



Lakewood Ranch Stewardship District

FINANCIAL STATEMENTS

September 30, 2023



	Page
REPORT	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	4
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet – Governmental Funds and Reconciliation of the Balance Sheet to the Statement of Net Position	10
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities	12
Statement of Net Position – Proprietary Fund.....	13
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund .	14
Statement of Cash Flows – Proprietary Fund.....	15
Notes to the Financial Statements	16
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	30
OTHER NON-FINANCIAL INFORMATION	
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 <i>Government Auditing Standards</i>	31
Independent Accountant’s Report on Compliance with Florida Statutes 218.415 – Investment of Public Funds	33
Management Letter.....	34



REPORT



INDEPENDENT AUDITOR'S 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, the business-type activities and each major fund of Lakewood Ranch Stewardship District ("District"), as of and for the year then ended September 30, 2023, 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, the business-type activities and each major fund of Lakewood Ranch Stewardship District, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 April 5, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, 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
April 5, 2024

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, 2023.

Financial Highlights and Analysis of Financial Statements

- As of September 30, 2023 and 2022, the total assets of the District were \$421,853,835, and \$395,546,459, respectively, an increase of \$26,307,376. The primary factor for the change was the approximate increase in depreciable capitalized assets of \$35 million less approximately \$9.5 million in a decrease in construction in progress.
- As of September 30, 2023 and 2022, the total liabilities of the District were \$400,287,017 and \$382,147,985, respectively, an increase of \$18,139,032. The primary factor for the change was the approximate \$49.2 million of debt from new bond issues less approximately \$33.9 million in bond principal repayments; an increase in the amortization of the discount of \$2.6 million.
- In the government-wide financial statements (accrual basis), the District's assets exceeded liabilities by \$19,411,252 and \$13,398,474 as of September 30, 2023 and 2022, respectively.
- In the governmental funds (modified accrual basis), the District's fund balance totaled \$31,854,867 and \$32,309,288 as of September 30, 2023 and 2022, 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 business type activities include the Braden River Utilities.

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.

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

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	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 34,616,023	\$ 35,194,337	\$ 1,737,420	\$ -	\$ 36,353,443	\$ 35,194,337
Capital assets	385,500,392	360,352,122	-	-	385,500,392	360,352,122
Total assets	\$ 420,116,415	\$ 395,546,459	\$ 1,737,420	\$ -	\$ 421,853,835	\$ 395,546,459
Current liabilities	\$ 11,414,156	\$ 8,330,049	\$ 277,578	\$ -	\$ 11,691,734	\$ 8,330,049
Long-term liabilities	388,595,283	373,817,936	-	-	388,595,283	373,817,936
Total liabilities	\$ 400,009,439	\$ 382,147,985	\$ 277,578	\$ -	\$ 400,287,017	\$ 382,147,985
Deferred inflow of resources	\$ 1,011,000	\$ -	\$ -	\$ -	\$ 1,011,000	\$ -
Total deferred inflow of resources	\$ 1,011,000	\$ -	\$ -	\$ -	\$ 1,011,000	\$ -
Net investment in capital assets	\$ 8,021,692	\$ (15,275,911)	\$ -	\$ -	\$ 8,021,692	\$ (15,275,911)
Restricted	30,908,172	32,291,508	-	-	30,908,172	32,291,508
Unrestricted	(19,833,888)	(3,617,123)	1,459,842	-	(18,374,046)	(3,617,123)
Total net position	\$ 19,095,976	\$ 13,398,474	\$ 1,459,842	\$ -	\$ 20,555,818	\$ 13,398,474

Current and other assets increased by \$1,159,106 primarily due to the accounts receivables associated with the Braden River Utilities.

The primary changes in the capital assets increase of approximately \$25.1 million were the infrastructure improvements on the Villages of Lakewood Ranch South (known as the Waterside community), Lakewood Centre Northwest, Northeast Sector, the Isles, Star Farms, and the Lorraine Lakes projects of approximately \$16.2 million less approximately \$27.4 million of depreciation expense. In addition, the District purchased the assets of the Braden River Utilities which increased the capital assets by approximately \$36.4 million. 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 increased by approximately \$18.1 million, due primarily to the issuance of Utility Bonds.

Statement of Activities	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues						
Charges for services	\$ 33,907,928	\$ 38,411,327	\$ 3,214,751	\$ -	\$ 37,122,679	\$ 38,411,327
Operating grants and contributions	17,566,082	14,336,366	-	-	17,566,082	14,336,366
General revenues						
Investment income	1,173,775	23,369	-	-	1,173,775	23,369
Non advalorem assessments	7,928,763	6,712,314	-	-	7,928,763	6,712,314
Total revenues	60,576,548	59,483,376	3,214,751	-	63,791,299	59,483,376
Expenses						
General government	3,133,205	3,730,118	-	-	3,133,205	3,730,118
Physical environment	32,660,540	29,681,016	-	-	32,660,540	29,681,016
Braden River Utilities	-	-	1,059,185	-	1,059,185	-
Interest on long-term debt	19,781,025	18,833,983	-	-	19,781,025	18,833,983
Total expenses	55,574,770	52,245,117	1,059,185	-	56,633,955	52,245,117
Transfers	695,724	-	(695,724)	-	-	-
Changes in net position	5,697,502	7,238,259	1,459,842	-	7,157,344	7,238,259
Net position - beginning	13,398,474	6,160,215	-	-	13,398,474	6,160,215
Net position - ending	\$ 19,095,976	\$ 13,398,474	\$ 1,459,842	\$ -	\$ 20,555,818	\$ 13,398,474

Charges for services consist of lot sale proceeds and utility services and operating grants and contributions consists of Developer cash funding contributions. Charges for services decreased by \$1,288,648, primarily due to a decrease in homeowner debt service payments. Physical environment increased by \$815,533 due to costs associated with new projects.

