TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

FINANCIAL STATEMENTS

September 30, 2025

CONTENTS

	PAGE
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-7
Government-wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet – Governmental Funds	10
Reconciliation of Total Governmental Fund Balances To Net Position of Governmental Activities	11
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances of Governmental Funds To the Statement of Activities	13
Statement of Net Position – Proprietary Fund	14
Statement of Revenues, Expenditures and Changes in Fund Balance – Proprietary Fund	15
Statement of Cash Flows – Proprietary Fund	16
Notes to the Financial Statements	17-29
Required Supplemental Information:	
Statement of Revenues and Expenditures – Budget and Actual – General Fund	30
Notes to Required Supplementary Information	31
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	32-33
Independent Auditor's Report on Compliance with the Requirements of Section 218.415, Florida Statutes, Required by Rule 10.556 (10) of the Auditor General of the State of Florida	34
Auditor's Management Letter Required by Chapter 10.550, *Florida Statutes*	35-37

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tradition Community Development District 1
Port St. Lucie, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Tradition Community Development District 1, ("District") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 14, 2026, on our consideration of the Tradition Community Development District 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated September 14, 2026 on our consideration of the District's compliance with requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation Standards established by the American Institute of Certified Public Accountants.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
September 14, 2026

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Tradition Community Development District 1 (the "District") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity and financial statements, (c) identify changes in the District's financial position, (d) identify any material deviations from the District's budget, and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Auditor's Report (beginning on page 1) and the District's financial statements (beginning on page 8.)

FINANCIAL HIGHLIGHTS

- Revenues exceeded expenses by $521,150 in the governmental funds, general fund decreased ($52,783).
- Net position increased $2,159,171 included in the increase is the recording of depreciation in the amount of $1,441,748.
- Total costs of all programs were $4,356,917 in 2025 compared to $4,720,530 in 2024.
- The District expended $3,793,988 towards debt service for governmental activities.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities (pages 8 & 9) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund Financial Statements begin on page 10. For governmental activities, these Statements tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the District's operations in more detail by providing information about the District's most significant funds.

REPORTING THE DISTRICT AS A WHOLE

Our analysis of the District as a whole begins on page 8. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These Statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used in most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two Statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, *increases* or *decreases* in the District's net assets, is one indicator of whether its *financial* health is improving or deteriorating.

Tradition Community Development District 1
Statement of Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2025	2024	2025	2024	2025	2024
Current assets	$ 8,815,982	$ 8,104,615	$ 3,119,554	$ 2,431,150	$ 11,935,536	$ 10,535,765
Non-current assets	909,466	978,687	-	-	909,466	978,687
Capital assets	30,839,766	32,281,514	3,930,965	4,065,474	34,770,731	36,346,988
Total Assets	40,565,214	41,364,816	7,050,519	6,496,624	47,615,733	47,861,440
Deferred outflows of resources	67,106	79,181	-	-	67,106	79,181
Current liabilities	4,206,671	3,899,465	359,690	363,228	4,566,361	4,262,693
Long-term liabilities	27,918,995	30,504,616	5,150,000	5,285,000	33,068,995	35,789,616
Total Liabilities	32,125,666	34,404,081	5,509,690	5,648,228	37,635,356	40,052,309
Net assets						
Net investment in capital assets	1,185,300	(653,102)	(1,354,035)	(1,359,945)	(168,735)	(2,013,047)
Restricted for debt service/ Capital projects	6,531,965	6,872,026	600,613	573,534	7,132,578	7,445,560
Unrestricted	789,389	820,992	2,294,251	1,634,807	3,083,640	2,455,799
Total Net Assets	$ 8,506,654	$ 7,039,916	$ 1,540,829	$ 848,396	$ 10,047,483	$ 7,888,312

The District assets are made up of primarily capital assets of $34,770,731 and liabilities are mainly long-term debt in the amount of $33,068,995.

Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the Statement of Net Position and the Statement of Activities, the District has one activity. The changes in net position of governmental activities and business-type activities were $2,159,171, as reflected below.

Tradition Community Development District 1
Changes in Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2025	2024	2025	2024	2025	2024
Program Revenues	$ 4,730,841	$ 4,534,055	$ 2,026,511	$ 1,945,821	$ 6,757,352	$ 6,479,876
General Revenues						
Investment earnings	6,681	254,669	97,948	91,467	104,629	346,136
Other income	14,301	9,823	-	-	14,301	9,823
Equity transfer	(360,194)	(206,351)	-	-	(360,194)	(206,351)
Total Revenues	4,391,629	4,592,196	2,124,459	2,037,288	6,516,088	6,629,484
Expenses						
General government	147,166	156,206	1,196,301	1,448,695	1,343,467	1,604,901
Maintenance and operations	1,441,748	1,441,748	-	-	1,441,748	1,441,748
Interest on long-term debt	1,335,977	1,432,956	235,725	240,925	1,571,702	1,673,881
Total Expenses	2,924,891	3,030,910	1,432,026	1,689,620	4,356,917	4,720,530
Change in Net Assets	1,466,738	1,561,286	692,433	347,668	2,159,171	1,908,954
Net assets - beginning of year - as restated (Note I)	7,039,916	5,478,630	848,396	500,728	7,888,312	5,979,358
Net assets - end of year	$ 8,506,654	$ 7,039,916	$ 1,540,829	$ 848,396	$ 10,047,483	$ 7,888,312

FUND FINANCIAL STATEMENTS

Governmental funds – all of the District's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Governmental Type Funds

As of year-end, the governmental funds (as presented on page 10) reported a combined fund balance of $7,732,480 compared to the beginning of the year $7,211,330. Several of the governmental fund expenditures are capital expenditure related and, therefore, may reflect capital expenditures (which are reflected in the current financial resource-based Fund Financial Statements) as a spending of a portion of available net assets or an increase in net assets from unspent net position. The General Fund experienced a net decrease of ($52,783).

Proprietary Fund

The District maintains one type of proprietary fund, an enterprise fund. An enterprise fund is used to report the same function presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of the irrigation system within the District.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During the fiscal year 2024-2025 the District continues to maintain infrastructure projects to support the Tradition master planned community. As of September 30, 2025, the District had $30,839,766 invested in land, infrastructure and construction in progress. The District's business-type activities reported net capital assets of $3,930,965.

Debt

At September 30, 2025, the District had $30,508,995 Bonds outstanding for its governmental activities and $5,285,000 Bonds and note payable outstanding for its business-type activities. The District's debt represents bonds secured by a special revenue source. Additional information on the District's long-term debt can be found in the notes to financial statements.

ECONOMIC FACTORS, NEXT YEAR'S BUDGET AND OTHER INFORMATION

For the fiscal year 2026, the District anticipates that the cost of general operations will remain fairly constant. In connection with the District's future infrastructure maintenance and replacement plan, the District Board has included in the budget, an estimate of those anticipated future costs and has assigned a portion of current available resources for that purpose. For the irrigation system, it is anticipated that any future growth would come from commercial and residential development.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and members with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District Finance Department at 2501A Burns Road, Palm Beach Gardens, Florida 33410.

