

**GATEWAY SERVICES
COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025**

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Net Position – Proprietary Funds	15
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	16
Statement of Cash Flows – Proprietary Funds	17-18
Notes to the Financial Statements	19-33
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	34
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Pelican Preserve Fund	35
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Stoneybrook Fund	36
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Towne Lakes Fund	37
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Lake Bank Restoration Fund	38
Notes to Required Supplementary Information	39
OTHER INFORMATION	
Data Elements required by FL Statute 218.39 (3) (c)	40
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards and State Projects	41
Notes to Schedule of Expenditures of Federal Awards and State Projects	42

TABLE OF CONTENTS (Continued)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	43-44
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	45
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550 RULES OF THE AUDITOR GENERAL	46-47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS AND STATE PROJECTS	48
MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	49-50



INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Gateway Services Community Development District
Lee County, Florida

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and schedule of expenditures of state financial assistance projects, as required by Chapter 10.550, Rules of the Auditor General of the State of Florida, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and schedule of expenditures of state financial assistance projects are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state projects is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Financial Report

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Grau & Associates

March 18, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the fiscal year resulting in a net position balance of \$48,717,375.
- The change in the District's total net position in comparison with the prior fiscal year was \$142,497, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2025, the District's governmental funds reported combined ending fund balances of \$20,615,411, a decrease of (\$2,232,551) in comparison with the prior fiscal year. A portion of the total fund balance is non-spendable for deposit and prepaid expenses, restricted for debt service and capital projects, assigned to emergency reserve, capital projects, special revenue funds, and subsequent year's expenditures and the remainder is unassigned fund balance.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by assessments (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general (management) and maintenance functions. The business-type activities of the District include the water and sewer operations.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has two fund categories: governmental funds and proprietary 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 outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

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

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

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

Proprietary Funds

The District maintains one type of proprietary fund, enterprise fund. The District maintains one 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 operations of the water and sewer utility services within the District. This is a major fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	NET POSITION					
	SEPTEMBER 30,					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets, excluding capital assets	\$ 22,329,644	\$ 23,741,730	\$ 5,890,933	\$ 7,980,413	\$ 28,220,577	\$ 31,722,143
Capital assets, net of depreciation	25,027,387	24,450,924	28,852,993	22,091,795	53,880,380	46,542,719
Total assets	47,357,031	48,192,654	34,743,926	30,072,208	82,100,957	78,264,862
Deferred outflows of resources	-	27,673	-	-	-	27,673
Liabilities, excluding long-term liabilities	2,834,841	2,193,300	3,712,056	1,717,687	6,546,897	3,910,987
Long-term liabilities	26,836,685	25,659,883	-	146,787	26,836,685	25,806,670
Total liabilities	29,671,526	27,853,183	3,712,056	1,864,474	33,383,582	29,717,657
Net position						
Investment in capital assets	(2,765,539)	10,288,227	28,787,493	21,957,968	26,021,954	32,246,195
Restricted	9,395,303	12,029,600	61,416	50,528	9,456,719	12,080,128
Unrestricted	11,055,741	(1,950,683)	2,182,961	6,199,238	13,238,702	4,248,555
Total net position	\$ 17,685,505	\$ 20,367,144	\$ 31,031,870	\$ 28,207,734	\$ 48,717,375	\$ 48,574,878

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	CHANGES IN NET POSITION					
	FOR THE FISCAL YEAR ENDED SEPTEMBER 30,					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues						
Charges for services	\$ 10,707,216	\$ 9,544,211	\$ 8,663,467	\$ 7,023,065	\$ 19,370,683	\$ 16,567,276
Operating grants and contributions	289,665	-	-	2,029,854	289,665	2,029,854
Capital grants and contributions	473,078	-	-	-	473,078	-
General revenues						
Intergovernmental	-	-	-	27,764	-	27,764
Gain on sale of assets	-	-	12,000	19,747	12,000	19,747
Investment earnings	261,023	1,275,868	209,400	280,430	470,423	1,556,298
Miscellaneous	137,984	48,935	7,445	385,992	145,429	434,927
Total revenues	11,868,966	10,869,014	8,892,312	9,766,852	20,761,278	20,635,866
Expenses:						
General government	1,391,757	1,095,783	-	-	1,391,757	1,095,783
Public safety	795,022	876,499	-	-	795,022	876,499
Physical environment	9,364,785	8,604,065	-	-	9,364,785	8,604,065
Public works	548,262	541,068	-	-	548,262	541,068
Culture/recreation	1,050,264	977,939	-	-	1,050,264	977,939
Interest and other charges	593,433	674,085	-	-	593,433	674,085
Water and sewer	-	-	6,875,258	6,628,790	6,875,258	6,628,790
Total expenses	13,743,523	12,769,439	6,875,258	6,628,790	20,618,781	19,398,229
Transfers	(807,082)	(239,096)	807,082	239,096	-	-
Change in net position	(2,681,639)	(2,139,521)	2,824,136	3,377,158	142,497	1,237,637
Net position - beginning	20,367,144	22,506,665	28,207,734	24,830,576	48,574,878	47,337,241
Net position - ending	\$ 17,685,505	\$ 20,367,144	\$ 31,031,870	\$ 28,207,734	\$ 48,717,375	\$ 48,574,878

