NatureWalk Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2023

NatureWalk Community Development District

ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2023

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
NatureWalk Community Development District
Walton County, Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of NatureWalk Community Development District (the "District"), as of and for the year ended September 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the Basis for Opinion, the financial statements referred to above do not present fairly, the financial position of the discretely presented component unit of the District as of September 30, 2023 or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the matter described in the Basis for Opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of NatureWalk Community Development District as of September 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the financial statements referred to previously 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, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Supervisors
NatureWalk Community Development District

Basis for Opinion

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

The District did not include the financial statements for the legally separate component unit. Accounting principles generally accepted in the United States of America (GAAP) require the financial statements of the component unit be reported with the financial statements of the District's primary government unless the District also issues financial statements for the reporting entity that include the financial data for its component unit. The District has not issued such financial statements. Because of this departure from GAAP the assets, liabilities, net position, revenues and expenses in the accompanying financial statements do not include the activity of the discretely presented component unit.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

To the Board of Supervisors
NatureWalk Community Development District

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

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

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

Required Supplementary Information

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

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

To the Board of Supervisors
NatureWalk Community Development District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 4, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 NatureWalk Community Development District's internal control over financial reporting and compliance.

Berger Toombs Elam Gaines & Frank

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

December 4, 2024

NatureWalk Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023

Management's discussion and analysis of NatureWalk Community Development District (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities for the fiscal year ended September 30, 2023. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2023.

- The District's total assets were exceeded by total liabilities by $(9,912,096) (net position). Unrestricted net position for Governmental Activities was $(3,652,290), and restricted net position was $212,943. Net investment in capital assets was $(6,472,749).

- Governmental activities revenues totaled $1,837,283 while governmental activities expenses totaled $2,160,270.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2023	2022
Current assets	$ 512,450	$ 369,960
Restricted assets	2,873,179	2,075,119
Capital assets, net	5,566,551	6,078,274
Total Assets	8,952,180	8,523,353
Current liabilities	14,812,368	13,876,529
Non-current liabilities	4,051,908	4,235,933
Total Liabilities	18,864,276	18,112,462
Net Position		
Net investment in capital assets	(6,472,749)	(5,786,936)
Restricted for capital projects	212,943	-
Unrestricted	(3,652,290)	(3,802,173)
Total Net Position	$ (9,912,096)	$(9,589,109)

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

The increase in restricted assets is related to the debt service assessments collected in the current year and not used for debt service payments as of year-end.

The decrease in capital assets is the result of depreciation in the current year.

The increase in current liabilities is related to the increase in matured bonds and interest payable.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change in Net Position

	Governmental Activities	
	2023	2022
Program Revenues		
Charges for services	$ 1,753,400	$ 1,091,186
General Revenues		
Miscellaneous revenues	95	2,633
Investment earnings	83,788	3,477
Total Revenues	1,837,283	1,097,296
Expenses		
General government	244,483	156,830
Physical environment	1,040,506	1,118,654
Interest and other charges	875,281	761,223
Total Expenses	2,160,270	2,036,707
Change in Net Position	(322,987)	(939,411)
Net Position - Beginning of Year	(9,589,109)	(8,649,698)
Net Position - End of Year	$ (9,912,096)	$ (9,589,109)

The increase in charges for services is related to an increase in special assessments in the current year.

The increase in general government is related to higher legal and engineer fees and SPE expenses in the current year.

The decrease in physical environment is related to the decrease in depreciation in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2023 and 2022.

Description	Governmental Activities 2023	2022
Construction in progress	$ 3,274,370	$ 3,274,370
Infrastructure	10,783,621	10,783,621
Stormwater management	1,917,033	1,917,033
Improvements other than buildings	478,116	478,116
Accumulated depreciation	(10,886,589)	(10,374,866)
Total Capital Assets (Net)	$ 5,566,551	$ 6,078,274

The activity for the year consisted of depreciation of $511,723.

General Fund Budgetary Highlights

Actual expenditures were less than the total budget for the year ended September 30, 2023 because of lower than anticipated contingency and repair and maintenance expenditures.

The September 30, 2023 budget was not amended.

Debt Management

Governmental Activities debt includes the following:

- In March 2007, the District issued $8,295,000 Series 2007A and $11,705,000 Series 2007B Capital Improvement Revenue Bonds. These bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. The District has failed to pay principal payments of $1,300,000 on the Series 2007A and $7,895,000 on the Series 2007B Bonds. These amounts are reflected as matured bonds payable in the financial statements. The balance outstanding for the Series 2007A Bonds at September 30, 2023 was $4,250,000.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

NatureWalk Community Development District does not expect any economic factors to have any significant effect on the financial positions or results of operation of the District in fiscal year 2024.