Capital Assets

During the year ended September 30, 2023, the District had a gross increase of infrastructure approximately \$52.6 million. Primary capital projects continuing were Villages of Lakewood Ranch South, Star Farms, and Northeast Sector projects. In addition, the District purchased the assets of the Braden River Utilities which increased the capital assets by approximately \$36.4m. 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, 2023, the District issued three new bonds for various projects netting to \$49.2 million. Approximately \$33.9 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 \$1,038,394 and Assessment funding came in higher than anticipated by \$50,444. The variance of the budgeted expenditures compared with actual results was \$1,738,502 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 2024 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, 2022 and 2023.

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

September 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 2,092,654	\$ 751,112	\$ 2,843,766
Total current assets	2,092,654	751,112	2,843,766
Other Assets:			
Cash and cash equivalents - restricted	30,907,408	-	30,907,408
Accounts receivable	-	986,308	986,308
Accrued interest receivable	192,099	-	192,099
Other receivables	764	-	764
Prepaid expenses	38,234	-	38,234
Due from land owner	1,384,864	-	1,384,864
Total other assets	32,523,369	986,308	33,509,677
Capital Assets:			
Depreciable assets:			
District infrastructure	548,957,277	-	548,957,277
Less accumulated depreciation	(165,166,327)	-	(165,166,327)
Net depreciable assets	383,790,950	-	383,790,950
Non-depreciable assets:			
Construction in progress	1,709,442	-	1,709,442
Total capital assets	385,500,392	-	385,500,392
Total assets	\$ 420,116,415	\$ 1,737,420	\$ 421,853,835
Liabilities			
Current Liabilities:			
Accounts payable	\$ 2,760,392	\$ 277,578	\$ 3,037,970
Accrued expenses	764	-	764
Bonds payable, current portion	8,653,000	-	8,653,000
Total current liabilities	11,414,156	277,578	11,691,734
Non-current Liabilities:			
Bonds payable, long-term portion	388,595,283	-	388,595,283
Total non-current liabilities	388,595,283	-	388,595,283
Total liabilities	400,009,439	277,578	400,287,017
Deferred Inflow of Resources			
Deferred charges on debt refunding	1,011,000	-	1,011,000
Total deferred inflow of resources	1,011,000	-	1,011,000
Net Position			
Net investment in capital assets	8,021,692	-	8,021,692
Restricted for debt service	27,749,257	-	27,749,257
Restricted for capital projects	3,158,915	-	3,158,915
Unrestricted	(19,833,888)	1,459,842	(18,374,046)
Total net position	\$ 19,095,976	\$ 1,459,842	\$ 20,555,818

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, 2023

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 3,133,205	\$ 33,907,928	\$ 17,566,082	\$ 48,340,805	\$ -	\$ 48,340,805
Physical environment	32,660,540	-	-	(32,660,540)	-	(32,660,540)
Interest on long-term debt	19,781,025	-	-	(19,781,025)	-	(19,781,025)
Total governmental activities	55,574,770	33,907,928	17,566,082	(4,100,760)	-	(4,100,760)
Business-type activities:						
Braden River Utilities	1,059,185	3,214,751	-	-	2,155,566	2,155,566
Total business-type activities	1,059,185	3,214,751	-	-	2,155,566	2,155,566
General revenues:						
Non ad valorem assessments				7,928,763	-	7,928,763
Investment income				1,173,775	-	1,173,775
Total general revenues				9,102,538	-	9,102,538
Transfers				695,724	(695,724)	-
Total general revenues and transfers				9,798,262	(695,724)	9,102,538
Change in net position				5,697,502	1,459,842	7,157,344
Net position - beginning				13,398,474	-	13,398,474
Net position - ending				\$ 19,095,976	\$ 1,459,842	\$ 20,555,818

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,	Major Funds			2023
	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 2,092,654	\$ -	\$ -	\$ 2,092,654
Cash and cash equivalents - restricted	-	27,748,493	3,158,915	30,907,408
Accounts receivable	192,099	-	-	192,099
Due from other funds	-	764	-	764
Prepaid expenses	38,234	-	-	38,234
Due from land owner	-	-	1,384,864	1,384,864
Total assets	\$ 2,322,987	\$ 27,749,257	\$ 4,543,779	\$ 34,616,023
Liabilities				
Accounts payable	\$ 1,375,528	\$ -	\$ 1,384,864	\$ 2,760,392
Due to other funds	764	-	-	764
Total liabilities	1,376,292	-	1,384,864	2,761,156
Fund Balances				
Nonspendable	38,234	-	-	38,234
Restricted	-	27,749,257	3,158,915	30,908,172
Unassigned	908,461	-	-	908,461
Total fund balances	946,695	27,749,257	3,158,915	31,854,867
Total liabilities and fund balances	\$ 2,322,987	\$ 27,749,257	\$ 4,543,779	\$ 34,616,023
Amounts reported for governmental activities in the statement of net position are different because:				
Fund balance - governmental funds				\$ 31,854,867
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds				385,500,392
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.				
Bonds payable, net				(397,248,283)
Deferred charges on refunding on long-term debt are shown as deferred outflows/inflows of resources in the government-wide financial statements; however, this amount is expensed in the governmental fund financial statements.				(1,011,000)
Net position - governmental activities				\$ 19,095,976

