | 246,215 | 199,359 |
| TOTAL NET POSITION | $ 2,210,662 | $ 1,999,735 | * | $ 817,508 | $ 727,153 | $ 3,028,170 | $ 2,726,888 |

* The following balances, reported above for FY 2024 Governmental Activities, were restated to account for leases that were not included: Capital assets $1,870,461; Current liabilities $128,259; Non-current liabilities $430,720; and Net position $1,999,729.

- This year, total net position for Governmental activities increased by 11 percent or $210.9 million dollars, which includes the effect of a retroactive restatement for $5.7 million (reduction) caused by the adoption of a new accounting standard. Total assets increased by $318.3 million. The asset increase was primarily driven by an increase in restricted cash of approximately $115 million that resulted from the issuance of the Special Obligation Revenue Bonds, Series 2024A. The restricted proceeds for these bonds will fund a variety of needed capital projects and infrastructure in the next couple of years.

  Additionally, the county recognized the costs incurred to date, plus the contract for the software required for a new Enterprise Resource Planning system (ERP) that went live in 2026. The software initiative consumed a significant amount of county resources and staff time in 2025. The goal of this undertaking is to modernize the county's technology systems, achieve significant efficiencies in operations, and provide enhanced operational reporting with the ultimate goal of providing better services to our residents. The total cost of this system, added to capital assets, was approximately $15.5 million. This project has an effect on nearly every operation and system that belongs to the county and will provide benefits for many years in the future.

  Deferred outflows of resources on the Statement of Net Position reported an overall decrease of $6.7 million. Much of this decrease came about when the county issued Special Obligation Refunding Revenue Bonds, Series 2025 which refunded a couple of older bond issues from 2015 that were reporting large deferred outflows from refunding losses. With this same transaction, there were new deferred inflows from a bond refunding gain on the new bonds where there had been no gains reported in FY 2024.

  The largest remaining significant effects of both deferred outflows and inflows of resources center around the county's participation in the Florida Retirement System and the county's OPEB trust. While the participation in the pension and OPEB plans were the cause of significant variances with deferred outflows/inflows of resources between fiscal years 2024 and 2025, other accounts must be considered besides deferred outflows/inflows to accurately assess the effects of the pension and OPEB plans on the current year. The following table provides a better perspective on the effects of these plans on net position for FY2025. This chart reports the combined totals of the Governmental and Business-type activities:

| | Government Wide FY25 Effect | |
|---|---|---|
| | Florida Retirement System Pension | OPEB Plan |
| Current year effect from Deferred outflows for these plans | $ (3,526,000) | $ (877,000) |
| Current year effect from Deferred inflows for these plans | (23,647,000) | 82,000 |
| Current year change in net pension liability | 40,147,953 | - |
| Current year change in the OPEB asset | - | 2,199,628 |
| Total Net increase(decrease) in net position in FY25 | $ 12,974,953 | $ 1,404,628 |

The primary reason for the positive effects from the pension and OPEB plans in FY25 was the strong investment market and returns overall for the year.

- Ending net position for Business-type activities improved by 12 percent or $90.4 million in FY 2025, which includes the effect of a retroactive restatement (reduction) of $696,000 caused by the adoption of a new accounting standard. The county's water and sewer operations, the St. Johns County Utilities Fund, continue to be self-sufficient. Scheduled rate changes and an increased user base are the primary factors for the increase in net position during the year, but a strong year for earnings growth on the Utility investments has also contributed to this increase. The county's Solid Waste Fund reported an operating loss of $11.5 million for 2025. The county has been monitoring the operations of the Solid Waste Fund and has made some decisions to remedy the operating shortfalls and ensure that the Fund continues to be self-sustaining. First, the Board of County Commission approved a rate increase schedule for solid waste disposal that will be phased in over several years. In the short term, the county has advanced funds of $5 million to the Solid Waste Fund to assist with operations until the rate increases can begin to take effect.

  Since Business-type Activities consist only of the St Johns County Utilities and Solid Waste Funds, readers, who are interested in further analysis of these areas, are asked to review the further discussions on these funds below in the section for Financial Analysis of the County's Funds.

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Summary Statement of Activities
September 30, 2025 and 2024
(In Thousands)

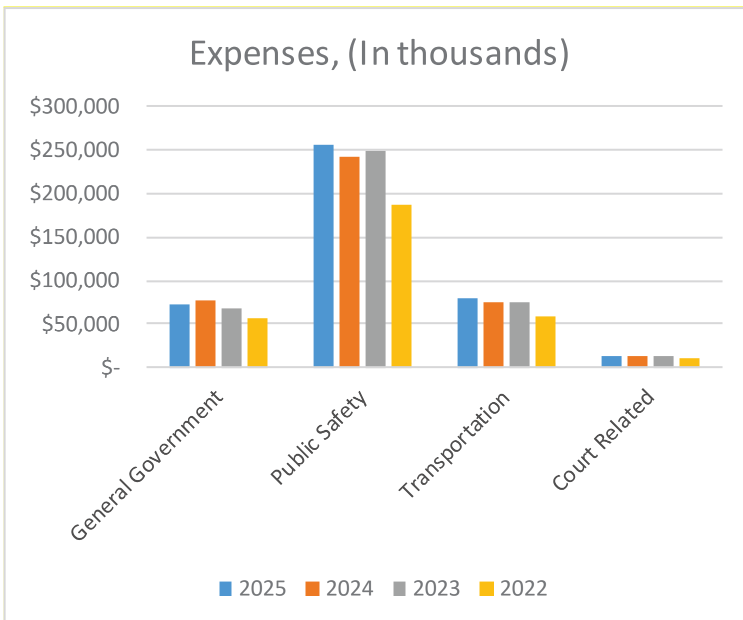
| | Governmental Activities | | | Business-Type Activities | | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | | 2025 | 2024 | | 2025 | 2024 |
| Revenues: | | | | | | | | |
| Program Revenues: | | | | | | | | |
| Charges for services | $ 100,812 | $ 112,710 | | $ 127,965 | $ 119,072 | | $ 228,777 | $ 231,782 |
| Operating grants and contributions | 46,965 | 82,966 | | - | - | | 46,965 | 82,966 |
| Capital grants and contributions | 109,211 | 101,682 | | 82,823 | 59,243 | | 192,034 | 160,925 |
| General Revenues: | | | | | | | | |
| Taxes | 426,708 | 384,052 | | - | - | | 426,708 | 384,052 |
| Intergovernmental | 12,644 | 11,941 | | - | - | | 12,644 | 11,941 |
| Franchise fees | 3,946 | 4,531 | | - | - | | 3,946 | 4,531 |
| Unrestricted gain on investments | 31,667 | 38,558 | | 9,594 | 18,587 | | 41,261 | 57,145 |
| Miscellaneous | 3,138 | 2,067 | | 235 | - | | 3,373 | 2,067 |
| Total Revenues | 735,091 | 738,507 | | 220,617 | 196,902 | | 955,708 | 935,409 |
| Expenses: | | | | | | | | |
| General government | 73,574 | 77,071 | | - | - | | 73,574 | 77,071 |
| Public safety | 255,671 | 243,077 | @ | - | - | | 255,671 | 243,077 |
| Physical environment | 1,367 | 1,050 | | - | - | | 1,367 | 1,050 |
| Transportation | 80,445 | 73,799 | | - | - | | 80,445 | 73,799 |
| Economic environment | 19,950 | 19,502 | | - | - | | 19,950 | 19,502 |
| Human services | 20,940 | 21,763 | | - | - | | 20,940 | 21,763 |
| Culture and recreation | 43,679 | 71,152 | | - | - | | 43,679 | 71,152 |
| Court related | 12,522 | 12,063 | | - | - | | 12,522 | 12,063 |
| Interest on long term debt | 9,334 | 5,190 | @ | - | - | | 9,334 | 5,190 |
| Utilities | | | | 80,152 | 76,345 | | 80,152 | 76,345 |
| Solid waste | | | | 50,432 | 37,806 | | 50,432 | 37,806 |
| Total Expenses | 517,482 | 524,667 | | 130,584 | 114,151 | | 648,066 | 638,818 |
| Increase in net position before transfers | 217,609 | 213,840 | | 90,033 | 82,751 | | 307,642 | 296,591 |
| Transfers | (1,016) | (1,016) | | 1,016 | 1,016 | | - | - |
| Change in net position | 216,593 | 212,824 | | 91,049 | 83,767 | | 307,642 | 296,591 |
| Net position, beginning of year (restated) | 1,994,069 * | 1,786,911 | | 726,459 * | 643,386 | | 2,720,528 | 2,430,297 |
| Net position, end of year | $ 2,210,662 | $ 1,999,735 | | $ 817,508 | $ 727,153 | | $ 3,028,170 | $ 2,726,888 |

* FY 2025 Net position, beginning of year balances, were restated for adoption of GASB 101.

@ The following balances, reported above for FY 2024 Governmental Activities, were restated to account for leases that were not included: Public safety expenses $ 243,086 and interest on long-term debt $5,187.

For the most part, charges for services have shown continued increases over a multi-year period, primarily driven by population and infrastructure growth in the County. This increase has helped to continue to cover the basic services of the County. While it is still expected that this trend will continue long-term, fiscal year 2025 reported slightly lower charges for services, in total, when compared to 2024. While in most of the charges for services categories, there were actually reported increases in fee levels, there was a larger reduction in impact fees collected for this year, primarily due to much larger developments that happen to occur and finish in 2024. Capital grants amounts increased in 2025 when compared to 2024. Much of the increase was centered in the transportation category, as road projects picked up activity in 2025. Road grants typically come from federal and state entities. County efforts to maintain beaches and repair storm erosion in the Ponte Vedra area was a significant event in 2024 and began to go inactive in 2025. Consequently, the operating grants that funded much of this activity was reduced in 2025 as well, which is most of the reason for the reduction in the level of operating grants in 2025 when compared to 2024. It should be noted that efforts to replenish the county's beaches that have been damaged and eroded by various storms have not ceased. The county expects future funding for these projects from the federal and state grantors and activity will resume once the funding starts to get finalized and processed.

The categories that are primary responsibilities of local governments are, among other things, considered to be general government, public safety, transportation, and court related. The following graph demonstrates the trends in expenditures for these categories over a 4 year period:




In nearly all essential expenditure categories, the general trend is for increasing costs. The general inflation in the national economy, as a whole, is the primary reason as goods and services across the board are experiencing cost increases. In this environment, the county must always contend with remaining competitive in the marketplace for quality employees. Consequently, employee pay raises for all categories and the corresponding increases in payroll related expenditures are also beginning to affect the level of expenditures. It is expected that these trends will continue into the foreseeable future.

While the overall trend is for increasing expenditures, there were a couple of categories that had some variances from the overall upward trend:

- Public safety expenditure category – the overall trend upwards for this function reported a variance where, in 2024, the amount actually decreased, year to year, when compared with 2023. We feel this was caused by factors that will not always be present each year. The pension and OPEB plans enjoyed significant investment returns in 2024 serving to actually offset expenditures. Also, actual health costs for public safety personnel were reported at lower than normal levels of activity in 2024 with the county's group health insurance internal service fund reporting an significant increase in net position for that year.

  The chart above demonstrates that there was a large increase in public safety expenditures in 2023, when compared to 2022. One of the larger reasons for this increase was related to personnel costs. The county realized that in order to recruit and retain personnel in the public safety functions, it is imperative to provide the personnel with a salary that allows them and their families to afford to live in the community. In addition to providing competitive salaries, the number of personnel in these sectors must increase due to the county's population growth. In most public safety departments, personnel costs rose an average of 15% between 2023 and 2022.

- General government expenditure category – 2024 expenditures reported a spike in expenditures that reverted back to normal trends in 2025. The spike was primarily caused by a payment of $6.3 million made by the county to settle litigation regarding injuries sustained in an accident involving the Sheriff's office.

The most important source of revenue for St. Johns County, as it is for all counties in Florida, remains property taxes. The amount of property taxes, collected from residents of the county, in FY 2025 was $354 million, an increase of approximately 13% over 2024. For the most part, millage rates have remained constant. The increase comes entirely from an expanding taxable property base created by county-wide growth. An analysis of Governmental Activities in the accompanying Statement of Activities indicates that the county incurred $517.5 million dollars of total expenditures in 2025. Of this amount, revenues from charges for services to users of the county services and grants awarded from federal and state governments to assist with the expenditures amounted to $297.3 million dollars. The gap between county expenses for services provided and the fees collected, specifically from grants and users of these services, left a shortfall of $260.5 million dollars in 2025. The county used property taxes and other taxes and shared revenues with the state to help cover that shortfall.

## 4. Financial Analysis of the County's Funds.

The focus of St. Johns County's governmental funds is to provide information on near-term inflows, outflows, and balances of available spending resources. This information is useful in assessing the County's potential financing requirements. Unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

### General Fund

Total fund balance of the General Fund (the general operating fund of the county) increased by approximately $24.6 million, or 18%, in 2025. By far, the largest source of income for this fund and these services is property taxes which provided approximately $238 million, out of $347.7 million, of the fund's total revenue and transfers in from other funds. The total expenditures and transfers out to other funds, which were not financed by debt, lease agreements, and subscription-based information technology arrangements (SBITA), totaled $323.7 million and represents the amount that the county expended using current financial resources in 2025.

Some initiatives and activity occurring in 2025 and 2024 in the General Fund that explains the larger variances among expenditure categories between years:

> General government expenditures in 2025 include the costs of the county ERP initiative described above. There is $13.3 million dollars added to General Government in 2025, of which $13.2 million is financed by a 10 year SBITA arrangement. Additionally, the county incurred approximately $2 million for renovations and upgrades to the judicial-admin complex.
>
> Public safety expenditures increases in 2025 over 2024 can be explained mostly because of the increases in personnel costs discussed above. However, in 2025, both the Sheriff and Fire Rescue department acquired new vehicles for their fleets and also acquired SBITA/leasing arrangements. For these two departments alone, total capital additions totaled over $13 million in 2025.
>
> Economic environment expenditures reported decreases in 2025 over 2024. The county was awarded a HUD grant, related to affordable housing, that exceeded $45 million in prior years. The activity funded by the grant ended in 2024.
>
> Culture and recreation expenditures are higher in 2025 than in 2024. As part of the agreement that the county signed with a private entity to run the Amphitheatre and the Ponte Vedra Concert Hall, the county agreed to fund significant upgrades to both facilities, particularly the Ponte Vedra Concert Hall. Those expenditures were reported in 2025.

**Transportation Trust Fund**

Total fund balance of the Transportation Trust Fund, a special revenue fund established to account for all activity involved in maintaining county roads and transportation infrastructure, increased by approximately $4.1 million, or 6.1%, in 2025. One of the main recurring sources of revenue for this fund is property taxes, as well as grants from both federal and Florida Departments of Transportation. These grants increased significantly in 2025 as one of the main road projects that occurred in 2025, the expansion of county road 2209, proceeded throughout the year. This project added over $30 million and grant revenue and is mainly responsible for the reported increase in Due from other governments in 2025. Property tax revenues experienced increases as well as described above. The county also receives a variety of fuel and gas related taxes that are shared with the state. All of these taxes reported slight increases in 2025 over 2024.

Expenditures for the Transportation Fund increased by $6 million or 7% in 2025 over 2024. As in other areas discussed above, personnel costs drive much of the explanation for the increase in 2025. However, the large road project, CR2209, provided a significantly large level of activity in 2025 as well.

**Fire District Fund**

Total fund balance of the Fire District Fund, a special revenue fund established to account for the operations of the county's fire and rescue department declined slightly in 2025 by $520,883 or 2%.

Revenue, including property taxes, have increased or remained constant. Expenditures have increased by approximately $12 million in 2025 over 2024. Much of the increase, as discussed with the other funds above, come about for the upward increases needed for public safety personnel. In 2025, however, the District also incurred a $3.7 million expenditure for the purpose of expanding the District's vehicle fleet and the equipment needed for the fleet. These are one-time expenses that will not be required on an annual basis.

**2025 Capital Improvement Projects**

This is a new capital projects fund that was created in 2025 to account for the proceeds of the $107,065,000 new debt issue, Special Obligation Revenue Bonds, Series 2025. The bond and premium proceeds were placed into this fund and over $8.8 million were expended in 2025 to begin working on the projects approved by the Board to be completed with these proceeds. The projects approved for these proceeds are construction of new fire stations, new libraries, certain park projects and the Sheriff's administration building.

### 5. General Fund budgetary highlights.

An analysis of the revisions that were made to the General Fund's original budget during the current year for revenue and other income indicates that largest increase between the original and final budgets for these are as follows:

- An amendment to reflect an additional grant received. The U.S. Department of Commerce awarded a grant for $9.5 million for the design and construction of the First Coast College Workforce Training Facility in Hastings, Florida.
- An amendment to reflect an additional grant received. The U.S. Department of Homeland Security awarded a grant for $448,000 to cover the costs of additional fire and emergency response personnel.
- An amendment to reflect an additional grant received. The Florida Division of Emergency Management awarded a grant for $716,000 to purchase an emergency generator at the Solomon Calhoun Community Center.
- An amendment to reflect unanticipated miscellaneous revenue of approximately $1 milllion for use at the Sheriff's department.
- The Sheriff issued finance purchase obligations for capital vehicles for over $11 million and the Board of County Commissioners authorized various leases and SBITAs, the largest one being the SBITA for the ERP system for over $10 million.

The expenditure categories with the largest variances between amounts originally budgeted by the county during fiscal year 2025 and the final expenditure budget occurred within the General Government, Public Safety, Economic Environment expenditure categories, and debt service. During 2025, the difference between the General Fund's original and final budget for expenditures was approximately $40.4 million. The largest differences were:

| | Amount of FY2025 Amendments in Thousands | Percent |
|---|---|---|
| General Government | $ 11,277 | 27.9% |
| Public Safety | 15,910 | 39.4% |
| Physical Environment | - | 0.0% |
| Economic Environment | 10,319 | 25.6% |
| Human Services | 282 | 0.7% |
| Culture and Rec | (604) | -1.5% |
| Court Related | 5 | 0.0% |
| Debt service | 3,163 | 7.8% |
| | $ 40,352 | 100% |

- For the General Government category, the county amended the budget to account for the new SBITA related to the ERP system being implemented by the county. This effect on General Government was over $10 million.

- For the Public Safety category, the budget was amended to account for additional capital needs of the Sheriff department, including purchases of automobiles for the vehicle fleet for $11 Million, unanticipated operational needs of the Sheriff $2 million, acquisition of billing and medical operation software for Fire Rescue $1.2 million, and capital expenditures purchased through unanticipated grants $716,000.

- For the Economic Environment category, the costs of the Workforce Training Facility, discussed above, for $9.5 million was the largest amendment to the original budget that occurred in 2025.

- Debt service budget was amended to reflect the higher payments required due to the issuance of new debt, leases, and SBITAs discussed above.

**6. Capital Asset and Debt Administration.**

- **Capital Assets.** The County's investment in capital assets for its governmental and business-type activities as of September 30, 2025 was $3.04 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, infrastructure, and construction in progress. Construction in progress grew significantly in 2025, as did infrastructure and SBITAs. Construction and infrastructure are primarily roads and utility expansion. For SBITAs, the largest acquisition was the software for the county's ERP system discussed above.

Capital Assets
Net of Depreciation
as of September 30, 2025
(in Thousands)

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Land | $ 596,072 | $ 129,050 | $ 725,122 |
| Intangible Assets | - | 81 | 81 |
| Building and Improvements | 411,571 | 24,551 | 436,122 |
| Equipment | 179,936 | 19,452 | 199,388 |
| Infrastructure | 1,306,896 | 901,182 | 2,208,078 |
| Construction in Progress | 197,450 | 217,004 | 414,454 |
| Right to Use Leased Assets | 3,572 | 301 | 3,873 |
| Right to Use Subscription Based | 25,703 | 644 | 26,347 |
| Less: Accumulated Depreciation/Amortization | (649,722) | (323,991) | (973,713) |
| Total | $ 2,071,478 | $ 968,274 | $ 3,039,752 |

Additional information on the County's capital assets can be found in the Notes to the Financial Statements; Note 5, Capital Asset Activity.

- **Long-term Debt.** At the end of fiscal year 2025, the County had total long-term obligations outstanding of approximately $856.2 million. The majority of the County's debt represents bonds secured by specific revenue sources.

Outstanding Debt
(in Thousands)
as of September 30, 2025

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Revenue Bonds and Notes | $ 231,172 | $ 295,744 | $ 526,916 |
| Loans, Financed Purchases, | | | |
| Leases, and Subscriptions | 33,584 | 600 | 34,184 |
| Arbitrage rebate | 1,002 | 2,900 | 3,902 |
| Total | $ 265,758 | $ 299,244 | $ 565,002 |

- Excluding the county's net state pension, the balances for total outstanding governmental and proprietary long-term obligations increased by $111.3 million from the prior fiscal year. The majority of the increase came from one bond issue for $107 million. This issue will fund a variety of capital projects, including new fire stations, libraries, parks, and a Sheriff admin center. Additionally, $49 million in new debt was issued to refund old debt to achieve interest savings over time. Finally, equipment finance obligations of $11 million were issued, primarily to purchase vehicles for the Sheriff. Over $13 million of SBITA financing was issued during the year, with $10 million of that being software for the ERP system. Other significant changes to long term debt are discussed below.