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

STATEMENT OF NET POSITION

September 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	$ 1,779,296	$ 2,235,012	$ 4,014,308
Accounts receivable, net	70,768	148,071	218,839
Assessments receivable	13,342	-	13,342
Due from other funds	-	17,900	17,900
Deposits	200	95	295
Restricted			
Investments	6,952,376	718,476	7,670,852
Prepaid bond insurance (net of amortization)	909,466	-	909,466
Capital assets			
Depreciable	11,954,444	3,350,782	15,305,226
Non-depreciable	18,885,322	580,183	19,465,505
TOTAL ASSETS	40,565,214	7,050,519	47,615,733
DEFERRED OUTFLOW OF RESOURCES			
Deferred charge on refunding (net of amortization)	67,106	-	67,106
TOTAL DEFERRED OUTFLOW OF RESOURCES	67,106	-	67,106
LIABILITIES			
Accounts payable and accrued expenses	$ 282,509	$ 95,437	$ 377,946
Accrued interest payable	533,169	117,863	651,032
Due to other governments	198,685	-	198,685
Due to other funds	17,900	-	17,900
Unearned revenue	-	10,000	10,000
Deposits	584,408	1,390	585,798
Non-current liabilities			
Due with one year	2,590,000	135,000	2,725,000
Due in more than one year	27,918,995	5,150,000	33,068,995
TOTAL LIABILITIES	32,125,666	5,509,690	37,635,356
NET POSITION			
Net investment in capital assets	1,185,300	(1,354,035)	(168,735)
Restricted for debt service/capital projects	6,531,965	600,613	7,132,578
Unrestricted	789,389	2,294,251	3,083,640
TOTAL NET POSITION	$ 8,506,654	$ 1,540,829	$ 10,047,483

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

STATEMENT OF ACTIVITIES

Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Net (Expense) Revenues and Changes in Net Position: Business-Type Activities	Net (Expense) Revenues and Changes in Net Position: Total
Governmental Activities						
General government	147,166	$ 147,166	$ -	$ -	$ -	$ -
Maintenance & operations	1,441,748	3,040,400	-	1,598,652	-	1,598,652
Interest on long-term debt	1,335,977	1,335,977	207,298	207,298	-	207,298
Total Governmental Activities	2,924,891	4,523,543	207,298	1,805,950	-	1,805,950
Business-Type Activities						
Irrigation expenses	1,196,301	2,026,511	-	-	830,210	830,210
Interest on long-term debt	235,725	-	-	-	(235,725)	(235,725)
Total Business-Type Activities	1,432,026	2,026,511	-	-	594,485	594,485
General Revenues:						
Unrestricted investment earnings				6,681	97,948	104,629
Other income				14,301	-	14,301
Equity transfer				(360,194)	-	(360,194)
Total General Revenues				(339,212)	97,948	(241,264)
Change in Net Position				1,466,738	692,433	2,159,171
Net Position - October 1, 2024 - As Restated (Note I)				7,039,916	848,396	7,888,312
Net Position - September 30, 2025				$ 8,506,654	$ 1,540,829	$ 10,047,483

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

BALANCE SHEET – GOVERNMENTAL FUNDS

September 30, 2025

	MAJOR FUNDS		TOTAL
	GENERAL FUND	CAPITAL PROJECTS	GOVERNMENTAL ACTIVITIES
ASSETS			
Cash	$ 1,779,296	$ -	$ 1,779,296
Investments	-	6,952,376	6,952,376
Accounts receivable	70,768	-	70,768
Assessments receivable	4,727	8,615	13,342
Due from other funds	-	475,130	475,130
Deposits	200	-	200
TOTAL ASSETS	$ 1,854,991	$ 7,436,121	$ 9,291,112
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	$ 282,509	$ -	$ 282,509
Due to other governments	198,685	-	198,685
Due to other funds	414,763	78,267	493,030
Deposits	584,408	-	584,408
TOTAL LIABILITIES	1,480,365	78,267	1,558,632
FUND EQUITY			
Nonspendable			
Deposits	200	-	200
Assigned			
Maintenance reserves	269,000	-	269,000
Restricted			
Debt service	-	3,221,462	3,221,462
Capital projects	-	1,534,119	1,534,119
Unassigned	105,426	2,602,273	2,707,699
TOTAL FUND EQUITY	374,626	7,357,854	7,732,480
TOTAL LIABILITIES AND FUND EQUITY	$ 1,854,991	$ 7,436,121	$ 9,291,112