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,

	Major Funds			2023
	General	Debt Service	Capital Projects	Governmental Funds
Revenues				
Land owner funding contributions	\$ 1,157,445	\$ -	\$ 16,408,637	\$ 17,566,082
Assessments	7,928,763	-	-	7,928,763
Investment income	-	1,027,348	146,427	1,173,775
Homeowner debt service payments	-	33,873,673	-	33,873,673
Other revenues	34,255	-	-	34,255
Total revenues	9,120,463	34,901,021	16,555,064	60,576,548
Expenditures				
Current:				
General government	3,123,980	-	9,225	3,133,205
Physical environment operations	5,212,676	-	-	5,212,676
Debt service:				
Bond principal payments	-	20,479,000	-	20,479,000
Bond interest payments	-	17,663,363	-	17,663,363
Cost of issuance	-	115,681	500,194	615,875
Capital outlay	-	-	52,596,134	52,596,134
Total expenditures	8,336,656	38,258,044	53,105,553	99,700,253
Other Financial Sources (Uses)				
Transfers in	145,108	210,844	489,957	845,909
Transfers out	-	(470,789)	320,604	(150,185)
Bond issuance	-	1,370,252	35,450,317	36,820,569
Refunding debt issued	-	12,389,000	-	12,389,000
Premium on bonds issued	-	871,419	1,292,572	2,163,991
Payments to refunded bonds escrow agent	-	(13,400,000)	-	(13,400,000)
Total other financing sources (uses)	145,108	970,726	37,553,450	38,669,284
Net change in fund balances	928,915	(2,386,297)	1,002,961	(454,421)
Fund balances - beginning	17,780	30,135,554	2,155,954	32,309,288
Fund balances - ending	\$ 946,695	\$ 27,749,257	\$ 3,158,915	\$ 31,854,867

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,

2023

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

Net change in fund balances - total governmental funds	\$ (454,421)
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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 (\$52,596,134). The total reflects depreciation expense for the current period (\$27,447,864).	25,148,270
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Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal in an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Governmental funds reported the effect premiums, discounts, and similar items have on debt when issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond issuance	(36,820,569)
Principal paid on debt	20,479,000
Premium	(2,163,991)
Amortization of premium/discount	(490,787)

Change in net position of governmental activities	\$ 5,697,502
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The notes to the financial statements are an integral part of this statement

**Lakewood Ranch Stewardship District
Statement of Net Position – Proprietary Fund**

For the year ended September 30, 2023

Utilities

Assets

Current assets:

Cash	\$ 751,112
Accounts receivable	986,308
Total assets	1,737,420

Liabilities

Current liabilities:

Accounts payable	277,578
Total liabilities	277,578

Net Position

Unrestricted	1,459,842
Total net position	\$ 1,737,420

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

**Lakewood Ranch Stewardship District
Statement of Revenues, Expenses and Changes in
Fund Net Position – Proprietary Fund**

<i>For the year ended September 30,</i>	2023
	Utilities
<hr/>	
Operating Revenues	
Charges for services	\$ 2,720,321
Other revenues	494,430
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Total operating revenues	3,214,751
<hr/>	
Operating Expenses	
Administrative and operations	198,304
Contractual services	460,200
Supplies	378,858
Repairs and maintenance	21,823
<hr/>	
Total operating expenses	1,059,185
<hr/>	
Operating income (loss)	2,155,566
<hr/>	
Transfers in	-
Transfers out	(695,724)
<hr/>	
Change in net position	1,459,842
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Net position, beginning of year	-
Net position, end of year	\$ 1,459,842
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The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District
Statement of Cash Flows
– Proprietary Fund

For the year ended September 30, 2023

	Utilities
<hr/>	
Cash flows from operating activities	
Receipts from customers and users	\$ 3,492,329
Payments to suppliers	(2,045,493)
Net cash provided by operating activities	1,446,836
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Cash flows from noncapital financing activities	
Transfers to other funds	(695,724)
Net cash used by noncapital financing activities	(695,724)
<hr/>	
Cash, beginning of year	-
Cash, end of year	751,112
Reconciliation of operating income to net cash provided by operating activities	
Operating income	1,459,842
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in:	
Accounts receivable	(986,308)
Increase in:	
Accounts payables	277,578
Total adjustments	(708,730)
Net cash provided by operating activities	\$ 751,112

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.

The District reports the following major proprietary fund:

Braden River Utility

The Braden River Utility fund is used to account for the irrigation utility operations that are financed and operated in a manner similar to private business enterprises.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services.