- Liabilities related to the County's participation in the Florida Retirement System declined in 2025, reflecting a strong year of performance for the investments of the System.

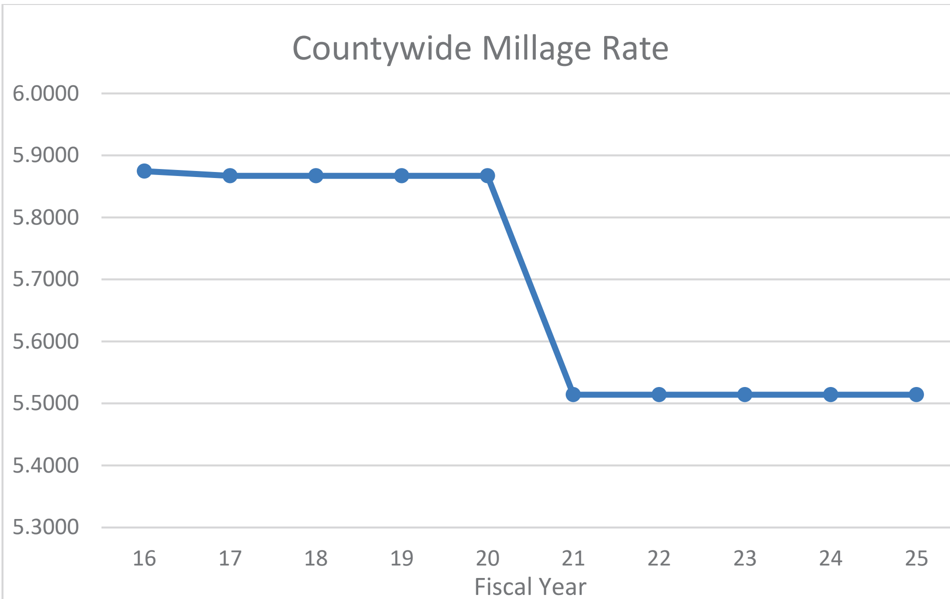
Additional information on the County's long-term debt can be found in the Notes to the Financial Statements; Notes 6 - 8.

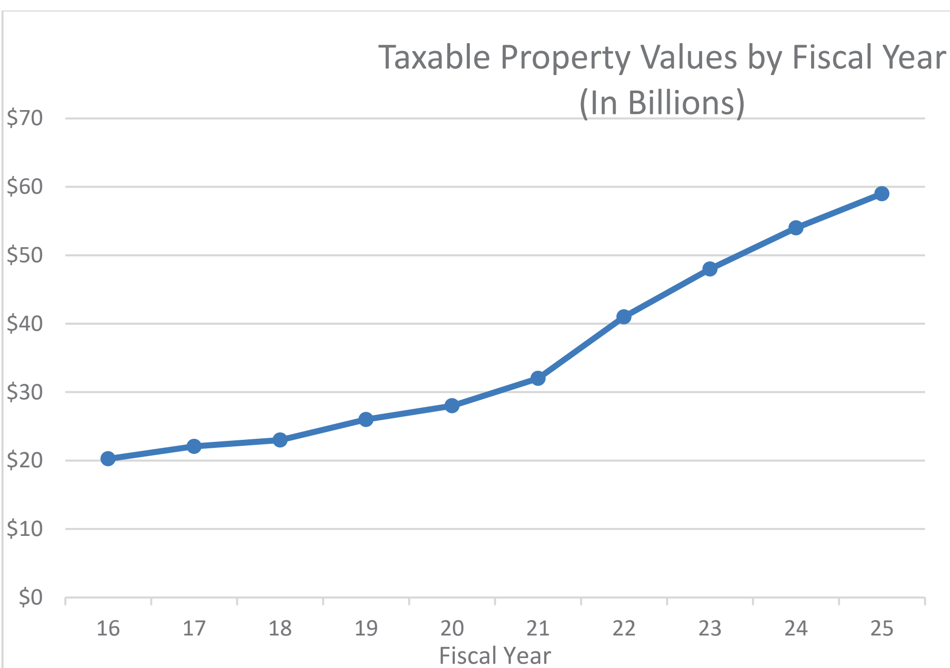
**7. Economic Factors and Next Year's Budgets and Rates.**

St. Johns County primarily relies on property taxes, inter-governmental resources, impact fees, and service charges for governmental activities. The County maintained the countywide millage rate of 5.5141 mills from the prior fiscal year for the current year. The County will adjust future appropriations in accordance with budgetary direction provided by the Board of County Commissioners and adjust the property tax requirements so that there will possibly not be the need for future ad-valorem tax increases.

Additionally, the County has been able to hold off millage rates increases while meeting new customer demands for public safety and provide additional culture and recreation facilities/programs during this fiscal year. County staff's ability to provide necessary funding levels for County functions and programs will certainly need to be constantly addressed in future budgets.

One area that the County is monitoring in terms of property taxes are potential reforms currently being considered at the state level that could possibly significantly impact the amount of taxes available for County services in the future. Once more is known about these potential reforms, the County will need to consider what adjustments will be needed for future years.



Finally, there were a number of critical accomplishments that were achieved in fiscal year 2025:

- The County Commission was able to avoid an increase in the millage rate for 2025.

- The county continued to secure funding to address beach renourishment projects for the county to repair beaches destroyed by hurricanes and other storms.

- The county was able to refund $56 million of old debt by issuing $49,115,000 and placing the proceeds in an irrevocable trust so that future earnings of the trust can help pay off the old debt as it matures. This will provide significant debt service savings in future years.

- The county completed the conversion to the new ERP system during the year and the system went live in 2026.

- And finally, growth management issues continue to be a critical concern of county residents. Growth management through revisions of the county's Comprehensive Plan and stricter land development regulations will provide the necessary tools to help direct county staff in managing future development within the county.

**8. Requests for Information.**

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of St. Johns County's finances and to demonstrate the county's accountability to each of those groups. If you have questions about this report or need additional financial information, please contact the St. Johns County Clerk of the Circuit Court and Comptroller's Office, Attn: Lon Stafford, 4010 Lewis Speedway, St. Augustine, FL, 32084. For information on the county's component units, see the separately issued financial statements for the Housing Finance Authority of St. Johns County, Florida and the St. Johns County Industrial Development Authority.

# BASIC FINANCIAL STATEMENTS

# ST. JOHNS COUNTY, FLORIDA
## STATEMENT OF NET POSITION
## SEPTEMBER 30, 2025

| | Primary Government | | | Component Units | |
|---|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Housing Finance Authority of St. Johns County, Florida | St Johns County Industrial Development Authority |
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 169,949,135 | $ 102,387,932 | $ 272,337,067 | $ 660,103 | $ 627,015 |
| Investments | 211,114,733 | 79,975,581 | 291,090,314 | - | - |
| Accounts receivable, net | 6,106,040 | 10,886,303 | 16,992,343 | 16,819 | - |
| Notes receivable | 300,000 | 91,260 | 391,260 | 142,611 | - |
| Interest receivable | 2,850,568 | 648,363 | 3,498,931 | - | - |
| Leases receivable, less than 1 year | 199,622 | 16,077 | 215,699 | | - |
| Internal balances | 21,261,821 | (21,261,821) | - | - | - |
| Due from other governments | 19,845,051 | 903,939 | 20,748,990 | - | - |
| Inventories | 430,598 | 4,617,606 | 5,048,204 | - | - |
| Restricted assets: | | | | | |
| Cash | 165,583,562 | 16,742,379 | 182,325,941 | - | - |
| Investments | 140,503,046 | - | 140,503,046 | | |
| Leases receivable, due in more than 1 year | 6,341,714 | 422,056 | 6,763,770 | - | - |
| Net OPEB asset | 7,561,679 | 751,156 | 8,312,835 | - | - |
| Other assets | 946,429 | 332,547 | 1,278,976 | - | - |
| Capital assets: | | | | | |
| Land and construction in progress | 793,521,614 | 346,054,102 | 1,139,575,716 | - | - |
| Other capital assets, net | 1,277,956,060 | 622,219,979 | 1,900,176,039 | - | - |
| **TOTAL ASSETS** | 2,824,471,672 | 1,164,787,459 | 3,989,259,131 | 819,533 | 627,015 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | |
| Bond refunding losses | 1,831,211 | 2,209,013 | 4,040,224 | - | - |
| Pension related | 81,395,533 | 3,815,754 | 85,211,287 | - | - |
| OPEB related | 6,971,322 | 585,563 | 7,556,885 | - | - |
| **TOTAL DEFERRED OUTFLOWS OF RESOURCES** | 90,198,066 | 6,610,330 | 96,808,396 | - | - |
| **TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | 2,914,669,738 | 1,171,397,789 | 4,086,067,527 | 819,533 | 627,015 |
| **LIABILITIES** | | | | | |
| Accounts payable and accrued expenses | 48,718,452 | 28,400,221 | 77,118,673 | 1,951 | 275 |
| Due to other governments | 9,101,884 | - | 9,101,884 | - | - |
| Estimated liability for self insured losses | 3,974,597 | - | 3,974,597 | - | - |
| Interest payable | 156,688 | 3,101,453 | 3,258,141 | - | - |
| Customer deposits | 1,314,963 | 2,877,844 | 4,192,807 | - | - |
| Unearned revenues | 30,675,151 | 2,381 | 30,677,532 | - | - |
| Due within one year: | | | | | |
| Bonds, leases, and contracts | 24,139,415 | 12,537,308 | 36,676,723 | - | - |
| Landfill closure and post-closure costs | - | 395,989 | 395,989 | - | - |
| Compensated absences | 11,229,525 | 791,348 | 12,020,873 | - | - |
| Due in more than one year: | | | | | |
| Bonds, capital leases, and contracts | 240,616,311 | 283,807,189 | 524,423,500 | - | - |
| Arbitrage rebate | 1,001,869 | 2,900,219 | 3,902,088 | - | - |
| Accrued landfill closure and post-closure costs | - | 1,979,946 | 1,979,946 | - | - |
| Compensated absences | 15,890,378 | 1,541,221 | 17,431,599 | - | - |
| Net pension liability | 247,765,225 | 11,615,026 | 259,380,251 | - | - |
| **TOTAL LIABILITIES** | 634,584,458 | 349,950,145 | 984,534,603 | 1,951 | 275 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Bond refunding gain | 2,359,741 | 11,854 | 2,371,595 | - | - |
| Pension related | 47,285,823 | 2,216,719 | 49,502,542 | - | - |
| OPEB related | 13,236,449 | 1,273,324 | 14,509,773 | - | - |
| Lease related | 6,541,336 | 438,133 | 6,979,469 | - | - |
| **TOTAL DEFERRED INFLOWS OF RESOURCES** | 69,423,349 | 3,940,030 | 73,363,379 | - | - |
| **NET POSITION** | | | | | |
| Net investment in capital assets | 1,787,874,408 | 665,815,582 | 2,453,689,990 | - | - |
| Restricted for: | | | | | |
| Capital Improvement Projects | 110,841,478 | - | 110,841,478 | - | - |
| Future development Impacts | 129,801,116 | - | 129,801,116 | - | - |
| Transportation | 12,330,195 | - | 12,330,195 | - | - |
| Fire District | 6,435,071 | - | 6,435,071 | - | - |
| Community redevelopment | 2,022,644 | - | 2,022,644 | - | - |
| Court operations and improvements | 11,501,518 | - | 11,501,518 | - | - |
| Building services | 10,134,690 | - | 10,134,690 | - | - |
| Debt service | - | 8,860,418 | 8,860,418 | - | - |
| Renewal and replacement | - | 5,004,117 | 5,004,117 | - | - |
| State Housing Initiatives Program | 748,595 | - | 748,595 | - | - |
| Tourist development and recreation | 13,796,178 | - | 13,796,178 | - | - |
| Amphitheatre improvements | 3,222,512 | - | 3,222,512 | - | - |
| Law enforcement | 3,365,106 | - | 3,365,106 | - | - |
| OPEB benefits | 7,561,679 | 751,156 | 8,312,835 | - | - |
| Other purposes | 1,887,505 | - | 1,887,505 | - | - |
| Unrestricted | 109,139,236 | 137,076,341 | 246,215,577 | 817,582 | 626,740 |
| **TOTAL NET POSITION** | $ 2,210,661,931 | $ 817,507,614 | $ 3,028,169,545 | $ 817,582 | $ 626,740 |

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

| | | Program Revenues | | | Net (Expenses) Revenue and Changes in Net Position | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Primary Government | | | Component Units | |
| **Functions/Programs** | Expenses | Charges for services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | Housing Finance Authority of St. Johns County, Florida | St Johns County Industrial Development Authority |
| **Primary Government:** | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| General government | $ 73,574,487 | $ 21,857,555 | $ 8,059,915 | $ - | $ (43,657,017) | $ - | $ (43,657,017) | $ - | $ - |
| Public safety | 255,670,650 | 34,906,800 | 11,727,743 | - | (209,036,107) | - | (209,036,107) | - | - |
| Physical environment | 1,367,809 | 2,575,891 | 374,283 | 1,467,868 | 3,050,233 | - | 3,050,233 | - | - |
| Transportation | 80,444,647 | 22,496,508 | 2,791,756 | 107,662,177 | 52,505,794 | - | 52,505,794 | - | - |
| Economic environment | 19,950,028 | 195,517 | 7,757,479 | - | (11,997,032) | - | (11,997,032) | - | - |
| Human services | 20,940,545 | 128,637 | 12,759,557 | - | (8,052,351) | - | (8,052,351) | - | - |
| Culture and recreation | 43,679,036 | 11,837,813 | 3,377,886 | 80,120 | (28,383,217) | - | (28,383,217) | - | - |
| Court related | 12,521,674 | 6,813,579 | 115,978 | - | (5,592,117) | - | (5,592,117) | - | - |
| Interest on long term debt | 9,333,735 | - | - | - | (9,333,735) | - | (9,333,735) | - | - |
| Total governmental activities | 517,482,611 | 100,812,300 | 46,964,597 | 109,210,165 | (260,495,549) | - | (260,495,549) | - | - |
| Business-type activities: | | | | | | | | | |
| Utilities | 80,151,749 | 89,262,874 | - | 82,822,908 | - | 91,934,033 | 91,934,033 | - | - |
| Solid waste | 50,431,594 | 38,701,922 | - | - | - | (11,729,672) | (11,729,672) | - | - |
| Total business-type activities | 130,583,343 | 127,964,796 | - | 82,822,908 | - | 80,204,361 | 80,204,361 | - | - |
| Total primary government | $ 648,065,954 | $ 228,777,096 | $ 46,964,597 | $ 192,033,073 | (260,495,549) | 80,204,361 | (180,291,188) | - | - |
| **Component units:** | | | | | | | | | |
| Housing programs | $ 93,704 | $ 151,788 | $ - | $ - | - | - | - | 58,084 | - |
| Economic development programs | 63,378 | 66,000 | - | - | - | - | - | - | 2,622 |
| Total component units | $ 157,082 | $ 217,788 | $ - | $ - | - | - | - | 58,084 | 2,622 |
| General revenues: | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Property taxes | | | | | 354,273,310 | - | 354,273,310 | - | - |
| Communication services tax | | | | | 2,986,875 | - | 2,986,875 | - | - |
| Tourist development tax | | | | | 23,148,563 | - | 23,148,563 | - | - |
| Fuel taxes | | | | | 14,837,832 | - | 14,837,832 | - | - |
| Local government half-cent sales tax | | | | | 31,461,866 | - | 31,461,866 | - | - |
| Shared revenues - intergovernmental unrestricted | | | | | 12,644,158 | - | 12,644,158 | - | - |
| Unrestricted earnings on investments | | | | | 31,667,362 | 9,594,090 | 41,261,452 | 27,480 | 16,923 |
| Franchise fees | | | | | 3,945,635 | - | 3,945,635 | - | - |
| Miscellaneous | | | | | 3,138,390 | 234,852 | 3,373,242 | - | - |
| Transfers | | | | | (1,015,537) | 1,015,537 | - | - | - |
| Total general revenues and transfers | | | | | 477,088,454 | 10,844,479 | 487,932,933 | 27,480 | 16,923 |
| Change in net position | | | | | 216,592,905 | 91,048,840 | 307,641,745 | 85,564 | 19,545 |
| Net position, as previously presented | | | | | 1,999,729,200 | 727,154,327 | 2,726,883,527 | 732,018 | 607,195 |
| Restatements | | | | | (5,660,174) | (695,553) | (6,355,727) | - | - |
| Net position, as restated | | | | | 1,994,069,026 | 726,458,774 | 2,720,527,800 | 732,018 | 607,195 |
| Net position, end of the year | | | | | $ 2,210,661,931 | $ 817,507,614 | $ 3,028,169,545 | $ 817,582 | $ 626,740 |

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

| | General Fund | Transportation Trust | Fire District | 2025 Capital Improvement Projects | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| ASSETS | | | | | | |
| Equity in pooled cash and cash equivalents | $ 33,127,175 | $ 7,761,952 | $ 1,269,632 | $ 115,814,855 | $ 171,195,322 | $ 329,168,936 |
| Investments | 106,917,706 | 66,492,483 | 27,323,861 | - | 136,698,183 | 337,432,233 |
| Accounts receivable (net of allowance for uncollectibles) | 4,577,916 | 46,960 | - | - | 1,423,393 | 6,048,269 |
| Notes receivable | - | - | - | - | 300,000 | 300,000 |
| Leases receivable | 3,334,038 | 1,478,387 | - | - | 1,728,911 | 6,541,336 |
| Interest receivable | 868,162 | 574,475 | 221,515 | - | 1,071,415 | 2,735,567 |
| Advances to other funds | 5,595,360 | - | - | - | - | 5,595,360 |
| Due from other funds | 25,794,737 | 40,002 | - | - | - | 25,834,739 |
| Due from other governments | 3,767,281 | 12,203,961 | - | - | 3,873,809 | 19,845,051 |
| Inventory | - | 363,055 | - | - | 67,543 | 430,598 |
| Other assets | 707,478 | 47,695 | 94,070 | - | 36,673 | 885,916 |
| TOTAL ASSETS | $ 184,689,853 | $ 89,008,970 | $ 28,909,078 | $ 115,814,855 | $ 316,395,249 | $ 734,818,005 |
| LIABILITIES, DEFERRED INFLOW OF RESOURCES, FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable and accrued liabilities | $ 14,329,600 | $ 9,365,990 | $ 5,866,773 | $ 2,116,906 | $ 9,849,388 | $ 41,528,657 |
| Accounts payable - retainage | 24,316 | 2,030,425 | - | 195,069 | 2,217,835 | 4,467,645 |
| Customer deposits | 1,314,964 | - | - | - | - | 1,314,964 |
| Advances from other funds | - | - | - | - | 595,360 | 595,360 |
| Due to other funds | 500,200 | 118,117 | 254,043 | - | 9,805,744 | 10,678,104 |
| Due to other governments | 3,876,084 | 5,040,222 | - | - | 185,579 | 9,101,885 |
| Unearned revenue | 816,310 | - | - | - | 29,858,842 | 30,675,152 |
| TOTAL LIABILITIES | 20,861,474 | 16,554,754 | 6,120,816 | 2,311,975 | 52,512,748 | 98,361,767 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Lease Related | 3,334,038 | 1,478,387 | - | - | 1,728,911 | 6,541,336 |
| FUND BALANCES | | | | | | |
| Nonspendable | 6,302,839 | 410,750 | 94,070 | - | 104,216 | 6,911,875 |
| Restricted | 4,237,790 | 11,243,949 | 6,435,071 | 108,867,752 | 175,302,046 | 306,086,608 |
| Assigned | 25,530,599 | 59,321,130 | 16,259,121 | 4,635,128 | 94,872,387 | 200,618,365 |
| Unassigned | 124,423,113 | - | - | - | (8,125,059) | 116,298,054 |
| TOTAL FUND BALANCES | 160,494,341 | 70,975,829 | 22,788,262 | 113,502,880 | 262,153,590 | 629,914,902 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | $ 184,689,853 | $ 89,008,970 | $ 28,909,078 | $ 115,814,855 | $ 316,395,249 | $ 734,818,005 |

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

St Johns County, Florida
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

| | |
|---|---|
| Total fund balances- governmental funds | $ 629,914,902 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. | 2,071,477,674 |
| Net OPEB asset pertains to future periods and use and are not reported in the funds. | 7,561,679 |
| Deferred outflows for bond refunding losses are not reported in the governmental funds. | 1,831,211 |
| Deferred pension outflows are not reported in the governmental funds. | 81,395,533 |
| Deferred OPEB outflows are not reported in the governmental funds. | 6,971,322 |
| Bonds and notes payable ($214,025,000); unamortized bond premiums ($17,147,015); financed purchase obligations ($13,082,730) lease obligations ($3,299,509); subscription based information technology arrangements ($17,201,473); compensated absences ($27,119,903); and net pension liabilities ($247,765,225) are not due and payable in the current period and, therefore, are not reported in the funds. | (539,640,854) |
| Accrued interest payable is not reported in the governmental funds. | (156,688) |
| Arbitrage rebate is not reported in the governmental funds | (1,001,869) |
| Deferred pension inflows are not reported in the governmental funds | (47,285,823) |
| Deferred OPEB inflows are not reported in the governmental funds | (13,236,449) |
| Deferred inflows for bond refunding gains are not reported in the governmental funds. | (2,359,741) |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position. | 15,191,034 |
| Net position of governmental activities | $ 2,210,661,931 |

