BLUE LAKE
COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

BLUE LAKE COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Blue Lake Community Development District
Lee County, Florida

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Other Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c) but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Grau & Associates

June 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Blue Lake Community Development District, Lee County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- Due to accrual of debt service, the liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position deficit balance of ($5,915,022).

- The change in the District's total net position in comparison with the prior fiscal year was ($30,871), a decrease. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.

- At September 30, 2025, the District's governmental funds reported combined ending fund balances of $758,701, an increase of $16,518 in comparison with the prior fiscal year. The total fund balance is restricted for debt service and capital projects, and the remainder is unassigned which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by assessments. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund all of which are major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, liabilities exceeded assets at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

NET POSITION
SEPTEMBER 30,

	2025	2024
Current and other assets	$ 850,847	$ 802,878
Capital assets, net of depreciation	2,762,652	2,894,207
Total assets	3,613,499	3,697,085
Current liabilities	212,940	179,589
Long-term liabilities	9,315,581	9,401,647
Total liabilities	9,528,521	9,581,236
Net position		
Net investment in capital assets	(6,510,547)	(6,480,238)
Restricted	503,128	476,668
Unrestricted	92,397	119,419
Total net position	$ (5,915,022)	$ (5,884,151)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position decreased during the most recent fiscal year. The majority of the decrease represents the extent to which the cost of operations and depreciation expense exceeded ongoing program revenues.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

	2025	2024
Revenues:		
Program revenues		
Charges for services	$ 1,199,117	$ 1,087,623
Operating grants and contributions	34,275	40,047
General revenues		
Unrestricted investment earnings	10,305	20,473
Total revenues	1,243,697	1,148,143
Expenses:		
General government	250,825	161,555
Maintenance and operations	602,371	280,911
Interest	410,072	413,378
Debt issuance costs	11,300	-
Total expenses	1,274,568	855,844
Change in net position	(30,871)	292,299
Net position - beginning	(5,884,151)	(6,176,450)
Net position - ending	$ (5,915,022)	$ (5,884,151)

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2025 was $1,274,568. The costs of the District's activities were funded by program revenues which is comprised mainly of assessments. The District also received funds from investment earnings which are included in program revenues. The increase in current fiscal year expenses is primarily related to an increase in mitigation monitoring and litigation costs.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2025 was amended to increase revenues by $22,885 and increase appropriations by $407,684. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2025.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2025, the District had $3,288,872 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of $526,220 has been taken, which resulted in a net book value of $2,762,652. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2025, the District had $9,195,000 in Bonds outstanding and $133,400 in line of credit payable for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District anticipates an increase in legal expenses during the subsequent fiscal year as the District pursues legal action against the Developer in relation to claims of structural deficiencies in infrastructure improvements acquired from the Developer.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Blue Lake Community Development District's management services at Special District Services, Inc., 2501A Burns Road, Palm Beach Gardens, Florida 33410.

BLUE LAKE COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities
ASSETS	
Cash	$ 182,008
Accounts receivable	2,535
Restricted assets:	
Investments	666,304
Capital assets:	
Depreciable, net	2,762,652
Total assets	3,613,499
LIABILITIES	
Accounts payable	92,146
Accrued interest payable	120,794
Non-current liabilities:	
Due within one year	225,000
Due in more than one year	9,090,581
Total liabilities	9,528,521
NET POSITION	
Net investment in capital assets	(6,510,547)
Restricted for debt service	503,128
Unrestricted	92,397
Total net position	$ (5,915,022)

See notes to the financial statements

BLUE LAKE COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary government:					
Governmental activities:					
General government	$ 250,825	$ 250,825	$ -	$ -	$ -
Maintenance and operations	602,371	311,389	-	1,492	(289,490)
Interest on long-term debt	410,072	636,903	32,783	-	259,614
Debt issuance costs	11,300	-	-	-	(11,300)
Total governmental activities	1,274,568	1,199,117	32,783	1,492	(41,176)
General revenues:					
Unrestricted investment earnings					10,305
Total general revenues					10,305
Change in net position					(30,871)
Net position - beginning					(5,884,151)
Net position- ending					$ (5,915,022)

See notes to the financial statements

BLUE LAKE COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
ASSETS				
Cash	$ 182,008	$ -	$ -	$ 182,008
Investments	-	623,922	42,382	666,304
Accounts receivable	2,535	-	-	2,535
Total assets	$ 184,543	$ 623,922	$ 42,382	$ 850,847
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 92,146	$ -	$ -	$ 92,146
Total liabilities	92,146	-	-	92,146
Fund balances:				
Restricted for:				
Debt service	-	623,922	-	623,922
Capital projects	-	-	42,382	42,382
Unassigned	92,397	-	-	92,397
Total fund balances	92,397	623,922	42,382	758,701
Total liabilities and fund balances	$ 184,543	$ 623,922	$ 42,382	$ 850,847

