



Lakewood Ranch Stewardship District

FINANCIAL STATEMENTS

September 30, 2022



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REPORT



INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Lakewood Ranch Stewardship District

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Lakewood Ranch Stewardship District ("District"), as of and for the year then ended September 30, 2022, 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 Lakewood Ranch Stewardship District, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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

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; this includes 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 on pages 3 through 6 and page 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2023, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result 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.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs, & Ingram, LLC

Bradenton, Florida
March 6, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a narrative overview and analysis of the financial activities of the Lakewood Ranch Stewardship District ("District") for the fiscal year ended September 30, 2022.

Financial Highlights and Analysis of Financial Statements

- As of September 30, 2022 and 2021, the total assets of the District were \$395,546,459, and \$391,070,270, respectively, an increase of \$4,476,199. The primary factor for the change was the approximate increase in capitalized assets of \$35.9 million less approximately \$24.3 million in depreciation charges; and a decrease in cash of \$6.9 million.
- As of September 30, 2022 and 2021, the total liabilities of the District were \$382,147,985 and \$384,910,055, respectively, a decrease of \$2,762,070. The primary factor for the change was the approximate \$23.1 million of debt from new bond issues less approximately \$25 million in bond principal repayments; an increase in the amortization of the discount of \$.6 million, and a decrease in accounts payable of \$1.9 million.
- In the government-wide financial statements (accrual basis), the District's assets exceeded liabilities by \$13,398,474 and \$6,160,215 as of September 30, 2022 and 2021, respectively.
- In the governmental funds (modified accrual basis), the District's fund balance totaled \$32,309,288 and \$37,871,046 as of September 30, 2022 and 2021, respectively. The primary factor for both of these variances was the change in assets and liabilities as discussed above.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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 of the District's assets and liabilities, with the difference between the two 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 District'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 District's governmental activities include general government, physical environment, and interest on long-term debt.

The government-wide financial statements can be found on pages 8 and 9 of this report.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District’s funds are governmental funds.

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 government’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 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 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund and the capital projects fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 10 to 11 of this report.

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. The notes to the financial statements can be found on pages 13 through 25 of this report.

Government-Wide Financial Analysis

Statement of Net Position	2022	2021
Current and other assets	\$ 35,194,337	\$ 42,290,817
Capital assets	360,352,122	348,779,453
Total assets	\$ 395,546,459	\$ 391,070,270
Current liabilities	\$ 8,330,049	\$ 8,422,771
Long-term liabilities	373,817,936	376,487,284
Total liabilities	\$ 382,147,985	\$ 384,910,055
Net investment in capital assets	\$ (15,275,911)	\$ (16,217,718)
Restricted	32,291,508	37,853,269
Unrestricted	(3,617,123)	(15,475,336)
Total net position	\$ 13,398,474	\$ 6,160,215

Current and other assets decreased by \$7,096,852 primarily due to investments of capital outlay for various infrastructure projects.

The primary changes in the capital assets increase of approximately \$11.5 million were the infrastructure improvements on the Villages of Lakewood Ranch South, Lakewood Centre Northwest, Northeast Sector, Indigo, the Isles, Star Farms, Sweetwater, and the Lorraine Lakes projects of approximately \$35.9 million less approximately \$24.3 million of depreciation expense. The continued issuance of new bonds by the District is due to the continuing opening up of new residential development areas within the District with the bond proceeds being disbursed for master infrastructure in the appropriate assessment areas

Total liabilities decreased by approximately \$3.1 million, due primarily to the refinancing of the Lake Club.

Statement of Activities	2022	2021
Program revenues		
Charges for services	\$ 38,411,327	\$ 28,135,081
Operating grants and contributions	14,336,366	12,468,727
General revenues		
Investment income	23,369	1,436,867
Non advalorem assessments	6,712,314	5,368,604
Total revenues	59,483,376	47,409,279
Expenses		
General government	3,730,118	1,987,123
Physical environment	29,681,016	27,756,565
Interest on long-term debt	18,833,983	21,019,637
Total expenses	52,245,117	50,763,325
Changes in net position	7,238,259	(3,354,046)
Net position - beginning	6,160,215	9,514,261
Net position - ending	\$ 13,398,474	\$ 6,160,215

Charges for services consist of lot sale proceeds and operating grants and contributions consists of Developer cash funding contributions. Charges for services increased by \$10,276,246, primarily due increased land sales. Physical environment increased by \$1,924,451 due to costs associated with new projects.

Capital Assets

During the year ended September 30, 2022, the District had a gross increase of infrastructure approximately \$35.9 million. Primary capital projects continuing were Villages of Lakewood Ranch South, Indigo, Star Farms, Sweetwater and Northeast Sector projects. Additional information on the District's capital assets can be found in Note 4 of this report.

Debt Administration

During the year ended September 30, 2022, the District issued three new bonds for various projects netting to \$23.1 million. Approximately \$25 million was made in repayments of amounts due on the various issues of the District. Additional information on the District's long-term debt can be found in Notes 5 and 6 of this report.

Budgetary Highlights

The District set its annual budget for the District expecting to be operational for the entire year. Landowner funding came in lower than anticipated by \$1,362,576 and Assessment funding came in higher than anticipated by \$29,765. The variance of the budgeted expenditures compared with actual results was \$1,333,772 lower than anticipated. The reason for this variance is timing of completed infrastructure projects where needed landscape and related maintenance started later than budgeted. There were no budget amendments during the year.

Economic Factors and Year 2023 Budget

The District is anticipating increased interest in the various developments and projects currently underway. Next year's budget main components will be maintenance of the project areas, administration of the District, and continued infrastructure acquisition and improvements on capital projects begun in 2019, 2020, 2021 and 2022.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in them. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Lakewood Ranch Stewardship District, Attn: Supervisor, 14400 Covenant Way, Bradenton, Florida 34202.