Request for Information

The financial report is designed to provide a general overview of NatureWalk Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the NatureWalk Community Development District's Accounting Department, 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614.

NatureWalk Community Development District
STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities
ASSETS	
Current Assets	
Cash	$ 392,149
Investments	11
Accounts receivable	111,380
Prepaid expenses	7,370
Prepaid deposits	1,540
Total Current Assets	512,450
Non-Current Assets	
Restricted assets	
Investments	2,873,179
Capital Assets, Not Being Depreciated	
Construction in progress	3,274,370
Capital Assets, Being Depreciated	
Infrastructure	10,783,621
Stormwater management	1,917,033
Improvements other than buildings	478,116
Less: accumulated depreciation	(10,886,589)
Total Non-current Assets	8,439,730
Total Assets	8,952,180
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	65,032
Accrued interest	301,536
Matured bonds payable	9,195,000
Matured interest payable	5,065,800
Bonds payable - current portion	185,000
Total Current Liabilities	14,812,368
Non-Current Liabilities	
Bonds payable, net	4,051,908
Total Liabilities	18,864,276
NET POSITION	
Net investment in capital assets	(6,472,749)
Restricted for capital projects	212,943
Unrestricted	(3,652,290)
Total Net Position	$ (9,912,096)

See accompanying notes to financial statements.

NatureWalk Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
General government	$ (244,483)	$ 205,588	$ (38,895)
Physical environment	(1,040,506)	708,043	(332,463)
Interest and other charges	(875,281)	839,769	(35,512)
Total Governmental Activities	$ (2,160,270)	$ 1,753,400	(406,870)
General revenues:			
Miscellaneous revenues			95
Investment earnings			83,788
Total General Revenues			83,883
Change in Net Position			(322,987)
Net Position - Beginning of year			(9,589,109)
Net Position - End of year			$ (9,912,096)

See accompanying notes to financial statements.

NatureWalk Community Development District
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash	$ 392,149	$ -	$ -	$ 392,149
Investments	11	-	-	11
Assessments receivable	89,334	22,046	-	111,380
Prepaid items	7,370	-	-	7,370
Deposits	1,540	-	-	1,540
Restricted assets				
Investments	-	2,327,955	545,224	2,873,179
Total Assets	$ 490,404	$ 2,350,001	$ 545,224	$ 3,385,629
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	$ 65,032	$ -	$ -	$ 65,032
Matured bonds payable	-	9,195,000	-	9,195,000
Matured interest payable	-	5,065,800	-	5,065,800
Total Liabilities	65,032	14,260,800	-	14,325,832
FUND BALANCES				
Nonspendable - prepaid expenses/deposits	8,910	-	-	8,910
Restricted				
Capital projects	-	-	545,224	545,224
Unassigned	416,462	(11,910,799)	-	(11,494,337)
Total Fund Balances	425,372	(11,910,799)	545,224	(10,940,203)
Total Liabilities and Fund Balances	$ 490,404	$ 2,350,001	$ 545,224	$ 3,385,629

See accompanying notes to financial statements.

NatureWalk Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2023

Total Governmental Fund Balances	$ (10,940,203)
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, construction in progress, $3,274,370, infrastructure, $10,783,621, stormwater management, $1,917,033, and improvements other than buildings, $478,116, net of accumulated depreciation, $(10,886,589), are not current financial resources, and therefore, are not reported at the fund level.	5,566,551
Long-term liabilities, including bonds payable, $(4,250,000), net of bond discounts, net, $13,092, are not due and payable in the current period, and therefore, are not reported at the fund level.	(4,236,908)
Accrued interest expense for long-term debt is not a current financial use, and therefore, is not reported in the fund level.	(301,536)
Net Position of Governmental Activities	$ (9,912,096)

See accompanying notes to financial statements.