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.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 2: CASH AND CASH EQUIVALENTS (Continued)

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, 2023, the District has the following balances in cash equivalents:

<u>Money market accounts</u>	<u>\$ 30,907,408</u>
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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, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Capital Assets, not being depreciated:					
Construction in Progress					
Public Roads	\$ 4,215,059	\$ 3,085,877	\$ 7,204,731	\$ -	\$ 96,205
Signals / Intersections	-	25,943	25,943	-	-
Bridges/Tunnels	-	3,131	3,131	-	-
Lighting	850,399	209,869	1,054,864	-	5,404
Drainage	1,973,204	622,231	2,426,854	-	168,581
Irrigation	53,743	59,114	58,269	-	54,588
Other Utilities	-	4,432,251	4,432,251	-	-
Landscaping	755,034	382,113	1,137,147	-	-
Hardscape	71,855	1,994,884	2,066,739	-	-
Sanitary Sewer	-	1,692,718	1,629,559	-	63,159
Potable Water	19,080	572,055	323,687	-	267,448
Earthwork, Clearing & Fill	910,651	857,965	1,197,229	-	571,387
Engineering & Surveying	1,614,217	2,057,082	3,360,398	-	310,901
Permit Fees & Bonding	-	139,055	22,720	-	116,335
Lake Dredging	150	-	150	-	-
Direct Bill and Stored Materials	20,179	-	20,179	-	-
Other Infrastructure	780,910	92,847	818,323	-	55,434
Total Construction in Progress	<u>11,264,481</u>	<u>16,227,135</u>	<u>25,782,174</u>	<u>-</u>	<u>1,709,442</u>
Capital Assets, being depreciated:					
District infrastructure	486,806,104	62,151,173	-	-	548,957,277
Total depreciable assets	<u>486,806,104</u>	<u>62,151,173</u>	<u>-</u>	<u>-</u>	<u>548,957,277</u>
Less accumulated depreciation for:					
District infrastructure	137,718,463	27,447,864	-	-	165,166,327
Total Capital Assets, being depreciated net	<u>349,087,641</u>	<u>34,703,309</u>	<u>-</u>	<u>-</u>	<u>383,790,950</u>
Total Capital Assets, net	<u>\$ 360,352,122</u>	<u>\$ 50,930,444</u>	<u>\$ 25,782,174</u>	<u>\$ -</u>	<u>\$ 385,500,392</u>

Depreciation expense was \$27,447,864 for the fiscal year ended September 30, 2023, reported under the Physical environment function in the statement of activities.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 5: LONG TERM DEBT

Unamortized discounts on governmental activities revenue bonds amounted to \$4,133,286 and \$6,788,064 as of September 30, 2023 and 2022, respectively.

	9/30/22	Additions	Decreases	9/30/23	Due within 1 year
2013 Country Club East Series A Bonds	\$ 7,245,000	\$ -	\$ 7,245,000	\$ -	\$ -
2013 Central Park Series A Bonds	6,155,000	-	6,155,000	-	-
2014 Country Club East Series A Bonds	10,460,000	-	260,000	10,200,000	270,000
2015 Lakewood Ctr North Bonds	29,745,000	-	1,245,000	28,500,000	25,000
2016 The Villages of LWR South Bonds	59,675,000	-	8,135,000	51,540,000	245,000
2017 Del Webb Bonds	13,425,000	-	285,000	13,140,000	295,000
2017 Lakewood National & Polo Run Bonds	45,350,000	-	950,000	44,400,000	965,000
2018 Northeast Sector Bonds - Phase 1A	14,145,000	-	280,000	13,865,000	295,000
2018 Lakewood Centre & Northwest Sector	9,815,000	-	1,675,000	8,140,000	160,000
2018 NE Sector, Phase 1B	34,385,000	-	665,000	33,720,000	680,000
2019 The Isles at LWR	7,180,000	-	140,000	7,040,000	145,000
2019 Lake Club Phase 4	5,965,000	-	1,775,000	4,190,000	385,000
2019 Cresswind Project	4,735,000	-	95,000	4,640,000	100,000
2019 Indigo Expansion Area	4,490,000	-	100,000	4,390,000	105,000
2019 NE Sect PH2A	5,360,000	-	120,000	5,240,000	125,000
2019 Azario	12,190,000	-	250,000	11,940,000	260,000
2020 CCE	17,490,000	-	915,000	16,575,000	965,000
2020 LWCNWS	26,590,000	-	1,185,000	25,405,000	1,205,000
2020 Azario	6,390,000	-	140,000	6,250,000	140,000
2020 Lorraine Series	10,430,000	-	215,000	10,215,000	220,000
2020 NE Sector Phase 2B	17,390,000	-	375,000	17,015,000	385,000
2020 NE Sector Phase 2C	7,415,000	-	165,000	7,250,000	170,000
2021 The Isles at Lakewood Ranch Project Phase 2	4,035,000	-	90,000	3,945,000	90,000
2021 Belle Isle/Central Park	3,460,000	-	150,000	3,310,000	155,000
2021 Star Farms at Lakewood Ranch	8,480,000	-	180,000	8,300,000	185,000
2021 Sweetwater	4,910,000	-	105,000	4,805,000	105,000
2021 Lake Club	9,141,000	-	694,000	8,447,000	569,000
2023 Central Park	-	5,883,000	138,000	5,745,000	194,000
2023 Country Club East	-	6,506,000	152,000	6,354,000	215,000
2023 Braden River Utility	-	36,820,569	-	36,820,569	-
Bonds payable	386,051,000	49,209,569	33,879,000	401,381,569	8,653,000
Less unamortized premiums (discounts)	(6,788,064)	2,163,991	490,787	(4,133,286)	(194,164)
Bonds payable, less unamortized discounts	\$ 379,262,936	\$ 51,373,560	\$ 34,369,787	\$ 397,248,283	\$ 8,458,836

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.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 5: LONG TERM DEBT (Continued)

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 (Waterside community), 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.