BASIC FINANCIAL STATEMENTS



Lakewood Ranch Stewardship District Statement of Net Position

<i>September 30,</i>	2022
	Governmental Activities
Assets	
Current Assets:	
Cash and cash equivalents	\$ 972,345
Total current assets	972,345
Other Assets:	
Cash and cash equivalents - restricted	33,770,457
Accrued interest receivable	53,873
Prepaid expenses	36,523
Due from land owner	361,139
Total other assets	34,221,992
Capital Assets:	
Depreciable assets:	
District infrastructure	486,806,104
Less accumulated depreciation	(137,718,463)
Net depreciable assets	349,087,641
Non-depreciable assets:	
Construction in progress	11,264,481
Total capital assets	360,352,122
Total assets	\$ 395,546,459
Liabilities	
Current Liabilities:	
Accounts payable	\$ 2,885,049
Bonds payable, current portion	5,445,000
Total current liabilities	8,330,049
Non-current Liabilities:	
Bonds payable, long-term portion	373,817,936
Total non-current liabilities	373,817,936
Total liabilities	382,147,985
Net Position	
Net investment in capital assets	(15,275,911)
Restricted for debt service	30,135,554
Restricted for capital projects	2,155,954
Unrestricted	(3,617,123)
Total net position	\$ 13,398,474

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District Statement of Activities

For the year ended September 30, 2022

	Program Revenues		Net (Expense)
Functions / Programs	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
	Expenses		Governmental Activities
Primary government:			
Governmental activities:			
General government	\$ 3,730,118	\$ 38,411,327	\$ 14,336,366
Physical environment	29,681,016	-	-
Interest on long-term debt	18,833,983	-	-
Total governmental activities	\$ 52,245,117	\$ 38,411,327	\$ 14,336,366
			502,576
			General revenues:
			Non ad valorem assessments
			6,712,314
			Investment income
			23,369
			Total general revenues
			6,735,683
			Change in net position
			7,238,259
			Net position - beginning
			6,160,215
			Net position - ending
			\$ 13,398,474

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District Balance Sheet – Governmental Funds and Reconciliation of the Balance Sheet to the Statement of Net Position

September 30, 2022

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
Assets				
Cash and cash equivalents	\$ 972,345	\$ -	\$ -	\$ 972,345
Cash and cash equivalents - restricted	-	30,135,554	3,634,903	33,770,457
Accounts receivable	53,873	-	-	53,873
Prepaid expenses	36,523	-	-	36,523
Due from land owner	296,035	-	65,104	361,139
Total assets	\$ 1,358,776	\$ 30,135,554	\$ 3,700,007	\$ 35,194,337
Liabilities				
Accounts payable	\$ 1,340,996	\$ -	\$ 1,544,053	\$ 2,885,049
Total liabilities	1,340,996	-	1,544,053	2,885,049
Fund Balances				
Nonspendable	36,523	-	-	36,523
Restricted	-	30,135,554	2,155,954	32,291,508
Unassigned	(18,743)	-	-	(18,743)
Total fund balances	17,780	30,135,554	2,155,954	32,309,288
Total liabilities and fund balances	\$ 1,358,776	\$ 30,135,554	\$ 3,700,007	\$ 35,194,337
Amounts reported for governmental activities in the statement of net position are different because:				
Fund balance - governmental funds				\$ 32,309,288
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds				360,352,122
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.				
Bonds payable, net				(379,262,936)
Net position - governmental activities				\$ 13,398,474

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

For the year ended September 30, 2022

	Major Funds			Total
	General	Debt Service	Capital Projects	Governmental Funds
Revenues				
Land owner funding contributions	\$ 1,893,134	\$ -	\$ 12,443,232	\$ 14,336,366
Assessments	6,712,314	-	-	6,712,314
Investment income	-	20,345	3,024	23,369
Homeowner debt service payments	-	37,710,266	-	37,710,266
Other revenues	392,342	308,719	-	701,061
Total revenues	8,997,790	38,039,330	12,446,256	59,483,376
Expenditures				
Current:				
General government	3,730,118	-	-	3,730,118
Physical environment operations	5,267,669	-	-	5,267,669
Debt service:				
Bond principal payments	-	25,024,000	-	25,024,000
Bond interest payments	-	17,674,141	-	17,674,141
Cost of issuance	-	-	513,190	513,190
Capital outlay	-	-	35,912,974	35,912,974
Total expenditures	8,997,787	42,698,141	36,426,164	88,122,092
Other Financial Sources (Uses)				
Transfers in	-	-	920,244	920,244
Transfers out	-	(920,244)	-	(920,244)
Premium (Discount) on bonds	-	(78,807)	5,765	(73,042)
Debt and loan proceeds	-	10,282,370	12,867,630	23,150,000
Total other financing sources (uses)	-	9,283,319	13,793,639	23,076,958
Net change in fund balances	3	4,624,508	(10,186,269)	(5,561,758)
Fund balances - beginning	17,777	25,511,046	12,342,223	37,871,046
Fund balances - ending	\$ 17,780	\$ 30,135,554	\$ 2,155,954	\$ 32,309,288

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds to the Statement of Activities

For the year ended September 30,

2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (5,561,758)
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is eliminated and capitalized as capital assets (\$35,912,974). The total reflects depreciation expense for the current period (\$24,340,305).	11,572,669
The issuance of debt is reported as an other financing source, however, in the statement of net position these are treated as liabilities	(23,150,000)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	25,024,000
Amortization on discount/premium of bonds	(646,652)
Change in net position of governmental activities	\$ 7,238,259

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting principles and policies used in the preparation of these basic financial statements.

REPORTING ENTITY

Lakewood Ranch Stewardship District is a local unit special purpose government created on June 17, 2005 under the "Lakewood Ranch Stewardship District Act," otherwise known as Chapter 2005-338, Florida Statutes. The District was established for the purpose 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 on an at large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 2005-338, amended by Chapter 2009-263, Florida Statutes. The District encompasses 23,255 acres of land located in Manatee County and Sarasota County, Florida.