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2025

Total Governmental Fund Balances in the Balance Sheet	$ 7,732,480
Amount reported for governmental activities in the Statement of Net Position are different because:	
Capital asset used in governmental activities are not financial resources and therefore are not reported in the governmental funds:	
Governmental capital assets	69,700,662
Less accumulated depreciation	(38,860,896)
Deferred charges on refunding of long-term debt are shown as deferred outflows of resources in the government-wide financial statements: however, this amount is not reported in the governmental financial statements.	67,106
Governmental funds record bond insurance costs as expenditures when these costs are first incurred. Prepaid bond insurance is amortized over the term of the refunding bonds in the government-wide financial statements.	909,466
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(533,169)
Governmental bonds payable	(30,508,995)
Net Position of Governmental Activities	$ 8,506,654

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended September 30, 2025

	MAJOR FUNDS		TOTAL
	GENERAL FUND	CAPITAL PROJECTS	GOVERNMENTAL ACTIVITIES
REVENUE			
Stormwater fees	$ 1,206	$ -	$ 1,206
Engineering revenue fees	28,749	-	28,749
On-roll assessments	332,965	4,160,623	4,493,588
Other income	14,301	-	14,301
Interest income	6,681	207,298	213,979
TOTAL REVENUES	383,902	4,367,921	4,751,823
EXPENDITURES			
General government	76,491	-	76,491
Debt service:			
Principal	-	2,415,000	2,415,000
Interest	-	1,378,988	1,378,988
TOTAL EXPENDITURES	76,491	3,793,988	3,870,479
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	307,411	573,933	881,344
OTHER FINANCING SOURCES/(USES):			
Equity transfer	(360,194)	-	(360,194)
TOTAL OTHER FINANCING SOURCES/(USES)	(360,194)	-	(360,194)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	(52,783)	573,933	521,150
FUND BALANCE			
Beginning of year - As Restated (Note I)	427,409	6,783,921	7,211,330
End of year	$ 374,626	$ 7,357,854	$ 7,732,480

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

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

Year Ended September 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$	521,150
Amount reported for governmental activities in the Statement of Activities are different because:		
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		2,415,000
Certain items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported expenditures in the governmental funds:		
Current year provision for depreciation		(1,441,748)
Change in accrued interest payable		43,011
Provision for amortization of bond premium		10,621
Provision for amortization of deferred charges		(12,075)
Provision for amortization of bond insurance		(69,221)
Change in Net Position of Governmental Activities	$	1,466,738

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

STATEMENT OF NET POSITION – ENTERPRISE FUND

September 30, 2025

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
ASSETS	
CURRENT ASSETS	
Cash	$ 2,235,012
Accounts receivable, net	148,071
Due from other funds	17,900
Deposits	95
Restricted	
Investments	718,476
TOTAL CURRENT ASSETS	3,119,554
NONCURRENT ASSETS	
Capital assets	
Land	580,183
Equipment & furniture	544,458
Infrastructure	2,220,365
Plant	1,705,146
	5,050,152
Less accumulated depreciation	1,119,187
Total capital assets (net of depreciation)	3,930,965
TOTAL NONCURRENT ASSETS	3,930,965
TOTAL ASSETS	$ 7,050,519
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 95,437
Accrued interest payable	117,863
Deposits	1,390
Unearned revenue	10,000
Current portion long term liabilities	135,000
TOTAL CURRENT LIABILITIES	359,690
NONCURRENT LIABILITIES	
Long-term liabilities	5,150,000
TOTAL NONCURRENT LIABILITIES	5,150,000
TOTAL LIABILITIES	5,509,690
NET POSITION	
Net investment in capital assets	(1,354,035)
Restricted for debt service	600,613
Unrestricted	2,294,251
TOTAL NET POSITION	$ 1,540,829

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION – ENTERPRISE FUND
Year Ended September 30, 2025