NatureWalk Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Special assessments	$ 913,631	$ 839,769	$ -	$ 1,753,400
Miscellaneous revenues	95	-	-	95
Investment earnings	911	63,480	19,397	83,788
Total Revenues	914,637	903,249	19,397	1,837,283
EXPENDITURES				
Current				
General government	154,454	90,029	-	244,483
Physical environment	531,938	-	-	531,938
Debt service				
Principal	-	180,000	-	180,000
Interest	-	723,685	-	723,685
Other	-	150,621	-	150,621
Total Expenditures	686,392	1,144,335	-	1,830,727
Excess/(deficiency) of revenues over/(under) expenditures	228,245	(241,086)	19,397	6,556
Other Financing Sources/(Uses)				
Insurance proceeds	3,155	-	-	3,155
Transfers in	-	-	8,426	8,426
Transfers out	-	(8,426)	-	(8,426)
Total Other Financing Sources/(Uses)	3,155	(8,426)	8,426	3,155
Net change in fund balances	231,400	(249,512)	27,823	9,711
Fund Balances - Beginning of year	193,972	(11,661,287)	517,401	(10,949,914)
Fund Balances - End of year	$ 425,372	$ (11,910,799)	$ 545,224	$ (10,940,203)

See accompanying notes to financial statements.

NatureWalk Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Net Change in Fund Balances - Total Governmental Funds	$	9,711
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period.		(511,723)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities at the government-wide level.		180,000
Bond discounts are amortized over the life of the bonds as interest. This is the current period amortization.		(975)
Change in Net Position of Governmental Activities	$	(322,987)

See accompanying notes to financial statements.

NatureWalk Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	$ 911,814	$ 911,814	$ 913,631	$ 1,817
Miscellaneous revenues	-	-	95	95
Investment earnings	-	-	911	911
Total Revenues	911,814	911,814	914,637	2,823
Expenditures				
Current				
General government	179,297	179,297	154,454	24,843
Physical environment	732,517	732,517	531,938	200,579
Total Expenditures	911,814	911,814	686,392	225,422
Excess of revenues over/(under) expenditures	-	-	228,245	228,245
Other Financing Sources/(Uses				
Insurance proceeds	-	-	3,155	3,155
Net change in fund balances	-	-	231,400	231,400
Fund Balances - Beginning of year	-	-	193,972	193,972
Fund Balances - End of year	$ -	$ -	$ 425,372	$ 425,372

See accompanying notes to financial statements.

NatureWalk Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established on June 28, 2005 by Ordinance No. 05-23 of the Board of County Commissioners of Walton County, Florida. The District was established pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is governed by a five-member Board of Supervisors. The District operates within the criteria established by Chapter 190, Florida Statutes. The Board has the responsibility for allocating and levying assessments, approving budgets, exercising control over facilities and properties, controlling the use of funds generated by the District, approving the hiring and firing of key personnel, and financing improvements.

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

In a previous year, certain land within the District was deeded in lieu of foreclosure to New Naturewalk, LLC, a Special Purpose Entity (SPE) formed in conformance with the Bond Indenture when the bonds went in default. The SPE qualifies as a stand-alone component unit of the District in accordance with GAAP. The District was not provided any information about the financial activity of the SPE, therefore, the SPE is not included in the accompanying financial statements as required by GAAP.

2. Measurement Focus and Basis of Accounting

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

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

Governmental activities are supported by special assessments and interest. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

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

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

b. Fund Financial Statements

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

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

The District has various policies governing the fund balance classifications.

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

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

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

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

Fund Balance Spending Hierarchy – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

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

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

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

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

Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Debt Service Fund – The Debt Service Fund accounts for the debt service requirements to retire the capital improvement revenue bonds.

Capital Projects Fund – The Capital Project Fund accounts for financial resources to be used for the acquisition or construction of major infrastructure within the District.

b. Non-current Governmental Assets/Liabilities

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

4. Assets, Liabilities and Net Position or Equity

a. Cash and Investments

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

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

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

b. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported as “internal balances”.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

c. Net Position

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted, or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's bond covenants and other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

d. Capital Assets

Capital assets, which include construction in progress, improvements other than buildings, infrastructure and stormwater management are reported in the applicable governmental activities column.

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

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

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

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

Improvements other than buildings	15 years
Infrastructure	15-20 years
Stormwater management	25 years

e. Unamortized Bond Discounts

Bond discounts associated with the issuance of revenue bonds are amortized using the straight line method. For financial reporting, unamortized bond discounts are netted against the applicable long-term debt.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

f. Budgets

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

g. 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 reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

NOTE B – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2023, the District's bank balance was $404,183 and carrying value was $392,149. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Investments

As of September 30, 2023, the District had the following investments and maturities:

Investment	Maturity	Fair Value
Florida PRIME	35 days*	$ 11
U S Bank Managed Money Market	N/A	2,873,179
Total		$ 2,873,190

*Maturity is a weighted average maturity.