The Board has the final responsibility for contracting for the services of consultants; borrowing money; adopting and enforcing rules and orders pursuant to the provisions of Chapter 120; holding, controlling and acquiring by donation, purchase or condemnation or dispose of any public easements; lease as lessor or assess to or from any person, firm, corporation, association or body; borrow money and issue bonds, certificates, warrants, notes, or other evidence of indebtedness; raise, by user charges or fees authorized by resolution of the board, amounts of money necessary for the conduct of District activities; assess and impose ad valorem taxes; determine, order, levy, impose, collect, and enforce maintenance taxes.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement 34, and Statement 39, an amendment of GASB Statement 34. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the District Board of Supervisors 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.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the non-fiduciary activities of the primary government.

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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government 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.

The government 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 general obligation debt.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Projects Fund

The Capital Projects fund is used to account for the cost of construction of the infrastructure of 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, then unrestricted resources, as they are needed.

Restricted Assets

These assets represent cash and cash equivalents set aside pursuant to bond covenants or other contractual restrictions.

Cash and Cash Equivalents

All deposits are placed in a bank that qualifies as a public depository, as required by law (Florida Security for Public Deposits Act). Accordingly, all deposits are insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes. The District considers investments with original maturities less than 3 months to be cash equivalents.

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of more than one year. These assets are recorded at historical cost. Pursuant to GASB 34, the District elected to report infrastructure prospectively. Construction in progress is not depreciated. Major outlays for capital assets and improvements are capitalized as projects are constructed. District infrastructure is being depreciated over twenty years.

Long-Term Obligations

In the government-wide financial statements long-term debt are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as insurance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond 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 issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances

Governmental funds report fund balances are classified either as nonspendable, or as spendable. Spendable fund balances are further classified based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable Fund Balance – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by laws through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that are constrained for specific purposes imposed by formal action of the highest level of decision making authority. The highest level of authority is the Board of Supervisors. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes those constraints by taking the same type of action.

Assigned Fund Balance – Amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Supervisors or (b) the Executive Director to whom the Board of Supervisors has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Represents the residual fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned.

The District considers restricted funds to be used first when an expenditure is incurred and both restricted and unrestricted funds are available, followed by committed, assigned, and then unassigned as applicable.

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 expenses/expenditures during the reporting period. Actual results could differ from those estimates.

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 all governmental funds except the capital projects fund, which adopts a project-length budget.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

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 taxpayer 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) Unused appropriations for annually budgeted funds lapse at the end of the year.
- f) The legal level of budgetary control is the fund level.

Note 2: CASH AND CASH EQUIVALENTS

The District's cash balances are 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.

The District has not formally adopted a written investment policy. According to Florida Statutes 218.415(17) the District is authorized to invest in the following:

- (a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in §163.01.
- (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, as defined in §280.02.
- (d) Direct obligations of the U.S. Treasury.

The securities listed in (c) and (d) above must be invested such as to provide sufficient liquidity to pay obligations as they come due.

As of September 30, 2022, the District has the following balances in cash equivalents:

<u>Money market accounts</u>	<u>\$ 33,770,457</u>
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Lakewood Ranch Stewardship District Notes to Financial Statements

Note 3: 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. These risks are covered by commercial insurance from independent third parties. There have been no significant reductions in insurance coverage from the prior year. No settlements have exceeded the District's insurance coverage for each of the past three fiscal years.

Note 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Capital Assets, not being depreciated:					
Construction in Progress					
Public Roads	\$ 2,560,477	\$ 8,312,530	\$ 6,657,948	\$ -	\$ 4,215,059
Signals / Intersections	3,363,536	1,377,761	4,741,297	-	-
Bridges/Tunnels	-	9,346	9,346	-	-
Lighting	158,655	755,825	64,081	-	850,399
Drainage	1,518,297	8,936,513	8,481,606	-	1,973,204
Irrigation	31,697	63,274	41,228	-	53,743
Other Utilities	-	498,515	498,515	-	-
Landscaping	7,835	990,891	243,692	-	755,034
Hardscape	117,694	277,422	323,261	-	71,855
Sanitary Sewer	377,175	6,348,771	6,725,946	-	-
Potable Water	73,474	3,240,701	3,295,095	-	19,080
Earthwork, Clearing & Fill	2,097,250	1,856,986	3,043,585	-	910,651
Engineering & Surveying	878,712	1,976,771	1,241,266	-	1,614,217
Permit Fees & Bonding	-	76,765	76,765	-	-
Lake Dredging	-	-	-	(150)	150
Direct Bill and Stored Materials	734,454	-	714,275	-	20,179
Other Infrastructure	230,144	1,190,903	640,137	-	780,910
Total Construction in Progress	12,149,400	35,912,974	36,798,043	(150)	11,264,481
Capital Assets, being depreciated:					
District infrastructure	450,008,211	36,797,893	-	-	486,806,104
Total depreciable assets	450,008,211	36,797,893	-	-	486,806,104
Less accumulated depreciation for:					
District infrastructure	113,378,158	24,340,305	-	-	137,718,463
Total Capital Assets, being depreciated net	336,630,053	12,457,588	-	-	349,087,641
Total Capital Assets, net	\$ 348,779,453	\$ 48,370,562	\$ 36,798,043	\$ (150)	\$ 360,352,122

Depreciation expense was \$24,340,305 for the fiscal year ended September 30, 2022, reported under the Physical environment function in the statement of activities.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 5: LINE OF CREDIT

On September 8, 2017, the District entered into a Non-Bank Qualified Tax Exempt Revolving Line of Credit not to exceed \$45,000,000, with an interest rate of 4.0%. The line of credit was entered to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Northeast Sector, as well the set-up of a debt service reserve fund and to pay cost of issuance. On August 30, 2018, the line was amended to a maximum \$33,000,000 credit available and an interest rate of 4.25%. The line expired on September 8, 2022 and as of September 30, 2022, the balance on the line was \$0.