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

| | General Fund | Transportation Trust | Fire District | (Formerly Major Fund) Impact Fees Roads | (Formerly Major Fund) Ponte Vedra Dune and Beach Restoration | 2025 Capital Improvement Projects | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|---|
| REVENUES: | | | | | | | | |
| Taxes | $ 240,932,316 | $ 52,975,096 | $ 67,304,581 | $ - | $ - | $ - | $ 29,289,032 | $ 390,501,025 |
| Special assessments | - | - | - | - | - | - | 31,973,094 | 31,973,094 |
| Licenses and permits | 3,236,568 | 1,069,714 | 1,169,890 | - | - | - | 8,172,831 | 13,649,003 |
| Intergovernmental | 47,135,889 | 29,053,140 | 1,102,197 | - | - | - | 45,237,377 | 122,528,603 |
| Charges for services | 36,868,351 | 5,750,826 | 50,247 | - | - | - | 8,766,084 | 51,435,508 |
| Fines and forfeitures | 2,817,667 | - | - | - | - | - | 2,223,633 | 5,041,300 |
| Contributions | 365,820 | - | - | - | - | - | 826,544 | 1,192,364 |
| Investment income | 8,132,809 | 3,706,658 | 2,070,963 | - | - | 4,635,128 | 13,857,765 | 32,403,323 |
| Miscellaneous revenue | 1,657,932 | 14,745 | 116,628 | - | - | - | 736,884 | 2,526,189 |
| TOTAL REVENUES | 341,147,352 | 92,570,179 | 71,814,506 | - | - | 4,635,128 | 141,083,244 | 651,250,409 |
| EXPENDITURES: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 84,408,506 | - | - | - | - | - | 13,452,666 | 97,861,172 |
| Public safety | 182,427,894 | - | 69,986,689 | - | - | - | 32,667,438 | 285,082,021 |
| Physical environment | 984,965 | - | - | - | - | - | 246,258 | 1,231,223 |
| Transportation | - | 87,660,865 | - | - | - | - | 25,001,091 | 112,661,956 |
| Economic environment | 8,532,207 | - | - | - | - | - | 13,915,883 | 22,448,090 |
| Human services | 8,713,735 | - | - | - | - | - | 11,715,586 | 20,429,321 |
| Culture and recreation | 35,347,661 | - | - | - | - | - | 18,115,231 | 53,462,892 |
| Court related | 10,873,625 | - | - | - | - | - | 1,647,375 | 12,521,000 |
| Capital outlay | - | - | - | - | - | 8,832,248 | 20,377,812 | 29,210,060 |
| Debt service: | | | | | | | | |
| Principal retirement | 7,302,307 | 90,885 | - | - | - | - | 14,809,205 | 22,202,397 |
| Interest and fiscal charges | 812,450 | 6,576 | - | - | - | - | 10,232,513 | 11,051,539 |
| TOTAL EXPENDITURES | 339,403,350 | 87,758,326 | 69,986,689 | - | - | 8,832,248 | 162,181,058 | 668,161,671 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 1,744,002 | 4,811,853 | 1,827,817 | - | - | (4,197,120) | (21,097,814) | (16,911,262) |
| OTHER FINANCING SOURCES (USES): | | | | | | | | |
| Transfers in | 6,568,492 | 52,193 | - | - | - | - | 24,799,712 | 31,420,397 |
| Transfers out | (10,508,841) | (730,749) | (2,348,700) | - | - | (748,879) | (18,098,765) | (32,435,934) |
| Payment to refunded bond escrow agent | - | - | - | - | - | - | (56,779,466) | (56,779,466) |
| Issuance of refunding bond | - | - | - | - | - | - | 49,115,000 | 49,115,000 |
| Issuance of bond | - | - | - | - | - | 107,065,000 | | 107,065,000 |
| Issuance of refunding bond premium | - | - | - | - | - | - | 5,972,326 | 5,972,326 |
| Issurance of bond premium | - | - | - | - | - | 11,383,879 | | 11,383,879 |
| Issuance of note | 11,340,582 | - | - | - | - | - | 403 | 11,340,985 |
| Leases | 1,559,115 | - | - | - | - | - | - | 1,559,115 |
| Subscription based information technology arrangement | 13,245,793 | - | - | - | - | - | 70,767 | 13,316,560 |
| Sale of capital assets | 666,321 | 155 | - | - | - | - | 11,880 | 678,356 |
| TOTAL OTHER FINANCING SOURCES (USES) | 22,871,462 | (678,401) | (2,348,700) | - | - | 117,700,000 | 5,091,857 | 142,636,218 |
| NET CHANGE IN FUND BALANCES | 24,615,464 | 4,133,452 | (520,883) | - | - | 113,502,880 | (16,005,957) | 125,724,956 |
| FUND BALANCES, BEGINNING OF YEAR, | | | | | | | | |
| As previously presented | 135,878,877 | 66,842,377 | 23,309,145 | 89,595,722 | 2,560,451 | - | 186,003,374 | 504,189,946 |
| Change in reporting entity | - | - | - | (89,595,722) | (2,560,451) | - | 92,156,173 | - |
| As adjusted | 135,878,877 | 66,842,377 | 23,309,145 | - | - | - | 278,159,547 | 504,189,946 |
| FUND BALANCES, END OF YEAR | $ 160,494,341 | $ 70,975,829 | $ 22,788,262 | $ - | $ - | $ 113,502,880 | $ 262,153,590 | $ 629,914,902 |

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

St Johns County, Florida

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds | | $ 125,724,956 |
| 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 and reported as depreciation expense. Also, certain capital assets are contributed to the County by developers upon completion, requiring recognition of income not reported in the funds: | | |
| Capital assets acquired by use of financial resources | $ 193,801,714 | |
| Capital assets contributed by developers | 84,059,088 | |
| Reclassification of capital items in construction in progress | (14,160,269) | |
| Current year depreciation and amortization | (63,667,243) | |
| | | 200,033,290 |
| Repayment of bond principal is an expenditure in governmental funds, but the repayment results in a reduction of long-term liabilities in the statement of net position. Issuing debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position: | | |
| Debt issued other than the refunding transaction | (133,281,660) | |
| Orignal issue premium on debt issued other than the refunding transaction | (11,383,879) | |
| Principal payments other than the refunding transaction | 22,202,397 | |
| | | (122,463,142) |
| Refunding of debt that occurred during the year did not require the use of current financial resources for all of the transaction and, therefore, those parts of the transaction are reported differently in governmental funds: | | |
| Refunding Debt issued | (49,115,000) | |
| Original issue premium on refunding debt issued | (5,972,326) | |
| Refunding gain on bond transaction | (2,523,184) | |
| Principal payoff on refunded debt | 56,725,000 | |
| Original issue premium cancelled on refunded debt | 4,950,366 | |
| Refunding loss on bond refunding cancelled on refunded debt | (1,975,296) | |
| | | 2,089,560 |
| Some expenses reported in the statement of activities did not require the use of current financial resources and therefore are not reported as an expenditure in governmental funds: | | |
| Net book value of assets disposed | (154,080) | |
| Amortization of Original issue premium on debt | 1,761,220 | |
| Amortization of bond refunding losses | (565,620) | |
| Amortization of bond refunding gain | 163,443 | |
| Increase in compensated absences | (2,018,506) | |
| Increase in interest payable | (38,662) | |
| Increase in arbitrage rebate | (735,961) | |
| | | (1,588,166) |
| The net change in net pension liability and deferred outflows and inflows are reported in the statement of activities, but not in the governmental funds. | | |
| Change in net pension liability | 38,275,559 | |
| Change in deferred outflows related to pensions | (3,346,785) | |
| Change in deferred inflows related to pensions | (22,593,890) | |
| | | 12,334,884 |
| The net change in net OPEB liability and deferred inflows are reported in the statement of activities, but not in the governmental funds. | | |
| Change in net OPEB liability/asset | 2,027,617 | |
| Change in deferred outflows related to OPEB | (807,875) | |
| Change in deferred inflows related to OPEB | 74,188 | |
| | | 1,293,930 |
| Internal service funds are used to charge the cost of certain activities to individual funds. The net revenue (expense) is reported in the county-wide statements with governmental activities. | | (832,407) |
| Change in net position of governmental activities | | $ 216,592,905 |

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

| | Business-type Activities - Enterprise Funds | | | |
|---|---|---|---|---|
| | MAJOR FUNDS | | | Governmental Activities - Internal Service Funds |
| | St. Johns County Utilities | Solid Waste | Total | |
| **ASSETS** | | | | |
| Current assets: | | | | |
| Equity in pooled cash and cash equivalents | $ 101,511,037 | $ 876,895 | $ 102,387,932 | $ 6,363,765 |
| Investments | 58,982,254 | 20,993,327 | 79,975,581 | 14,185,545 |
| Accounts receivable, net | 9,994,240 | 892,063 | 10,886,303 | 57,771 |
| Unit connection fee notes receivable | 91,260 | - | 91,260 | - |
| Interest receivable | 478,170 | 170,193 | 648,363 | 115,002 |
| Leases receivable | 16,077 | - | 16,077 | - |
| Due from other governments | 903,939 | - | 903,939 | - |
| Other assets | 325,412 | 7,135 | 332,547 | 60,519 |
| Due from other funds | - | - | - | 1,107,249 |
| Inventory | 4,617,606 | - | 4,617,606 | - |
| Total current assets | 176,919,995 | 22,939,613 | 199,859,608 | 21,889,851 |
| Non-current assets: | | | | |
| Restricted assets: | | | | |
| Cash | 16,534,635 | 207,744 | 16,742,379 | - |
| Leases receivable | 422,056 | - | 422,056 | - |
| Net OPEB asset | 697,874 | 53,282 | 751,156 | - |
| Capital assets: | | | | |
| Assets not being depreciated | 344,275,253 | 1,778,849 | 346,054,102 | - |
| Other capital assets, net | 616,854,195 | 5,365,784 | 622,219,979 | - |
| Total non-current assets | 978,784,013 | 7,405,659 | 986,189,672 | - |
| **TOTAL ASSETS** | 1,155,704,008 | 30,345,272 | 1,186,049,280 | 21,889,851 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Bond refunding losses | 2,209,013 | - | 2,209,013 | - |
| Pension related | 3,461,258 | 354,496 | 3,815,754 | - |
| OPEB related | 531,224 | 54,339 | 585,563 | - |
| **TOTAL DEFERRED OUTFLOWS OF RESOURCES** | 6,201,495 | 408,835 | 6,610,330 | - |
| **LIABILITIES** | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | 19,863,862 | 3,925,360 | 23,789,222 | 2,722,157 |
| Accounts payable - retainage | 3,361,057 | - | 3,361,057 | - |
| Unit connection fee contract payables | 1,249,942 | - | 1,249,942 | - |
| Unearned revenue | 2,381 | - | 2,381 | - |
| Estimated liability for self insured losses | - | - | - | 3,974,597 |
| Customer deposits | 2,670,100 | 207,744 | 2,877,844 | - |
| Due to other funds | 10,388,187 | 5,873,634 | 16,261,821 | 2,063 |
| Advances from other funds | - | 5,000,000 | 5,000,000 | - |
| Landfill closure and post-closure costs | - | 395,989 | 395,989 | - |
| Revenue bonds and notes payable | 8,854,610 | - | 8,854,610 | - |
| Interest payable | 3,101,453 | - | 3,101,453 | - |
| State loans payable | 3,486,864 | - | 3,486,864 | - |
| Financed purchase obligations | 43,797 | | 43,797 | - |
| Right to use leases | 22,374 | - | 22,374 | - |
| Subscription based information technology arrangements | 101,201 | 28,462 | 129,663 | - |
| Compensated absences | 764,628 | 26,720 | 791,348 | - |
| Total current liabilities | 53,910,456 | 15,457,909 | 69,368,365 | 6,698,817 |
| Long-term liabilities: | | | | |
| Accrued landfill closure and post-closure costs | - | 1,979,946 | 1,979,946 | - |
| Revenue bonds and notes payable | 231,670,889 | - | 231,670,889 | - |
| State loans payable | 51,731,653 | - | 51,731,653 | - |
| Financed purchase obligations | 22,319 | - | 22,319 | - |
| Right to use leases | 211,410 | - | 211,410 | - |
| Subscription based information technology arrangements | 151,806 | 19,112 | 170,918 | - |
| Arbitrage rebate | 2,900,219 | - | 2,900,219 | - |
| Compensated absences | 1,465,292 | 75,929 | 1,541,221 | - |
| Net Pension liability | 10,535,953 | 1,079,073 | 11,615,026 | - |
| Total long-term liabilities | 298,689,541 | 3,154,060 | 301,843,601 | - |
| **TOTAL LIABILITIES** | 352,599,997 | 18,611,969 | 371,211,966 | 6,698,817 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Pension related | 2,010,779 | 205,940 | 2,216,719 | - |
| Bond refunding gain | 11,854 | - | 11,854 | - |
| OPEB related | 1,172,097 | 101,227 | 1,273,324 | - |
| Lease related | 438,133 | - | 438,133 | - |
| **TOTAL DEFERRED INFLOWS OF RESOURCES** | 3,632,863 | 307,167 | 3,940,030 | - |
| **NET POSITION** | | | | |
| Net investment in capital assets | 658,725,134 | 7,090,448 | 665,815,582 | - |
| Restricted for: | | | | |
| Debt service | 8,860,418 | - | 8,860,418 | - |
| Renewal and replacement reserve | 5,004,117 | - | 5,004,117 | - |
| OPEB benefits | 697,874 | 53,282 | 751,156 | - |
| Unrestricted | 132,385,100 | 4,691,241 | 137,076,341 | 15,191,034 |
| **TOTAL NET POSITION** | $ 805,672,643 | $ 11,834,971 | $ 817,507,614 | $ 15,191,034 |

The accompanying notes are an intergral part of the financial statements.

ST. JOHNS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION- PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|
| | MAJOR FUNDS | | | |
| | St. Johns County Utilities | Solid Waste | Totals | |
| OPERATING REVENUES: | | | | |
| Charges for services | $ 85,783,896 | $ 38,699,072 | $ 124,482,968 | $ 45,069,981 |
| Special assessment revenue | 17,593 | - | 17,593 | - |
| Other operating revenue | 3,461,385 | 2,850 | 3,464,235 | - |
| Total operating revenues | 89,262,874 | 38,701,922 | 127,964,796 | 45,069,981 |
| OPERATING EXPENSES: | | | | |
| Contractual services | 8,730,946 | 47,373,909 | 56,104,855 | 44,984,934 |
| Salaries and benefits | 21,228,248 | 1,927,341 | 23,155,589 | 1,831,855 |
| Operating and maintenance expenses | 14,185,403 | 453,265 | 14,638,668 | 115,634 |
| Amortization of intangible assets | 4,038 | - | 4,038 | - |
| Depreciation | 26,041,655 | 468,089 | 26,509,744 | - |
| Total operating expenses | 70,190,290 | 50,222,604 | 120,412,894 | 46,932,423 |
| OPERATING INCOME (LOSS) | 19,072,584 | (11,520,682) | 7,551,902 | (1,862,442) |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Investment income | 8,111,384 | 1,482,706 | 9,594,090 | 972,129 |
| Interest expense and fiscal charges | (9,961,459) | (208,990) | (10,170,449) | - |
| Donations | - | - | - | 57,906 |
| Gain from asset disposition | 202,679 | 32,173 | 234,852 | - |
| Total non-operating revenues (expenses) | (1,647,396) | 1,305,889 | (341,507) | 1,030,035 |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 17,425,188 | (10,214,793) | 7,210,395 | (832,407) |
| Capital contributions - other | 64,032,520 | - | 64,032,520 | - |
| Capital contributions - unit connection fees | 18,790,388 | - | 18,790,388 | - |
| Transfer in | 67,730 | 1,000,000 | 1,067,730 | - |
| Transfer out | - | (52,193) | (52,193) | - |
| INCREASE (DECREASE) IN NET POSITION | 100,315,826 | (9,266,986) | 91,048,840 | (832,407) |
| NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | 706,012,845 | 21,141,482 | 727,154,327 | 16,023,441 |
| RESTATEMENTS | (656,028) | (39,525) | (695,553) | - |
| NET POSITION, BEGINNING OF YEAR, AS RESTATED | 705,356,817 | 21,101,957 | 726,458,774 | 16,023,441 |
| NET POSITION, END OF YEAR | $ 805,672,643 | $ 11,834,971 | $ 817,507,614 | $ 15,191,034 |

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

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|
| | MAJOR FUNDS | | | |
| | St. Johns County Utilities | Solid Waste | Totals | |
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | | |
| Receipts from customers | $ 88,369,501 | $ 38,982,275 | $ 127,351,776 | $ 8,558,484 |
| Receipts from interfund services | - | - | - | 37,791,333 |
| Payments to suppliers | (29,799,813) | (49,307,834) | (79,107,647) | (43,586,226) |
| Payments to employees | (21,664,906) | (2,002,764) | (23,667,670) | (1,825,241) |
| Net cash provided (used) by operating activities | 36,904,782 | (12,328,323) | 24,576,459 | 938,350 |
| **NONCAPITAL FINANCING ACTIVITIES:** | | | | |
| Donations | - | - | - | 57,906 |
| Transfers in | 67,730 | 1,000,000 | 1,067,730 | - |
| Transfers out | - | (52,193) | (52,193) | - |
| Receipt of amount borrowed from other funds | 10,270,808 | 10,861,818 | 21,132,626 | - |
| Interest paid on interfund borrowings | - | (208,238) | (208,238) | - |
| Amount loaned to other funds | - | - | - | - |
| Net cash provided by noncapital financing activities | 10,338,538 | 11,601,387 | 21,939,925 | 57,906 |
| **CAPITAL AND RELATED FINANCING ACTIVITIES:** | | | | |
| Acquisition and construction of capital assets | (97,317,634) | (252,480) | (97,570,114) | - |
| Sale of capital assets | 206,986 | 32,184 | 239,170 | - |
| Proceeds from capital grants | 4,232,046 | - | 4,232,046 | - |
| Proceeds from State Revolving Loans | 704,549 | - | 704,549 | - |
| Principal payments on State Revolving Loan | (3,375,268) | - | (3,375,268) | - |
| Principal payments on revenue bonds | (8,226,393) | - | (8,226,393) | - |
| Principal payments on leases | (21,190) | - | (21,190) | - |
| Principal payments on subscription based information technology arrangements | (100,977) | (28,715) | (129,692) | - |
| Principal payments on financed purchase obligations | (42,696) | - | (42,696) | - |
| Payments on prior year capital accounts and retainage payable | (11,956,588) | - | (11,956,588) | - |
| Interest paid on revenue bonds, loans, lease and other obligations | (11,113,395) | (752) | (11,114,147) | - |
| Impact and developer fees | 18,926,176 | - | 18,926,176 | - |
| Net cash used in capital and related financing activities | (108,084,384) | (249,763) | (108,334,147) | - |
| **INVESTING ACTIVITIES:** | | | | |
| Investment purchases | (9,041,126) | (6,260,028) | (15,301,154) | (4,693,114) |
| Proceeds from sale of investments | 65,465,981 | 5,543,317 | 71,009,298 | 74,738 |
| Investment income received | 9,609,937 | 1,326,023 | 10,935,960 | 838,887 |
| Net cash provided by (used in) investing activities | 66,034,792 | 609,312 | 66,644,104 | (3,779,489) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 5,193,728 | (367,387) | 4,826,341 | (2,783,233) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 112,851,944 | 1,452,026 | 114,303,970 | 9,146,998 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | $ 118,045,672 | $ 1,084,639 | $ 119,130,311 | $ 6,363,765 |
| **NON-CASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:** | | | | |
| Accretion of interest on capital appreciation bonds | $ 1,317,517 | $ - | $ 1,317,517 | $ - |
| Unrealized gain (loss) on Investments | (41,600) | 137,877 | 96,277 | 92,410 |
| Capital assets contributed by developers | 59,175,022 | - | 59,175,022 | - |
| Capital assets acquired through use of accounts payable and retainage payable | 19,042,897 | 6,611 | 19,049,508 | - |
| Accounts receivables written off | 82,068 | - | 82,068 | - |
| Capital assets acquired through subscription based information technology arrangements | - | 54,805 | 54,805 | - |
| **RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:** | | | | |
| Operating income (loss) | $ 19,072,584 | $ (11,520,682) | $ 7,551,902 | $ (1,862,442) |
| Adjustments to reconcile operating income to cash provided by operating activities: | | | | |
| Depreciation | 26,041,655 | 468,089 | 26,509,744 | - |
| Amortization of intangible assets | 4,038 | - | 4,038 | - |
| Prior year construction in progress written off | 419,050 | - | 419,050 | - |
| Bad debt expense | 80,286 | - | 80,286 | - |
| Change in accounts receivable | (1,128,704) | 249,675 | (879,029) | 1,484,061 |
| Change in due from other funds | - | - | - | (204,833) |
| Change in other assets | (32,576) | (2,392) | (34,968) | - |
| Change in inventory | 649,081 | - | 649,081 | - |
| Change in deferred outflows | 231,042 | 17,517 | 248,559 | - |
| Change in accounts payable and accrued liabilities | (7,803,222) | (1,150,519) | (8,953,741) | 517,949 |
| Change in customer deposits | 152,664 | 30,678 | 183,342 | - |
| Change in unearned revenue | 2,381 | - | 2,381 | - |
| Change in estimated liability for self insured losses | - | - | - | 1,003,007 |
| Change in due to other funds | - | - | - | 608 |
| Change in deferred inflows | 947,588 | 98,648 | 1,046,236 | - |
| Change in accrued landfill closure and post-closure costs | - | (331,022) | (331,022) | - |
| Change in pension liability | (1,712,927) | (159,467) | (1,872,394) | - |
| Change in OPEB asset | (159,253) | (12,758) | (172,011) | - |
| Change in accrued compensated absences | 141,095 | (16,090) | 125,005 | - |
| Net cash provided (used) by operating activities | $ 36,904,782 | $ (12,328,323) | $ 24,576,459 | $ 938,350 |