Governmental activities

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2025 was \$13,743,523. The costs of the District's activities were primarily funded by program revenues. As in the prior fiscal year, program revenues are comprised primarily of assessments which increased in the current fiscal year as a result of an increase in the levy. The District also received funds from investment earnings and usage fees which are included in program revenues. The majority of the change in expenses results from increases in professional services and maintenance and repairs, including landscaping and lake bank restoration.

Business-type activities

For the fiscal year ended September 30, 2025, the cost of the business-type activities was \$6,875,258. The costs of those activities were paid for by program revenues which consisted primarily of user fees and charges. The decrease in program revenues is due to a nonrecurring contribution of asset in the prior fiscal year. The remainder of the current fiscal year revenue primarily includes investment earnings.

GENERAL FUND BUDGETING HIGHLIGHTS

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2025, the District had \$56,673,131 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$31,645,744 has been taken, which resulted in a net book value of \$25,027,387. The District's business-type activities reported net capital assets of \$28,852,993. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2025, the District had \$12,510,000 in Bonds and \$15,427,538 in Notes outstanding for its governmental activities. For business-type activities, the District had \$65,500 in Bonds and \$1,426,459 in Notes outstanding at September 30, 2025. During the current fiscal year, the District made additional draws on two state revolving loans and issued a new state revolving loan for its governmental activities. During the current fiscal year, the District issued Series 2025 Bonds and two new state revolving loans for its business-type activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The Lake Bank Restoration Projects will continue in fiscal year 2026 with draws from existing loans from the Clean Water State Revolving Loan Fund for its governmental activities. The irrigation and pump station projects will continue in fiscal year 2026 with draws from existing loans from the Clean Water State Revolving Loan Fund for its business-type activities. The water meter replacement projects will continue in fiscal year 2026 with draws from existing loans from the Drinking Water State Revolving Loan Fund for its business-type activities.

Subsequent to the end of the fiscal year, the District approved State Revolving Loan funding for a Force Main and Irrigation Main redundancy project of \$8,059,936.

Additionally, the District issued Subordinate Water and Sewer Revenue Bonds, Taxable Series 2026, not to exceed \$7,336,305 in fiscal year 2026.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide landowners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Gateway Services Community Development District's Finance Department at 11922 Fairway Lakes Dr. Suite 1, Fort Myers, FL 33913.

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,861,313	\$ 61,787	\$ 6,923,100
Investments	15,260,549	3,842,801	19,103,350
Receivables	-	1,532,919	1,532,919
Due from other governments	3,078	-	3,078
Accrued interest receivable	63,200	41,991	105,191
Internal balances	(11,859)	11,859	-
Restricted assets:			
Cash and cash equivalents - deposits	82,821	335,381	418,202
Investments - Debt trust accounts	-	62,939	62,939
Deposits and prepaid expenses	1,631	1,256	2,887
Deferred charges	68,911	-	68,911
Capital assets:			
Nondepreciable	8,255,580	9,012,150	17,267,730
Depreciable, net	16,771,807	19,840,843	36,612,650
Total assets	<u>47,357,031</u>	<u>34,743,926</u>	<u>82,100,957</u>
LIABILITIES			
Accounts payable and accrued expenses	1,450,865	1,686,749	3,137,614
Retainage payable	109,761	118,568	228,329
Due to other governments	1,875	5,100	6,975
Payable from restricted assets:			
Accrued interest payable	209,019	1,523	210,542
Deposits payable from restricted assets	82,821	335,381	418,202
Bond payable - current	470,000	-	470,000
Note payables - current	510,500	29,586	540,086
Noncurrent liabilities:			
Compensated absences	24,259	72,776	97,035
Bond payable, net	11,895,388	65,500	11,960,888
Note payables	14,917,038	1,396,873	16,313,911
Total liabilities	<u>29,671,526</u>	<u>3,712,056</u>	<u>33,383,582</u>
NET POSITION			
Investment in capital assets	(2,765,539)	28,787,493	26,021,954
Restricted for:			
Debt service	1,218,716	61,416	1,280,132
Capital projects	8,176,587	-	8,176,587
Unrestricted	11,055,741	2,182,961	13,238,702
Total net position	<u>\$ 17,685,505</u>	<u>\$ 31,031,870</u>	<u>\$ 48,717,375</u>