Note 6: LONG TERM DEBT

Unamortized discounts on governmental activities revenue bonds amounted to \$6,788,064 and \$7,434,716 as of September 30, 2022 and 2021, respectively.

	9/30/21	Additions	Decreases	9/30/22	Due within 1 year
2013 Country Club East Series A Bonds	\$ 7,435,000	\$ -	\$ 190,000	\$ 7,245,000	\$ 160,000
2013 Central Park Series A Bonds	6,295,000	-	140,000	6,155,000	145,000
2014 Country Club East Series A Bonds	10,735,000	-	275,000	10,460,000	255,000
2015 Lakewood Ctr North Bonds	30,460,000	-	715,000	29,745,000	730,000
2016 The Villages of LWR South Bonds	64,100,000	-	4,425,000	59,675,000	1,345,000
2017 Del Webb Bonds	13,710,000	-	285,000	13,425,000	285,000
2017 Lakewood National & Polo Run Bonds	46,255,000	-	905,000	45,350,000	950,000
2017 Lake Club Bonds	10,040,000	-	10,040,000	-	-
2018 Northeast Sector Bonds - Phase 1A	14,415,000	-	270,000	14,145,000	280,000
2018 Lakewood Centre & Northwest Sector	10,890,000	-	1,075,000	9,815,000	180,000
2018 NE Sector, Phase 1B	35,010,000	-	625,000	34,385,000	655,000
2019 The Isles at LWR	7,315,000	-	135,000	7,180,000	140,000
2019 Lake Club Phase 4	7,515,000	-	1,550,000	5,965,000	125,000
2019 Cresswind Project	4,830,000	-	95,000	4,735,000	95,000
2019 Indigo Expansion Area	4,590,000	-	100,000	4,490,000	100,000
2019 NE Sect PH2A	5,475,000	-	115,000	5,360,000	120,000
2019 Azario	12,435,000	-	245,000	12,190,000	250,000
2020 CCE	18,360,000	-	870,000	17,490,000	915,000
2020 LWCNWS	27,820,000	-	1,230,000	26,590,000	1,185,000
2020 Azario	6,525,000	-	135,000	6,390,000	140,000
2020 Lorraine Series	10,655,000	-	225,000	10,430,000	215,000
2020 NE Sector Phase 2B	17,755,000	-	365,000	17,390,000	375,000
2020 NE Sector Phase 2C	7,575,000	-	160,000	7,415,000	165,000
2021 The Isles at Lakewood Ranch Project Phase 2	4,120,000	-	85,000	4,035,000	90,000
2021 Belle Isle/Central Park	3,610,000	-	150,000	3,460,000	150,000
2021 Star Farms at Lakewood Ranch	-	8,480,000	-	8,480,000	180,000
2021 Sweetwater	-	4,910,000	-	4,910,000	105,000
2021 Lake Club	-	9,760,000	619,000	9,141,000	669,000
Bonds payable	\$ 387,925,000	\$ 23,150,000	\$ 25,024,000	\$ 386,051,000	\$ 10,004,000
Less unamortized premiums (discounts)	(7,434,716)	-	(646,652)	(6,788,064)	(276,987)
Bonds payable, less unamortized discounts	\$ 380,490,284	\$ 23,150,000	\$ 24,377,348	\$ 379,262,936	\$ 9,727,013

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 6: LONG TERM DEBT (Continued)

On August 5, 2013, the District issued \$8,500,000 of Special Assessment Revenue Bonds, Series 2013A, due on May 1, 2043, with two fixed interest rates of 6.70% and 7.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Country Club East Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On August 5, 2013, the District issued \$7,535,000 of Special Assessment Revenue Bonds, Series 2013, due on May 1, 2043, with interest rates ranging from 6.10% to 6.40%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Central Park Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On October 14, 2014, the District issued \$12,145,000 of Special Assessment Revenue Bonds, Series 2014, due of May 1, 2044, with interest rates ranging from 5.35% to 5.60%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Country Club East Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On February 9, 2015, the District issued \$37,360,000 of Special Assessment Revenue Bonds, Series 2015, due of May 1, 2045, with interest rates ranging from 4.25% to 4.875%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Lakewood Centre North Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On February 8, 2016, the District issued \$79,505,000 of Special Assessment Revenue Bonds, Series 2016, due of May 1, 2046, with interest rates ranging from 4.00% to 5.125%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Villages of Lakewood Ranch South Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On May 8, 2017, the District issued \$14,805,000 of Special Assessment Revenue Bonds, Series 2017, due as of May 1, 2047, with interest rates ranging from 3.65% to 5.125%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Del Webb Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On February 21, 2017, the District issued \$49,480,000 of Special Assessment Revenue Bonds, Series 2017, due of May 1, 2047, with interest rates ranging from 4.00% to 5.375%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Lakewood National and Polo Run Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On September 29, 2017, the District issued \$14,548,000 of Special Assessment Revenue Refunding Bonds, Series 2017, due as of May 1, 2036 with a fixed interest rate of 4.00%. The bonds were issued to refund and redeem all of the outstanding principal amount of the District's Special Assessment Revenue Bonds, 2006 Series A (Lake Club Project), pay certain costs associated with the issuance of the 2017 Bond, make a deposit into the 2017 Reserve Account, and pay interest first coming due on the 2017 Bond.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 6: LONG TERM DEBT (Continued)

On August 30, 2018, the District issued \$14,925,000 of Special Assessment Revenue Bonds, Series 2018, due as of May 1, 2048 with interest rates ranging from 3.90% to 5.10%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the NE Sector Project Phase 1A, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On December 10, 2018, the District issued \$11,790,000 of Special Assessment Revenue Bonds, Series 2018, due on May 1, 2048, with interest rates ranging from 4.55% to 5.65%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Lakewood Centre & Northwest Sector Projects, as well as set up a debt service reserve fund and to pay costs of issuance.