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.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 5: LONG TERM DEBT (Continued)

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.

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.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 5: LONG TERM DEBT (Continued)

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.

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.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 5: LONG TERM DEBT (Continued)

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.

On February 8, 2023 the District issued \$5,883,000 of Special Assessment Revenue Bonds Series 2023 due May 1, 2043 with an interest rate of 3.87% for the purpose of refunding the Central Park Series 2013 bond, with a par amount outstanding of \$6,155,000 and an average coupon of 6.35%. The transaction resulted in an economic gain, shown as a deferred inflow of \$272,000. The District completed the current refunding to reduce its total debt service payments and created a net present value saving of \$1,247,784.

On February 8, 2023 the District issued \$6,506,000 of Special Assessment Revenue Bonds Series 2023 due May 1, 2043 with an interest rate of 3.87% for the purpose of refunding the Country Club East Series 2013 bond, with a par amount outstanding of \$6,506,000 and an average coupon of 6.95%. The transaction resulted in an economic gain, shown as a deferred inflow of \$739,000. The District completed the current refunding to reduce its total debt service payments and created a net present value saving of \$1,919,629.

On June 14, 2023 the District issued \$37,315,000 of Utility Revenue Bonds Series 2023 due October 1, 2043 with an interest rates ranging from 4.50% to 5.25%. The bonds were issued to finance the costs of acquisition of a non-potable irrigation system and the undertaking of certain capital improvements with respect to the system, fund deposits to the operating fund and pay certain costs associated with the issuance of the bonds.

The District has unspent bond proceeds of \$19,796,583 consisting of unspent construction funds and unspent debt service reserves and debt service capitalized interest.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 5: LONG TERM DEBT (Continued)

Principal	Series 2014 Country Club East Series A Bonds		Series 2015 Lakewood Ctr North Bonds		Series 2016 The Villages of LWR South Bonds		Series 2017 Del Webb Bonds		Series 2017 Lakewood National & Polo Run Bonds		Series 2018 Northeast Sector Bonds		Series 2018 Lakewood Centre and Northwest Sector		Series 2019 NE Sector, Phase 1B		Series 2019 The Isles at LWR		Series 2019 Lake Club Phase 4		Series 2019 Crosswind Project		Series 2019 NE Sect PH2A		Series 2019 Azario			
2024	\$	270,000	\$	25,000	\$	245,000	\$	295,000	\$	965,000	\$	295,000	\$	160,000	\$	680,000	\$	145,000	\$	385,000	\$	100,000	\$	105,000	\$	125,000	\$	260,000
2025		285,000		745,000		1,235,000		310,000		1,010,000		305,000		165,000		715,000		150,000		80,000		105,000		105,000		125,000		270,000
2026		300,000		780,000		1,290,000		325,000		1,060,000		320,000		175,000		750,000		160,000		85,000		110,000		110,000		130,000		280,000
2027		315,000		815,000		1,345,000		335,000		1,110,000		335,000		185,000		785,000		165,000		90,000		115,000		115,000		135,000		285,000
2028-2032		1,850,000		4,730,000		7,805,000		1,955,000		6,475,000		1,930,000		1,080,000		4,565,000		935,000		500,000		630,000		630,000		750,000		1,600,000
2033-2037		2,425,000		6,030,000		10,020,000		2,510,000		8,425,000		2,470,000		1,425,000		5,935,000		1,180,000		625,000		790,000		760,000		905,000		1,940,000
2038-2042		3,205,000		7,705,000		12,910,000		3,235,000		10,985,000		3,170,000		1,880,000		7,745,000		1,500,000		770,000		985,000		920,000		1,105,000		2,375,000
2043-2047		1,550,000		7,670,000		16,690,000		4,175,000		14,370,000		4,090,000		2,485,000		10,170,000		1,905,000		965,000		1,230,000		1,125,000		1,350,000		2,895,000
2048+		-		-		-		-		-		950,000		585,000		2,375,000		900,000		690,000		575,000		520,000		615,000		2,035,000
Total	\$	10,200,000	\$	28,500,000	\$	51,540,000	\$	13,140,000	\$	44,400,000	\$	13,865,000	\$	8,140,000	\$	33,720,000	\$	7,040,000	\$	4,190,000	\$	4,640,000	\$	4,390,000	\$	5,240,000	\$	11,940,000