See notes to the financial statements

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,391,757	\$ 1,391,757	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	795,022	-	-	-	(795,022)	-	(795,022)
Physical environment	9,364,785	7,140,337	220,198	473,078	(1,531,172)	-	(1,531,172)
Public works	548,262	-	-	-	(548,262)	-	(548,262)
Culture/recreation	1,050,264	174,547	-	-	(875,717)	-	(875,717)
Interest on long-term debt	593,433	2,000,575	69,467	-	1,476,609	-	1,476,609
Total governmental activities	13,743,523	10,707,216	289,665	473,078	(2,273,564)	-	(2,273,564)
Business-type activities:							
Water and sewer utilities	6,875,258	8,663,467	-	-	-	1,788,209	1,788,209
Total business-type activities	6,875,258	8,663,467	-	-	-	1,788,209	1,788,209
General revenues:							
Gain (loss) on sale of capital assets					-	12,000	12,000
Unrestricted investment earnings					261,023	209,400	470,423
Miscellaneous revenues					137,984	7,445	145,429
Total general revenues					399,007	228,845	627,852
Transfers					(807,082)	807,082	-
Change in net position					(2,681,639)	2,824,136	142,497
Net position - beginning					20,367,144	28,207,734	48,574,878
Net position - ending					\$ 17,685,505	\$ 31,031,870	\$ 48,717,375

See notes to the financial statements

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

ASSETS	General Fund	Special Revenue				Debt Service				Capital Projects				Total Governmental Funds
		Pelican Preserve	Stoneybrook Lakes	Towne Lakes	Lake Bank Restoration	Lake Bank Restoration	Series 2023-1	Series 2023-2	Series 2023-1	Series 2023-2	Series 2023-1	Series 2023-2		
Cash	\$ 5,726,919	\$ 907,496	\$ 131,747	\$ 95,936	\$ -	\$ 82,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,944,134
Investments	823,135	3,309,825	-	-	-	930,764	370,071	44,478	428,063	9,354,213	428,063	-	-	15,280,549
Due from other governments	1,477	981	100	2	-	229	260	29	-	-	-	-	-	3,078
Accrued interest receivable	30,453	32,747	-	-	-	-	-	-	-	-	-	-	-	63,200
Due from other funds	1,635,197	153	-	-	-	-	-	-	-	3,012	715	-	-	1,639,077
Deposits and prepaid expenses	1,204	427	-	-	-	-	-	-	-	-	-	-	-	1,631
Total Assets	\$ 8,218,385	\$ 4,251,629	\$ 131,847	\$ 95,938	\$ -	\$ 1,013,029	\$ 370,331	\$ 44,507	\$ 9,357,225	\$ 428,778	\$ 23,911,669	\$ -	\$ -	\$ 23,911,669

LIABILITIES AND FUND BALANCES

Liabilities:														
Accounts payable and accrued expenses	\$ 286,428	\$ 150,513	\$ 129,044	\$ -	\$ 308,773	\$ -	\$ -	\$ -	\$ 520,124	\$ 55,983	\$ 1,450,865	\$ -	\$ -	\$ 1,450,865
Retainage payable	-	-	-	-	34,431	-	-	-	66,194	9,136	109,761	-	-	109,761
Due to other funds	136	20,723	2,689	-	669,409	-	-	-	874,449	83,530	1,650,936	-	-	1,650,936
Due to other governments	1,022	719	-	2	-	-	-	-	-	-	1,875	-	-	1,875
Deposits payable	82,821	-	-	-	-	132	-	-	-	-	82,821	-	-	82,821
Total liabilities	370,407	171,955	131,733	2	1,012,613	132	-	-	1,460,767	148,649	3,296,258	-	-	3,296,258