On December 10, 2018, the District issued \$36,185,000 of Special Assessment Revenue Bonds, Series 2018, due on May 1, 2048, with interest rates ranging from 4.35% to 5.45%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Northeast Sector Project – Phase 1B, as well as set up a debt service reserve fund and to pay costs of issuance.

On April 8, 2019, the District issued \$7,580,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 3.50% to 4.875%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as The Isles at Lakewood Ranch Project – Phase 1, as well as set up a debt service reserve fund and to pay costs of issuance.

On May 20, 2019, the District issued \$9,125,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 3.60% to 4.50%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Lake Club Phase 4 Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On May 20, 2019, the District issued \$5,005,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 3.60% to 4.50%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Cresswind Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On September 9, 2019, the District issued \$4,775,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 2.90% to 4.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Indigo Expansion Area Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On October 18, 2019, the District issued \$5,585,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 3.00% to 4.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Northeast Sector Project Phase 2, as well as set up a debt service reserve fund and to pay costs of issuance.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 6: LONG TERM DEBT (Continued)

On November 22, 2019, the District issued \$12,670,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2050, with interest rates ranging from 3.125% to 4.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Azario Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On June 24, 2020, the District issued \$19,195,000 of Special Assessment Revenue Refunding Bonds, Series 2020, due on May 1, 2037, with interest rates ranging from 2.00% to 5.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Country Club East Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On August 21, 2020, the District issued \$29,100,000 of Special Assessment Revenue Bonds, Series 2020, due on May 1, 2040, with interest rates ranging from 0.941% to 2.401%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Lakewood Centre & Northwest Sector Expansion Area Projects, as well as set up a debt service reserve fund and to pay costs of issuance.

On September 3, 2020, the District issued \$6,655,000 of Special Assessment Revenue Bonds, Series 2020, due on May 1, 2050, with interest rates ranging from 2.625% to 3.90%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Azario Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On September 18, 2020, the District issued \$10,655,000 of Special Assessment Revenue Bonds, Series 2020, due on May 1, 2051, with interest rates ranging from 2.50% to 3.875%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Lorraine Lakes Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On October 1, 2020 the District issued \$17,755,000 of Special Assessment Revenue Bonds, Series 2020, due on May 1, 2050 with interest rates ranging from 2.50% to 4.00%. The bonds were issued to redeem all of the outstanding principal amount of the District's Bond Anticipation Note, Series 2017 (Northeast Sector Project), to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as Northeast Sector Project Phase 2B, as well as set up a debt service reserve fund and to pay cost of issuance.

On December 1, 2020 the District issued \$7,575,000 of Special Assessment Revenue Bonds, Series 2020, due on May 1, 2050 with interest rates ranging from 2.50% to 4.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Northeast Sector Project Phase 2C, as well as set up a debt service reserve fund and to pay costs of issuance.

On September 1, 2021 the District issued \$4,120,000 of Special Assessment Revenue Bonds, Series 2021, due May 1, 2051 with interest rates ranging from 2.125% to 4.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as The Isles at Lakewood Ranch Project Phase 2, as well as set up a debt service reserve fund and to pay costs of issuance.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 6: LONG TERM DEBT (Continued)

On July 12, 2021 the District issued \$3,610,000 of Special Assessment Revenue Bonds Series 2021, due May 1, 2040 with an interest rate of 2.780%, for the purpose of refunding the Central Park Series 2010A and the Belle Isle Series 2011A bonds, with a par amount outstanding of \$2,655,000 and \$1,410,000 respectively and an average coupon of 7.40% and 8.00%, respectively. The District completed the current refunding to reduce its total debt service payments and created a net present value savings of \$1,727,308.

On December 10, 2021 the District issued \$8,480,000 of Special Assessment Revenue Bonds Series 2021 due May 1, 2026 with interest rates ranging from 2.30% to 4.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as Star Farms, as well as set up a debt service reserve fund and to pay costs of issuance.

On October 5, 2021 the District issued \$4,910,000 of Special Assessment Revenue Bonds Series 2021 due May 1, 2052 with interest rates ranging from 2.125% to 4.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as Sweetwater Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On December 8, 2021 the District issued \$9,760,000 of Special Assessment Revenue Bonds Series 2021, due November 1, 2036 with an interest rate of 2.150%, for the purpose of refunding the Lake Club Series 2017 bond, with a par amount outstanding of \$10,040,000 and an average coupon of 4.00%. The District completed the current refunding to reduce its total debt service payments and created a net present value savings of \$1,152,175.

The District has unspent bond proceeds of \$20,410,367 consisting of unspent construction funds and unspent debt service reserves and debt service capitalized interest.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 6: LONG TERM DEBT (Continued)