Interest	2014 Country Club East Series A Bonds		2015 Lakewood Ctr North Bonds		2016 The Villages of LWR South Bonds		2017 Del Webb Bonds		2017 Lakewood National & Polo Run Bonds		2018 Northeast Sector Bonds		2018 Lakewood Centre and Northwest Sector		2019 NE Sector, Phase 1B		2019 The Isles at LWR		2019 Lake Club Phase 4		2019 Crosswind Project		2019 Indigo		NE Sect PH2A 2019		Azario 2019	
2024	\$	554,483	\$	1,362,794	\$	2,546,481	\$	651,065	\$	2,314,472	\$	682,584	\$	443,843	\$	1,770,945	\$	326,359	\$	164,565	\$	200,590	\$	164,625	\$	198,735	\$	459,960
2025		539,636		1,330,388		2,492,825		638,058		2,268,800		669,834		436,119		1,739,174		320,915		161,510		196,795		161,423		194,829		451,679
2026		523,988		1,293,947		2,436,831		624,405		2,220,931		656,553		427,704		1,704,380		314,909		158,185		192,710		157,983		190,685		442,700
2027		507,536		1,253,241		2,373,000		610,215		2,170,750		642,634		418,794		1,667,924		308,612		154,765		188,435		154,383		186,379		433,095
2028-2032		2,258,815		5,580,048		10,704,125		2,780,190		9,911,001		2,957,638		1,937,399		7,702,988		1,432,716		714,390		870,215		710,432		857,488		2,005,325
2033-2037		1,684,890		4,209,928		8,372,172		2,225,065		7,965,876		2,411,950		1,597,389		6,330,154		1,188,308		586,325		715,660		582,376		700,882		1,661,200
2038-2042		904,260		2,460,169		5,319,750		1,501,498		5,401,204		1,705,666		1,141,642		4,517,668		872,860		426,633		520,389		423,131		506,473		1,231,500
2043-2047		88,340		439,969		1,447,940		557,216		2,013,743		785,402		532,371		2,095,527		460,810		223,201		272,702		220,500		262,000		705,500
2048+		-		-		-		-		-		24,225		16,526		64,991		44,363		21,378		26,213		21,000		24,900		124,300
Total	\$	7,061,948	\$	17,930,484	\$	35,693,124	\$	9,587,712	\$	34,266,777	\$	10,536,486	\$	6,951,787	\$	27,593,751	\$	5,269,852	\$	2,610,952	\$	3,183,709	\$	2,595,853	\$	3,122,371	\$	7,515,259

Total	2014 Country Club East Series A Bonds		2015 Lakewood Ctr North Bonds		2016 The Villages of LWR South Bonds		2017 Del Webb Bonds		2017 Lakewood National & Polo Run Bonds		2018 Northeast Sector Bonds		2018 Lakewood Centre and Northwest Sector		2019 NE Sector, Phase 1B		2019 The Isles at LWR		2019 Lake Club Phase 4		2019 Crosswind Project		2019 Indigo		NE Sect PH2A 2019		Azario 2019	
2024	\$	824,483	\$	1,387,794	\$	2,791,481	\$	946,065	\$	3,279,472	\$	977,584	\$	603,843	\$	2,450,945	\$	471,359	\$	549,565	\$	300,590	\$	269,625	\$	323,735	\$	719,960
2025		824,636		2,075,388		3,727,825		948,058		3,278,800		974,834		601,119		2,454,174		470,915		241,510		301,795		266,423		319,829		721,679
2026		823,988		2,073,947		3,726,831		949,405		3,280,931		976,553		602,704		2,454,380		474,909		243,185		302,710		267,983		320,685		722,700
2027		822,536		2,068,241		3,718,000		945,215		3,280,750		977,634		603,794		2,452,924		473,612		244,765		303,435		269,383		321,379		718,095
2028-2032		4,108,815		10,310,048		18,509,125		4,735,190		16,386,001		4,887,638		3,017,399		12,267,988		2,367,716		1,214,390		1,500,215		1,340,432		1,607,488		3,605,325
2033-2037		4,109,890		10,239,928		18,392,172		4,735,065		16,390,876		4,881,950		3,022,389		12,265,154		2,368,308		1,211,325		1,505,660		1,342,376		1,605,882		3,601,200
2038-2042		4,109,260		10,165,169		18,229,750		4,736,498		16,386,204		4,875,666		3,021,642		12,262,668		2,372,860		1,196,633		1,505,389		1,343,131		1,611,473		3,606,500
2043-2047		1,638,340		8,109,969		18,137,940		4,732,216		16,383,743		4,875,402		3,017,371		12,265,527		2,365,810		1,188,201		1,502,702		1,345,500		1,612,000		3,600,500
2048+		-		-		-		-		-		974,225		601,526		2,439,991		944,363		711,378		601,213		541,000		639,900		2,159,300
Total	\$	17,261,948	\$	46,430,484	\$	87,233,124	\$	22,727,712	\$	78,666,777	\$	24,401,486	\$	15,091,787	\$	61,313,751	\$	12,309,852	\$	6,800,952	\$	7,823,709	\$	6,985,853	\$	8,362,371	\$	19,455,259

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 5: LONG TERM DEBT (Continued)