Fund balances:

Nonspendable:														
Deposits and prepaid expenses	1,204	427	-	-	-	-	-	-	-	-	-	-	-	1,631
Restricted for:														
Debt service	-	-	-	-	-	1,012,897	370,331	44,507	-	-	1,427,735	-	-	1,427,735
Capital projects	-	-	-	-	-	-	-	-	7,896,458	280,129	8,176,587	-	-	8,176,587
Assigned to:														
Emergency reserve	700,000	-	-	-	-	-	-	-	-	-	700,000	-	-	700,000
Capital projects	2,230,441	-	-	-	-	-	-	-	-	-	2,230,441	-	-	2,230,441
Special revenue funds	-	4,079,247	114	95,936	-	-	-	-	-	-	4,175,297	-	-	4,175,297
Subsequent year's expenditures	1,734,080	-	-	-	-	-	-	-	-	-	1,734,080	-	-	1,734,080
Unassigned	3,182,253	-	-	-	(1,012,613)	-	-	-	-	-	2,169,640	-	-	2,169,640
Total fund balance	7,847,978	4,079,674	114	95,936	(1,012,613)	1,012,897	370,331	44,507	7,896,458	280,129	20,615,411	-	-	20,615,411

Total liabilities and fund balance

\$ 8,218,385	\$ 4,251,629	\$ 131,847	\$ 95,938	\$ -	\$ 1,013,029	\$ 370,331	\$ 44,507	\$ 9,357,225	\$ 428,778	\$ 23,911,669
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See notes to the financial statements

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

Total fund balances - governmental funds \$ 20,615,411

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	56,673,131	
Accumulated depreciation	(31,645,744)	25,027,387

Deferred charges on refunding of 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.

68,911

Liabilities not due and payable from current available

Accrued interest payable	(209,019)	
Original issue discount/premium	144,612	
Bonds payable	(12,510,000)	
Notes payable	(15,427,538)	
Compensated absences payable	(24,259)	(28,026,204)

Net position of governmental activities	\$ 17,685,505
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See notes to the financial statements

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

	Special Revenue						Debt Service				Capital Projects			Total Governmental Funds
	General	Pelican Preserve	Stoneybrook	Towne Lakes	Lake Bank Restoration	Series 2013	Lake Bank Restoration	Series 2023-1	Series 2023-2	Series 2013	Series 2023-1	Series 2023-2	Series 2023-2	
REVENUES														
Special assessments	\$ 5,034,842	\$ 3,112,267	\$ 342,351	\$ 7,349	\$ -	\$ 232,879	\$ 782,461	\$ 887,630	\$ 97,605	\$ -	\$ -	\$ -	\$ -	\$ 10,497,384
Charges for services	209,832	-	-	-	-	-	-	-	-	-	-	-	-	209,832
Investment earnings	261,023	206,782	9,793	3,623	-	3,661	47,662	16,300	1,844	2,499	427,973	20,256	-	1,001,416
Miscellaneous revenues	137,984	22,350	-	-	-	-	-	-	-	-	-	-	-	160,334
Total revenues	5,643,681	3,341,399	352,144	10,972	-	236,540	830,123	903,930	99,449	2,499	427,973	20,256	-	11,868,966
EXPENDITURES														
Current:														
General government	680,733	577,655	79,481	546	-	322	4,351	966	106	-	24,616	-	-	1,368,776
Public safety	15,016	450,416	289,027	-	-	-	-	-	-	-	-	-	-	754,459
Physical environment	1,874,326	2,015,112	27,963	7,508	3,841,929	-	-	-	-	-	244,874	-	-	8,011,712
Public works	479,034	-	42,126	-	-	-	-	-	-	-	-	-	-	521,160
Culture/recreation	1,035,040	-	-	-	-	-	-	-	-	-	-	-	-	1,035,040
Debt Service:														
Principal	6,776	-	-	-	-	1,500,000	505,843	410,000	45,000	-	-	-	-	2,467,619
Interest	81	-	-	-	-	43,125	70,217	444,131	47,166	-	-	-	-	604,720
Capital outlay	263,771	-	69,871	-	-	-	-	-	-	-	1,482,258	199,271	-	2,015,171
Total expenditures	4,354,777	3,043,183	508,468	8,054	3,841,929	1,543,447	580,411	855,097	92,272	-	1,751,748	199,271	-	16,778,657
Excess (deficiency) of revenues over (under) expenditures	1,288,904	298,216	(156,324)	2,918	(3,841,929)	(1,306,907)	249,712	48,833	7,177	2,499	(1,323,775)	(179,015)	-	(4,909,691)
OTHER FINANCING SOURCES (USES)														
Interfund transfers in/(out)	152,654	(726,502)	116	-	-	1,044,314	(147,391)	321,498	37,330	(323,191)	(1,128,580)	(37,330)	-	(807,082)
Issuance of long-term debt	-	-	-	-	3,484,222	-	-	-	-	-	-	-	-	3,484,222
Total other financing sources and (uses)	152,654	(726,502)	116	-	3,484,222	1,044,314	(147,391)	321,498	37,330	(323,191)	(1,128,580)	(37,330)	-	2,677,140
Net change in fund balance	1,441,558	(428,286)	(156,208)	2,918	(357,707)	(262,593)	102,321	370,331	44,507	(320,692)	(2,452,355)	(216,345)	-	(2,232,551)
Fund balance - beginning	6,406,420	4,507,960	156,322	93,018	(654,906)	262,593	910,576	-	-	320,692	10,348,813	496,474	-	22,847,962
Fund balance - ending	\$ 7,847,978	\$ 4,079,674	\$ 114	\$ 95,936	\$ (1,012,613)	\$ -	\$ 1,012,897	\$ 370,331	\$ 44,507	\$ -	\$ 7,896,458	\$ 280,129	\$ -	\$ 20,615,411

