GASPARILLA ISLAND BRIDGE AUTHORITY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Gasparilla Island Bridge Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Gasparilla Island Bridge Authority, as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Gasparilla Island Bridge Authority'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 Gasparilla Island Bridge Authority, as of September 30, 2025 and 2024, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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 Gasparilla Island Bridge Authority'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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gasparilla Island Bridge Authority'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 Gasparilla Island Bridge Authority'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 information on pages 4-7 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 March 6, 2026, on our consideration of the Gasparilla Island Bridge Authority'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 Gasparilla Island Bridge Authority'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 Gasparilla Island Bridge Authority's internal control over financial reporting and compliance.

Suplee Shea Cramer & Miller, P.A.

Suplee Shea Cramer & Miller, PA
Sarasota, Florida
March 6, 2026

GASPARILLA ISLAND BRIDGE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

As management of the Gasparilla Island Bridge Authority (the Authority), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended September 30, 2025 and 2024. The discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

FINANCIAL HIGHLIGHTS

For fiscal year 2025, income from operations was $1,894,438, which is a 37% decrease from the fiscal year 2024 income from operations total of $3,007,729. The decrease is a direct result of expenses related to Hurricane Milton emergency and temporary repairs. The Authority received hurricane damage loss reimbursement from its insurance carrier and the Federal Emergency Management Agency in the amount of $1,263,212 which is included in miscellaneous revenue.

The Authority also received a revenue loss reimbursement of $241,494 from its insurance carrier which is included in toll revenue. The resulting change in net position for fiscal year 2025 was $3,281,012. The overall net position of the Authority at the close of fiscal year 2025 was $40,150,841 which is an increase of 9% over fiscal year 2024.

On October 9, 2024, a direct hit from Hurricane Milton caused significant damage to facilities and equipment. Damages including emergency temporary repairs totaled $1,277,219 and revenue loss totaled $241,494. The Authority reviewed repair and mitigation funding options and voted to amend the terms of the FDOT SIB Loan to include interest only payments beginning October 1, 2025 through December 31, 2027. The amendment provided the additional cash flows needed for repairs and mitigation at the existing interest rate of 2.5% which is well below prevailing market rates. The current maturity date is October 2033.

In addition to immediate hurricane repairs, the Authority began a long-term multi-phase coastal mitigation project to enhance shoreline protection for the causeway and bridges. The goal is to protect the causeway system from future storm damage. The first phase of the mitigation began in July 2025 and was completed in December 2025 with an estimated cost of $5,555,059. The second phase of mitigation is expected to begin in fiscal year 2027 with an estimated cost of $2,500,000.

The Authority is also in the planning stage of a storm hardening project for the toll system. The goal is to move the electronic equipment to the interior of the tollbooth and have it secured above potential storm surge levels. The work is expected to begin in summer 2026 with an estimated cost of $1,000,000.

Upon completion of the long-term coastal mitigation and toll storm hardening project, it is the intention of the Authority to continue to invest excess cash flows into the investment account to help fund future capital projects including eventual replacement of the bridges. Transfers are at the discretion of the Authority Board of Supervisors.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. It also contains other supplementary information concerning the Authority's trend data as well as information on the Authority's history. The financial statements are designed to provide readers with a broad overview of the Authority's finances.

The Statements of Net Position presents information on all of the assets and liabilities, with the difference of the two reported as net position. Over time, increases and decreases in net position may serve as an

indicator of whether the financial condition of the Authority is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets, without corresponding increases to liabilities, results in increased net position, which indicates an improved financial condition.

The Statements of Revenues, Expenses, and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the event occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will have cash flows in different periods.

The Statements of Cash Flows presents the cash activities of the Authority from operating, capital and related financing and investing activities.

REVENUE/TRAFFIC STREAMS

There is a relationship between traffic count and revenue. Normally when traffic increases revenue increases. Historically, traffic flows have fluctuated slightly: increased 10% (2021), increased 5% (2022), decreased 3% (2023), increased 11% (2024), and decreased 4% (2025). The fiscal year 2023 traffic decrease was caused by Hurricane Ian, and the fiscal year 2025 decrease was caused by Hurricane Milton. During Hurricane Milton recovery efforts in October 2024, revenue collection was halted for 17 days. The fiscal year 2025 revenue increase included the revenue loss insurance reimbursement of $241,494. The overall five year average traffic increase is 2% with a corresponding revenue increase of 4%.