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

# ST. JOHNS COUNTY, FLORIDA
## STATEMENT OF FIDUCIARY NET POSITION
## FIDUCIARY FUNDS
## SEPTEMBER 30, 2025

| | Custodial Funds | OPEB Trust Fund |
|---|---|---|
| ASSETS | | |
| Equity in pooled cash and cash equivalents | $ 18,899,841 | $ - |
| Accounts receivable | 56,576 | - |
| Investments: | | |
| Money market funds | - | 212,449 |
| Stocks - equity funds | - | 28,622,259 |
| Taxable bonds - fixed income funds | - | 14,850,944 |
| TOTAL ASSETS | 18,956,417 | 43,685,652 |
| LIABILITIES | | |
| Accounts payable | 67,591 | 1,726 |
| Due to individuals and other governments | 6,507,475 | 3,207,129 |
| Taxes collected in advance | 8,190,944 | - |
| TOTAL LIABILITIES | 14,766,010 | 3,208,855 |
| NET POSITION | | |
| Restricted for: | | |
| OPEB Benefits | - | 40,476,797 |
| Individuals, organizations, and other governments | 4,190,407 | - |
| TOTAL NET POSITION | $ 4,190,407 | $ 40,476,797 |

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

## ST. JOHNS COUNTY, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

| | Custodial Funds | OPEB Trust Fund |
|---|---|---|
| ADDITIONS | | |
| Collections - fines and fees | $ 96,593,703 | $ - |
| Collections for individuals | 117,707 | - |
| Collections - other agencies | 875,820,304 | - |
| Collections - Court bonds | 1,351,921 | - |
| Collections - tax deeds | 630,722 | - |
| Collections - registry | 5,836,300 | - |
| Miscellaneous | 17,942,726 | - |
| Investment income: | | |
| Dividends and interest | - | 6,339,346 |
| Net decrease in fair value of investments | - | (1,083,620) |
| Total investment earnings | - | 5,255,726 |
| Less investment expense | - | (55,322) |
| Net investment income | - | 5,200,404 |
| TOTAL ADDITIONS | 998,293,383 | 5,200,404 |
| DEDUCTIONS | | |
| Fines and fees paid to other governments | 972,536,462 | - |
| Amounts paid for court bonds | 1,584,731 | - |
| Amounts paid for tax deeds | 1,131,702 | - |
| Amounts paid for registry | 6,481,564 | - |
| Amounts paid to individuals | 2,371,163 | - |
| Benefits paid to participants or beneficiaries | 7,972 | 3,131,702 |
| Miscellaneous | 15,579,561 | - |
| Administrative services | - | 18,000 |
| TOTAL DEDUCTIONS | 999,693,155 | 3,149,702 |
| NET INCREASE IN NET POSITION | (1,399,772) | 2,050,702 |
| NET POSITION, BEGINNING OF YEAR | 5,590,179 | 38,426,095 |
| NET POSITION, END OF YEAR | $ 4,190,407 | $ 40,476,797 |

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

## 1. REPORTING ENTITY

St. Johns County ("the county") is a political subdivision of the State of Florida established in 1821. The county is organized under Article VIII of the Constitution of the State of Florida that empowers the creation of political subdivisions of the State. It is governed by an elected Board of County Commissioners ("Board"), which derives its authority by Florida Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers that are legally separate entities: Clerk of the Circuit Court and Comptroller, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

For the purpose of these financial statements, the financial reporting entity includes St. Johns County (the primary government) and its component units as required by accounting principles generally accepted in the United States of America ("Generally Accepted Accounting Principles").

The component units discussed below are included in the county's reporting entity either because the county is considered to be financially accountable for the entity, or it would be misleading to exclude the entity.

The county is financially accountable for an organization when the county appoints a voting majority for the organization's governing body and is able to impose its will on the organization; there is a potential for the organization to provide a financial benefit or impose a financial burden on the county; or the organization is fiscally dependent on the county.

Blended Component Units, although legally separate entities, are, in substance, part of the government's operation and so data from these units is combined with data of the primary government.

**Blended Component Units**

The Anastasia Sanitary District, St. Johns County Community Redevelopment Agency, Elkton Drainage District, Ponte Vedra Zoning & Adjustment Board, and the Vilano Street Lighting District are blended component units of the county. These units are included in the county's reporting entity because they have the same governing board as the primary government, and county management has operational responsibility.

The Anastasia Sanitary District maintains its legal existence; however, there has been no accounting activity for the Anastasia Sanitary District since 1992.

**Discretely Presented Component Units**

Discretely Presented Component Units are reported in separate columns on the government-wide financial statements to emphasize that they are legally separate from the county. These agencies' Boards of Directors are appointed by the county. The county has the ability to impose its will and has final approval authority for the corporate purposes under which they were chartered under Florida Statutes.

- The Housing Finance Authority of St. Johns County, Florida ("HFA") was created as a Florida public corporation in accordance with Florida Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes, following the adoption of an approving ordinance (No. 80-7, dated February 26, 1980) by the Board. The purpose of the HFA is to alleviate a shortage of affordable housing facilities and to provide capital for investment in such facilities for low, moderate, and middle-income families in St. Johns County. The HFA is authorized to issue

**1. REPORTING ENTITY –** (continued)

bonds to fulfill its corporate purpose in principal amounts specifically authorized by the county.

- The St. Johns County Industrial Development Authority ("IDA") was created as a Florida public corporation in accordance with Florida Finance Authority Law, Part III of Chapter 159, Florida Statutes (1979), following the adoption of an approving ordinance (No. 80-9, dated January 22, 1980) by the Board. The purpose of the IDA is to issue tax-exempt bond financing for manufacturing facilities within the county.

Separately issued financial statements are available as follows:

Housing Finance Authority of St. Johns County, Florida
200 San Sebastian View, Suite 200
St. Augustine, Florida 32084
www.sjcfl.us/Housing-Finance-Authority

St. Johns County Industrial Development Authority
500 San Sebastian View
St. Augustine, Florida 32084
www.sjcfl.us/economic-development-resource-partners/Industrial-Development-Authority

At September 30, 2025, St. Johns County had not entered into any joint ventures with any other governmental agencies.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the county conform to Generally Accepted Accounting Principles ("GAAP") as applicable to governments. The following is a summary of the more significant policies.

### A. Basis of Presentation

The accompanying financial statements of the county have been prepared in conformity with GAAP as prescribed by the Governmental Accounting Standards Board ("GASB"). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles for units of local government.

### B. Basic Financial Statements

#### General

The basic financial statements include both government-wide and fund level statements. The government-wide statements report on all of the non-fiduciary activities of the county and its component units. Both the government-wide and fund level statements classify primary activities of the county as either governmental activities, which are primarily supported by taxes and intergovernmental revenues, or business-type activities, which are primarily supported by user fees and charges.

The government-wide statement of net position reports all assets, deferred outflows, liabilities, and deferred inflows of the county, including both long-term assets and long-term debt and other obligations. The statement of activities reports the degree to which direct expenses of county functions are offset by program revenues, which include program specific grants and charges for services provided by a specific function. Direct expenses are those that are clearly identifiable with a specific function or program. The net cost of these programs is funded from general revenues such as taxes, intergovernmental revenue, and interest earnings.

The fund level statements report on governmental, proprietary, and fiduciary fund activities. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund level financial statements.

Since the fund level statements for governmental activities are presented using a different measurement focus and basis of accounting than the government-wide statements' governmental activities column (as discussed under Basis of Accounting in this summary of significant accounting principles), a reconciliation is presented on the page following governmental fund level statements that briefly explains the adjustments necessary to convert the fund level statements into the government-wide column presentations.

Finally, the effect of interfund activity has been eliminated from the government-wide statements unless elimination of the payments, such as the indirect general fund administration charges for services between the several special revenue funds and the proprietary funds, distorts the direct cost reported for these functions.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Fund Structure

The county's accounts are maintained in accordance with the principles of fund accounting to ensure compliance with limitations and restrictions placed on the use of resources available to it. Under fund accounting, individual funds are established for the purpose of carrying on activities or attaining objectives in accordance with specific regulations, restrictions, or limitations. Each individual fund is a self-balancing set of accounts recording assets and other financing resources, together with deferred outflows/inflows, liabilities and residual equities or balances, and changes therein. For financial statement presentation, funds with similar characteristics, including those component units referenced above, are grouped into generic classifications as required by GAAP. A brief description of these classifications follows:

### Governmental Funds

These funds report transactions related to resources received and used for those services traditionally provided by governmental agencies. The following are major governmental funds used by the county.

General Fund - The General Fund is the general operating fund of the county. It is used to account for and report all financial resources not accounted for and reported in another fund.

Transportation Trust Fund – This fund is used to account for all revenues, including ad-valorem taxes, federal and state grants, state shared and local fuel taxes, local charges for services, interest earnings, and expenditures for the county's transportation system.

Fire District – This fund accounts for revenues and expenditures for the operation of the county's fire stations which include ad-valorem taxes, charges for services, and grants which are to be used for fire protection services.

2025 Capital Improvement Projects – This fund tracks the capital construction projects that the county has approved that are being financed with the proceeds of the Series 2024A Special Obligation Revenue Bonds.

### Enterprise Funds

These funds report transactions related to activities similar to those found in the private sector. Major enterprise funds include:

St. Johns County Utilities – This fund accounts for the operations of the county's water and wastewater treatment services in certain areas of St. Johns County, including Ponte Vedra.

St. Johns County Solid Waste – This fund accounts for the operations of the county's landfill and transfer stations.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the funds' principal ongoing operation. The principal operating revenues for the county's enterprise funds are charges to customers for sales and services. Operating expenses include direct expenses of providing the goods or services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expenses.

**Other Funds**

*Internal Service Funds* – Internal service funds account for services provided primarily to other departments and elected officials of the county on a cost-reimbursement basis. The county has two internal service funds for collecting premiums and handling the payment of claims. They are the county's Workers Compensation and Health Insurance Funds.

*Trust and Custodial Funds* – Trust and custodial funds are used to account for the collection and disbursement of monies by the county on behalf of other governments and individuals. The county reports these funds for the Board of County Commissioners, Clerk of Courts, Sheriff, and Tax Collector. These funds account for the receipt and disbursement of funds that are custodial in nature, such as ad valorem taxes, cash bonds, traffic fines, support payments and other post-employment benefits for employees.

### C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary, custodial, and trust fund financial statements. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider are met.

Governmental fund financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Major revenues that are determined to be susceptible to accrual include state shared revenue, intergovernmental revenue, charges for services and investment income.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Federal and state grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made. Revenues collected on an advance basis, including certain federal and state grant revenue, to which the county does not yet have legal entitlement, are not recognized as revenue until the related commitment arises. Generally, the county considers a 60-day availability period of revenue recognition for all revenue, except expenditure-driven grants, which are recognized when earned regardless of availability.

Expenditures are recorded when the related fund liability is incurred, except for items that are not planned to be liquidated with expendable available resources.

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

### D. Pooled Cash and Cash Equivalents

The county maintains a cash and equivalents pool that is available for use by all funds. Each fund's portion of this pool is displayed on the balance sheet as "Equity in Pooled Cash and Cash Equivalents". If a fund overdraws its account in the pool, a liability and corresponding receivable (i.e., due to/from other funds) are reported on the balance sheet. This includes cash in banks, petty cash, balances in the Local Government Surplus Funds Trust Fund ("PRIME") administered by the State Board of Administration, the Florida Public Access for Liquidity Management (PALM), administered by the Florida School Boards Association, Florida Local Government Investment Trust ("FLGIT") administered by the Florida Court of Clerks and Comptrollers and the Florida Association of Counties, and the Florida Education Investment Trust fund ("FEIT"). These accounts also make up the category of "Cash and Cash Equivalents" for purposes of the Statement of Cash Flows –Proprietary Funds.

### E. Investments

The county has adopted an investment policy pursuant to Section 218.415, Florida Statutes, which allows surplus and other post-employment benefit funds to be invested in registered investment companies organized under the Investment Company Act of 1940 with holdings of domestic and/or international equities, domestic fixed income investments, real estate; money market mutual funds; comingled trusts organized by banks under the Office of the Controller of Currency; supranational agencies; United States government securities; United States government agencies; Federal instrumentalities; certificates of deposit or savings accounts; repurchase agreements; commercial paper; corporate paper or notes; state and/or local government taxable and/or tax-exempt debt and inter-governmental investment pools.

### F. Property Taxes

The Tax Collector bills and collects property taxes. Tax revenues are recognized when levied, to the extent that they result in current receivables. At September 30, 2025, there were no property tax receivables.

Details of the county's tax calendar are presented below:

| | |
|---|---|
| Lien date | January 1st |
| Levy date | October 1st |
| Delinquent date | April 1st |

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### G. Inventories

Inventories, consisting primarily of expendable items (materials and supplies), are determined by physical count at the fiscal year end and valued at cost on the basis of the "first-in first-out" method of accounting.

Governmental Fund and Proprietary Fund inventories are recorded as an expenditure when consumed rather than when purchased (consumption method) for financial statement purposes.

### H. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### I. Deferred Outflows and Inflows

Deferred outflows represent the consumption of resources that is applicable to future reporting periods. Deferred inflows represent the acquisition of resources that is applicable to future reporting periods.

### J. Restricted Assets

Certain funds of the county are classified as restricted assets on the statement of net position because a restriction is either imposed by law through constitutional provisions or enabling legislation, or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, applicable laws and regulations limit their use. It is the practice of the county to utilize restricted net position before unrestricted net position.

### K. Capital Assets

All purchased capital assets are recorded at cost where historical records are available and at estimated cost where no historical records exist.  Donated capital assets are valued at their estimated acquisition value on the date received.  Generally, capital assets costing more than $5,000 and having a useful life of more than one year are capitalized.  However, varying asset capitalization thresholds are established for the various types of infrastructure assets.

Intangible assets, including easements and internally generated computer software, are capitalized at cost or at the estimated acquisition value when received from the developer.  Easements, which are attached to land, have indefinite useful lives and are not amortized.  Internally generated computer software is amortized over the useful life of the software and values as determined by the county's Information Technology Department.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are reported in the applicable governmental or business-type column in the government-wide financial statements, and in the proprietary fund level statements.

Depreciation on all capital assets is calculated using the straight-line method over the following useful lives:

| | |
|---|---|
| Infrastructure | 25-75 years |
| Bridges | 35-75 years |
| Buildings and improvements | 10-60 years |
| Furniture and equipment | 4-10 years |
| Water and Sewer Systems | 10-50 years |

### L. Leases

Lessee: The county is a lessee for noncancellable leases of property and equipment. The county recognizes lease liabilities and intangible right-to-use lease assets in the government-wide financials statements and proprietary funds. The county recognizes lease liabilities with an initial, individual value of $15,000 or more.

At the commencement of a lease, the county initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the county determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The county uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the county generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the county is reasonably certain to exercise.

The county monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect that amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Lessor: The county is a lessor for noncancellable leases of real estate and equipment. The county recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental funds, and proprietary funds financial statements.

At the commencement of a lease, the county initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the county determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The county uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The county monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### M. Subscription Based Information Technology Arrangements

The county has entered into a variety of subscription based information technology arrangements ("SBITAs") with various software vendors for noncancellable rights to use the vendors' software for determined periods of time. The county recognizes SBITA liabilities and intangible right-to-use SBITA assets in the government-wide financials statements and proprietary funds. The county recognizes SBITA liabilities with an initial, individual value of $15,000 or more.

At the commencement of a SBITA, the county initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the county determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The county uses the interest rate charged by the software vendor as the discount rate. When the interest rate charged by the vendor is not provided, the county generally uses its estimated incremental borrowing rate as the discount rate for the SBITAs.

- The SBITA term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and the purchase option price that the county is reasonably certain to exercise.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The county monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect that amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the Statement of Net Position.

### N. Accrual for Landfill Closure and Post-Closure Costs

Based on the consulting engineer's cost estimates, a portion of the estimated closure and post-closure cost for the Tillman Ridge Landfill is recognized as expense each year to match the flow of revenues. The estimated closure and post-closure cost accrued at September 30, 2025 is based on the current estimate to perform long-term care annually over the next 7 years.

### O. Unearned Revenue

Unearned revenue reported in the Governmental Funds represents revenues that are received, but not earned until a future period. The revenue will be recognized in the fiscal year it is earned. Unearned revenue is recorded in liabilities.

### P. Long-Term Obligations

In the government-wide financial statements, governmental long-term debt and other governmental long-term obligations are reported as liabilities in the governmental activities column of the Statement of Net Position. Long-term debt and other long-term obligations of the proprietary funds are reported as liabilities in the business-type activities column of the Statement of Net Position and the appropriate proprietary fund in the fund level statements.

### Q. Accrued Compensated Absences

County employees may accumulate earned personal leave benefits (compensated absences) at various rates within limits specified in the county's Administrative Code. This liability reflects amounts attributable to employee services already rendered, cumulative, probable for payment, and reasonably estimated.

Compensated absences liabilities are accrued when incurred in the government-wide financial statements and the proprietary fund level statements. No expenditure or liability is reported in the governmental fund level statements for these amounts until payment is due. Compensated absences liability is based on current rates of pay.

### R. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows, and deferred inflows of resources related to OPEB, and other OPEB transactions and fiduciary net position, balances have been determined by actuarial estimates and on the same basis as they are reported by the OPEB plan. For this purpose, the county recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market funds that have a maturity at the time of purchase of one year or less, which are reported at cost.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### S. Net Position

Net position represents the difference between assets and deferred outflows less liabilities and deferred inflows reported for the governmental activities, business-type activities, proprietary funds and fiduciary funds. Net position is reported further in various classifications, including *net investment in capital assets,* which reports the county's investment in capital assets less liabilities associated with acquiring these assets, and *restricted net position* when there are externally imposed or statutory restrictions. *Unrestricted net position* is net position that does not meet the definition of the classifications previously described and represents amounts that can be used for any fund purpose by the county. When both restricted and unrestricted resources are available for use, it is the county's policy to use restricted resources first, and then unrestricted resources as they are needed.

### T. Fund Balances

The county follows the provisions of GASB Standards to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the county is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Fund balance classifications are described below:

*Nonspendable Fund Balance* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted Fund Balance* – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the county's highest level of decision-making authority, which is by Ordinance approved by the Board. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action.

*Assigned Fund Balance* – Assigned fund balances are amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed. Only the Board has the authority to assign amounts used for specific purposes through the St. Johns County Administrative Code, adopted by Resolution 2006-128.

*Unassigned Fund Balance* – Unassigned fund balance is the residual classification for the General Fund, which is the only fund that can report a positive unassigned fund balance.

The county's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### U. Use of Estimates

The preparation of financial statements, in accordance with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## 3. CASH AND INVESTMENTS

### A. Pooled Cash and Cash Equivalents

Pooled cash and cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less when acquired. This includes cash in banks, petty cash, repurchase agreements, balances in the State Pool administered by the SBA ("PRIME"), the Florida Local Government Investment Trust's Day-to-Day Fund ("FLGIT"), administered by the Florida Association of Court Clerks and the Florida Association of Counties, the Florida Public Assets for Liquidity Management ("PALM") sponsored and regulated by the Florida School Boards Association and the Florida Association of District School Superintendents.

PRIME is an investment pool authorized by Section 218.405, Florida Statutes and operates under investment guidelines established by Section 215.47, Florida Statutes. The State Pool Florida Prime has characteristics consistent with GASB's requirements to measure its investments at amortized cost. Therefore, the Florida Prime balance of $248,997,205 is reported at amortized cost. There were no redemption fees or maximum transaction amounts. Florida statutes do provide for situations in which a participant's access to 100% of the account value is limited. The maximum amount of time provided to limit access is 15 days. The fair value of the position in the pool is substantially the same as the value of the pooled shares held at September 30, 2025.

FLGIT is an external investment pool that has characteristics consistent with GASB's requirements to measure its investments at amortized cost. Therefore, FLGIT is reported at amortized cost. There are no redemption fees, maximum transaction amounts or restrictions on withdrawals. The fair value of the position in the pool is substantially equal to the value of the pool shares of $4,782,182.

PALM Portfolio is an external investment pool that has characteristics consistent with GASB's requirements to measure its investments at amortized cost. Therefore, PALM Portfolio is reported at amortized cost. The fair value of the County's position in this pool of $153,298,882 and is substantially equal to the value of the pool shares. There are no unfunded commitments for further investment nor limitations as to the frequency of redemptions under normal conditions. However, the Board of Trustees can suspend the right of withdrawal or postpone the date of payment under certain emergency situations.