See notes to the financial statements

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Net change in fund balances - total governmental funds	\$ (2,232,551)
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(1,355,421)
Governmental funds report capital outlays as expenditures, however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.	1,931,884
Governmental funds report the face amount of long-term debt issued as financial resources when debt is first issued, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.	(3,484,222)
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	2,467,619
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds. The details of the differences are as follows:	
Amortization of deferred amount on refunding	(3,725)
Amortization of original issue discount/premium	(7,844)
Amortization of prepaid bond insurance	(27,673)
Change in accrued compensated absences	(20,235)
The change in accrued interest on long-term liabilities between the current and prior fiscal years is recorded in the statement of activities, but not in the governmental fund financial statements.	50,529
Change in net position of governmental activities	\$ (2,681,639)

See notes to the financial statements

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2025**

	Water & Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 61,787
Investments	3,842,801
Receivables	1,532,919
Due from other funds	11,859
Accrued interest receivable	41,991
Deposits and prepaid expenses	1,256
Restricted assets:	
Cash and cash equivalents - deposits	335,381
Investments - Debt trust accounts	62,939
Noncurrent assets:	
Capital assets:	
Capital assets not being depreciated	9,012,150
Capital assets being depreciated	40,244,347
Less accumulated depreciation	(20,403,504)
Total capital assets, net	28,852,993
Total assets	34,743,926
 LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	1,686,749
Retainage payable	118,568
Due to other governments	5,100
Deposits payable from restricted assets	335,381
Accrued interest payable	1,523
Note payables - current	29,586
Noncurrent liabilities:	
Compensated absences	72,776
Bond payable	65,500
Note payables	1,396,873
Total liabilities	3,712,056
 NET POSITION	
Investment in capital assets	28,787,493
Restricted for debt service	61,416
Unrestricted	2,182,961
Total net position	\$ 31,031,870

See notes to the financial statements

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Water & Sewer Fund
OPERATING REVENUES	
Charges for services:	
Water and sewer charges	\$ 8,663,467
Total operating revenues	8,663,467
OPERATING EXPENSES	
Water purchases	2,237,750
Administrative and other	803,269
Personnel services	1,341,420
Repairs and maintenance	629,979
Utilities	312,938
Insurance	95,407
Depreciation and amortization	1,385,522
Total operating expense	6,806,285
Operating income (loss)	1,857,182
NON OPERATING REVENUE (EXPENSES)	
Interest income	209,400
Gain on disposal of equipment	12,000
Interest expense	(3,473)
Bond issuance costs	(65,500)
Other income	7,445
Total non operating revenue (expenses)	159,872
Income before transfers	2,017,054
Transfers in	807,082
Change in net position	2,824,136
Total net position - beginning	28,207,734
Total net position - ending	\$ 31,031,870