		Revenue	Traffic
FY 2021	$	5,545,933	1,088,440
FY 2022	$	5,858,271	1,141,114
FY 2023	$	6,073,108	1,106,411
FY 2024	$	6,365,817	1,226,974
FY 2025	$	6,595,657	1,183,343

LONG-TERM DEBT

Capital projects are funded with excess cash flows and long term debt. The Florida Department of Transportation State Infrastructure Bank Loan (FDOT SIB Loan) partially funded the swing bridge project.

Issued Loan Amount	Issuer	Interest Rate	Original Maturity Date	Current Maturity Date	Principal Remaining as of 9/30/25
$ 18,701,610	FDOT SIB Loan	2.5%	October 1, 2043	October 1, 2033	$ 10,517,307

On October 9, 2024, a direct hit from Hurricane Milton caused significant damage to facilities and equipment. Damages including emergency temporary repairs totaled $1,277,219 and revenue loss totaled $241,494. The Authority reviewed repair and mitigation funding options and voted to amend the terms of the FDOT SIB Loan to include interest only payments beginning October 1, 2025 through December 31, 2027. The amendment provided the additional cash flows needed for repairs and mitigation at the existing interest rate of 2.5% which is well below prevailing market rates. The resultant debt service ratio of 4.0 for fiscal year 2025 is in excess of the loan covenants of 1.25 set forth in the FDOT SIB Loan. The current maturity date for the loan is October 1, 2033.

LIFE CYCLE FOR BRIDGE ASSETS

In 1998 when the Authority acquired the bridge and causeway system, engineers estimated a useful life remaining for the 3 bridges built in 1958 was approximately 10 years. In 1999, after completion of $2.2 million in bridge renovation and preservation projects, engineers extended the estimated useful life by 15 years (until 2014). The bridge inspections in 2011 recommended a replacement date of 2014 for both fixed bridges and 2017 for the swing bridge. The fixed bridges were replaced in 2013 partially financed by a $10.4 million loan from SunTrust Bank, and the swing bridge was replaced in 2016, partially financed by the $18.7 million loan from the FDOT SIB. The new bridges have a life expectancy of approximately 75 years. To maximize the lifecycle of the bridges, state inspections are performed annually for the swing bridge and biennially for the fixed bridges with any subsequent findings remediated promptly.

STATEMENTS OF NET POSITION

The difference between assets and liabilities (net position), serves as an indicator of the Authority's financial condition. For fiscal year 2025, the Authority's net position increased by 9% ($3,281,012). By far the largest portion of the Authority's net position reflects its investments in capital (eg: roads, bridges, buildings, toll equipment, etc.) less any related debt used to acquire those assets. These assets are not available to liquidate liabilities or other spending. The value of property is $2,963,000 in land, $ 963,914 in buildings, $33,700,321 in Bridges/Improvements and $396,252 in equipment; net of accumulated depreciation. The Authority does not have any restricted assets. Unrestricted assets increased from $10,252,764 in fiscal year 2024 to $12,644,661 in fiscal year 2025.

	2025	2024	2023
Current Assets	$ 14,261,592	$ 10,869,828	$ 7,964,836
Depreciable Capital Assets, Net of Accum Depr.	33,421,086	34,630,528	35,983,118
Non-Depreciable Capital Assets	4,602,401	3,050,340	2,963,000
Other Assets	770	770	770
Total Assets	$ 52,285,849	$ 48,551,466	$ 46,911,724
Current Liabilities	$ 1,617,701	$ 2,238,432	$ 2,239,344
Non-Current Liabilities	10,517,307	9,443,205	11,063,803
Total Liabilities	12,135,008	11,681,637	13,303,147
Invested in Capital Assets, Net	27,506,180	26,617,065	26,303,181
Unrestricted	12,644,661	10,252,764	7,305,396
Total Net Position	40,150,841	36,869,829	33,608,577
Total Liabilities & Net Position	$ 52,285,849	$ 48,551,466	$ 46,911,724

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

In fiscal year 2025, traffic decreased 3.5% (43,631 vehicles) and revenue increased 3.6% ($229,840). The revenue increase included a hurricane revenue loss insurance reimbursement of $241,494. During fiscal year 2025, operating expenses increased 40% ($1,343,131). The increase was related to emergency hurricane repairs.