See notes to the financial statements

BLUE LAKE COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Fund balance - governmental funds		$ 758,701
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of accumulated depreciation, in the assets of the government as a whole.		
Cost of capital assets	3,288,872	
Accumulated depreciation	(526,220)	2,762,652
Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.		
Accrued interest payable	(120,794)	
Unamortized original issue discount	12,819	
Line of credit payable	(133,400)	
Bonds payable	(9,195,000)	(9,436,375)
Net position of governmental activities		$ (5,915,022)

See notes to the financial statements

BLUE LAKE COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
REVENUES				
Assessments	$ 562,214	$ 636,903	$ -	$ 1,199,117
Interest and other revenue	10,305	32,783	1,492	44,580
Total revenues	572,519	669,686	1,492	1,243,697
EXPENDITURES				
Current:				
General government	250,825	-	-	250,825
Maintenance and operations	470,816	-		470,816
Debt service:				
Principal	-	220,000	-	220,000
Interest	-	407,638	-	407,638
Debt issuance costs	11,300	-	-	11,300
Total expenditures	732,941	627,638	-	1,360,579
Excess (deficiency) of revenues over (under) expenditures	(160,422)	42,048	1,492	(116,882)
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	-	(13,688)	13,688	-
Line of credit proceeds	133,400	-	-	133,400
Other financing sources (uses)	133,400	(13,688)	13,688	133,400
Net change in fund balances	(27,022)	28,360	15,180	16,518
Fund balances - beginning	119,419	595,562	27,202	742,183
Fund balances - ending	$ 92,397	$ 623,922	$ 42,382	$ 758,701

See notes to the financial statements

BLUE LAKE COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds	$	16,518
Amounts reported for governmental activities in the statement of activities are different because:		
Depreciation on capital assets is not recognized in the governmental fund statement but is reported as an expense in the statement of activities.		(131,555)
Amortization of Bond discounts/premiums is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.		(534)
Repayment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.		220,000
Governmental funds report the face amount of debt proceeds as financial resources when debt is first issued, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.		(133,400)
The change in accrued interest between the current and prior year is reported on the statement of activities but not on the fund financial statements.		(1,900)
Change in net position of governmental activities	$	(30,871)

See notes to the financial statements

BLUE LAKE COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING

Blue Lake Community Development District ("District") was created on August 22, 2018 by Ordinance 18-20 of the Board of County Commissioners of Lee County, Florida, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by the owners of the property within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2025, one of the Board members is affiliated with Lennar Homes, LLC (the “Developer”).

The Board has the final responsibility for:
1. Assessing and levying maintenance taxes and special assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board (“GASB”) Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements
The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; operating-type special assessments for maintenance and debt service are treated as charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

Assessments are non-ad valorem assessments on certain land and all platted lots within the District. Assessments are levied each November 1 on property of record as of the previous January. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. 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.

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

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

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

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

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured and any unspent Bond proceeds are required to be held in investments as specified in the Bond Indenture.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Inventories and Prepaid Items
Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets
Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	25

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

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

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

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

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

Fund Equity/Net Position
In the fund financial statements, governmental funds report nonspendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

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

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

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

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 or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Disclosures

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 reporting period. Actual results could differ from those estimates.

NOTE 3 – BUDGETARY INFORMATION

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits
The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments
The District's investments were held as follows at September 30, 2025:

	Amortized Cost	Credit Risk	Maturity
US Bank Money Market 5	$ 666,304	N/A	N/A
Total Investments	$ 666,304		

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

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

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)
However, the Bond Indenture limits the type of investments held using unspent proceeds.

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

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

- *Level 1: Investments* whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

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

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2025 were as follows:

Fund	Transfer in	Transfer out
Debt service	$ -	$ 13,688
Capital projects	13,688	-
Total	$ 13,688	$ 13,688

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers from the debt service fund to the capital projects fund were made in accordance with the Bond Indentures.

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, being depreciated				
Infrastructure - drainage and other	$ 3,288,872	$ -	$ -	$ 3,288,872
Total capital assets, being depreciated	3,288,872	-	-	3,288,872
Less accumulated depreciation for:				
Infrastructure - drainage and other	394,665	131,555	-	526,220
Total accumulated depreciation	394,665	131,555	-	526,220
Governmental activities capital assets, net	$ 2,894,207	$ (131,555)	$ -	$ 2,762,652

Depreciation was charged to maintenance and operations.

NOTE 7 – LONG TERM LIABILITIES

Series 2019

In May 2019, the District issued $10,400,000 of Special Assessment Revenue Bonds, Series 2019 with an interest rate ranging from 3.50% to 4.50%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each June 15 and December 15. Principal on the Bonds is to be paid serially commencing June 15, 2020 through June 15, 2049.

The Series 2019 Bonds are subject to redemption at the option of the District prior to maturity. The Series 2019 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2025.

Line of Credit

In April 2025, the District issued a Taxable Non-Revolving Line of Credit Note, Series 2025 in a not to exceed amount of $2,500,000 with a fixed interest rate of 7.02%. The Note was issued to fund the repairs of damaged walls within the District. During the current fiscal year, the District has drawn a total of $133,400 on the line of credit. Interest is to be paid semiannually on each May 1 and November 1, beginning November 1, 2025. Principal payments on the Notes in the amount of $277,778 shall be due annually on May 1, commencing May 1, 2027 through the maturity date of May 1, 2035. In the case of the District, payments on the draw of $133,400 are due to commence on May 1, 2027.