See notes to the financial statements

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	<u>Water & Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers, users and other funds	\$ 7,893,054
Other operating cash receipts	7,445
Payments to suppliers and other funds	(3,036,846)
Payments to employees	(1,356,043)
Net cash provided (used) by operating activities	3,507,610
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from the sale of capital assets	12,000
Purchases of capital assets	(8,028,152)
Interfund transfers	807,082
Principal payments on capital debt	(191,356)
Proceeds from debt	1,432,571
Interest and fees on capital debt	(68,973)
Net cash provided (used) by capital and related financing activities	(6,036,828)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	218,080
Proceeds from investments	160,934
Net cash provided (used) by investing activities	379,014
 Net increase (decrease) in cash and cash equivalents	 (2,150,204)
 Cash and cash equivalents - October 1	 2,547,372
 Cash and cash equivalents - September 30	 \$ 397,168

(Continued)

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(Continued)**

Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating Income (loss)	\$ 1,857,182
Adjustments to reconcile operating income (loss) to net cash provided (used) by Operating Activities:	
Depreciation and amortization	1,385,522
(Increase)/Decrease in receivables	(218,602)
(Increase)/Decrease in interfund receivable	(10,480)
(Increase)/Decrease in deposits and prepaids	(1,256)
Increase/(Decrease) in accounts payable and accrued expenses	1,037,397
Increase/(Decrease) in deposits payable	(540,075)
(Decrease) in due to other governments	5,100
Increase/(Decrease) in compensated absences	(14,623)
Miscellaneous income	7,445
Total Adjustments	<u>1,650,428</u>
Net cash provided (used) by operating activities	<u><u>\$ 3,507,610</u></u>

See notes to the financial statements

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Gateway Services Community Development District ("District") was created on May 22, 1986, under the "Uniform Community Development District Act of 1980", otherwise known as Chapter 190, Florida Statutes. Chapter 190 provides that a Community Development District with a size of 1,000 acres or more may be established by rule adopted under Chapter 120 by the Florida Land and Water Adjudicatory Commission. The District was established by adopting Rule 42F-1. Chapter 190 provides among other things the power to manage basic services for community development and to levy and assess non-ad valorem assessments for the financing and maintenance of improvements.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by registered voters within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

Assessments

Assessments are non-ad valorem assessments on benefited lands within the District. Assessments are levied to pay for the operations and maintenance of the District. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. The District's annual assessments for operations and debt service are billed and collected by the County Tax Assessor/Collector. The amounts remitted to the District are net of applicable discounts or fees and include interest on monies held from the day of collection to the day of distribution.

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

The 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.

Special Revenue Fund – Pelican Preserve

This special revenue fund is used to account for the activity of Pelican Preserve, which is located within the boundaries of the District.

Special Revenue Fund – Stoneybrook

This special revenue fund is used to account for the activity of Stoneybrook, which is located within the boundaries of the District.

Special Revenue Fund – Towne Lakes

This special revenue fund is used to account for the activity of Towne Lakes, which is located within the boundaries of the District.

Special Revenue Fund – Lake Bank Restoration

This special revenue fund is used to account for the activity of the lake bank restoration project.

Debt Service Funds

The District maintained four Debt Service Funds, used to account for the accumulation of resources for the annual payment of principal and interest on long-term special assessment debt on the Series 2013 Bonds, Series 2023-1 Bonds, Series 2023-2 Bonds, and the payment of principal and interest on the lake bank restoration notes. The Debt Service Fund for the Series 2013 Bond was closed out during the current fiscal year.

Capital Project Funds

The District maintained three Capital Project Funds to account for the construction of infrastructure improvements within the boundaries of the District: Series 2013, Series 2023-1, and Series 2023-2. The Capital Project Fund for Series 2013 was closed out during the current fiscal year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The District reports the following major proprietary fund:

Water and Sewer Fund

This enterprise fund is used to account for the operations of the water and sewer utility services within the District. The costs of providing services to the residents are recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses of the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

Assets, Liabilities and Net Position or Equity

Restricted Assets

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

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing), money market accounts, and all highly liquid debt instruments with original maturities of three months or less.

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

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

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured.