	2025	2024	2023
Revenue	$ 6,595,657	$ 6,365,817	$ 6,073,108
Operating Expenses	4,701,219	3,358,088	3,292,327
Income from Operations	1,894,438	3,007,729	2,780,781
Non-Operating Revenues (Expenses)	1,386,574	253,523	(240,608)
Change in Net Position	3,281,012	3,261,252	2,540,173
Net Position at Beginning of Period	36,869,829	33,608,577	31,068,404
Net Position at End of Period	$ 40,150,841	$ 36,869,829	$ 33,608,577

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information contact Kathy Banson, Executive Director, Authority, P.O. Box 1918, Boca Grande, FL 33921.

GASPARILLA ISLAND BRIDGE AUTHORITY

STATEMENTS OF NET POSITION

SEPTEMBER 30, 2025 AND 2024

ASSETS

	2025	2024
Current assets:		
Cash and cash equivalents	**$ 7,060,303**	$ 1,570,982
Accounts receivable	**27,428**	19,830
Investments	**6,895,598**	9,017,864
Prepaid expenses	**278,263**	261,152
Total current assets	**14,261,592**	10,869,828
Noncurrent assets:		
Capital assets:		
Depreciable capital assets, net of accumulated depreciation of $15,792,212 and $14,398,731	**33,421,086**	34,630,528
Non-depreciable capital assets	**4,602,401**	3,050,340
Other assets:		
Utility deposits	**770**	770
Total noncurrent assets	**38,024,257**	37,681,638
Total Assets	**$ 52,285,849**	$ 48,551,466

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

GASPARILLA ISLAND BRIDGE AUTHORITY

STATEMENTS OF NET POSITION (CONTINUED)

SEPTEMBER 30, 2025 AND 2024

LIABILITIES AND NET POSITION

	2025	2024
Current liabilities:		
Current portion of notes payable	**$ -**	$ 1,620,598
Accounts payable	**1,091,408**	82,484
Accrued expenses	**53,056**	43,780
Deferred revenue	**473,237**	491,570
Total current liabilities	**1,617,701**	2,238,432
Noncurrent liabilities:		
Notes payable	**10,517,307**	9,443,205
Total noncurrent liabilities	**10,517,307**	9,443,205
Total Liabilities	**12,135,008**	11,681,637
Net Position:		
Invested in capital assets, net of related debt	**27,506,180**	26,617,065
Unrestricted	**12,644,661**	10,252,764
Total Net Position	**40,150,841**	36,869,829
Total Liabilities and Net Position	**$ 52,285,849**	$ 48,551,466

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

GASPARILLA ISLAND BRIDGE AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Operating revenues:		
Toll revenues	**$ 6,595,657**	$ 6,365,817
Operating expenses:		
Personnel services	**1,309,882**	1,181,806
General and administrative	**622,721**	567,987
Maintenance and operation	**1,323,971**	177,529
Depreciation	**1,444,645**	1,430,766
Total operating expenses	**4,701,219**	3,358,088
Income from operations	**1,894,438**	3,007,729
Non-operating revenues (expenses):		
Interest income	**446,259**	370,335
Loss on disposal of assets	**(16,005)**	(16,178)
Interest expense	**(269,776)**	(310,491)
Investment fees	**(18,582)**	(14,402)
Unrealized gains (losses) on investments	**(18,534)**	66,556
Miscellaneous income	**1,263,212**	157,703
Net non-operating revenue (expenses)	**1,386,574**	253,523
Change in net position	**3,281,012**	3,261,252
Net position at beginning of period	**36,869,829**	33,608,577
Net position at end of period	**$ 40,150,841**	$ 36,869,829