Principal	Series 2020		Series 2020		Series 2021 The		Series 2020 NE Sect		Series 2020 NE		Series 2021		Sweetwater Series		Lake Club Series		Central Park		Country Club East		Braden River		Total
	Series 2020 CCE	LWCNWS	Series 2020 Azario	Lorraine Lakes	Isles	PH2C	Sect PH2B	Belleisle & Central Park	Star Farms Series 2021	2021	2021	2021	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	
2024	\$ 965,000	\$ 1,205,000	\$ 140,000	\$ 220,000	\$ 90,000	\$ 170,000	\$ 385,000	\$ 155,000	\$ 185,000	\$ 105,000	\$ 569,000	\$ 194,000	\$ 215,000	\$ -	\$ -	\$ 8,653,000							
2025	1,015,000	1,225,000	145,000	225,000	95,000	170,000	395,000	160,000	185,000	110,000	582,000	202,000	223,000	-	-	10,337,000							
2026	1,060,000	1,250,000	150,000	235,000	95,000	175,000	405,000	165,000	190,000	110,000	594,000	210,000	232,000	35,000	10,781,000								
2027	1,095,000	1,280,000	155,000	240,000	100,000	180,000	420,000	170,000	195,000	115,000	607,000	218,000	241,000	105,000	11,251,000								
2028-2032	5,835,000	6,920,000	855,000	1,330,000	530,000	1,005,000	2,310,000	905,000	1,060,000	610,000	3,240,000	1,224,000	1,355,000	2,940,000	65,554,000								
2033-2037	6,605,000	8,055,000	1,020,000	1,585,000	615,000	1,185,000	2,780,000	1,050,000	1,230,000	710,000	2,855,000	1,488,000	1,644,000	5,390,000	81,652,000								
2038-2042	-	5,470,000	1,235,000	1,890,000	725,000	1,420,000	3,355,000	705,000	1,430,000	825,000	-	1,804,000	1,996,000	6,780,000	86,125,000								
2043-2047	-	-	1,500,000	2,300,000	865,000	1,730,000	4,090,000	-	1,720,000	995,000	-	405,000	484,000	8,520,000	93,243,000								
2048+	-	-	1,050,000	2,190,000	830,000	1,215,000	2,875,000	-	2,105,000	1,225,000	-	-	-	13,545,000	34,280,000								
Total	\$ 16,575,000	\$ 25,405,000	\$ 6,250,000	\$ 10,215,000	\$ 3,945,000	\$ 7,250,000	\$ 17,015,000	\$ 3,310,000	\$ 8,300,000	\$ 4,805,000	\$ 8,447,000	\$ 5,745,000	\$ 6,354,000	\$ 37,315,000	\$ 401,876,000								

Interest	Series 2020		Lorraine Series		Series 2021 The		Series 2020 NE Sect		Series 2020 NE		Series 2021		Sweetwater Series		Lake Club Series		Central Park		Country Club East		Braden River		Total
	CCE 2020	LWCNWS 2020	Azario 2020	2020	Isles	PH2C	Sect PH2B	Belleisle & Central Park	Star Farms Series 2021	2021	2021	2021	2023	2023	2023	2023	2023	2023	2023	2023			
2024	\$ 445,038	\$ 716,959	\$ 229,536	\$ 369,525	\$ 133,113	\$ 261,250	\$ 632,555	\$ 89,864	\$ 281,163	\$ 163,399	\$ 175,494	\$ 222,332	\$ 241,740	\$ 1,830,106	\$ 17,633,575								
2025	395,538	694,170	225,796	363,963	131,147	257,000	622,805	85,485	276,908	161,115	163,121	214,824	233,264	1,830,106	17,257,227								
2026	346,313	669,231	221,493	357,478	129,128	252,250	611,388	80,968	272,595	158,778	150,479	207,006	224,460	1,830,106	16,857,584								
2027	311,513	642,006	216,613	350,056	126,806	246,925	598,188	76,311	267,778	156,099	137,568	198,880	215,307	1,828,706	16,442,519								
2028-2032	1,204,090	2,698,445	1,002,231	1,627,661	593,069	1,145,476	2,772,059	308,512	1,255,593	730,529	484,044	861,150	926,110	8,951,730	74,983,469								
2033-2037	441,594	1,607,885	831,150	1,370,247	508,203	959,164	2,308,313	172,361	1,089,250	635,861	124,410	604,652	636,886	8,060,180	59,582,331								
2038-2042	-	285,703	619,348	1,053,719	403,306	728,776	1,731,520	29,677	888,675	516,576	-	293,230	285,799	6,670,856	40,440,028								
2043-2047	-	-	355,681	654,100	255,100	421,600	997,000	-	598,600	291,970	-	15,674	8,669	4,929,976	18,633,591								
2048+	-	-	28,178	173,988	68,000	74,100	175,500	-	216,900	126,500	-	-	-	2,594,552	3,825,614								
Total	\$ 3,144,086	\$ 7,314,399	\$ 3,730,026	\$ 6,320,737	\$ 2,347,872	\$ 4,346,541	\$ 10,449,328	\$ 843,178	\$ 5,147,462	\$ 2,940,827	\$ 1,235,116	\$ 2,617,748	\$ 2,772,235	\$ 38,526,318	\$ 265,655,938								