The county's investments in PRIME, FLGIT, and PALM expose it to credit and interest rate risks.

- Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.
    - ➢ PRIME, and PALM Portfolio are rated by Standard and Poor's and both have a rating at September 30, 2025 of AAAm.
    - ➢ FLGIT is rated by Fitch and has a rating at September 30,2025 of AAAmmf.

**3. CASH AND INVESTMENTS** (continued)

- Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

    - The weighted average maturity (WAM) of the Florida PRIME at September 30, 2025 was 47 days. Weighted average life (WAL) was 73 days.

    - The weighted average maturity (WAM) of FLGIT's Day-to-Day Fund at September 30, 2025 was 10 days.

    - The weighted average maturity (WAM) of the PALM Portfolio Fund at September 30, 2025 was 43 days.

Regarding the hierarchy disclosure requirements of GASB No. 72, *Fair Value Measurement and Application*, it was determined that the investments in Florida PRIME, FLGIT, and PALM Portfolio are exempt from those requirements. At September 30, 2025, all of the county's bank and money market deposits were held in qualified public depositories, pursuant to Chapter 280, Florida Statutes and are fully insured or collateralized.

**Component Units –** At September 30, 2025, the Housing Finance Authority's and the Industrial Development Authority's cash on deposit were entirely insured or collateralized pursuant to Chapter 280, Florida Statutes.

**B. Investments**

On January 8, 2008 and subsequently amended on November 2, 2021, the county formally adopted a comprehensive change to the investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits and issuer limits, credit ratings requirements and maturity limits to protect the county's investment assets. The county maintains common investment pool portfolios for the use of all available surplus funds ("Surplus Funds") and a separate portfolio which is held in an irrevocable trust for the St. Johns County OPEB Employee Trust Fund ("OPEB Trust Fund").

In addition, investments are separately held by the county's special revenue, debt service, capital projects and enterprise funds.

Finally, Section 218.415, Florida Statutes, limits the types of investments that the county can invest in unless specifically authorized in the county's investment policy. The county has a formal investment policy that allows for the following investments: the State Pool, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Supranational Agencies, Non-negotiable Collateralized Bank deposits or saving accounts, Repurchase Agreements, Commercial Paper Bankers' Acceptances, Corporate Paper and Notes, Municipals debt, Asset backed securities, agency mortgage-backed securities, and Inter-governmental Investment Pools.

**3. CASH AND INVESTMENTS** (continued)

The allowable investments of the OPEB Trust Fund include Registered Investment Companies (Equity, Real Estate and Fixed Income Mutual Funds) organized under the Investment Company Act of 1940 with holdings of domestic and/or international equities, high quality domestic fixed income investments, real estate and/or cash equivalents; Registered Investment Companies (Money Market Mutual Funds) that are rated AAm or AAm-G or better by Standard & Poor's, or the equivalent by another rating agency; and Commingled Trusts (Equity, Real Estate and Fixed Income Trusts) organized by a bank under the Office of the Controller of the Currency guidelines with holding of domestic and/or international equities, high quality domestic fixed income investments, real estate and/or cash equivalents. Additionally, the OPEB Trust Fund may include Supranational Agencies; Banker's Acceptances; Corporate Paper and Notes; Certificates of Deposits; Savings Accounts; Short-Term Corporate Obligations; Fixed Income Securities; U.S. Treasury, Federal Agencies and U.S. Government Guaranteed Obligation; Investment Grade Municipal Issues; Investment Grade Corporate Issues Including Convertibles; Common and Preferred Stocks; Real Estate Trusts and Private Real Estate in pooled vehicles.

**1. Fair Value Measurements**

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

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

- Level One
  - Fixed Income and U. S. Treasury securities – valued daily based on institutional bond quotes provided by FT Interactive
  - Domestic equities – valued daily based on market closing price by FT Interactive Data
  - International equity – valued based on various market factors provided by FT Interactive Data and Extel Financial Ltd.
  - Other Growth - valued daily based on market closing price by FT Interactive Data
- Level Two
  - Federal Instrumentalities – valued daily based on institutional bond quotes provided by FT Interactive
  - Commercial paper – valued daily by institutional bond quotes provided by FT Interactive
  - Supranational Agencies – valued daily based on various market factors provided by Standard & Poor's and Bloomberg
  - Municipal Obligations – valued daily based on various market and industry inputs provided by FT Interactive Data and Bloomberg

**3. CASH AND INVESTMENTS** (continued)

- Corporate notes/Asset backed securities – valued daily based on various market and industry inputs provided by FT Interactive Data

As of September 30, 2025, the county's investment portfolios had the following investments for which fair value levels are determined on a recurring basis:

| County Wide Investments | Quoted Prices in Active Markets for Indentical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total Investments |
|---|---|---|---|---|
| U.S. Treasury Bond Notes | $ 158,995,087 | $ - | $ - | $ 158,995,087 |
| Federal Instrumentalities - Bonds/Notes | | | | |
| FNMA "Fannie Mae" Notes | - | 1,484,311 | - | 1,484,311 |
| FHLMC "Freddie Mac" Notes | - | 33,037,200 | - | 33,037,200 |
| FHLB Bonds | - | 769,424 | | 769,424 |
| | - | 35,290,935 | - | 35,290,935 |
| Corporate Notes | - | 235,471,656 | - | 235,471,656 |
| Municipal Bonds | - | 1,835,682 | - | 1,835,682 |
| Total Investments | $ 158,995,087 | $ 272,598,273 | $ - | $ 431,593,360 |

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## 3. CASH AND INVESTMENTS (continued)

As of September 30, 2025, the OPEB Trust consisted of the following asset classes and percent allocations, as well as fair value levels of those assets for which fair values are determined on a recurring basis:

| OPEB Trust Investments | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total Investments |
|---|---|---|---|---|
| Domestic Equity | $ 18,541,068 | $ - | $ - | $ 18,541,068 |
| International Equity | 10,081,191 | - | - | 10,081,191 |
| Fixed Income | 14,850,944 | - | - | 14,850,944 |
| **Total investments at fair value** | $ 43,473,203 | $ - | $ - | $ 43,473,203 |

### 2. Interest Rate Risk

County Funds

The county's Surplus Funds investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds will have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants. From time to time, the above parameters may require modification in order to meet specific construction draw schedules or other predetermined operating, capital needs or to satisfy debt obligation, but in no event shall exceed five years.

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## 3. CASH AND INVESTMENTS (continued)

Weighted average maturities of county investments are as follows:

| Surplus Fund Investments | Weighted Average Maturity (Years) |
|---|---|
| U.S. Treasury Bond Notes | 1.99 |
| Federal Instrumentalities - Bonds/Notes | 2.66 |
| Corporate Notes | 2.97 |
| Municipal Bonds | 2.04 |

OPEB Funds
Interest rate risk is minimized in the OPEB Trust Fund because the county utilizes "effective duration" as a measurement of interest rate risk for Trust assets. Trust Assets are a mix of both equity and fixed income-oriented mutual funds. As of September 30, 2025, the portion of assets susceptible to interest rate risk (including Fixed Income and Cash Equivalent asset classes) was 34.35% and had a average maturity of 8.2 years. Duration is not a characteristic applicable to equity-oriented mutual funds (including Domestic and International Equity, and the real estate and commodities mutual funds) and thus is not relevant to this disclosure.

Interest receivable on the county's investment portfolios amounted to $3,498,931 as of September 30, 2025.

### 3. Credit Risk

The county's investment policy permits for investments in the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as follows:

- Money Market Mutual funds shall be rated "AAm" or "AAm-G" or better by Standard & Poor's or the equivalent by another national rating agency.

- State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue Bonds, rated at least "Aa" by Moody's or "AA" by Standard & Poor's for long-term debt, or rated at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt.

- Bankers' acceptances issued by a domestic bank, which has at the time of purchase an unsecured, uninsured and un-guaranteed obligation rating, at the time of purchase, of at least "Prime-1" by Moody's Investors Services or "A-1" by Standard & Poor's. The bank must be ranked in the top fifty (50) United States banks in terms of total assets by the American Banker's yearly report. Additionally, the bank shall not be listed with any recognized credit watch information service.

**3. CASH AND INVESTMENTS** (continued)

- Commercial paper of any United States company that is rated, at the time of purchase, “Prime-1” by Moody’s and “A-1” by Standard & Poor’s (prime commercial paper). Additionally, if backed by a letter of credit (LOC”), the long term debt of the LOC provider must be rated at least “A” by at least two nationally recognized rating agencies and must be ranked in the top fifty (50) United States banks in terms of total assets by the American Banker’s yearly report. The company shall not be listed with any recognized credit watch information service.

Additionally, the OPEB Trust Fund’s investment policy for investments in fixed income securities and cash equivalents that are limited to credit quality ratings from nationally recognized rating agencies as follows:

- *Fixed Income*
  Fixed Income Investments shall be high quality, marketable securities with a preponderance of the investments in (1) U.S. Treasury, Federal Agencies and U.S. Government guaranteed obligations, and (2) investment grade municipal or corporate issues including convertibles. The overall rating of the fixed income assets shall be at least “A”, according to one of the three rating agencies (Fitch, Moody’s or Standard and Poor’s).

- *Cash Equivalents*
  Cash equivalent reserves shall consist of cash instruments having a quality rating of “a-1”, “P-1” or higher, as established by Moody’s or Standard & Poor’s. Bankers’ acceptances, certificate of deposit and savings accounts must be made of United States banks or financial institutions or United States branches of foreign banks, which are federally insured with unrestricted capital of at least $50 million. Short-term corporate obligations must be rated “A” or better by Moody’s or by Standard & Poor’s.

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## 3. CASH AND INVESTMENTS (continued)

Credit risk for the county's investments are as follows:

| Investment Type | Exempt | AAA | AA+ to AA- | A+ to A- | BBB+ | Not Rated |
|---|---|---|---|---|---|---|
| **Surplus Fund** | | | | | | |
| U.S. Treasury Bond Notes | $ 158,995,087 | $ - | $ - | $ - | $ - | $ - |
| Federal Instrumentalities-Bond Notes | - | - | - | - | - | 35,290,935 |
| Corporate Notes | - | 93,049,286 | 45,595,102 | 90,310,317 | 6,516,951 | - |
| Municipal Bonds | - | - | 1,835,682 | - | - | - |
| Subtotal - Surplus Fund | 158,995,087 | 93,049,286 | 47,430,784 | 90,310,317 | 6,516,951 | 35,290,935 |
| **OPEB Trust Fund** | | | | | | |
| Investment Assets: | | | | | | |
| Stocks-Equity Mutual Funds | 28,622,259 | - | - | - | - | - |
| Preferred Stocks-Bond Mutual Funds | 14,850,944 | - | - | - | - | - * |
| Subtotal - OPEB Trust Fund | 43,473,203 | - | - | - | - | - |
| Total investments | $ 202,468,290 | $ 93,049,286 | $ 47,430,784 | $ 90,310,317 | $ 6,516,951 | $ 35,290,935 |

* 40% of the Taxable Bonds-Fixed Income Mutual Funds can be invested in obligations rated lower than BBB.

4. **Custodial Credit Risk**

The county's investment policy requires securities, with the exception of certificates of deposits, to be held by a third party custodian. Additionally, all securities purchased by, and all collateral obtained by the county should be properly designated as an asset of the county.

The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

## 3. CASH AND INVESTMENTS (continued)

Finally, the county's investment policies require all assets be held with the custodial bank under a contractual agreement signed by the Chairman of the Board and the Clerk as Chief Financial Officer. All securities purchased by and all collateral obtained by the investment managers and/or the Clerk are designated as assets of the Surplus Fund or OPEB Trust Fund respectively. No withdrawal of securities, or transfer of funds, in whole or in part, can be made from safekeeping except by written authorization of the Clerk. Securities transactions between a broker/dealer and the custodial bank involving the purchase of sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodial bank will have the security or money, as appropriate, in hand at the conclusion of the transaction.

As of September 30, 2025, the county's Surplus Fund and OPEB Trust Fund investment portfolios were held with a third-party custodian as required by the county's investment policies.

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**3. CASH AND INVESTMENTS** (continued)

5. **Concentration of Credit Risk**

The county's investment policies have established asset allocation and issuer limits on the following investments. This is designed to reduce concentration of credit risk of the county's Surplus Fund and OPEB Trust Fund portfolios. The table below reflects the allowed distribution by investment type.

| | Surplus Fund Allocation Permitted by Policy | Trust Fund Allocation Permitted by Policy | Trust Fund Allocation Target |
|---|---|---|---|
| Investment Assets | | | |
| Domestic Equity | | 26-46% | 36% |
| International Equity | | 13-33% | 23% |
| REIT | | 0-12% | 6% |
| Fixed Income | | 20-60% | 35% |
| Liquidity Assets | | | |
| Cash Equivalents | | 0% - 100% | 100% |
| United States Treasury Securities | 100% | | |
| United States Government Agency Securities | 80% | | |
| Federal Instrumentalities | 80% | | |
| Supranationals | 25% | | |
| Corporates | 50% | | |
| Non-negotiable Collateralized Bank deposits/savings | 50% | | |
| Repurchase Agreements | 50% | | |
| Commercial Paper | 50% | | |
| Bankers' Acceptances | 10% | | |
| Municipals | 25% | | |
| Money Market Mutual Funds | 50% | | |
| Agency Mortgage-backed securities | 25% | | |
| Asset-backed securities | 25% | | |
| Intergovernmental Investment Pool | 50% | | |
| Florida Local Government Surplus Funds Trust | 75% | | |

## 3. CASH AND INVESTMENTS (continued)

Additionally, an effort shall be made, to the extent practical, prudent, and appropriate, to select investments, commingled funds and/or mutual funds that have investment objectives and policies that are consistent with the county's policies. However, given their nature, it is recognized that there may be deviations between the policies and the objectives of the investments. A commingled fund or mutual fund will not be included in OPEB Trust Fund portfolio unless it complies with the Investment Company Act of 1940's diversification requirement.

*Equity*

Investment in common stocks, preferred stocks, and publicly traded Real Estate Investment Trusts shall be limited so that not more than 5% of the total stock portfolio, valued at market, be invested in the common stock of any one corporation. Ownership of the shares of one company shall not exceed 2% of those outstanding. Not more than 25% of stock valued at market may be held in any one industry category.

*Fixed Income*

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio, including, U.S. Treasury/Federal Agency issues, at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies.

### 6. Foreign Currency Risk

The county investment policy does not allow for investments in foreign currency therefore the county has no exposure to foreign currency risk. However, the Trust's investment policy allows for non-U.S. investments through the use of commingled funds and/or mutual funds. All assets of the Trust are invested in funds denominated in U.S. Dollars. There is no direct foreign currency risk; however, underlying securities of these funds may be denominated in currencies other than the U.S. Dollar.

## 4. ACCOUNTS AND NOTES RECEIVABLE

Included in accounts receivable in the General Fund, at September 30, 2025, are receivables for ambulance services of $1.7 million ($3.6 million, net of an allowance for doubtful accounts of $1.9 million). The allowance represents approximately 53% of the gross ambulance service accounts receivable balance. The balance of the receivables of the General Fund consists of restitution, returned checks, and miscellaneous service fees.

Accounts receivable of the Transportation Trust Fund consist primarily of receivables from gas use of other organizations affiliated with the county and are considered to be fully collectible.

Accounts receivable of the Non-major Governmental Funds consist primarily of Tourist Development Tax receivables. The county considers these to be fully collectible.

## 4. ACCOUNTS AND NOTES RECEIVABLE (continued)

Accounts receivable contained in the Enterprise Funds consist of the following receivables, including $4,563,602 of unbilled receivables in the Utility Fund, and their related allowance for doubtful accounts at September 30, 2025:

| | Balance | Allowance | Net |
|---|---|---|---|
| St. Johns County Utilities Fund | $ 10,086,948 | $ 92,708 | $ 9,994,240 |
| Solid Waste Fund | 893,063 | 1,000 | 892,063 |
| | $ 10,980,011 | $ 93,708 | $ 10,886,303 |

Notes receivable contained in the Statement of Net Position for Governmental Activities and the State Housing Initiatives Program fund includes $300,000 in State Housing Initiatives Partnership (SHIP) program funds. The notes were provided as a “zero-percent interest” loan to assist in the development of multifamily housing units for low and very-low income rental housing.

Also, included in notes receivable on the Statements of Net Position for the Business Activities is $91,260 of unit connection fee notes receivable. Water and sewer unit connection fees are non-refundable fees charged to new customers of the utility system as a capacity charge. The related notes receivable bear interest at 5.00%.

None of the above notes receivable are collateralized. At September 30, 2025, the county considers these to be fully collectible. Therefore, an allowance for doubtful accounts was not considered necessary.

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## 5. CAPITAL ASSET ACTIVITY

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

Primary Government

| | Beginning Balance October 1, 2024 | | Additions | Dispositions | Ending Balance September 30, 2025 |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | $ 592,127,204 | | $ 3,917,839 | $ - | $ 596,045,043 |
| Right to use leased assets | 27,010 | | - | - | 27,010 |
| Construction in progress | 186,616,063 | | 136,398,934 | 125,565,436 | 197,449,561 |
| Total capital assets not being depreciated | 778,770,277 | | 140,316,773 | 125,565,436 | 793,521,614 |
| Other capital assets: | | | | | |
| Buildings and other improvements | 388,474,423 | | 23,096,835 | - | 411,571,258 |
| Equipment | 155,528,305 | | 34,903,949 | 10,496,048 | 179,936,206 |
| Infrastructure | 1,134,820,964 | | 172,074,898 | - | 1,306,895,862 |
| Right to use leased assets | | | | | |
| Buildings | 998,641 | | 1,446,112 | - | 2,444,753 |
| Equipment | 333,188 | * | 113,003 | 54,132 | 392,059 |
| Infrastructure | 735,195 | | - | - | 735,195 |
| Right to use subscription asset | 8,277,764 | | 18,235,623 | 810,627 | 25,702,760 |
| Total other capital assets | 1,689,168,480 | | 249,870,420 | 11,360,807 | 1,927,678,093 |
| Less accumulated depreciation for: | | | | | |
| Buildings and other improvements | 145,584,750 | | 12,712,670 | - | 158,297,420 |
| Equipment | 99,794,186 | | 19,661,068 | 10,341,968 | 109,113,286 |
| Infrastructure | 349,998,398 | | 28,209,960 | - | 378,208,358 |
| Right to use leased assets | | | | | |
| Buildings | 91,542 | | 110,873 | | 202,415 |
| Equipment | 81,190 | * | 76,335 | 54,132 | 103,393 |
| Infrastructure | 42,886 | | 18,380 | - | 61,266 |
| Right to use subscription asset | 1,668,565 | | 2,877,957 | 810,627 | 3,735,895 |
| Total accumulated depreciation | 597,261,517 | | 63,667,243 | 11,206,727 | 649,722,033 |
| Other capital assets, net | 1,091,906,963 | | 186,203,177 | 154,080 | 1,277,956,060 |
| Governmental activities capital assets, net | $ 1,870,677,240 | | $ 326,519,950 | $ 125,719,516 | $ 2,071,477,674 |

* Beginning balances for right to use equipment leased assets of $99,011 and the related accumulated amortization on these right to use leases of $63,317 have been restated to record addition leases not recorded in FY 2024.