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

GASPARILLA ISLAND BRIDGE AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Receipts from customers and users	**$ 6,569,726**	$ 6,399,129
Payments to suppliers	**(1,329,069)**	(1,168,936)
Payments to employees	**(926,416)**	(828,319)
Net cash provided by operating activities	**4,314,241**	4,401,874
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	**(540,057)**	(23,992)
Payment of principal on notes payable	**(546,496)**	(1,579,134)
Interest paid	**(269,776)**	(310,491)
Net cash used by capital and related financing activities	**(1,356,329)**	(1,913,617)
Cash flows from investing activities:		
Sale (purchase) of investments	**2,085,150**	(3,591,849)
Interest received	**446,259**	370,335
Net cash provided (used) by investing activities	**2,531,409**	(3,221,514)
Net increase (decrease) in cash	**5,489,321**	(733,257)
Cash and cash equivalents at beginning of period	**1,570,982**	2,304,239
Cash and cash equivalents at end of period	**$ 7,060,303**	$ 1,570,982
Reconciliation of operating income to net cash provided by operating activities:		
Income from operations	**$ 1,894,438**	$ 3,007,729
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	**1,444,645**	1,430,766
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	**(7,598)**	2,033
Decrease (increase) in prepaid expenses	**(17,111)**	3,722
Increase (decrease) in accounts payable	**1,008,924**	60,158
Increase (decrease) in accrued expenses	**9,276**	(133,813)
Increase (decrease) in deferred revenue	**(18,333)**	31,279
Total adjustments	**2,419,803**	1,394,145
Net cash provided by operating activities	**$ 4,314,241**	$ 4,401,874

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

GASPARILLA ISLAND BRIDGE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies

Reporting Entity

The Gasparilla Island Bridge Authority (the Authority) is an independent special Authority created in 1996 by Chapter 96-507, Laws of Florida, for the purpose of operation of bridges and a related causeway in Charlotte County and their continued maintenance and improvement. The governing body is composed of nine members acting as the Board of Supervisors. Five of the members of the Board of Supervisors are voting members with full power to conduct the business of the Authority by majority vote. The other four members serve as non-voting members. The Board of Supervisors appoints an executive director who has responsibility for the operation of the Authority.

For financial reporting purposes, the Authority is a stand-alone entity; there are no component units included in the accompanying financial statements and the Authority is not considered a component unit of another entity.

Basis of Presentation

The Gasparilla Island Bridge Authority financial statements are prepared on an enterprise fund basis. Enterprise funds are used to account for operations of governmental entities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

The Authority prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles for enterprise funds, which are similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Authority's cash and cash equivalents are considered to be cash on hand and demand deposits.

Investments

State statutes and local ordinances authorize the Authority to invest in various types of investments. Investments are reported at fair market value at the balance sheet date. Investment income includes interest on deposits, dividends, and the change in the fair value of investment during the fiscal year. At September 30, 2025, the Authority was invested in an investment portfolio that is managed by a professional investment management company.

Capital Assets

All property and equipment are recorded at historical cost. The cost of property and equipment includes right-of-way construction costs, design and engineering fees, administrative and general expenses paid from construction monies. Expenses made to acquire additional property and equipment, which replaces existing assets or otherwise prolongs their useful lives, are capitalized. Maintenance and repairs are charged to expense as incurred.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Costs related to right-of-way are considered non-depreciable costs. All other costs related to construction of roadways and bridges are capitalized and depreciated according to Authority policy.

Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets as follows:

Roadways	15 years
Bridges	40 years
Buildings, toll facilities and other	3 to 30 years
Computer equipment	3 to 5 years
Furniture, fixtures, and equipment	5 to 7 years

Construction/projects in progress represents costs incurred by the Authority for in-process activities designed to expand, replace, or extend useful lives of existing property and equipment.

Deferred Revenue

Revenue from the sale of volume passes is recognized at the time of usage.

Accumulated Compensated Absences

Accumulated compensated absences are accrued when incurred.

Operating Revenues and Expenses

The Authority's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its system. All other revenues and expenses are reported as non-operating revenues and expenses or as a special item.