Principal	Series 2013	Series 2013	Series 2014	Series 2016		Series 2017	Series 2017	Series 2018	Sereis 2018	Series 2019	Series 2019	Series 2019	Series 2019	Series 2019 Indigo
	Country Club East Series A Bonds	Central Park Series A Bonds	Country Club East Series A Bonds	Lakewood Ctr North Bonds	The Villages of LWR South Bonds	Del Webb Bonds	National & Polo Run Bonds	Northeast Sector Bonds	Centre and Northwest Sector	NE Sector, Phase 1B	The Isles at LWR	Lake Club Phase 4	Crosswind Project	
2023	\$ 160,000	\$ 145,000	\$ 255,000	\$ 730,000	\$ 1,345,000	\$ 285,000	\$ 950,000	\$ 280,000	\$ 180,000	\$ 655,000	\$ 140,000	\$ 125,000	\$ 95,000	\$ 100,000
2024	175,000	155,000	270,000	760,000	1,405,000	295,000	965,000	295,000	190,000	680,000	145,000	125,000	100,000	105,000
2025	185,000	165,000	285,000	795,000	1,465,000	310,000	1,010,000	305,000	200,000	715,000	150,000	130,000	105,000	105,000
2026	195,000	175,000	300,000	830,000	1,530,000	325,000	1,060,000	320,000	210,000	750,000	160,000	135,000	110,000	110,000
2027-2031	1,210,000	1,065,000	1,755,000	4,815,000	8,870,000	1,860,000	6,150,000	1,840,000	1,215,000	4,340,000	895,000	765,000	605,000	610,000
2032-2036	1,690,000	1,455,000	2,295,000	6,155,000	11,400,000	2,385,000	7,995,000	2,350,000	1,590,000	5,630,000	1,125,000	955,000	760,000	730,000
2037-2041	2,405,000	2,000,000	3,030,000	7,845,000	14,685,000	3,075,000	10,410,000	3,015,000	2,100,000	7,340,000	1,430,000	1,180,000	940,000	885,000
2042-2046	1,225,000	995,000	2,270,000	7,815,000	18,975,000	3,965,000	13,620,000	3,885,000	2,780,000	9,630,000	1,815,000	1,485,000	1,175,000	1,080,000
2047+	-	-	-	-	-	925,000	3,190,000	1,855,000	1,350,000	4,645,000	1,320,000	1,065,000	845,000	765,000
Total	\$ 7,245,000	\$ 6,155,000	\$ 10,460,000	\$ 29,745,000	\$ 59,675,000	\$ 13,425,000	\$ 45,350,000	\$ 14,145,000	\$ 9,815,000	\$ 34,385,000	\$ 7,180,000	\$ 5,965,000	\$ 4,735,000	\$ 4,490,000

Interest	2013 Country	2014 Country	2015		2016 The	2017 Del	2017	2018	Sereis 2018	2019 NE	2019 The Isles	2019 Lake	2019 Crosswind	2019 Indigo
	Club East Series A Bonds	Central Park Series A Bonds	Club East Series A Bonds	Lakewood Ctr North Bonds	Villages of LWR South Bonds	Webb Bonds	National & Polo Run Bonds	Northeast Sector Bonds	Centre and Northwest Sector	Sector, Phase 1B	at LWR	Club Phase 4	Project	2019 Indigo
2023	\$ 494,185	\$ 382,808	\$ 568,526	\$ 1,420,275	\$ 2,954,156	\$ 663,535	\$ 2,358,063	\$ 694,313	\$ 533,725	\$ 1,799,981	\$ 331,346	\$ 257,035	\$ 204,100	\$ 167,598
2024	482,963	373,658	554,483	1,388,613	2,895,719	651,065	2,314,472	682,584	525,308	1,770,945	326,359	252,535	200,590	164,625
2025	470,903	363,898	539,636	1,355,569	2,834,731	638,058	2,268,800	669,834	516,035	1,739,174	320,915	247,815	196,795	161,423
2026	458,173	353,528	523,988	1,318,444	2,771,088	624,405	2,220,931	656,553	505,888	1,704,380	314,909	242,780	192,710	157,983
2027-2031	2,066,581	1,586,163	2,355,248	5,927,391	12,628,375	2,874,392	10,238,938	3,048,007	2,356,436	7,927,517	1,472,153	1,128,935	895,630	732,046
2032-2036	1,580,141	1,201,763	1,814,313	4,596,515	10,107,625	2,347,440	8,396,901	2,532,450	1,979,302	6,636,626	1,242,475	944,885	749,760	610,314
2037-2041	873,425	654,400	1,078,840	2,898,310	6,820,991	1,662,845	5,975,029	1,862,541	1,473,884	4,923,473	943,080	710,418	563,246	458,162
2042-2046	87,325	64,800	195,440	785,485	2,531,109	765,804	2,765,975	988,764	791,564	2,635,077	551,485	412,764	326,815	264,600
2047+	-	-	-	-	-	23,703	85,731	95,753	77,405	256,559	98,476	73,238	58,163	46,700
Total	\$ 6,513,696	\$ 4,981,018	\$ 7,630,474	\$ 19,690,602	\$ 43,543,794	\$ 10,251,247	\$ 36,624,840	\$ 11,230,799	\$ 8,759,547	\$ 29,393,732	\$ 5,601,198	\$ 4,270,405	\$ 3,387,809	\$ 2,763,451

Total	2013 Country	2014 Country	2015		2016 The	2017 Del	2017	2018	Sereis 2018	2019 NE	2019 The Isles	2019 Lake	2019 Crosswind	2019 Indigo
	Club East Series A Bonds	Central Park Series A Bonds	Club East Series A Bonds	Lakewood Ctr North Bonds	Villages of LWR South Bonds	Webb Bonds	National & Polo Run Bonds	Northeast Sector Bonds	Centre and Northwest Sector	Sector, Phase 1B	at LWR	Club Phase 4	Project	2019 Indigo
2023	\$ 654,185	\$ 527,808	\$ 823,526	\$ 2,150,275	\$ 4,299,156	\$ 948,535	\$ 3,308,063	\$ 974,313	\$ 713,725	\$ 2,454,981	\$ 471,346	\$ 382,035	\$ 299,100	\$ 267,598
2024	657,963	528,658	824,483	2,148,613	4,300,719	946,065	3,279,472	977,584	715,308	2,450,945	471,359	377,535	300,590	269,625
2025	655,903	528,898	824,636	2,150,569	4,299,731	948,058	3,278,800	974,834	716,035	2,454,174	470,915	377,815	301,795	266,423
2026	653,173	528,528	823,988	2,148,444	4,301,088	949,405	3,280,931	976,553	715,888	2,454,380	474,909	377,780	302,710	267,983
2027-2031	3,276,581	2,651,163	4,110,248	10,742,391	21,498,375	4,734,392	16,388,938	4,888,007	3,571,436	12,267,517	2,367,153	1,893,935	1,500,630	1,342,046
2032-2036	3,270,141	2,656,763	4,109,313	10,751,515	21,507,625	4,732,440	16,391,901	4,882,450	3,569,302	12,266,626	2,367,475	1,899,885	1,509,760	1,340,314
2037-2041	3,278,425	2,654,400	4,108,840	10,743,310	21,505,991	4,737,845	16,385,029	4,877,541	3,573,884	12,263,473	2,373,080	1,890,418	1,503,246	1,343,162
2042-2046	1,312,325	1,059,800	2,465,440	8,600,485	21,506,109	4,730,804	16,385,975	4,873,764	3,571,564	12,265,077	2,366,485	1,897,764	1,501,815	1,344,600
2047+	-	-	-	-	-	948,703	3,275,731	1,950,753	1,427,405	4,901,559	1,418,476	1,138,238	903,163	811,700
Total	\$ 13,758,696	\$ 11,136,018	\$ 18,090,474	\$ 49,435,602	\$ 103,218,794	\$ 23,676,247	\$ 81,974,840	\$ 25,375,799	\$ 18,574,547	\$ 63,778,732	\$ 12,781,198	\$ 10,235,405	\$ 8,122,809	\$ 7,253,451