## 5. CAPITAL ASSET ACTIVITY (continued)

Primary Government

| | Beginning Balance October 1, 2024 | Additions | Disposals | Ending Balance September 30, 2025 |
|---|---|---|---|---|
| **Business-type activities:** | | | | |
| Capital assets not being depreciated: | | | | |
| Land | $ 128,797,005 | $ 253,465 | $ - | $ 129,050,470 |
| Construction in progress | 132,552,851 | 113,405,163 | 28,954,382 | 217,003,632 |
| Total capital assets not being depreciated | 261,349,856 | 113,658,628 | 28,954,382 | 346,054,102 |
| Other capital assets: | | | | |
| Intangible assets | 80,776 | - | - | 80,776 |
| Buildings and other improvements | 24,485,395 | 65,832 | - | 24,551,227 |
| Equipment and systems | 831,489,401 | 90,605,516 | 1,461,023 | 920,633,894 |
| Right to use leased assets | | | | |
| Equipment and systems | 301,292 | - | - | 301,292 |
| Right to use subscription assets | 685,855 | 54,805 | 96,738 | 643,922 |
| Total other assets | 857,042,719 | 90,726,153 | 1,557,761 | 946,211,111 |
| Less accumulated amortization and depreciation for: | | | | |
| Intangible assets | 40,386 | 4,038 | - | 44,424 |
| Buildings and other improvements | 18,175,896 | 409,025 | - | 18,584,921 |
| Equipment and systems | 280,484,485 | 25,935,392 | 1,456,705 | 304,963,172 |
| Right to use leased assets | | | | |
| Equipment and systems | 63,294 | 25,818 | - | 89,112 |
| Right to use subscription assets | 266,732 | 139,509 | 96,738 | 309,503 |
| Total accumulated depreciation | 299,030,793 | 26,513,782 | 1,553,443 | 323,991,132 |
| Other capital assets, net | 558,011,926 | 64,212,371 | 4,318 | 622,219,979 |
| Business-type activities capital assets, net | $ 819,361,782 | $ 177,870,999 | $ 28,958,700 | $ 968,274,081 |

## 5. CAPITAL ASSET ACTIVITY (concluded)

Depreciation expense and amortization of assets under leases and subscription based information technology arrangements were charged to the functions of the primary government as follows:

| | | |
|---|---|---|
| **Governmental activities:** | | |
| General government | $ | 4,816,583 |
| Public safety | | 19,663,232 |
| Physical environment | | 53,550 |
| Transportation | | 31,389,575 |
| Economic environment | | 48,304 |
| Human services | | 714,463 |
| Culture and recreation | | 6,530,781 |
| Court related | | 450,755 |
| Total expense - Governmental activities | $ | 63,667,243 |

**Business-type activities:**

| | Depreciation | Amortization | Total |
|---|---|---|---|
| St. Johns County Utility | $ 26,041,655 | $ 4,038 | $ 26,045,693 |
| Solid Waste | 468,089 | - | 468,089 |
| Total expense - Business-type activities | $ 26,509,744 | $ 4,038 | $ 26,513,782 |

## 6. LONG-TERM OBLIGATIONS

A. Long-term obligations at September 30, 2025 are comprised of the following:

**(1) Governmental Activities long-term bonds and notes, other than right to use leases and financed purchase obligations:**

Revenue Bonds and Notes Payable:

| | |
|---|---|
| $4,500,000 - 2014 Taxable Capital Improvement Revenue Bonds - secured by a governmental commitment to budget and appropriate necessary non-ad valorem revenues; due in annual installments of $365,000 to $395,000 through October 2028, plus interest at 3.99%, payable semiannually. The approximate balance of the pledge which equals the remaining principal and interest is $1,232,169. During fiscal year 2025, $116,994,000 was recognized as the average legally available amount of non-ad valorem revenues and $414,650 was paid for debt service. | $ 1,140,000 |

## 6. LONG-TERM OBLIGATIONS (continued)

| | | |
|---|---|---|
| $10,840,000 - 2019 Special Obligation Refunding Revenue Bonds - secured with a governmental commitment to budget and appropriate necessary non-ad valorem revenues; due in annual installments of $1,250,000 to $1,380,000, through October 2028, plus interest at 5%, payable semi-annually, plus unamortized premium of $229,810. The approximate balance of the pledge, which equals the remaining principal and interest is $4,346,000. During fiscal year 2025, $116,994,000 was recognized as the average legally available amount of non-ad valorem revenues and $1,446,750 was paid for debt service. | $ | 3,945,000 |
| $12,085,000 - 2020 Taxable Special Obligation Revenue Notes - secured with a governmental commitment to budget and appropriate necessary non-ad valorem revenues; due in annual installments of $530,000 to $590,000 through October 2031, plus interest at 2.26% payable semi-annually. The approximate balance of the pledge, which equals the remaining principal and interest is $3,619,731. During fiscal year 2025, $116,994,000 was recognized as the average legally available amount of non-ad valorem revenues and $602,349 was paid for debt service. | $ | 3,350,000 |
| $51,800,000 - 2022 Special Obligation Refunding Revenue Note - secured with a governmental commitment to budget and appropriate necessary non-ad valorem revenues, due in annual installments of $2,765,000 to $4,865,000 through October 2034; plus interest at 1.44% payable semi-annually. The approximate balance of the pledge, which equals the remaining principal and interest is $40,840,776. During fiscal year 2025, $116,994,000 was recognized as the average legally available amount of non-ad valorem reveneus and $5,019,232 was paid for debt service. | $ | 38,250,000 |
| $7,635,000 - 2022 Taxable Special Obligation Revenue Note - secured with a governmental commitment to budget and appropriate necessary non-ad valorem revenues; due in annual installments of $565,000 to $855,000 through October 2031; plus interest at 2.24% payable semiannually. The approximate balance of the pledge, which equals the remaining principal and interest, is $4,120,432. During fiscal year 2025, $116,994,000 was recognized as the average legally available amount of non-ad valorem revenues and $884,160 was paid for debt service. | $ | 3,870,000 |

## 6. LONG-TERM OBLIGATIONS (continued)

| | |
|---|---|
| $13,000,000 - 2022A Special Obligation Revenue Note - secured with a governmental commitment to budget and appropriate necessary non-ad valorem revenues; due in annual installments of $300,000 to $2,770,000 through October 2027, plus interest at 3.99%, payable semiannually. The approximate balance of the pledge, which equals the remaining principal and interest, is $3,204,463. During fiscal year 2025, $116,994,000 was recognized as the average legally available amount of non-ad valorem revenue and $2,893,826 was paid for debt service. | $ 3,070,000 |
| $8,675,000 - 2024 Special Obligation Refunding Revenue Bonds - secured with a governmental commitment to budget and appropriate necessary non-ad valorem revenues; due in annual installments of $710,000 to $945,000 through July 2035, plus interest at 5%, payable semiannually, plus unamortized premium of $799,551. The approximate balance of the pledge, which equals the remaining principal and interest, is $10,228,250. During fiscal year 2025, $116,994,000 was recognized as the average legally available amount of non-ad valorem revenue and $1,103,750 was paid for debt service. | $ 8,005,000 |
| $107,065,000 - 2024A Special Obligation Revenue Bonds - secured with a governmental commitment to budget and appropriate necessary non-ad valorem revenues; due in annual installments of $3,410,000 to $8,205,000 through September 2044, plus interest at 5%, payable semiannually, plus unamortized premium of $10,532,195. The approximate balance of the pledge, which equals the remaining principal and interest, is $163,720,000 During fiscal year 2025, $116,994,000 was recognized as the legally available of non-ad valorem revenue and $7,742,925 was paid for debt service. | $ 104,140,000 |
| $49,115,000 - 2025 Special Obligation Refunding Revenue Bonds - secured with a governmental commitment to budget and appropriate necessary non-ad valorem revenues; due in annual installments of $2,835,000 to $9,380,000 through September 2036, plus interest at 5%, payable semiannually, plus unamortized premium of $5,585,459. The approximate balance of the pledge, which equals the remaining principal and interest, is $65,194,750. During fiscal year 2025, $116,994,000 was recognized as the legally available of non-ad valorem revenue and $2,033,303 was paid for debt service. | $ 48,255,000 |

## 6. LONG-TERM OBLIGATIONS (continued)

### (2) Business-type Activities long-term bonds and notes, other than right to use leases and financed purchase obligations:

| | | |
|---|---|---|
| $55,440,274 – 2013 St. Johns County Utilities Water and Sewer Revenue Refunding Bonds - secured by a lien upon and a pledge of County water and sewer net revenues; due in annual installments of $1,889,257 to $2,727,386 through June 2034; plus interest at 3.39% to 4.11%, payable annually for the capital appreciation bonds, 2013B, where interest is due at maturity; The balance of accreted interest is $12,456,124, and unamortized premium is $160,017. The approximate balance of the pledge, which equals the remaining principal and interest is $39,805,000. During fiscal year 2025, accrued interest on the capital appreciation bonds was $1,317,517; $62,158,118 was recognized in net revenues, and $3,855,000 was paid for debt service. | $ | 20,682,752 |
| $54,960,000 – 2016 St. Johns County Water and Sewer Revenue and Refunding Bonds - secured by a lien upon and pledge of County water and sewer net revenues; due in annual installments of $2,210,000 to $3,710,000 through June 1, 2037, plus interest at 4% to 5%, payable semiannually, plus unamortized premium of $6,142,421. The approximate balance of the pledge, which equals the remaining principal and interest, is $46,574,700. During fiscal year 2024, $62,158,118 was recognized in net revenues and $4,628,850 was paid for debt service. | $ | 35,265,000 |
| $39,235,000 – 2021 St. Johns County Taxable Water and Sewer Revenue Refunding Bonds - secured by a lien upon and pledge of County water and sewer net revenues; due in annual installments of $1,295,000 to $3,280,000 through June 1, 2042, plus interest at 1.9% to 4%, plus unamortized premium of $1,704,780. The approximate balance of the pledge, which equals the remaining principal and interest, is $43,606,627. During fiscal year 2025, $62,158,118 was recognized in net revenues and $3,030,711 was paid for debt service. | $ | 35,910,000 |
| $122,065,000 – 2022 St Johns County Water and Sewer Revenue Bonds – secured by a lien upon and pledge of County water and sewer net revenues;due in annual installments of $1,500,000 to $7,835,000 through June 2052; plus interest at 4% to 5%, payable semiannually, plus unamortized premium of $7,506,897. The approximate balance of the pledge, which equals the remaining principal and interest is $220,979,700. During fiscal year 2025, $62,158,118 was recognized in net revenues and $6,956,750 was paid for debt service. | $ | 120,565,000 |

## 6. LONG-TERM OBLIGATIONS (continued)

| | | |
|---|---|---|
| $8,503,771 Obligations under St. Johns County Utilities State Revolving Loan Trust Fund – secured by a subordinated lien upon and pledge of County water and sewer net revenues; due in semiannual installments of $272,496 through July 15, 2034, plus interest and grant assessment rate that is an average of approximately 2.61%. The approximate balance of the pledge, which equals the remaining principal and interest is $4,904,932. During fiscal year 2025, $35,021,331 was recognized in net revenues available for subordinated debt and $544,993 was paid for debt service. | $ | 4,345,719 |
| $5,823,756 Obligations under Ponte Vedra Utilities State Revolving Fund Loan – secured by a subordinated lien upon and pledge of water and sewer net revenues; due in semiannual installments of $171,060 through April, 2036, plus interest of 2.12%. The approximate balance of the pledge, which equals the remaining principal and interest, is $3,763,327. During fiscal year 2025, $35,021,331 was recognized in net revenues available for subordinated debt and $342,121 was paid for debt service. | $ | 3,341,037 |
| $33,697,091 Obligation under St. Johns County Utilities State Revolving Fund Loan – secured by a subordinated lien upon and pledge of water and sewer net revenues; due in semiannual installments of $982,501 through October 2041, plus interest and grant assessment rate at 1.04%. The approximate balance of the pledge, which equals the remaining principal and interest is $30,457,533. During fiscal year 2025, $35,021,331 was recognized in net revenues available for subordinated debt service and $1,965,002 was paid for debt service. | $ | 27,762,140 |
| $7,824,930 Obligation under St. Johns County Utilities State Revolving Fund Loan – secured by a subordinated lien upon and pledge of water and sewer net revenues; due in semiannual installments of $226,181 through September 2041, plus interest and grant assessment rate at 1.27%. The approximate balance of the pledge, which equals the remaining principal and interest is $7,237,828. During fiscal year 2025, $35,021,331 was recognized in net revenues available for subordinated debt service and $452,362 was paid for debt service. | $ | 6,531,143 |

## 6. LONG-TERM OBLIGATIONS (continued)

| | | |
|---|---|---|
| $3,326,290 Obligation under St. Johns County Utilities State Revolving Fund Loan – secured by a subordinated lien upon and pledge of water and sewer net revenues; due in semiannual installments of $92,344 through December 2040, plus interest and grant assessment rate at 1.27%. The approximate balance of the pledge, which equals the remaining principal and interest is $2,862,664. During fiscal year 2025, $35,021,331 was recognized in net revenues available for subordinated debt service and $184,688 was paid for debt service. | $ | 2,591,083 |
| $4,215,000 Obligation under St Johns County Utilities State Revolving Fund Loan – secured by a subordinated lien upon and pledge of water and sewer net revenues; due in semiannual installments of $107,483, 0% interest rate. The approximate balance of the pledge, which equals the remaining principal as of September 30, 2025 is $3,762,100. During fiscal year 2025, $35,021,331 was recognized in net revenues available for subordinated debt service and $214,966 was paid for debt service. | $ | 3,762,100 |
| $2,504,850 Obligation under St. Johns County Utilities State Revolving Fund Loan – secured by a subordinated lien upon and pledge of water and sewer net revenues; due in semiannuals installments of $11,213, through September 2044, plus interest and grant assessment rate at 0.72%. The approximate balance of the pledge, which equals the the remaining principal and interest as of September 30, 2025 is $432,924. During fiscal year 2025, $35,021,331 was recognized in net revenues available for subordinated debt service and $22,426 was paid for debt service. | $ | 404,517 |
| $4,478,875 Obligation under St. Johns County Utilities State Revolving Fund Loan – secured by a subordinated lien upon and pledge of water and sewer net revenues; All authorized borrowings had not occurred as of September 30, 2025, but based on the borrowings at year end, the loan will be due in semiannual installments of $114,211, 0% interest rate. The approximate balance of the pledge, which equals the remaining principal as of September 30, 2025 is $3,907,819. During fiscal year 2025, $35,021,331 was recognized in net revenues available for subordinated debt service and $228,422 was paid for debt service. | $ | 3,907,819 |

## 6. LONG-TERM OBLIGATIONS (continued)

| | |
|---|---|
| $3,656,470 Obligation under St Johns County Utilities State Revolving Fund Loan – secured by a subordinated lien upon and pledge of water and sewer net revenues; due in semiannual installments of $75,675 through April 2042, 0% interest rate. The approximate balance of the pledge, which equals the remaining principal as of September 30, 2025 is $2,572,959. During fiscal year 2025, $35,021,331 was recognized in net revenues available for subordinated debt service and $151,351 was paid for debt service. | $ 2,572,959 |

B. Debt service requirements to maturity on the county's revenue bonds, notes payable, and loans, other than leases and financed capital asset purchases, at September 30,2025 are as follows:

| | Governmental Activities | | | | Business Type Activities | | | |
|---|---|---|---|---|---|---|---|---|
| Year Ending Sept. 30 | Public Bonds | | Direct Loans | | Public Bonds | | Direct Loans | |
| | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal |
| 2026 | $ 8,217,250 | $ 8,205,000 | $ 881,177 | $ 8,940,000 | $ 10,087,101 | $ 8,854,610 | $ 619,467 | $ 3,486,864 |
| 2027 | 7,807,000 | 8,565,000 | 661,753 | 6,565,000 | 10,143,825 | 9,352,386 | 576,052 | 3,530,279 |
| 2028 | 7,378,750 | 8,995,000 | 538,929 | 6,380,000 | 9,981,990 | 9,913,871 | 531,911 | 3,574,440 |
| 2029 | 6,929,000 | 7,990,000 | 425,794 | 6,095,000 | 9,772,474 | 10,128,437 | 486,973 | 3,619,357 |
| 2030 | 6,529,500 | 8,390,000 | 326,553 | 5,875,000 | 9,536,329 | 10,362,982 | 441,281 | 3,665,048 |
| 2031-35 | 25,730,750 | 55,975,000 | 503,366 | 15,825,000 | 40,967,650 | 54,560,466 | 1,496,484 | 18,490,177 |
| 2036-40 | 12,640,000 | 35,675,000 | - | - | 22,128,277 | 33,430,000 | 519,463 | 15,918,746 |
| 2041-45 | 3,911,750 | 30,550,000 | - | - | 15,938,380 | 28,200,000 | 12,056 | 2,933,606 |
| 2046-50 | - | - | - | - | 8,830,500 | 32,320,000 | - | |
| 2051-52 | - | - | - | - | 1,156,750 | 15,300,000 | - | |
| | $ 79,144,000 | $ 164,345,000 | $ 3,337,572 | $ 49,680,000 | $ 138,543,276 | $ 212,422,752 | $ 4,683,687 | $ 55,218,517 |

## 6. LONG-TERM OBLIGATIONS (continued)

C. Long-Term obligation transactions of the county for Fiscal year 2025 are summarized as follows:

**GOVERNMENTAL ACTIVITIES**

| | October 1, 2024 | Additions | Deductions | September 30, 2025 | Current |
|---|---|---|---|---|---|
| Public bonds: | | | | | |
| Sales Tax Revenue and Refunding Bonds, Series 2015 | $ 37,790,000 | $ - | $ 37,790,000 | $ - | $ - |
| Transportation Improvement Revenue Bonds, Series 2015 | 18,935,000 | - | 18,935,000 | - | - |
| Special Obligation Refunding Revenue Bonds, Series 2019 | 5,135,000 | - | 1,190,000 | 3,945,000 | 1,250,000 |
| Special Obligation Refunding Revenue Bonds, Series 2024 | 8,675,000 | - | 670,000 | 8,005,000 | 710,000 |
| Special Obligation Revenue Bonds, Series 2024A | - | 107,065,000 | 2,925,000 | 104,140,000 | 3,410,000 |
| Special Obligation Refunding Revenue Bonds, Series 2025 | - | 49,115,000 | 860,000 | 48,255,000 | 2,835,000 |
| Direct loans: | | | | | |
| Taxable Capital Improvement Revenue Bond, Series 2014 | 1,495,000 | - | 355,000 | 1,140,000 | 365,000 |
| Taxable Special Obligation Revenue Notes, Series 2020A and 2020B | 3,865,000 | - | 515,000 | 3,350,000 | 530,000 |
| Special Obligation Refunding Revenue Note Series 2022 | 42,655,000 | - | 4,405,000 | 38,250,000 | 4,475,000 |
| Taxable Special Obligation Revenue Note Series 2022 | 4,650,000 | - | 780,000 | 3,870,000 | 800,000 |
| Special Obligation Revenue Note, Series 2022A | 5,735,000 | - | 2,665,000 | 3,070,000 | 2,770,000 |
| Section 108 Loan - HUD Guaranteed | 11,597 | 403 | 12,000 | - | - |
| Financed purchase obligations | 6,982,168 | 11,340,582 | 5,240,020 | 13,082,730 | 4,487,764 |
| Leases ~ | 1,925,604 | 1,559,115 | 185,210 | 3,299,509 | 482,782 |
| Subscription liability | 6,285,080 | 13,316,560 | 2,400,167 | 17,201,473 | 2,023,869 |
| Original Issue Premium | 6,502,396 | 17,356,205 | 6,711,586 | 17,147,015 | - |
| Arbitrage rebate | 265,908 | 735,961 | - | 1,001,869 | - |
| Accrued compensated absences * | 25,101,397 | 2,018,506 | - | 27,119,903 | 11,229,525 |
| Net pension liabilty | 286,040,784 | - | 38,275,559 | 247,765,225 | - |
| Total General Long-Term Obligations | $ 462,049,934 | $ 202,507,332 | $ 123,914,542 | $ 540,642,724 | $ 35,368,940 |

* Accrued compensated absences at the beginning of the year of $19,435,696 was restated to reflect the adoption of GASB 101, *Compensated Absences.* The amounts reported for FY 2025 changes are reported as a net balance.

~ Leases at the beginning of the year of $1,714,823 were restated to pick up additional leases from FY 2024 that were not recorded.

## 6. LONG-TERM OBLIGATIONS (continued)

**BUSINESS TYPE ACTIVITIES**

| | October 1, 2024 | Additions | Deductions | September 30, 2025 | Current |
|---|---|---|---|---|---|
| Public bonds: | | | | | |
| Water and Sewer Revenue Bonds | | | | | |
| Series 2013 | $ 23,234,145 | $ - | $ 2,551,393 | $ 20,682,752 | $ 2,444,610 |
| Series 2016 | 38,025,000 | - | 2,760,000 | 35,265,000 | 2,910,000 |
| Series 2021 | 37,825,000 | - | 1,915,000 | 35,910,000 | 2,000,000 |
| Series 2022 | 121,565,000 | - | 1,000,000 | 120,565,000 | 1,500,000 |
| Direct loans: | | | | | |
| Obligations under State Revolving Loans | | | | | |
| WW550100 | 4,768,845 | - | 423,126 | 4,345,719 | 434,255 |
| DW550110 | 3,608,075 | - | 267,038 | 3,341,037 | 272,729 |
| WW550120 | 29,385,679 | - | 1,623,539 | 27,762,140 | 1,642,688 |
| DW550130 | 6,897,071 | - | 365,928 | 6,531,143 | 370,590 |
| DW550140 | 2,741,431 | - | 150,348 | 2,591,083 | 152,264 |
| CW550150 | 3,977,066 | - | 214,966 | 3,762,100 | 214,966 |
| CW550160 | 408,848 | 6,950 | 11,281 | 404,517 | 19,599 |
| CW550161 | 3,438,642 | 697,599 | 228,422 | 3,907,819 | 228,422 |
| CW550170 | 2,663,579 | - | 90,620 | 2,572,959 | 151,351 |
| Accreted interest - Water and Sewer Bonds | | | | | |
| Series 2013 | 12,574,724 | 1,317,517 | 1,303,608 | 12,588,633 | - |
| Original Issue Premium | 16,816,884 | - | 1,302,770 | 15,514,114 | - |
| Arbitrage rebate | 2,596,310 | 303,909 | - | 2,900,219 | - |
| Financed purchase obligations | 108,812 | - | 42,696 | 66,116 | 43,797 |
| Leases | 254,974 | - | 21,190 | 233,784 | 22,374 |
| Subscription liability | 375,468 | 54,805 | 129,692 | 300,581 | 129,663 |
| Landfill closure/post-closure | 2,706,957 | - | 331,022 | 2,375,935 | 395,989 |
| Accrued compensated absences * | 2,207,567 | 125,002 | - | 2,332,569 | 791,348 |
| Net pension liability | 13,487,420 | - | 1,872,394 | 11,615,026 | - |
| Total Business Type Activities Obligations | $ 329,667,497 | $ 2,505,782 | $ 16,605,033 | $ 315,568,246 | $ 13,724,645 |

* Accrued compensated absences at the beginning of the year of $1,512,011 was restated to reflect the adoption of GASB 101, *Compensated Absences.* The amounts reported for FY 2025 changes are reported as a net balance

## 6. LONG-TERM OBLIGATIONS (continued)

D. Compensated absences, net pension liability, and OPEB liability have typically been liquidated mainly in the general and enterprise funds.