Net Position

Net Position is classified and displayed in three components:

Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and related debt.

Restricted net position - Consists of net position with constraints placed on the use either by 1) external groups, such as creditors, grantors, contributors, or laws and regulations of other governments or 2) law through constitutional provisions or enabling legislation. There was no restricted net position at September 30, 2025 and 2024.

Unrestricted net position - All other components of net position that do not meet the definition of "restricted" or "invested in capital assets".

Toll Revenue

Cash toll fees are recorded as revenue at the time the service is performed. Annual pass fees are recorded as revenue when payment is received.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of management’s estimates. Actual results could differ from those estimates.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Budgets

The Authority follows the following procedures in establishing budgets:

1. On or before September 1, management of the Authority prepares an estimate of all necessary expenditures for the Authority for the ensuing fiscal year and an estimate of income to the Authority from all sources of revenue provided in the Authority's enabling act. The Board of Supervisors may either approve the budget as proposed or modify the budget in part or in whole.
2. On or before September 1, the Authority files the proposed budget with the County Clerks of Lee and Charlotte Counties.
3. All legally adopted budgets are on a basis consistent with generally accepted accounting principles.

Note 2 - Deposits and Investments

The Authority maintains cash deposits with banks who qualify as qualified public depositories under Florida law. Deposits in excess of federally insured limits are covered by collateral pledged by the bank with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this chapter, in the event of default by a participating financial institution, all participating institutions are obligated through an assessment to reimburse the governmental entity if the applicable deposit insurance and sale of securities pledged as collateral by the bank are not sufficient to cover the loss. For this reason, there is no custodial credit risk for the cash deposits of the Authority.

The Authority's board adopted a written investment policy on August 10, 2022, pursuant to Florida Statutes, Section 218.415.

Fair Value Measurement of Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants and the measurement date. Fair value determinations are made based upon a hierarchy that prioritizes the inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

- **Level 1** – Investments reflect unadjusted quoted prices in active markets for identical assets.
- **Level 2** – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.
- **Level 3** – Investments reflect prices based upon unobservable inputs for an asset.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Debt securities classified as Level 2 are evaluated prices from the custodian bank's external pricing vendor. The pricing methodology involves the use of evaluation models, such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices.

Note 2 - Deposits and Investments (continued)

As of September 30, 2025 and 2024, the District had the following investments:

	2025		2024	
Investments by fair value level	Fair Value	Hierarchy Level	Fair Value	Hierarchy Level
Cash and equivalents	$1,429,715	1	$ 630,207	1
US treasuries	2,856,793	1	2,209,859	1
Agency securities	1,430,890	2	4,672,195	2
Asset backed securities	1,178,200	2	1,505,603	2
Total investments	$6,895,598		$9,017,864	

Interest Rate Risk – Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. When interest rates increase, the value of fixed rate securities falls. The inverse is also true, as interest rates fall, the value on fixed rate securities increase. The Authority manages its exposure to declines in fair market values by decreasing the weighted average maturity of its investment portfolio during periods of rising interest rates.

Credit Risk – Credit quality risk results from potential default of investments that are not financially sound. The Authority's investments in US agency securities, mortgage-backed securities, and asset backed securities are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investments are held in trust under the Authority's name by an independent third-party custodian.

Concentration of Credit Risk – The Authority's investment policy established the limitations of portfolio composition in order to control concentration of credit risk. The policy contains the following guidelines for maximum percentages allowable for the total portfolio in each eligible security, which can be adjusted by the Board as needed due to market and cash flow conditions:

United States Treasuries/Agencies	100%
Local Government Surplus Funds Trust Funds & LGIP	50%
Term Repurchase agreements	20%
Money Market Mutual Funds	65%
CD's and Savings Accounts (10% per institution)	30%
Florida Local Government Investment Trust (FLGIT)	5%

Note 3 – Capital Assets

Capital assets are summarized as follows:

	September 30, 2024	Additions	Reductions	September 30, 2025
Depreciable capital assets				
Buildings	$ 2,350,734	$ -	$ -	$ 2,350,734
Bridges and roadway	45,382,735	108,760	(7,788)	45,483,707
Equipment	1,295,790	142,448	(59,381)	1,378,857
Accumulated depreciation	(14,398,731)	(1,444,645)	51,164	(15,792,212)
Depreciable capital assets, net of accumulated depreciation	$ 34,630,528	$ (1,193,437)	$ (16,005)	$ 33,421,086
Non-depreciable capital assets				
Land	$ 2,963,000	$ -	$ -	$ 2,963,000
Construction/projects in progress	87,340	1,552,061	-	1,639,401
Non-depreciable capital assets	$ 3,050,340	$ 1,552,061	$ -	$ 4,602,401

	September 30, 2023	Additions	Reductions	September 30, 2024
Depreciable capital assets				
Buildings	$ 2,350,734	$ -	$ -	$ 2,350,734
Bridges and roadway	45,426,235	-	(43,500)	45,382,735
Equipment	1,207,572	105,261	(17,043)	1,295,790
Accumulated depreciation	(13,001,423)	(1,430,766)	33,458	(14,398,731)
Depreciable capital assets, net of accumulated depreciation	$ 35,983,118	$ (1,325,505)	$ (27,085)	$ 34,630,528
Non-depreciable capital assets				
Land	$ 2,963,000	$ -	$ -	$ 2,963,000
Construction/projects in progress	-	87,340	-	87,340
Non-depreciable capital assets	$ 2,963,000	$ 87,340	$ -	$ 3,050,340

Depreciation expense was $1,444,645 and $1,430,766 for the years ended September 30, 2025 and 2024, respectively.

The Authority has four outstanding commitments for engineering and construction services related to a coastal erosion project and various construction projects. The total remaining balance of the coastal erosion project was approximately $4,261,000 as of September 30, 2025, and the total balance remaining for construction projects was approximately $530,000 as of September 30, 2025.

Note 4 - Retirement Plan

The Authority does not participate in the Florida Retirement System. Instead, the Authority participates in a defined contribution plan administered by Corebridge Financial (formerly known as VALIC). The GIBA Retirement Plan ("the Plan") was adopted on December 15, 1998. The Authority and participants are not required to contribute to the plan but may make voluntary contributions up to certain levels as permitted by the agreement and limits established under the Internal Revenue Code. Any contributions made by the Authority are discretionary and are 100% vested. The benefit terms of the Plan state that benefits begin at the normal retirement age of 65 with no provision for early retirement. In-service distributions may be made at the participant's election provided the participant has reached the age of 59 ½.

Note 4 - Retirement Plan (continued)

For the fiscal year ended September 30, 2025, and 2024, voluntary contributions by the Authority were $53,853 and $55,089, respectively.

Note 5 - Long-Term Debt

A summary of changes in long-term debt is as follows:

	September 30, 2024	Additions	Reductions	September 30, 2025
Bridge facility debt	$ 11,063,803	-	(546,496)	$ 10,517,307
Less current portion	(1,620,598)	-	1,620,598	-
Total long-term debt, net of current portion	$ 9,443,205	$ -	$ 1,074,102	$ 10,517,307

	September 30, 2023	Additions	Reductions	September 30, 2024
Bridge facility debt	$ 12,642,937	$ -	$ (1,579,134)	$ 11,063,803
Less current portion	(1,579,134)	(1,620,598)	1,579,134	(1,620,598)
Total long-term debt, net of current portion	$ 11,063,803	$ (1,620,598)	$ -	$ 9,443,205

Long-term debt consisted of the following at September 30, 2025 and 2024:

	2025	2024
Note payable to the State of Florida Department of Transportation. For the year ended September 30, 2025, annual payments of principal and interest at an annual rate of 2.5% were due, plus quarterly prepayments of principal of $250,000. The note was renegotiated in 2025, and interest-only payments are now due through January 2028, when principal payments will resume. The note now matures in October 2033. Note is collateralized by a pledge of net revenues from the operations.	$ 10,517,307	$ 11,063,803
Less current maturities	-	(1,620,598)
Total long-term debt	$ 10,517,307	$ 9,443,205