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 6: LONG TERM DEBT (Continued)

Principal	Series 2019		Series 2020		Series 2020		Series 2021		Series 2020		Series 2021		Series 2021		Series 2021		Total
	NE Sect PH2A	Azario	CCE	LWCNWS	Azario	Lorraine Lakes	The Isles	NE Sect PH2C	NE Sect PH2B	Belleisle & Central Park	Star Farms	Sweetwater	Lake Club	Series 2021	Series 2021	Series 2021	
2023	\$ 120,000	\$ 250,000	\$ 915,000	\$ 1,185,000	\$ 140,000	\$ 215,000	\$ 90,000	\$ 165,000	\$ 375,000	\$ 150,000	\$ 180,000	\$ 105,000	\$ 669,000	\$		\$	5,445,000
2024	125,000	260,000	965,000	1,205,000	140,000	220,000	90,000	170,000	385,000	155,000	185,000	105,000	571,000				5,665,000
2025	125,000	270,000	1,015,000	1,225,000	145,000	225,000	95,000	170,000	395,000	160,000	185,000	110,000	583,000				5,925,000
2026	130,000	280,000	1,060,000	1,250,000	150,000	235,000	95,000	175,000	405,000	165,000	190,000	110,000	596,000				6,210,000
2027-2031	725,000	1,540,000	5,710,000	6,730,000	825,000	1,285,000	520,000	970,000	2,235,000	880,000	1,030,000	595,000	3,181,000				35,995,000
2032-2036	870,000	1,865,000	6,435,000	7,810,000	985,000	1,530,000	595,000	1,145,000	2,675,000	1,025,000	1,195,000	690,000	3,541,000				46,515,000
2037-2041	1,060,000	2,280,000	1,390,000	7,185,000	1,190,000	1,825,000	700,000	1,370,000	3,230,000	925,000	1,385,000	800,000	-				60,340,000
2042-2046	1,300,000	2,785,000	-	-	1,440,000	2,210,000	835,000	1,660,000	3,930,000	-	1,655,000	955,000	-				70,715,000
2047+	905,000	2,660,000	-	-	1,375,000	2,685,000	1,015,000	1,590,000	3,760,000	-	2,475,000	1,440,000	-				15,960,000
Total	\$ 5,360,000	\$ 12,190,000	\$ 17,490,000	\$ 26,590,000	\$ 6,390,000	\$ 10,430,000	\$ 4,035,000	\$ 7,415,000	\$ 17,390,000	\$ 3,460,000	\$ 8,480,000	\$ 4,910,000	\$ 9,141,000	\$	\$	\$	252,770,000

Interest	NE Sect PH2A		LWCNWS		Lorraine		Series 2021		Series 2020		Series 2021		Series 2021		Series 2021		Total
	2019	Azario 2019	CCE 2020	2020	Azario 2020	Series 2020	The Isles	NE Sect PH2C	NE Sect PH2B	Belleisle & Central Park	Star Farms	Sweetwater	Lake Club	Series 2021	Series 2021	Series 2021	
2023	\$ 202,410	\$ 467,929	\$ 492,038	\$ 736,770	\$ 233,211	\$ 374,963	\$ 135,025	\$ 265,438	\$ 642,055	\$ 94,103	285,360	165,631	188,157	\$		\$	12,829,646
2024	198,735	459,960	445,038	716,959	229,536	369,525	133,113	261,250	632,555	89,864	281,163	163,399	176,010				12,583,919
2025	194,829	451,679	395,538	694,170	225,796	363,963	131,147	257,000	622,805	85,485	276,908	161,115	163,604				12,323,586
2026	190,685	442,700	346,313	669,231	221,493	357,478	129,128	252,250	611,388	80,968	272,595	158,778	150,930				12,045,760
2027-2031	883,767	2,061,720	1,328,540	2,878,904	1,030,583	1,670,608	607,125	1,176,663	2,848,753	333,323	1,284,146	746,653	554,604				55,237,812
2032-2036	735,051	1,737,300	610,413	1,852,618	868,743	1,426,706	527,109	999,939	2,410,594	201,204	1,125,625	657,561	193,557				44,740,510
2037-2041	549,004	1,324,600	18,244	502,517	665,398	1,122,535	426,250	779,839	1,857,633	52,334	932,425	542,551	-				30,898,644
2042-2046	315,000	819,100	-	-	413,011	741,481	289,100	489,400	1,157,400	-	666,100	330,970	-				13,167,007
2047+	55,300	218,200	-	-	75,466	268,441	104,900	130,200	308,200	-	308,500	179,800	-				815,728
Total	\$ 3,324,781	\$ 7,983,188	\$ 3,636,124	\$ 8,051,169	\$ 3,963,237	\$ 6,695,700	\$ 2,482,897	\$ 4,611,979	\$ 11,091,383	\$ 937,281	\$ 5,432,822	\$ 3,106,458	\$ 1,426,862	\$	\$	\$	194,642,612