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
OPERATING REVENUES	
Irrigation services	$ 2,026,511
TOTAL OPERATING REVENUES	2,026,511
OPERATING EXPENSES	
General & administrative	1,061,792
Depreciation	134,509
TOTAL OPERATING EXPENSES	1,196,301
OPERATING INCOME	830,210
NONOPERATING REVENUES (EXPENSES)	
Interest income	97,948
Interest expense	(235,725)
TOTAL NONOPERATING REVENUES (EXPENSES)	(137,777)
CHANGE IN NET POSITION	692,433
NET POSITION	
Beginning of year	848,396
End of year	$ 1,540,829

The accompanying notes are an integral part of this financial statement

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

STATEMENT OF CASH FLOWS – ENTERPRISE FUND

Year Ended September 30, 2025

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers & users	$ 2,042,340
Payments for goods & services	(1,057,311)
NET CASH PROVIDED BY OPERATING ACTIVITIES	985,029
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on capital debt	(140,419)
Interest paid on capital debt	(238,325)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(378,744)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(24,479)
Interest income	97,948
NET CASH PROVIDED BY INVESTING ACTIVITIES	73,469
NET INCREASE IN CASH	679,754
CASH	
Beginning of Year	1,555,258
End of Year	$ 2,235,012
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	$ 830,210
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	134,509
(Increase) Decrease in:	
Accounts receivable	15,829
Increase (Decrease) in:	
Accounts payable and accrued expenses	4,481
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 985,029

The accompanying notes are an integral part of this financial statement

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Tradition Community Development District 1 (the "District") conform to generally accepted accounting principles as applicable to governments. The District was formerly known as Westchester Community Development District 1 and lawfully changed its name to Tradition Community Development District 1 effective August 14, 2006. The following is a summary of the more significant policies:

Reporting Entity

The District is an independent unit of special-purpose local government of the State of Florida created by law and established in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended by ordinance of St. Lucie County, Florida, effective on August 21, 2001 as amended. The Act provides for a five member Board of Supervisors to serve as the governing body of the District. The District has no component units. Its purpose is to manage and finance basic community development systems, facilities and services, including capital infrastructure.

Basis of Presentation

Government-wide Financial Statements - Government-wide financial statements, including the statement of net assets and statement of activities, present information about the District as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

The effects of inter-fund activity have been eliminated from the government-wide financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Fund Financial Statements - Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, the reconciliation is presented with each of the governmental fund financial statements.

Major Governmental Fund Types

General Fund - The general fund is the general operating fund of the District. All general tax revenue and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

Capital Project Fund - Capital project funds are established to provide common infrastructure to support the master planned community.

Major Proprietary Fund Types

Irrigation Fund - The irrigation fund accounts for the irrigation operations of the District that are financed and supported primarily by user charges.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses of the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assessments

Assessments are non-ad valorem assessments on benefited lands within the District. Assessments are levied to pay for the operations and maintenance of the District. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. The District's annual assessments for operations are billed and collected by the County Tax Collector. The amounts remitted to the District are net of applicable discounts or fees and include interest on monies held from the day of collection to the day of distribution.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Irrigation Fees

Irrigation fees received are available for the payment of debt service on the District's bonds and for costs associated with the operation and maintenance of existing system. These fees are included in restricted investments on the Enterprise Fund Statement of Net Position until spent for the designated purpose.

Receivables and Payables

Accounts receivable and revenues for the enterprise fund are shown net of an allowance for uncollectible amounts. For irrigation system accounts receivable, there was no allowance recorded as of September 30, 2025.

Equity Classifications

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change. Under GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are required to be reported according to the following classifications:

Non-Spendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (continued)

Assigned Fund Balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Cash and Cash Equivalents

Florida Statutes require state and local governmental units to deposit monies with a financial institution classified as a "Qualified Public Depository," which is a state insurance pool for banks and other financial institutions. The pool requires each bank to render as collateral a percentage of all state and local monies on deposit. Upon default of a particular financial institution within the pool, the pooled collateral is used to reinstate the state and local government deposits. This pool is additional insurance above the federal depository insurance. The District has cash deposits only with qualifying institutions as of September 30, 2025.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
c) Interest bearing time deposits or savings accounts in qualified public depositories;
d) Direct obligations of the U.S. Treasury.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments (continued)

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured.