The Series 2025 Note maturing on May 1, 2035, is redeemable in whole or in part before its stated maturity date.

Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bond payable:					
Series 2019	$ 9,415,000	$ -	$ 220,000	$ 9,195,000	$ 225,000
Less: original issue discount	(13,353)	-	(534)	(12,819)	-
Direct borrowings:					
Line of credit	-	133,400	-	133,400	-
Total	$ 9,401,647	$ 133,400	$ 219,466	$ 9,315,581	$ 225,000

At September 30, 2025, the scheduled debt service requirements on the bonds payable were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2026	$ 225,000	$ 398,838	$ 623,838
2027	235,000	389,838	624,838
2028	245,000	380,438	625,438
2029	255,000	370,638	625,638
2030	265,000	360,438	625,438
2031-2035	1,505,000	1,631,500	3,136,500
2036-2040	1,860,000	1,285,350	3,145,350
2041-2045	2,330,000	835,875	3,165,875
2046-2049	2,275,000	261,900	2,536,900
Total	$ 9,195,000	$ 5,914,815	$ 15,109,815

NOTE 7 – LONG TERM LIABILITIES (Continued)

At September 30, 2025, the scheduled debt service requirements on the line of credit payable were as follows:

Year ending	Governmental Activities		
September 30:	Principal	Interest	Total
2026	$ -	$ 10,103	$ 10,103
2027	133,400	9,364	142,764
Total	$ 133,400	$ 19,467	$ 152,867

NOTE 8 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims over the past three years.

NOTE 10 – LITIGATION

The District has identified structural deficiencies in certain lake bank and retaining wall infrastructure, which are believed to be related to the original construction by the community's developer, Lennar Corporation. In late 2024, the District received a confidential settlement offer and retained independent engineering consultants to evaluate the infrastructure and assess the reasonableness of the offer. On July 31, 2025, legal action against Lennar Homes, LLC and five co-defendants was filed.

BLUE LAKE COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Assessments	$ 546,264	$ 559,679	$ 562,214	$ 2,535
Interest and other revenues	480	9,950	10,305	355
Total revenues	546,744	569,629	572,519	2,890
EXPENDITURES				
Current:				
General government	162,244	294,587	250,825	43,762
Maintenance and operations	384,500	476,441	470,816	5,625
Debt issuance costs	-	-	11,300	(11,300)
Capital outlay	-	183,400	-	183,400
Total expenditures	546,744	954,428	732,941	221,487
Excess (deficiency) of revenues over (under) expenditures	-	(384,799)	(160,422)	224,377
OTHER FINANCING SOURCES (USES)				
Line of credit proceeds	-	122,100	133,400	11,300
Use of fund balance	-	262,699	-	(262,699)
Total other financing sources (uses)	-	384,799	133,400	(251,399)
Net change in fund balances	$ -	$ -	(27,022)	$ (27,022)
Fund balances - beginning			119,419	
Fund balances - ending			$ 92,397	

See notes to required supplementary information

BLUE LAKE COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2025 was amended to increase revenues by $22,885 and increase appropriations by $407,684. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2025.

BLUE LAKE COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
UNAUDITED

Element	Comments
Number of district employees compensated in the last pay period of the District's fiscal year being reported.	0
Number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	4
Employee compensation	Not applicable
Independent contractor compensation	$188,107
Construction projects to begin on or after October 1; (>$65K)	Not applicable
Budget variance report	See the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rate	Ranges From $2,703.84 - $3,368.84 Per Unit
Special assessments collected	$1,199,117
Outstanding Bonds:	
Series 2019, due June 15, 2049	$9,195,000 - See Long Term Liabilities Note in report for details

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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*

To the Board of Supervisors
Blue Lake Community Development District
Lee 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 of the governmental activities and each major fund of Blue Lake Community Development District, Lee County, Florida ("District") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 30, 2026.

Report on Internal Control Over Financial Reporting

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

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.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Grau & Associates

June 30, 2026

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

To the Board of Supervisors
Blue Lake Community Development District
Lee County, Florida

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

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

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

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

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

Grau & Associates

June 30, 2026

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MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL FOR THE STATE OF FLORIDA

To the Board of Supervisors
Blue Lake Community Development District
Lee County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Blue Lake Community Development District, Lee County, Florida ("District") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 30, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in G*overnment 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 Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Auditor'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 June 30, 2026, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General of the state of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

I. Current year findings and recommendations.
II. Status of prior year findings and recommendations.
III. Compliance with the Provisions of the Auditor General of the State of Florida.

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, as applicable, management, and the Board of Supervisors of Blue Lake Community Development District, Lee County, Florida and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Blue Lake Community Development District, Lee County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

Grau & Associates
June 30, 2026

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

   There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2024.

2. Any recommendations to improve the local governmental entity's financial management.

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2025.

3. 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.

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2025.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met any of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2025. It is management's responsibility to monitor 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.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 23.