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

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

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

The District’s investment policy allows management to invest in investments permitted under Section 218.415, Florida Statutes. The investment in Florida PRIME is measured at amortized cost. Florida PRIME has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2023, there were no redemption fees, maximum transaction amounts, or any other requirements that would limit daily access to 100 percent of the account value.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2023, the District’s investment in Florida PRIME were rated AAAm by Standard & Poor’s and the investment in U S Bank Managed Money Market was not rated.

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investment in U S Bank Managed Money Market is essentially 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2023 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

NOTE C – SPECIAL ASSESSMENT REVENUES

Assessments are non-ad valorem assessments imposed on assessable lands located within the District. Assessments may be levied on property to pay for the operation and maintenance of the District, as well as to pay for debt service on the District's Bonds. The fiscal year for which annual assessments may be levied begins October 1 with discounts available for payments through February 28 and become delinquent on April 1. For debt service assessments, amounts collected as advance payments are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

NOTE D – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2023 was as follows:

	Balance October 1, 2022	Additions	Disposals	Balance September 30, 2023
Governmental activities:				
Capital assets, not being depreciated				
Construction in progress	$ 3,274,370	$ -	$ -	$ 3,274,370
Capital assets, being depreciated:				
Infrastructure	10,783,621	-	-	10,783,621
Stormwater management	1,917,033	-	-	1,917,033
Improvements other than buildings	478,116	-	-	478,116
Total capital assets, being depreciated	13,178,770	-	-	13,178,770
Less accumulated depreciation for:				
Infrastructure	(8,785,289)	(426,529)	-	(9,211,818)
Stormwater management	(1,128,071)	(76,682)	-	(1,204,753)
Improvements other than buildings	(461,506)	(8,512)	-	(470,018)
Total accumulated depreciation	(10,374,866)	(511,723)	-	(10,886,589)
Total capital assets being depreciated, net	2,803,904	(511,723)	-	2,292,181
Governmental activities capital assets, net	$ 6,078,274	$ (511,723)	$ -	$ 5,566,551

Depreciation of $511,723 was charged to physical environment.

NOTE E – LONG-TERM DEBT

In March 2007, the District issued $8,295,000 Series 2007A and $11,705,000 Series 2007B Capital Improvement Revenue Bonds maturing on May 1, 2038 and May 1, 2016, respectively, with fixed interest rates of 5.50% and 5.30%. These bonds were issued to finance a portion of the cost of acquisition, construction, installation, and equipping of the Series 2007 Project. The balance outstanding on the Series 2007A Bonds at September 30, 2023 was $4,250,000.

The following is a summary of activity for long-term debt of the District for the year ended September 30, 2023:

Long-term debt at October 1, 2022	$ 4,430,000
Principal payments	(180,000)
Long-term debt at September 30, 2023	4,250,000
Less: bond discount, net	(13,092)
Total long-term debt, net at September 30, 2023	$ 4,236,908

NOTE E – LONG-TERM DEBT (CONTINUED)

The Bonds have an additional $9,195,000 in matured bonds outstanding for past due principal payments on the Series 2007A and Series 2007B Bonds. The District did not make the scheduled debt service payments on November 1, 2022 and May 1, 2023.

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2023 are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	$ 185,000	$ 233,750	$ 418,750
2025	200,000	223,575	423,575
2026	210,000	212,575	422,575
2027	220,000	201,025	421,025
2028	235,000	188,925	423,925
2029-2033	1,375,000	737,000	2,112,000
2034-2038	1,825,000	312,125	2,137,125
Totals	$ 4,250,000	$ 2,108,975	$ 6,358,975

Summary of Significant Bonds Resolution Terms and Covenants

The District levies special assessments pursuant to Section 190.022, Florida Statutes and the assessment rolls are approved by resolutions of the District Board. The collections are to be strictly accounted for and applied to the debt service of the bond series for which they were levied. The District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds. Payment of principal and interest is dependent on the money available in the debt service fund and the District's ability to collect special assessments levied.

The Series 2007A Bonds are subject to redemption prior to maturity, in whole on any date, or in part at any time on or after May 1, 2017. The Series 2007A Bonds are subject to extraordinary mandatory redemption prior to their selected maturity date in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The bond indenture provides for Debt Service Reserve Funds, which shall be held by the Trustee separate and apart from all other funds. The following is a schedule of reserve requirements and balances in the reserve accounts at September 30, 2023:

	Reserve Balance	Reserve Requirement
Series 2007A	$ 170,803	$ 379,254
Series 2007B	$ 59,323	$ 418,435

NOTE F – INTERFUND ACTIVITY

Interfund transfers for the year ended September 30, 2023, consisted of the following:

	Transfers Out
Transfers In	Debt Service Fund
Capital Projects Fund	$ 8,426

The transfers relate to the transfer of interest income per the Trust Indenture.