E. During the year, the county authorized the issuance of the Special Obligation Refunding Revenue Bonds, Series 2025 for $49,115,000, which were used to refund the Sales Tax Revenue and Refunding Bonds, Series 2015 and the Transportation Improvement Revenue Bonds, Series 2015. Per the terms of the escrow agreement, the proceeds were placed in an irrevocable trust and can only be invested in U.S. Treasuries. This refunding will result in a cash flow savings of $4,386,469 over the life of the refunded maturities and a net present value debt service savings of $3,612,339, discounted at 3.106%.

The county has advance refunded several bond issues and placed the proceeds in an irrevocable trust to provide for all future debt service payments on the old bonds. As of September 30,2025, $205,280,000 of refunded bonds remain outstanding, but they are considered defeased. The amounts in escrow are sufficient to retire all outstanding bonds and interest. Since these bonds are legally defeased, they are not included in the financial statements.

F. Conduit Debt, Component Units

The Industrial Development Authority (“IDA”) has from time to time issued Industrial Development Revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from revenue generated by the project or by the company receiving the funds. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance.

The Housing Finance Authority (“HFA”) has issued bonds to provide financial assistance to private sector entities for the acquisition and construction of housing developments deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance.

Neither the HFA, the IDA, the county, the State, nor any political subdivision thereof is obligated in any manner for repayment of the component unit bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2025, the aggregate principal amount payable could not be determined for these bonds.

The HFA has one note receivable at September 30, 2024, secured by a Mortgage and Security Agreement. The note has an outstanding balance of $142,611 at September 30, 2025. Principal and interest payments in the amount of $550 are required monthly beginning November 15, 2022 at the rate of 5.5%, and the principal balance is receivable in full on or before March 31, 2036.

## 7. RIGHT TO USE LEASES AND FINANCED PURCHASE OBLIGATIONS

A. Lessee

The county, as lessee, entered into lease agreements for equipment, land, and infrastructure. Most of these agreements do not have variable payments. However, a small number of leases, involving copiers and printers, do charge a variable fee based on a per page amount for the number of extra copies produced that exceed a set monthly number of copies.

## 7. RIGHT TO USE LEASES AND FINANCED PURCHASE OBLIGATIONS – (continued)

The total of the county's leased assets are recorded at a cost of $3,599,017 less accumulated amortization of $367,074 in Governmental Activities and a cost of $301,292, less accumulated amortization of $89,112 for Business-Type Activities.

The future lease payments under lease agreements are as follows:

| Year Ending September 30 | Governmental Activities | | Business Type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2026 | $ 482,782 | $ 126,132 | $ 22,374 | $ 4,832 | $ 505,156 | $ 130,964 |
| 2027 | 571,529 | 106,382 | 21,672 | 4,288 | 593,201 | 110,670 |
| 2028 | 246,956 | 86,912 | 19,710 | 3,781 | 266,666 | 90,693 |
| 2029 | 261,811 | 74,576 | 17,068 | 3,403 | 278,879 | 77,979 |
| 2030 | 256,094 | 61,923 | 18,171 | 3,066 | 274,265 | 64,989 |
| 2031-2035 | 866,403 | 135,878 | 102,649 | 9,511 | 969,052 | 145,389 |
| 2036-2040 | 79,734 | 64,371 | 32,140 | 2,378 | 111,874 | 66,749 |
| 2041-2045 | 93,201 | 54,781 | - | - | 93,201 | 54,781 |
| 2046-2050 | 107,021 | 43,702 | - | - | 107,021 | 43,702 |
| 2051-2055 | 127,653 | 30,605 | - | - | 127,653 | 30,605 |
| 2056-2060 | 151,126 | 15,044 | - | - | 151,126 | 15,044 |
| 2061-2062 | 55,199 | 1,088 | - | - | 55,199 | 1,088 |
| | $ 3,299,509 | $ 801,394 | $ 233,784 | $ 31,259 | $ 3,533,293 | $ 832,653 |

B. Lessor

The county, as lessor, has entered into lease agreements involving a compressed natural gas station, office and commercial space, cell towers, billboards and land right-of-ways. The total amount of inflows of resources, including lease revenue and interest revenue, recognized during fiscal year 2025 was $383,685.

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## 7. RIGHT TO USE LEASES AND FINANCED PURCHASE OBLIGATIONS – (continued)

C. Financed Purchase Obligations

The county has financed the purchases of various capital assets. The loans used for financing consist of:

| | |
|---|---|
| Loan, interest at 3.66%, payable in quarterly installments of $481,860; maturing in June 2028, collateralized by vehicles in Governmental Activities. | $ 5,020,640 |
| Loan, interest at 3.4%, payable in quarterly installments of $272,244; maturing in October 2030, collateralized by equipment in Governmental Activities. | $ 4,987,793 |
| Loan, interest at 4.55%, payable in quarterly installments of $365,896; maturing in June 2027, collateralized by vehicles in Governmental Activities. | $ 2,448,604 |
| Loan, interest at 2.559%, payable in semi-annual installments of $145,089, maturing in March 2027; collateralized by equipment in both Governmental and Business-Type Activities. | $ 425,077 |
| Loan, interest at 0.35%, payable in monthly installments of $12,460;maturing in March 2027, collateralized by equipment in Governmental Activities. | $ 217,368 |
| Loan, interest at 0.35%, payable in monthly installments of $2,800; maturing in March 2027, collateralized by equipment in Governmental Activities. | $ 49,364 |

Future payments for financed purchase obligations are as follows:

| Year Ending September 30 | Governmental Activities | | Business Type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2026 | $4,487,764 | $420,325 | $43,797 | $1,413 | $4,531,561 | $421,738 |
| 2027 | 4,082,077 | 246,099 | 22,319 | 286 | 4,104,396 | 246,385 |
| 2028 | 2,415,939 | 118,616 | - | - | 2,415,939 | 118,616 |
| 2029 | 1,030,729 | 58,247 | - | - | 1,030,729 | 58,247 |
| 2030 | 1,066,221 | 22,754 | - | - | 1,066,221 | 22,754 |
| | $13,082,730 | $866,041 | $66,116 | $1,699 | $13,148,846 | $867,740 |

## 8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The county entered into arrangements with software vendors for the right to access the vendors' software for a certain period of time.

The assets reflected on the county's financial statements for these arrangements for the year ended September 30, 2025 include assets with a cost of $25,702,760, less accumulated amortization of $3,735,895 for Governmental Activities and assets with a cost of $643,922, less accumulated amortization of $309,503 for Business Type Activities.

The future payments under these arrangements are as follows:

| Year Ending September 30 | Governmental Activities | | Business Type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2026 | $ 2,023,869 | $ 831,131 | $ 129,663 | $ 11,067 | $ 2,153,532 | $ 842,198 |
| 2027 | 1,913,415 | 743,016 | 37,799 | 6,269 | 1,951,214 | 749,285 |
| 2028 | 1,678,391 | 648,292 | 19,341 | 4,659 | 1,697,732 | 652,951 |
| 2029 | 1,805,956 | 563,121 | 21,218 | 3,982 | 1,827,174 | 567,103 |
| 2030 | 1,957,779 | 471,490 | 21,960 | 3,240 | 1,979,739 | 474,730 |
| 2031 | 1,285,816 | 391,104 | 22,729 | 2,471 | 1,308,545 | 393,575 |
| 2032 | 1,390,538 | 326,812 | 23,524 | 1,675 | 1,414,062 | 328,487 |
| 2033 | 1,501,573 | 338,585 | 24,348 | 853 | 1,525,921 | 339,438 |
| 2034 | 1,233,710 | 182,206 | | | 1,233,710 | 182,206 |
| 2035 | 1,157,121 | 120,522 | | | 1,157,121 | 120,522 |
| 2036 | 1,253,305 | 62,666 | | | 1,253,305 | 62,666 |
| | $ 17,201,473 | $ 4,678,945 | $ 300,582 | $ 34,216 | $ 17,502,055 | $ 4,713,161 |

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## *9.* INTERFUND BALANCES AND TRANSFERS

a. The composition of interfund transfers for the year ended September 30, 2025 is as follows:

| Fund Type/Fund | Transfer In | Transfer Out |
|---|---|---|
| MAJOR GOVERNMENTAL FUNDS | | |
| General Fund | $ 6,568,492 | $ 10,508,841 |
| Transportation Trust Fund | 52,193 | 730,749 |
| Fire District | - | 2,348,700 |
| 2025 Capital Improvement Projects | - | 748,879 |
| NONMAJOR GOVERNMENTAL FUNDS | 24,799,712 | 18,098,765 |
| MAJOR ENTERPRISE FUNDS: | | |
| Utilities | 67,730 | - |
| Solid Waste | 1,000,000 | 52,193 |
| TOTAL | $ 32,488,127 | $ 32,488,127 |

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## 9. INTERFUND BALANCES AND TRANSFERS (continued)

b. At September 30, 2025, interfund balances are as follows:

| Fund Type/Fund | Due from other funds | Due to other funds |
|---|---|---|
| MAJOR GOVERNMENTAL FUNDS | | |
| General Fund | $ 25,794,737 | $ 500,200 |
| Transportation Trust Fund | 40,002 | 118,117 |
| Fire District | - | 254,043 |
| NONMAJOR GOVERNMENTAL FUNDS | | 9,805,744 |
| MAJOR ENTERPRISE FUNDS | | |
| St. Johns Utilities | - | 10,388,187 |
| Solid Waste | - | 5,873,634 |
| INTERNAL SERVICE FUNDS | 1,107,249 | 2,063 |
| TOTAL | $ 26,941,988 | $ 26,941,988 |

1. Outstanding interfund Due to/from balances result mainly from temporary cash flow and working capital loans made from the county's General Fund and amounts due from other funds for required contributions, reported as charges for services, in the county's Health Insurance Internal Service Fund. The largest working capital loans for fiscal year 2025 involved loans from the General Fund to the FEMA Disaster Relief Fund and the Hastings Community Center, and Library Fund to provide temporary working capital to these funds until expected grant reimbursements for these projects are received. Temporary cash flow loans were provided to the Utilities Fund to avoid selling long term investments for operations.

2. Transfers between funds are used to move unrestricted available revenues from one fund to another county fund to finance various programs, pay debt service, fund capital acquisitions and to provide subsidies for various grant programs.
   Purposes for the larger interfund transfers during fiscal year 2025 were as follows:

   - Transfers out of the General fund and Special Revenue funds for approximately $3.2 million went to the Capital Improvement Projects funds to cover the expenses for capital projects approved by the Board of County Commissioners.
   - Debt service funds received approximately $16.5 million from the General Fund and other funds. These transfers were made to cover the debt service requirements of the county's debt.
   - Transfers out of the St Johns County Community Redevelopment Agency of approximately $1.8 million to the General Fund to reimburse the county for expenditures incurred by the county on behalf of the CRAs.
   - Transfers out of the Fire Rescue fund for approximately $1.7 million went to the General Fund to reimburse expenses paid by the General Fund for fire and rescue activities.
   - $4.7 million was transferred from the Tourist Development Fund to the Beach Fund and various debt service and capital project funds to reimburse these funds for expenses incurred for the purpose of culture and recreation within the county.

## 9. INTERFUND BALANCES AND TRANSFERS (concluded)

3. In addition, long-term advances were made as follows:

| | Advances to Other Funds | Advances from Other Funds |
|---|---|---|
| MAJOR FUNDS | | |
| General Fund | $ 5,595,360 | $ - |
| Solid Waste | - | 5,000,000 |
| NONMAJOR SPECIAL REVENUE FUNDS | | |
| Treasure Beach M.S.B.U. | - | 595,360 |
| Total | $ 5,595,360 | $ 5,595,360 |

The purposes of the advances were to provide capital and operating resources for:

- Private road construction and canal dredging that will be paid back over future periods, including interest, by establishing the Treasure Beach Municipal Service Benefit Unit for the residents served by the roads and canals.
- Provide a temporary bridge loan for operations of the Solid Waste Fund until the planned rate increases of the fund go into effect to provide the necessary funding to independently sustain that fund's operations.

## 10. EMPLOYEE BENEFITS

A. State of Florida - Defined Benefit Retirement Plan

*Plan Description* – St. Johns County participates in the Florida Retirement System ("FRS"), a cost-sharing multiple-employer public employee retirement system, with a Deferred Retirement Option Program (DROP) available for eligible employees. FRS is administered by the State of Florida, Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the Florida Department of Management website at www.dms.myflorida.com/workforce_operations/retirement/publications.

The FRS retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under Sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

## 10. EMPLOYEE BENEFITS (continued)

***Benefits Provided***

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to Section 112.363, Florida Statutes.

***Contributions***

The contribution requirements of plan members and the county are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The county's contribution rates as of September 30, 2025, were as follows:

| | FRS | HIS |
|---|---|---|
| Regular Class | 14.03% | 2.00% |
| Special Risk Class | 35.19% | 2.00% |
| Special Risk Class Administrative Support | 39.48% | 2.00% |
| Senior Management Service Class | 33.24% | 2.00% |
| Elected Officials | 46.14% | 2.00% |
| DROP from FRS | 22.02% | 2.00% |

The county's contributions for the year ended September 30, 2025, were $40,003,446 to the FRS and $4,221,530 to the HIS.

## 10. EMPLOYEE BENEFITS (continued)

***Pension Liabilities and Pension Expense***

For the year ended September 30, 2025, the county reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2025, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2025. The county's proportions of the net pension liability was based on the county's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

| | FRS | HIS | Total |
|---|---|---|---|
| Total pension liability | $ 1,570,943,612 | $ 63,278,920 | $ 1,634,222,532 |
| Fiduciary net position | (1,370,819,034) | (4,023,247) | (1,374,842,281) |
| Net pension liability | $ 200,124,578 | $ 59,255,673 | $ 259,380,251 |
| Deferred outflows - pension related | $ 76,316,257 | $ 8,895,030 | $ 85,211,287 |
| Deferred inflows - pension related | $ 34,869,838 | $ 14,632,704 | $ 49,502,542 |
| Pension expense | $ 29,481,712 | $ 3,360,670 | $ 32,842,382 |
| Proportion at: | | | |
| Current measurement date | 0.6448% | 0.4623% | |
| Prior measurement date | 0.6062% | 0.4335% | |

Pension liability is allocable to the Board and Constitutional Officers as follows::

| | FRS | HIS |
|---|---|---|
| Board of County Commissioners and Supervisor of Elections | $ 109,576,469 | $ 34,912,398 |
| Clerk of Courts | 5,092,253 | 2,218,540 |
| Property Appraiser | 3,167,151 | 1,048,318 |
| Sheriff | 78,729,558 | 19,627,803 |
| Tax Collector | 3,559,147 | 1,448,614 |
| Total | $ 200,124,578 | $ 59,255,673 |

## 10. EMPLOYEE BENEFITS (continued)

### *Deferred Outflows/Inflows of Resources Related to Pensions*

At September 30, 2025, the county reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | FRS | | HIS | |
|---|---|---|---|---|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | $ 21,375,412 | $ - | $ 353,717 | $ 93,997 |
| Changes of assumptions | 23,239,662 | - | 524,479 | 14,332,427 |
| Net differences between projected and actual earnings on pension plan investments | - | 33,412,818 | - | 49,318 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 21,336,971 | 1,457,020 | 6,983,593 | 156,962 |
| Employer contributions subsequent to measurement date | 10,364,212 | - | 1,033,241 | - |
| Total | $ 76,316,257 | $ 34,869,838 | $ 8,895,030 | $ 14,632,704 |

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2026. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year ending September 30, | FRS | HIS |
|---|---|---|
| 2026 | $ 89,984,903 | $ (1,493,669) |
| 2027 | (15,987,916) | (1,788,291) |
| 2028 | (23,926,510) | (1,505,617) |
| 2029 | (18,988,270) | (1,206,594) |
| 2030 | - | (776,744) |
| Total | $ 31,082,207 | $ (6,770,915) |

## 10. EMPLOYEE BENEFITS (continued)

### *Actuarial Assumptions*

The total pension liability for each of the defined benefit plans, measured as of June 30, 2025, was determined by an actuarial valuation as of July 1, 2025 for the pension and July 1, 2024 for HIS, using the individual entry age normal cost allocation method. It was based on the results of an actuarial experience study for the period July 1, 2018 – June 30, 2023, and used the following significant actuarial assumptions:

| | FRS | HIS |
|---|---|---|
| Inflation | 2.40% | 2.40% |
| Salary increases | 3.50% | 3.50% |
| Investment rate of return | 6.70% | N/A |
| Discount rate | 6.70% | 5.20% |

The long-term expected investment rate of return of 6.7% consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.2%, and 2) a long-term average annual inflation assumption of 2.40%, as adopted in October 2025 by the FRS Actuarial Assumption Conference. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

| Asset Class | Target Allocation | Annual Arithmetic Return | Compound Annual (Geometric) Return | Standard Deviation |
|---|---|---|---|---|
| Cash | 1.0% | 3.2% | 3.2% | 1.1% |
| Fixed income | 29.0% | 5.5% | 5.4% | 4.0% |
| Global equity | 45.0% | 8.5% | 6.9% | 18.3% |
| Real estate | 12.0% | 8.4% | 7.1% | 16.8% |
| Private equity | 11.0% | 12.4% | 8.8% | 28.4% |
| Strategic investments | 2.0% | 6.5% | 6.1% | 8.7% |
| Assumed inflation - mean | | | 2.4% | 1.5% |

### *Discount Rate*

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

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 5.2%, as selected by the FRS Actuarial Assumption Conference, was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

## 10. EMPLOYEE BENEFITS (continued)

***Sensitivity Analysis***

The following table demonstrates the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

| | FRS | | | HIS | | |
|---|---|---|---|---|---|---|
| | 1% Decrease 5.70% | Current Discount Rate 6.70% | 1% Increase 7.70% | 1% Decrease 4.20% | Current Discount Rate 5.20% | 1% Increase 6.20% |
| County's proportionate share of the net pension liability | $ 392,741,397 | $ 200,124,578 | $ 38,637,424 | $ 66,820,310 | $ 59,255,673 | $ 52,911,347 |

***Pension Plans' Fiduciary Net Position***

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

**B.** State of Florida - Defined Contribution Retirement Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2025 totaled $9,000,266.

**C.** Other Postemployment Benefits

*Plan Description* – By County Resolution 08-151, St. Johns County established the St. Johns County Postemployment Welfare Benefits Trust Fund ("SJCPEWB") which provides partial premium payments of eligible county retirees and their dependents for health care benefits; including health, prescription drugs, dental, vision and life insurance. SJCPEWB is a single employer defined benefit plan for post-employment benefits other than pension benefits for all county retirees and the eligible dependents of the Clerk of Courts, Sheriff, Tax Collector, Supervisor of Elections, Property Appraiser and the county. The Board of County Commissioners has selected a national banking association firm to serve as the trustee of the plan. The Board has the ability to amend the plan benefits and retiree contribution requirements, and to change the plan's administrator or trustee, at their discretion.

## 10. EMPLOYEE BENEFITS (continued)

***Benefits Provided***

The life insurance benefit is provided at no charge to retirees. The life insurance benefit is $5,000 for all retirees.

In accordance with Florida Statutes 112.0801, the health insurance subsidy is provided to employees who retire and immediately begin receiving benefits from the Florida Retirement System ("FRS") after at least 8 years of creditable service. The county will maintain current subsidy levels for all current retirees. However, as of January 1, 2009, future retirees will be expected to share in the increasing costs of the program through increase rate adjustments. Retirees with more than 20 years of creditable service will receive an additional monthly subsidy. The amount of the monthly subsidy is based on the number of years of service with the county or Constitutional Officer, and is equal to one dollar and fifty cents for each year of total service until they are eligible for Medicare.

***Investments and Rate of Return***

On January 8, 2008, the county adopted Ordinance 2008-1 which established the permitted investments for SJCPEWB, which is a qualifying trust, and began funding its annual obligation through a direct contribution from unrestricted cash balances. There are no policies that pertain to asset allocations. However, the Ordinance does restrict investments to only certain instruments with certain short-term maturities and to those with high investment ratings as specified in the Ordinance. There are no investments in any one organization that exceeds 5% of the SJCPEWB's net position. A separate stand-alone financial statement for the Trust is not prepared.

For the year ended September 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 10.06%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Participants***

At October 1, 2023, the date of the latest full actuarial valuation:

| | |
|---|---|
| Active plan members | 2,128 |
| Inactive plan members receiving benefits | 309 |
| Inactive plan members entitled, but not receiving benefits | - |
| Total members | 2,437 |

***Contributions***

The contribution requirements of plan members and the county are established and may be amended by the St. Johns County Board of County Commissioners. For the year ended September 30, 2025, the County made no contributions towards the OPEB Plan. Retiree contributions to the plan were $2,169,298. In subsequent years, the county plans to base future contributions on the actuarially determined recommendations, less an adjustment for the current asset balance of the county's Net OPEB Obligation. However, no future Trust Fund contributions are legally or contractually required.