Total	Series 2020		Lorraine Series		Series 2021 The		Series 2020 NE Sect		Series 2020 NE		Series 2021		Sweetwater Series		Lake Club Series		Central Park		Country Club East		Braden River		Total
	CCE 2020	LWCNWS 2020	Azario 2020	2020	Isles	PH2C	Sect PH2B	Belleisle & Central Park	Star Farms Series 2021	2021	2021	2021	2023	2023	2023	2023	2023	2023	2023	2023			
2024	\$ 1,410,038	\$ 1,921,959	\$ 369,536	\$ 589,525	\$ 223,113	\$ 431,250	\$ 1,017,555	\$ 244,864	\$ 466,163	\$ 268,399	\$ 744,494	\$ 416,332	\$ 456,740	\$ 1,830,106	\$ 26,286,575								
2025	1,410,538	1,919,170	370,796	588,963	226,147	427,000	1,017,805	245,485	461,908	271,115	745,121	416,824	456,264	1,830,106	27,594,227								
2026	1,406,313	1,919,231	371,493	592,478	224,128	427,250	1,016,388	245,968	462,595	268,778	744,479	417,006	456,460	1,865,106	27,638,584								
2027	1,406,513	1,922,006	371,613	590,056	226,806	426,925	1,018,188	246,311	462,778	271,099	744,568	416,880	456,307	1,933,706	27,693,519								
2028-2032	7,039,090	9,618,445	1,857,231	2,957,661	1,123,069	2,150,476	5,082,059	1,213,512	2,315,593	1,340,529	3,724,044	2,085,150	2,281,110	11,891,730	140,537,469								
2033-2037	7,046,594	9,662,885	1,851,150	2,955,247	1,123,203	2,144,164	5,088,313	1,222,361	2,319,250	1,345,861	2,979,410	2,092,652	2,280,886	13,450,180	141,234,331								
2038-2042	-	5,755,703	1,854,348	2,943,719	1,128,306	2,148,776	5,086,520	734,677	2,318,675	1,341,576	-	2,097,230	2,281,799	13,450,856	126,565,028								
2043-2047	-	-	1,855,681	2,954,100	1,120,100	2,151,600	5,087,000	-	2,318,600	1,286,970	-	420,674	456,669	13,449,976	111,876,591								
2048+	-	-	1,078,178	2,363,988	898,000	1,289,100	3,050,500	-	2,321,900	1,351,500	-	-	-	16,139,552	38,105,614								
Total	\$ 19,719,086	\$ 32,719,399	\$ 9,980,026	\$ 16,535,737	\$ 6,292,872	\$ 11,596,541	\$ 27,464,328	\$ 4,153,178	\$ 13,447,462	\$ 7,745,827	\$ 9,682,116	\$ 8,362,748	\$ 9,126,235	\$ 75,841,318	\$ 667,531,938								

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 6: INTERFUND TRANSFERS

Transfers In	Transfers Out				Total Transfers In
	General Fund	Debt Service	Capital Projects	Utilities	
General Fund	\$ -	\$ -	\$ -	\$ 145,108	\$ 145,108
Debt Service	-	9,998	3,061	521,450	534,509
Capital Projects	-	460,791	-	29,166	489,957
Total transfers out	\$ -	\$ 470,789	\$ 3,061	\$ 695,724	\$ 1,169,574

Transfers out of the Utilities to the General Fund are payroll and administrative. Transfers out of the Utilities to the Debt Service fund are payments for interest and principal on debt service. Transfers out of Debt Service to Capital Projects are proceeds used for various projects.

Note 7: SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 5, 2024, 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,

2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Landowner funding	\$ 2,195,839	\$ 1,157,445	\$ (1,038,394)
Assessments	7,878,319	7,928,763	50,444
Miscellaneous	1,000	34,255	33,255
Total revenues	10,075,158	9,120,463	(954,695)
Expenditures			
Current:			
General government	2,158,994	3,123,980	(964,986)
Physical environment:			
Operations	7,916,164	5,212,676	2,703,488
Total expenditures	10,075,158	8,336,656	1,738,502
Other financing sources (uses)			
Transfers in	-	145,108	(145,108)
Total other financing sources (uses)	-	145,108	(145,108)
NET CHANGE IN FUND BALANCES	-	928,915	638,699
FUND BALANCES - BEGINNING OF YEAR	-	17,780	17,780
FUND BALANCES - END OF YEAR	\$ -	\$ 946,695	\$ 656,479

OTHER NON-FINANCIAL INFORMATION

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

Board of 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, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated April 5, 2024.

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.

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

Carr, Riggs, & Ingram, LLC

Bradenton, Florida
April 5, 2024

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH FLORIDA STATUTES 218.415 –
INVESTMENT OF PUBLIC FUNDS**

Board of Supervisors
Lakewood Ranch Stewardship District

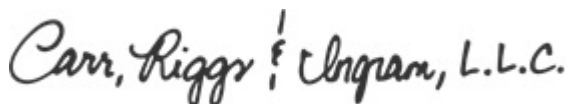
We have examined the Lakewood Ranch Stewardship District (“District”) compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2023. Management is responsible for the District’s compliance with those requirements. Our responsibility is to express an opinion on the 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, 2023.

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, LLC

Bradenton, Florida
April 5, 2024

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, 2023, and have issued our report thereon dated April 5, 2024.

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 *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 April 5, 2024 should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been 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 17.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as 13.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$755,180.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$36,270,990.
- 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 \$3,855 and annual operations & maintenance assessments ranging from \$104 to \$684.
- b. The total amount of special assessments collected by or on behalf of the District as \$64,712,049.
- 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
April 5, 2024