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.

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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
NatureWalk Community Development District
Walton County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, as listed in the table of contents, of NatureWalk Community Development District, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated December 4, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

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Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
NatureWalk Community Development District

Report on Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated December 4, 2024. See pages 32-35.

Purpose of this Report

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

Berger Toombs Elam Gaines + Frank

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

December 4, 2024

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MANAGEMENT LETTER

To the Board of Supervisors
NatureWalk Community Development District
Walton County, Florida

Report on the Financial Statements

We have audited the financial statements of the NatureWalk Community Development District as of and for the year ended September 30, 2023, and have issued our report thereon dated December 4, 2024.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated December 4, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

15-01 – Failure to Include Component Unit Financial Statements in the Financial Report

Finding: The District failed to include the financial statements of the SPE as a discretely presented component unit in their financial statements as required by governmental accounting standards.

Recommendation: We recommend that the District include the SPE financial statements in future annual reports.

Management Response: Due to the lack of control by the District and the opinion that the primary beneficiaries are the Bondholders, the District does not believe that the SPE is a component unit of the District.

Current Status: There was no change in the current year.

To the Board of Supervisors
NatureWalk Community Development District

12-01 – Failure to Meet Debt Service Reserve Requirements

Finding: The Trust Indenture requires the District to maintain certain minimum amounts in Debt Service Reserve Accounts. The District has not maintained the required reserve amounts for several years.

Recommendation: We recommend that the District utilize all legal remedies available to collect assessments and replenish the Debt Service Reserve Accounts.

Management Response: The District and the bondholders have been working to alleviate this issue. It is uncertain when and if the Reserve Accounts will be replenished with funds received in accordance with the Forbearance Agreement dated February 11, 2011.

Current Status: There was no change in the current fiscal year.

12-02 – Failure to Make Bond Debt Service Payments When Due

Finding: The District has been unable to make the required debt service payments when due since November 2015.

Recommendation: We recommend the District use all legal remedies available to collect delinquent assessments and bring debt service payments current.

Management Response: The District paid all past due principal and interest during the fiscal year ended September 30, 2015 at the direction of the bondholders. The Trustee, on behalf of the Bondholders, has told the District to hold all debt service assessments in abeyance. The District does not expect to make debt service payments as long as debt service assessments are in abeyance.

Current Status: There was no change in the current fiscal year.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not NatureWalk Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the NatureWalk Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes (See Finding 12-02 above).

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2023 for the NatureWalk Community Development District. It is management's responsibility to monitor the NatureWalk Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

To the Board of Supervisors
NatureWalk Community Development District

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

Specific Information

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

As required by Section 218.39(3)(c) and Section 218.32(1)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the NatureWalk Community Development District reported:

1) The total number of District employees compensated in the last pay period of the District's fiscal year: 0
2) The total number of independent contractors to whom nonemployee compensation, defined as individuals or entities that receive 1099s, was paid in the last month of the District's fiscal year: 6
3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: $0
4) All compensation earned by or awarded to nonemployee independent contractors, defined as entities or individuals that receive 1099s, whether paid or accrued, regardless of contingency: $7,500.
5) Each construction project with a total cost of at least $65,000 approved by the District that is scheduled to begin on or after October 1, 2022, together with the total expenditures for such project: None.
6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended.

As required by Section 218.39(3)(c) and Section 218.32(1)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the NatureWalk Community Development District reported:

1) The rate or rates of non-ad valorem special assessments imposed by the District: General Fund $1,549.43 - $6,612.00 and Debt Service Fund $978.92 - $1,463.51.
2) The amount of special assessments collected by or on behalf of the District: $1,753,400.
3) The total amount of outstanding bonds issued by the District and the terms of such bonds. Series 2007A, 5.5% unmatured Bonds $4,250,000.

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Certified Public Accountants PL

To the Board of Supervisors
NatureWalk Community Development District

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 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.

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December 4, 2024

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

To the Board of Supervisors
NatureWalk Community Development District
Walton County, Florida

We have examined NatureWalk Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2023. Management is responsible for NatureWalk Community Development District's compliance with those requirements. Our responsibility is to express an opinion on NatureWalk Community Development District's compliance based on our examination.

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

In our opinion, NatureWalk Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2023.

Berger Toombs Elam Gaines & Frank

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

December 4, 2024