The District records all interest revenue related to investment activities in the respective funds and reports investments at fair value.

	Fair Value	Credit Risk	Maturities
Money Market Mutual Funds - First American Government Obligation Fund CL Y	$ 718,476	S&P AAAm	Weighted average of the fund portfolio: 31 days
US Bank N/A Open Monthly Commercial Paper	6,952,376	S&P A-1+	Weighted average of the Open ended
	$ 7,670,852		

Credit Risk:

Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency.

Interest Rate Risk:

Florida Statutes state that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. All holdings are currently invested to meet current obligations.

Concentration of Credit Risk:

The District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are with one issuer.

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2025, the District is exempt from this requirement.

Fair Value Measurement - When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Custodial Credit Risk: (continued)

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- Level 1: Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;

- Level 2: Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,

- Level 3: Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Capital Assets

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings and improvements	7-39 years
Infrastructure	20-40 years
Machinery and equipment	5-10 years

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

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

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Management Company

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

NOTE B - BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year end.

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

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

NOTE C – ASSET PURCHASE

On August 10, 2017, the District entered into an asset purchase agreement with Tradition Irrigation Company, LLC. As a result the District created an enterprise fund to account for the transactions of the irrigation system. As part of the agreement the District services the developments known as Tradition and Southern Groves, supplying quality water service under a Franchise Agreement with the City of Port St. Lucie, Florida. The District issued $6,095,000 in Irrigation System Revenue Bonds in order to finance the purchase. The District received $5,051,151 in capital assets including $580,183 in land.

NOTE D – RESTRICTED ACCOUNTS

At September 30, 2025, the District reported the following restricted asset accounts:

	Enterprise Funds
Investments	
Reserve account - bond compliance	$ 371,025
Interest account - bond compliance	134,100
Sinking fund - bond compliance	193,842
Maintenance reserve - bond compliance	19,509
Total restricted investments	$ 718,476

NOTE E – PROPERTY AND EQUIPMENT

A summary of changes in general fixed assets follows:

	October 1, 2024	Increases	Decreases	September 30, 2025
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	$ 13,639,574	$ -	$ -	$ 13,639,574
Construction in progress	5,245,748	-	-	5,245,748
Total capital assets, not being depreciated	18,885,322	-	-	18,885,322
Capital assets, being depreciated				
Infrastructure	25,692,842	-	-	25,692,842
Improvements other than buildings	25,122,498	-	-	25,122,498
Total capital assets, being depreciated	50,815,340	-	-	50,815,340
Less accumulated depreciation for:				
Infrastructure	14,444,008	867,534	-	15,311,542
Improvements other than buildings	22,975,140	574,214	-	23,549,354
Total accumulated depreciation	37,419,148	1,441,748	-	38,860,896
Total capital assets, being depreciated - net	13,396,192	(1,441,748)	-	11,954,444
Governmental activities capital assets - net	$ 32,281,514	$ (1,441,748)	$ -	$ 30,839,766

Depreciation expense recorded in governmental activities was $1,441,748 for 2025.

NOTE E – PROPERTY AND EQUIPMENT (CONTINUED)

A summary of changes on proprietary fixed assets follows:

	October 1, 2024	Increases	Decreases	September 30, 2025
Business-type activities				
Capital assets, not being depreciated:				
Land	$ 580,183	$ -	$ -	$ 580,183
Total capital assets, not being depreciated	580,183	-	-	580,183
Capital assets, being depreciated				
Plant	1,705,146	-	-	1,705,146
Equipment & furniture	544,458	-	-	544,458
Infrastructure	2,220,365	-	-	2,220,365
Total capital assets, being depreciated	4,469,969	-	-	4,469,969
Less accumulated depreciation for:				
Plant	405,964	56,838	-	462,802
Equipment & furniture	182,243	22,162	-	204,405
Infrastructure	396,471	55,509	-	451,980
Total accumulated depreciation	984,678	134,509	-	1,119,187
Total capital assets, being depreciated - net	3,485,291	(134,509)	-	3,350,782
Governmental activities capital assets - net	$ 4,065,474	$ (134,509)	$ -	$ 3,930,965

Depreciation expense recorded in business-type activities was $134,509 for 2025.