Total	NE Sect PH2A		LWCNWS		Lorraine		Series 2021		Series 2020		Series 2021		Series 2021		Series 2021		Total
	2019	Azario 2019	CCE 2020	2020	Azario 2020	Series 2020	The Isles	NE Sect PH2C	NE Sect PH2B	Belleisle & Central Park	Star Farms	Sweetwater	Lake Club	Series 2021	Series 2021	Series 2021	
2023	\$ 322,410	\$ 717,929	\$ 1,407,038	\$ 1,921,770	\$ 373,211	\$ 589,963	\$ 225,025	\$ 430,438	\$ 1,017,055	\$ 244,103	\$ 465,360	\$ 270,631	\$ 857,157	\$		\$	18,274,646
2024	323,735	719,960	1,410,038	1,921,959	369,536	589,525	223,113	431,250	1,017,555	244,864	466,163	268,399	747,010				18,248,919
2025	319,829	721,679	1,410,538	1,919,170	370,796	588,963	226,147	427,000	1,017,805	245,485	461,908	271,115	746,604				18,248,586
2026	320,685	722,700	1,406,313	1,919,231	371,493	592,478	224,128	427,250	1,016,388	245,968	462,595	268,778	746,930				18,255,760
2027-2031	1,608,767	3,601,720	7,038,540	9,608,904	1,855,583	2,955,608	1,127,125	2,146,663	5,083,753	1,213,323	2,314,146	1,341,653	3,735,604				91,232,812
2032-2036	1,605,051	3,602,300	7,045,413	9,662,618	1,853,743	2,956,706	1,122,109	2,144,939	5,085,594	1,226,204	2,320,625	1,347,561	3,734,557				91,255,510
2037-2041	1,609,004	3,604,600	1,408,244	7,687,517	1,855,398	2,947,535	1,126,250	2,149,839	5,087,633	977,334	2,317,425	1,342,551	-				91,238,644
2042-2046	1,615,000	3,604,100	-	-	1,853,011	2,951,481	1,124,100	2,149,400	5,087,400	-	2,321,100	1,285,970	-				83,882,007
2047+	960,300	2,878,200	-	-	1,450,466	2,953,441	1,119,900	1,720,200	4,068,200	-	2,783,500	1,619,800	-				16,775,728
Total	\$ 8,684,781	\$ 20,173,188	\$ 21,126,124	\$ 34,641,169	\$ 10,353,237	\$ 17,125,700	\$ 6,517,897	\$ 12,026,979	\$ 28,481,383	\$ 4,397,281	\$ 13,912,822	\$ 8,016,458	\$ 10,567,862	\$	\$	\$	447,412,612

Note 7: SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 6, 2023, which is the date the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION



Lakewood Ranch Stewardship District Budgetary Comparison Schedule – General Fund

For the year ended September 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Landowner funding	\$ 3,255,710	\$ 1,893,134	\$ (1,362,576)
Assessments	6,682,549	6,712,314	29,765
Miscellaneous	1,000	392,342	391,342
Total revenues	9,939,259	8,997,790	(941,469)
Expenditures			
Current:			
General government	1,646,850	3,730,118	(2,083,268)
Physical environment:			
Operations	8,292,409	5,267,669	3,024,740
Total expenditures	9,939,259	8,997,787	941,472
NET CHANGE IN FUND BALANCES	-	3	3
FUND BALANCES - BEGINNING OF YEAR	-	17,777	17,777
FUND BALANCES - END OF YEAR	\$ -	\$ 17,780	\$ 17,780

OTHER NON-FINANCIAL INFORMATION

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*

Board of Supervisors
Lakewood Ranch Stewardship District

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 the Lakewood Ranch Stewardship District, ("the District"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 6, 2023.

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) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

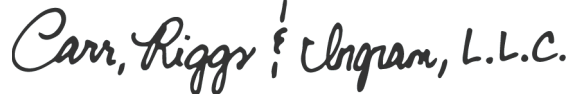
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

This 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." with a stylized flourish at the end.

Carr, Riggs, & Ingram, LLC

Bradenton, Florida
March 6, 2023

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH FLORIDA STATUTES 218.415 –
INVESTMENT OF PUBLIC FUNDS**

Board of Supervisors
Lakewood Ranch Stewardship District

We have examined the Lakewood Ranch Stewardship District (“District”) compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2022. Management is responsible for the District’s compliance with those requirements. Our responsibility is to express an opinion on the District’s compliance with the specified requirements 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 above. 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.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2022.

This report is intended solely for the information and use of Lakewood Ranch Stewardship District and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs, & Ingram, LLC

Bradenton, Florida
March 6, 2023

MANAGEMENT LETTER

Board of Supervisors
Lakewood Ranch Stewardship District

Report on the Financial Statements

We have audited the financial statements of Lakewood Ranch Stewardship District ("District"), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 6, 2023

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 6, 2023 should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. There were no component units related to the District.

Financial Condition and Management

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

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

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

Specific Information

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

- a. The total number of District employees compensated in the last pay period of the District's fiscal year as 8.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as 64.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$406,547.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$60,105,224.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as not applicable.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reporting if the District amends a final adopted budget under Section 189.016(6), Florida Statutes, as included in the Required Supplementary Information as the Budgetary Comparison Schedule General Fund.

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

- a. The rates or rates of non-ad valorem special assessments imposed by the District as annual assessments ranging from \$53 to \$4,408 and annual operations & maintenance assessments ranging from \$181 to \$607.
- b. The total amount of special assessments collected by or on behalf of the District as \$6,712,314.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds is disclosed in the notes to the financial statements.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs, & Ingram, LLC

Bradenton, Florida
March 6, 2023