Debt service requirements based on current principal borrowed and interest rates to maturity for notes payable is as follows:

2026	$ 196,659
2027	262,933
2028	816,273
2029	1,890,374
2030	1,891,001
Thereafter	6,882,741
Total Payments	11,939,981
Less amounts representing interest	(1,422,674)
Principal	$ 10,517,307

Note 6 - Risk Management

The Authority's risk management activities are provided by commercial insurance coverage for all major categories of risk: auto, bond, casualty, cyber, director's and officer' liability, liability, and workman's compensation. There have been no significant changes in insurance coverage from coverage in the prior year. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

Note 7 – Hurricanes Helene and Milton

In September and October 2024, the Authority was impacted by Hurricanes Helene and Milton, which resulted in damage to facilities and equipment and loss of revenues during the recovery period. The Authority received insurance recoveries for business interruption of approximately $241,000 during the year ended September 30, 2025, which has been reported as toll revenue on the Statement of Revenues, Expenses and Change in Net Position.

Hurricane-related damages, including temporary repairs, were approximately $1,277,000. During the year ended September 30, 2025, the Authority received insurance proceeds of approximately $280,000 and recoveries from FEMA of approximately $982,000 to offset damages and related repair expenses; these payments have been reported as miscellaneous revenue on the Statement of Revenues, Expenses and Change in Net Position.

Note 8 – Coastal Erosion Project

The Authority is working with bridge and coastal engineers on a long-term multi-phase mitigation project to enhance shoreline protection for the causeway and bridges. The goal is to protect the causeway system from future storm damage. Total costs incurred as of September 30, 2025 were $1,293,125. Costs to complete are estimated to be approximately $4,261,000.

Note 9 - Subsequent Events

Subsequent events have been evaluated through March 6, 2026, the date the financial statements were available to be issued.

OTHER REPORTS

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

To the Board of Supervisors
Gasparilla Island Bridge Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Gasparilla Island Bridge Authority as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 6, 2026.

Internal Control over Financial Reporting

Report on Internal Control over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

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

Suplee Shea Cramer & Miller, P.A.

Suplee Shea Cramer & Miller, PA
Sarasota, FL
March 6, 2026

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MANAGEMENT LETTER AND OTHER COMMENTS

To the Board of Supervisors
Gasparilla Island Bridge Authority

Report on the Financial Statements

We have audited the financial statements of the Gasparilla Island Bridge Authority, Florida, as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 6, 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 6, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Gasparilla Island Bridge Authority was established by Chapter 96-507 Laws of Florida. There are no component units.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Gasparilla Island Bridge Authority 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 Gasparilla Island Bridge Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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Pursuant to Section 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Gasparilla Island Bridge Authority. It is management's responsibility to monitor the Gasparilla Island Bridge Authority'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.

Specific Information

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

a) The total number of district employees compensated in the last pay period of the district's fiscal year as 22.

b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 3.

c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $935,691.

d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $75,853.

e) Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project was as follows as of September 30, 2025:

   a. Causeway Erosion Control Project – $1,293,125 total expenditures.

   b. Building Remediation Project – $346,277 total expenditures.

f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as $0.

Additional Matters

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

Purpose of this letter

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

Suplee Shea Cramer & Miller, P.A.

Suplee Shea Cramer & Miller, PA
Sarasota, Florida
March 6, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES

To the Board of Supervisors
Gasparilla Island Bridge Authority

We have examined the Gasparilla Island Bridge Authority's (the Authority) compliance with Section 218.415, *Florida Statutes - Local Government Investment Policies*, during the fiscal year ended September 30, 2025. Management is responsible for the Authority's compliance with these requirements. Our responsibility is to express an opinion on the Authority'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 Authority complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority 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.

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

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

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

This report is intended solely for the information and use of the Auditor General, State of Florida, management, and the Board of Supervisors of the Gasparilla Island Bridge Authority and is not intended to be and should not be used by anyone other than these specified parties.

Suplee Shea Cramer & Miller, P.A.

Suplee Shea Cramer & Miller, PA
Sarasota, Florida
March 6, 2026

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