NOTE F – LONG-TERM LIABILITIES

Governmental Activities Debt

$53,170,000 Special Assessment Refunding Bonds, Series 2014 – On April 9, 2014, the District issued $53,170,000 Special Assessment Refunding Bonds, Series 2014. The Bonds are payable in annual principal installments through May 2035. The bond bears interest ranging from 2.0% to 4.5% payable semi-annually on the first day of each May and November. Principal is due serially each May 1, commencing May 2015. The bonds are collateralized through pledged liens on approximately 3,100 acres of residential and commercial land.

NOTE F – LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of the changes in long-term obligations for the year ended September 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Special Assessment Refunding Bonds, Series 2014	$ 32,790,000	$ -	$ 2,415,000	$ 30,375,000	$ 2,590,000
	32,790,000	-	2,415,000	30,375,000	2,590,000
Unamortized bond premium	144,616	-	10,621	133,995	-
	$ 32,934,616	$ -	$ 2,425,621	$ 30,508,995	$ 2,590,000

The debt service requirements for the long-term obligations is as follows:

September 30,	Principal	Interest	Total
2026	$ 2,590,000	$ 1,281,344	$ 3,871,344
2027	2,610,000	1,178,638	3,788,638
2028	2,715,000	1,074,238	3,789,238
2029	2,830,000	965,637	3,795,637
2030	2,945,000	852,437	3,797,437
2031-2035	16,685,000	2,274,281	18,959,281
	$ 30,375,000	$ 7,626,575	$ 38,001,575

Business-Type Activities Debt

$6,095,000 Irrigation System Revenue Bonds (Existing System), Series 2017 – On August 1, 2017, the District issued $6,095,000 Irrigation System Revenue Bonds (Existing System), Series 2017. The Bonds are payable in annual principal installments through October 2047. The bond bears interest ranging from 4.0% to 4.5% payable semi-annually on the first day of each April and October. Principal is due serially each October 1, commencing October 2018.

Note Payable

The District is obligated under a settlement agreement with the City of Port St. Lucie, to make quarterly payments of $10,421 (bearing no interest) through October 2024. The note payable was paid off in the current year.

NOTE F – LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities Debt (continued)

The following is a summary of transactions of long-term obligations in the enterprise fund for the year ended September 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Irrigation System Revenue Bonds (Existing System), Series 2017	$ 5,415,000	$ -	$ 130,000	$ 5,285,000	$ 135,000
Note Payable	10,419	-	10,419	-	-
	$ 5,425,419	$ -	$ 140,419	$ 5,285,000	$ 135,000

The debt service requirements for the long-term obligations is as follows:

September 30,	Principal	Interest	Total
2026	$ 135,000	$ 233,025	$ 368,025
2027	140,000	227,525	367,525
2028	145,000	221,825	366,825
2029	155,000	215,438	370,438
2030	160,000	208,350	368,350
2031-2035	920,000	923,625	1,843,625
2036-2040	1,150,000	691,875	1,841,875
2041-2045	1,445,000	401,063	1,846,063
2046-2048	1,035,000	71,212	1,106,212
	$ 5,285,000	$ 3,193,938	$ 8,478,938

NOTE G - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and environmental remediation. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

NOTE H – DEPENDENCY ON SUPPORT

The District receives the majority of its funding from local tax revenue. A reduction in the level of advances would have a substantial effect on the District's projects and activities.