## 10. EMPLOYEE BENEFITS (continued)

***Net OPEB Asset***

The county's net OPEB asset was measured as of October 1, 2023, rolled forward to September 30, 2025 using standard actuarial techniques, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2023 and rolled forward to the September 30, 2025 measurement date.

The following table discloses the components of the net OPEB asset and the changes in those components for the county as of and for the year ended September 30, 2025:

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB (Asset) Liability (a) - (b) |
| Balances at September 30, 2024 | $ 32,312,887 | $ 38,426,094 | $ (6,113,207) |
| Changes for the year: | | | |
| Service cost | 924,149 | - | 924,149 |
| Interest | 2,058,627 | - | 2,058,627 |
| Changes in benefit terms/assumptions | - | - | - |
| Net investment income | - | 5,200,404 | (5,200,404) |
| Administrative Expense | - | (18,000) | 18,000 |
| Benefits payments | (3,131,701) | (3,131,701) | - |
| Net changes | (148,925) | 2,050,703 | (2,199,628) |
| Balances at September 30, 2025 | $ 32,163,962 | $ 40,476,797 | $ (8,312,835) |

Plan fiduciary net position, as a percentage of the total OPEB asset was 125.85% at September 30, 2025.

## 10. EMPLOYEE BENEFITS (continued)

Net OPEB asset is allocated between the Board of County Commissioners and the Constitutional Officers as follows:

| | OPEB Asset |
|---|---|
| Board of County Commissioners | $ 4,758,628 |
| Supervisor of Elections | 50,542 |
| Clerk of Courts | 326,592 |
| Property Appraiser | 176,798 |
| Sheriff | 2,790,546 |
| Tax Collector | 209,729 |
| Total | $ 8,312,835 |

***OPEB Expense and Deferred Inflows of Resources Related to OPEB***

For the year ended September 30, 2025, the county recognized OPEB gain) of $1,403,700.

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

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 6,363,904 | $ - |
| Assumption changes | 1,192,981 | 9,682,433 |
| Net differences between projected and actual earnings on OPEB plan investments | - | 4,827,340 |
| | $ 7,556,885 | $ 14,509,773 |

Amounts reported as deferred outflow/inflow of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ending September 30, | |
|---|---|
| 2026 | $ (910,344) |
| 2027 | (3,077,225) |
| 2028 | (2,718,886) |
| 2028 | (1,374,389) |
| 2029 | (328,883) |
| Thereafter | 1,456,839 |
| Total | $ (6,952,888) |

## 10.EMPLOYEE BENEFITS (continued)

### Actuarial Methods and Assumptions

The total OPEB asset was determined by an actuarial valuation as of October 1, 2023, with various assumptions discussed below. The total OPEB asset was rolled forward from the valuation date to the county's year ended September 30, 2025 using standard actuarial techniques. There were no changes in assumption from those used in the original valuation. The various methods and assumptions used were as follows:

| | |
|---|---|
| Actuarial cost method | Entry Age Normal |
| Inflation | 2.50% |
| Salary increases | Salary increase rates used in the July 1, 2023 actuarial valuation of the Florida Retirement System; 3.4% to 8.2%, including inflation. |
| Investment rate of return | 6.50% |
| Mortality | Mortality tables used in the July 1, 2023 actuarial valuation of the Florida Retirement System. Calculated using the adjusted PUB-2010 mortaliity tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018. |
| Retirement age | Reitrement rates used in the July 1, 2023 actuarial valuation of the Florida Reitrement System, and are based on the results of a statewide experience study covering the peirod 2013 through 2018. |
| Healthcare Cost Trend Rates | Based on the Getzen Model, with trend starting at 3.25% for 2024 (0% for premiums), 6.00% for 2025, and gradually decreasing to an ultimate trend rate of 4.00% |
| Expenses | Administrative expenses are included in the per capita health costs. |

## 10. EMPLOYEE BENEFITS (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of OPEB plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of returns for each major asset class included in the OPEB plan's target asset allocation, as of September 30, 2025, are summarized in the following table:

| Asset Class | Expected Nominal Rate of Return | Long-term Expected Real Rate of Return | Target Allocation |
|---|---|---|---|
| U.S Equities | 7.25% | 4.86% | 42.00% |
| International Equities | 7.40% | 5.00% | 23.00% |
| Fixed Income | 4.41% | 2.01% | 35.00% |
| Total Portfolio | | | 100.00% |

***Discount rate***

The discount rate used to measure the total OPEB asset was 6.5%. The projection of cash flows used to determine the discount rate assumed that the county contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

The long-term expected rate of return on OPEB plan investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) for each investment class assuming that asset allocations will mirror the allocation.

## 10. EMPLOYEE BENEFITS (continued)

***Sensitivity Analysis***

The following table presents the net OPEB asset and what the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

| | 1% Decrease 5.50% | Discount Rate 6.50% | 1% Increase 7.50% |
|---|---|---|---|
| Net OPEB (Asset) Liability | $ (4,691,657) | $ (8,312,835) | $ (11,494,562) |

The following table presents the net OPEB asset and what the net OPEB asset would be if it were calculated using a healthcare cost trend rates that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

| | 1% Decrease | Current Healthcare Cost Trend Rate Assumption | 1% Increase |
|---|---|---|---|
| Net OPEB (Asset) Liability | $ (12,354,207) | $ (8,312,835) | $ (3,386,867) |

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## 11. FUND BALANCE CLASSIFICATIONS

Balances of reported fund balances at September 30, 2025 are as follows:

| | General Fund | Transportation Trust | Fire District | 2025 Capital Improvement Projects | Other Governmental Funds | Total |
|---|---|---|---|---|---|---|
| **Nonspendable:** | | | | | | |
| Advances | $ 5,595,360 | $ - | $ - | $ - | $ - | $ 5,595,360 |
| Inventory | - | 363,055 | - | - | 67,543 | 430,598 |
| Prepaid Expense | 707,479 | 47,695 | 94,070 | - | 36,673 | 885,917 |
| Total Nonspendable | 6,302,839 | 410,750 | 94,070 | - | 104,216 | 6,911,875 |
| **Restricted for:** | | | | | | |
| Fire rescue | - | - | 6,435,071 | - | - | 6,435,071 |
| Transportation | - | 11,243,949 | - | - | 1,086,246 | 12,330,195 |
| Amphitheatre Improvements | 3,222,512 | - | - | - | - | 3,222,512 |
| Community Redevelopment Agency | - | - | - | - | 1,235,644 | 1,235,644 |
| Future development impacts | - | - | - | - | 129,801,116 | 129,801,116 |
| Law Enforcement | - | - | - | - | 3,365,106 | 3,365,106 |
| Court costs | 226,342 | - | - | - | - | 226,342 |
| Project Buckle Up | 1,936 | - | - | - | - | 1,936 |
| Capital improvement projects | - | - | - | 108,867,752 | 1,973,726 | 110,841,478 |
| Court facilities, technology, and other needs | - | - | - | - | 11,275,176 | 11,275,176 |
| Building services | - | - | - | - | 10,134,690 | 10,134,690 |
| State Housing Initiatives Program | - | - | - | - | 748,595 | 748,595 |
| Tourist development and recreation | - | - | - | - | 13,796,178 | 13,796,178 |
| Community based care | - | - | - | - | 559,351 | 559,351 |
| Debt service reserve - Section 108 Housing loan | 787,000 | - | - | - | - | 787,000 |
| Miscellaneous | - | - | - | - | 1,326,218 | 1,326,218 |
| Total restricted | 4,237,790 | 11,243,949 | 6,435,071 | 108,867,752 | 175,302,046 | 306,086,608 |
| **Assigned for:** | | | | | | |
| Fiscal year 2025 General Fund operations | 25,530,599 | - | - | - | - | 25,530,599 |
| Fire rescue | - | - | 16,259,121 | - | - | 16,259,121 |
| Transportation | - | 59,321,130 | - | - | 246,150 | 59,567,280 |
| Community Redevelopment Agency expenditures | - | - | - | - | 559,273 | 559,273 |
| Future development impacts | - | - | - | - | 30,905,900 | 30,905,900 |
| Law Enforcement | - | - | - | - | 40,170 | 40,170 |
| Capital improvement projects | - | - | - | 4,635,128 | 39,924,613 | 44,559,741 |
| Court facilities, technology, and other needs | - | - | - | - | 1,965,271 | 1,965,271 |
| Building services | - | - | - | - | 7,875,477 | 7,875,477 |
| Debt service | - | - | - | - | 1,115,266 | 1,115,266 |
| State Housing Initiatives Program | - | - | - | - | 1,158,582 | 1,158,582 |
| Tourist development and recreation | - | - | - | - | 10,584,318 | 10,584,318 |
| Miscellaneous | - | - | - | - | 497,367 | 497,367 |
| Total assigned | 25,530,599 | 59,321,130 | 16,259,121 | 4,635,128 | 94,872,387 | 200,618,365 |
| **Unassigned** | 124,423,113 | - | - | - | (8,125,059) | 116,298,054 |
| **Total fund balances** | $ 160,494,341 | $ 70,975,829 | $ 22,788,262 | $ 113,502,880 | $ 262,153,590 | $ 629,914,902 |

## 12. RISK MANAGEMENT

a. **Coverage with Public Entity Risk Pools**

The county is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The county belongs to the Florida Association of Counties Trust (the “FACT”), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The county pays an annual premium to FACT for its general liability coverage. The premiums are designed to fund the liability risks assumed by the Trust and are based on certain actual exposures of each member. There were no claims paid which exceeded coverage during the last three fiscal years.

The county belongs to the Preferred Government Insurance Trust, a public entity risk pool for Workers’ Compensation insurance coverage. The county is fully insured with first dollar coverage. The premium is calculated using a formula that includes the county’s experience modifier (three year claim history), salary by occupational classification, and the associated premium rating as determined by the National Council on Compensation Insurance.

b. **Self-Insurance**

St. Johns County provides health, life and accidental death and dismemberment insurance for its employees via a Self-Insurance Internal Service Fund to account for and finance its self-insured risks of loss. Under this program, the Health Insurance Internal Service Fund funds claims, premiums and operating expenses.

The county procures stop loss insurance for medical claims in excess of $500,000. During fiscal year 2025, there were six claims that exceeded the $500,000 stop loss deductible for a total of $2,679,636 in reimbursements.

The September 30, 2025 estimated claims liability of approximately $4 million is based on the requirements of GASB Codification Section Po20.119, which requires that a liability for claims be reported if information prior of the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of loss can be reasonably estimated, including an estimate for liabilities incurred but not reported. Claims liabilities are an estimate based on the monthly average of lag claims paid for the most recent three quarters that were made between 30 – 120 days after the initiation of the claim plus an annual average of all claims paid that exceeded 120 days. The claims liability at the fiscal year end is shown at current dollar value.

Additionally, policies set by the Florida Office of Insurance Regulation requires the county Health Plan to hold a cash surplus of 60 days in anticipated claims. The required level, as determined by the county’s actuary was $8.1 million.

All county departments and the other elected constitutional officers of the county participate in both programs, with the exception of the Sheriff’s office who administers and pays for a separate general liability program. The cost of providing claim’s administrative services and payments is allocated by charging a “premium” to each department and constitutional officer based on a fixed premium or a percentage of each organization’s estimated current-year payroll. The premium charged considers recent trends in actual claims experience of the county as a whole and makes provision for catastrophe losses.

## 12. RISK MANAGEMENT - continued

Changes in the Health Insurance Fund's claims liability amount were as follows:

| Year Ended September 30, | Beginning Balance | Current Year Claims/Changes in Estimates | Current Year Claim Payments | Ending Balance |
|---|---|---|---|---|
| 2023 | $ 2,761,689 | $ 34,559,307 | $ 34,689,152 | $ 2,631,844 |
| 2024 | $ 2,631,844 | $ 38,751,767 | $ 38,412,021 | $ 2,971,590 |
| 2025 | $ 2,971,590 | $ 44,952,955 | $ 43,949,948 | $ 3,974,597 |

a. **Conventionally Insured Claims and Losses**

The county and its constitutional officers retain conventional insurance coverage for other types of insurable risks. Settled claims resulting from these risks have not exceeded conventional insurance coverage in any of the past three fiscal years.

## 13. DEFICIT BALANCE – INDIVIDUAL FUNDS

At September 30, 2025, the following funds had deficit equity balances in the amounts shown:

| | |
|---|---|
| FEMA Disaster Relief | $ 5,100,967 |
| Treasure Beach M.S.B.U. | $ 595,360 |
| Hastings Community Center and Library | $ 1,994,155 |
| Porpoise Point Stabilization | $ 390,903 |
| Special Obligation Revenue Bonds Series 2024 | $ 43,674 |

Deficits will be corrected by using future revenues to continue to pay down the advances from other funds and anticipated reimbursements from federal and state grants.

## 14. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES

**Accrual for Landfill Closure and Post-Closure Costs -** State and Federal laws and regulations required the county to place a final cover on its Tillman Ridge Phase II landfill site when it stopped accepting waste, which occurred in 2000, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The county reports a portion of these post-closure care costs as an operating expense annually and reports a liability based on the number of years of required long term care remaining as of each fiscal year end. The $2,375,935 reported as landfill closure and post-closure care liability at September 30, 2025, represents the cumulative amount reported as post-closure care costs for both phases of the Tillman Ridge Landfill.

The annual estimated cost is approximately $395,989 and there remains approximately 6 years of estimated post-closure care.

The amount is estimated based on what it would cost to perform all post-closure care in 2025. The actual cost may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

## 14. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES

The county is required by state and federal laws and regulations to provide proof of financial responsibility for closure and post-closure care. The county's method, which is established by State law, relies on various financial tests to provide this proof. The county is in compliance with these requirements at September 30, 2025.

## 15. REVENUE SHARING INTERLOCAL AGREEMENT

In Fiscal Year 2010, the county entered into a Revenue Sharing Interlocal Agreement, under Section 163, Florida Statutes, with the City of St. Augustine Beach ("city") and the Florida Department of Environmental Protection ("FDEP") Clean Water State Revolving Loan Program ("Program") to connect approximately 620 residential units in seven neighborhoods to the St. Johns County Utility System. Through the Program, the city obtained funding in the amount of $6,937,571. Upon completion of the project, $4,507,926 of the outstanding loan balance was forgiven. The remaining one third was originally set up to be amortized and payable over 20 years.

The city contracted with the county to extend their current utility system into these neighborhoods. As construction costs were incurred, the county invoiced the city. The city in turn paid the county from the loan proceeds. The new lines will be operated and maintained by St. Johns County. The city has been deemed the owner of the new utility lines until such time as the debt instrument that was used to finance the project is retired, upon which ownership shall vest solely with the county.

The county shares system revenues generated from the new connections with the city in the amount equal to $83,683 paid semiannually for debt service on the city's loan which were not forgiven.

## 16. ECONOMIC DEVELOPMENT INCENTIVE DISCLOSURES

As of September 30, 2025, the county had several programs that qualify as tax abatements, as that term is defined in GASB Codification Section T10.102. Specifically, the county provides tax incentives under a grant program run by the Economic Development Department for the Board of County Commissioners. Pursuant to Florida Statutes 288 and 125.045 and County Ordinance 2014-30, this program can apply to all land within the boundaries of the county. St. Johns County authorized the incentives through the passage of a public resolution and written agreement. The incentives are calculated using a point system based upon each business' economic growth and/or job retention or creation. To be eligible, each business must undergo an application process and demonstrate that improvements have been made and/or that new jobs have been created or retained. The grant payment equals a percentage reduction of the county's general portion of property tax on the increased assessed value of the business' property (exclusive of land value), based on points accumulated. In addition, impact fees, utility connection fees, and the county portion of tangible personal property taxes can be reimbursed through this process as well. The taxes and fees are paid in full by entity and the amount of general county tax paid is refunded annually over an approved term once the agreed to economic growth and/or job creation criteria are met.

## 16. ECONOMIC DEVELOPMENT INCENTIVE DISCLOSURES - continued

St Johns County incentives are available to various businesses based upon project investments, subject to approval by the Board of County Commissioners in its sole discretion. There is no entitlement to receive business incentives from the county. The purpose of this program is to attract new business development, to expand and diversify the tax base and to create jobs for our local residents.

For the fiscal year ended September 30, 2025, St. Johns County issued reimbursement payments totaling $539,465 to seven businesses. The county had 12 approved and active incentive agreements at year end. The reimbursement payments included rebates for a combination of ad valorem, tangible personal property, impact fees, and utility connection fees.

## 17. NET POSITION

### A. Net Position Restricted by Enabling Legislation

The government-wide statement of net position reports $328,263,978 of restricted net position, of which, $179,538,619 is restricted by enabling legislation.

### B. Effect of Deferred Outflows/Inflows on Net Position

For Governmental and Business-type Activities, various components of net position include the effect of deferred outflows/inflows. A summary of the effects is as follows:

| | Net Investment in Capital Assets | | Unrestricted Net Position | |
|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Governmental Activities | Business-Type Activities |
| Deferred Outlows - Bond refunding | $ 1,831,211 | $ 2,209,013 | $ - | $ - |
| Deferred Outflows - Pension | - | - | 81,395,533 | 3,815,754 |
| Deferred Outflows - OPEB | - | - | 6,971,322 | 585,563 |
| Deferred Inflows - Bond refunding | (2,359,741) | (11,854) | - | - |
| Deferred Inflows- Pensions | - | - | (47,285,823) | (2,216,719) |
| Deferred Inflows - OPEB | - | - | (13,236,449) | (1,273,324) |
| Deferred Inflows - Leases | - | - | (6,541,336) | (438,133) |
| Net Effect | $ (528,530) | $ 2,197,159 | $ 21,303,247 | $ 473,141 |

## 17. NET POSITION – continued

### C. Net Investment in Capital Assets

| | Governmental Activities | Business Type Activities |
|---|---|---|
| Capital Assets, Net | $ 2,071,477,674 | $ 968,274,081 |
| Less: Debt related to capital assets: | | |
| Public Bonds | (164,345,000) | (212,422,752) |
| Direct Loans | (49,680,000) | (55,218,517) |
| Financed purchase obligations | (13,082,730) | (66,116) |
| Right to use leases | (3,299,509) | (233,784) |
| Right to use subscription liability | (17,201,473) | (300,582) |
| Original Issue Premium | (17,147,015) | (15,514,115) |
| Deferred outflow- Bond refunding | 1,831,211 | 2,209,013 |
| Deferred inflow - Bond refunding | (2,359,741) | (11,854) |
| Accounts payable related to capital assets | (13,851,363) | (17,538,735) |
| Accounts payable -retainage | (4,467,646) | (3,361,057) |
| Net investment in Capital Assets | $ 1,787,874,408 | $ 665,815,582 |

## 18. RESTATEMENTS-ADJUSTMENT BEGINNING FUND BALANCE-NET POSITION

| | Net position/Fund Balance, beginning of year as previously reported | Restatement - GASB 101 implementation | Restatement - Reclassifying prior period contracts as leases | Adjustment - Change from major to nonmajor fund | Net position/Fund Balance, beginning of year as restated/ adjusted |
|---|---|---|---|---|---|
| **Government-wide** | | | | | |
| Governmental activities | $ 1,999,729,200 | $ (5,665,701) | $ 5,527 | $ - | $ 1,994,069,026 |
| Business-type activities | 727,154,327 | (695,553) | - | - | 726,458,774 |
| **Total Government-wide** | $ 2,726,883,527 | $ (6,361,254) | $ 5,527 | $ - | $ 2,720,527,800 |
| **Governmental funds** | | | | | |
| Major funds: | | | | | |
| Impact Fees Roads | $ 89,595,722 | $ - | $ - | $ (89,595,722) | $ - |
| Ponte Vedra Dune and Beach Restoration | 2,560,451 | | | (2,560,451) | - |
| Nonmajor funds | 186,003,374 | - | - | 92,156,173 | 278,159,547 |
| **Total Governmental funds** | $ 278,159,547 | $ - | $ - | $ - | $ 278,159,547 |
| **Enterprise Funds** | | | | | |
| Major funds: | | | | | |
| St Johns County Utilities | $ 706,012,845 | $ (656,028) | $ - | $ - | $ 705,356,817 |
| Solid Waste | 21,141,482 | (39,525) | - | - | 21,101,957 |
| | $ 727,154,327 | $ (695,553) | $ - | $ - | $ 726,458,774 |

## 19. COMMITMENTS AND CONTINGENCIES

A. **Commitments**

At September 30, 2025, the county had approximately $523.3 million in outstanding commitments relating to construction contracts in various stages of completion.

B. **Contingencies**

Pending Litigation

The county is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of county management, based on the advice of legal counsel, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the financial position of the county.

## 20. SUBSEQUENT EVENT

The county issued new debt on February 3, 2026. The St. Johns County, Florida Water and Sewer Refunding and Improvement Revenue Bonds, Series 2026 for $48,415,000. The purpose of the debt was to refund old outstanding bonds of the county to achieve financing savings and to finance certain capital expansion projects of the county's water and sewer system.

## 21. FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued statements that will become effective in fiscal year 2026. These statements address the following:

- Disclosure of certain capital assets
- Financial reporting model improvements

The county is currently evaluating the effects that these statements will have on its 2026 financial statements.