NOTE I – PRIOR PERIOD ADJUSTMENT/RESTATEMENT

During the fiscal year ended September 30, 2025, the District determined that accounts receivable originating from a prior fiscal period was recorded in error. This error resulted in an overstatement of accounts receivable and an overstatement of the beginning fund balance/net position in the amount of $1,381,680.

Accordingly, a prior period adjustment has been recorded to restate the beginning fund balance of the Governmental Funds (and beginning net position of the Governmental Activities) as of October 1, 2024, to correct this error in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

The impact of the restatement on the District's beginning fund balance and net position is summarized below:

	Governmental Funds	Governmental Activities
Beginning fund balance/net position, as previously reported	$ 8,593,010	$ 8,421,596
Correction of prior year accounts receivable error	(1,381,680)	(1,381,680)
Beginning fund balance/net position, as restated	$ 7,211,330	$ 7,039,916

TRADITION COMMUNITY DEVELOPMENT DISTRICT 1

STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND

Year Ended September 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUE				
Stormwater fees	$ 1,089	$ 1,206	$ 1,206	$ -
Engineering revenue fees	-	-	28,749	28,749
On-roll assessments	7,389	7,352	332,965	325,613
Other income	422	5,682	14,301	8,619
Interest income	-	-	6,681	6,681
TOTAL REVENUES	8,900	14,240	383,902	369,662
EXPENDITURES				
Administrative	4,108	6,059	14,991	(8,932)
Maintenance	4,792	21,667	61,500	(39,833)
TOTAL EXPENDITURES	8,900	27,726	76,491	(48,765)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(13,486)	307,411	320,897
OTHER FINANCING SOURCES (USES)				
Equity Transfer	-	-	(360,194)	360,194
Surplus/(Deficit) (Notes to RSI)	-	13,486	-	13,486
TOTAL OTHER FINANCING SOURCES (USES)	-	13,486	(360,194)	373,680
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ -	$ -	$ (52,783)	$ 694,577

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures exceeded appropriations for the fiscal year ended September 30, 2025.

The variance between budgeted and actual general fund revenues is considered significant and additional revenue was received during the year for the purpose of providing equity transfers as per the Inter-local agreements with the other Districts. The actual general fund expenditures for the current fiscal year were higher than budgeted amounts due primarily to costs being higher than anticipated.

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

Board of Directors
Tradition Community Development District 1
Port St. Lucie, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tradition Community Development District 1, as of September 30, 2025 and for the year ended, which collectively comprise the Tradition Community Development District 1's basic financial statements and have issued our report thereon dated September 14, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
September 14, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Directors
Tradition Community Development District 1
Port St. Lucie, Florida

We have examined Tradition Community Development District 1, Port St. Lucie, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2025. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Tradition Community Development District 1, Port St. Lucie, Florida and is not intended to be and should not be used by anyone other than these specified parties.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee Hartley & Barnes, P.A.
Fort Pierce, Florida
September 14, 2026

Management Letter

Board of Directors
Tradition Community Development District 1
Port St. Lucie, Florida

Report on the Financial Statements

We have audited the financial statements of the Tradition Community Development District 1 ("District") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated September 14, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those report, which are dated September 14, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual audit.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the District did not authorize a PACE program pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the District's geographical boundaries during the fiscal year under audit.

Specific Information

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

a. The total number of district employees compensated in the last pay period of the District's fiscal year as N/A.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as 14.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as N/A.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $718,508.
e. The District does not have any construction projects with a total cost of at least $65,000 that are scheduled to begin on or after October 1 of the fiscal year being reported.
f. The District amended its final adopted budget under Section 189.016(6), Florida Statutes, as included on page 30.

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

a. The rate or rates of non-ad valorem special assessments imposed by the District range from $179 to $405 per residential unit.
b. The total amount of special assessments collected by or on behalf of the District as $4,493,588.
c. The total amount of outstanding bonds issued by the District as $35,660,000.

Additional Matters

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

Purpose of this Letter

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

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
September 14, 2026