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

Inventories and Prepaid Items

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Building and improvements	7 – 39
Infrastructure	10 – 40
Equipment	5 – 20

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Leases

The District determines if an arrangement is a lease at inception. The District is a lessee for a non-cancellable lease of building space. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the commencement date, plus certain direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Contributions

Capital Contributions consists of infrastructure improvements conveyed by other entities to the District and cash contributions for infrastructure improvements.

Unearned Revenue

Unearned revenue is reported in connection with resources that have been received, but not yet earned.

Compensated Absences

The District accrues unused portions of vacation pay in the period the fund liability is incurred. As permitted by Governmental Accounting Standards Board Statement No. 16, the vesting method is used to accrue sick leave liability. The liability is based on the sick leave accumulated at year-end by those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments.

Even though the District has accumulated and earmarked expendable available fund resources for these amounts, the portion not normally expected to be liquidated with expendable available financial resources is not reported as a fund liability in the governmental fund financial statements.

Long-Term Obligations

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

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

Deferred Outflows/Inflows of Resources

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

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

Fund Equity/Net Position

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position (Continued)

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

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

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

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

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

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 – BUDGETARY INFORMATION

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

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

Investments

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

Investment	Amortized Cost	Fair Value	Level	Credit Risk	Maturities
First American Government Obligation Fund Y Class	\$ 1,924	N/A	N/A	S&P AAAM	Weighted average of the fund portfolio: 45 days
Goldman Sachs Financial Square Government Fund	11,188,604	N/A	N/A	S&P AAAM	Weighted average of the fund portfolio: 49 days
United States Treasury Bills	N/A	7,975,761	1	S&P A-1+	10/2/25 - 3/19/26
	<u>\$ 11,190,528</u>	<u>\$ 7,975,761</u>			

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

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

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

However, the Bond Indenture limits the type of investments held using unspent proceeds.

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

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

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

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

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

NOTE 5 – RECEIVABLES

Receivables at September 30, 2025 were as follows:

	General Fund	SRF-Pelican Preserve	SRF-Stoneybrook	SRF-Towne Lakes	DSF-Lake			Water and sewer	Total
					Bank Restoration	DSF-Series 2023-1	DSF-Series 2023-2		
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,618,121	\$ 1,618,121
Due from other governments	1,477	981	100	2	229	260	29	-	3,078
Interest receivable	30,453	32,747	-	-	-	-	-	41,991	105,191
Total Receivable	31,930	33,728	100	2	229	260	29	1,660,112	1,726,390
Less allowance for doubtful accounts	-	-	-	-	-	-	-	(85,202)	(85,202)
Net receivables	\$ 31,930	\$ 33,728	\$ 100	\$ 2	\$ 229	\$ 260	\$ 29	\$ 1,574,910	\$ 1,641,188

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land and improvements	\$ 6,300,859	\$ -	\$ -	\$ 6,300,859
Construction in progress	362,422	1,592,299	-	1,954,721
Total capital assets, not being depreciated	6,663,281	1,592,299	-	8,255,580
Capital assets being depreciated:				
Building and improvements	2,615,505	8,450	-	2,623,955
Right-to-use leased building	20,646	-	20,646	-
Infrastructure	44,278,521	30,206	-	44,308,727
Equipment	1,190,849	300,929	6,909	1,484,869
Total capital assets, being depreciated	48,105,521	339,585	27,555	48,417,551
Less accumulated depreciation for:				
Building and improvements	2,368,263	42,209	-	2,410,472
Right-to-use leased building	14,337	6,309	20,646	-
Infrastructure	27,064,737	1,185,201	-	28,249,938
Equipment	870,541	121,702	6,909	985,334
Total accumulated depreciation	30,317,878	1,355,421	27,555	31,645,744
Total capital assets, being depreciated, net	17,787,643	(1,015,836)	-	16,771,807
Governmental activities capital assets, net	\$ 24,450,924	\$ 576,463	\$ -	\$ 25,027,387

NOTE 6 – CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Business-type Activities</u>				
Capital assets not being depreciated:				
Construction in progress	\$ 1,419,897	\$ 7,592,253	\$ -	\$ 9,012,150
Total capital assets, not being depreciated	1,419,897	7,592,253	-	9,012,150
Capital assets being depreciated:				
Building and improvements	3,093,547	163,694	-	3,257,241
Right-to-use leased building	29,710	-	29,710	-
Infrastructure	33,554,665	-	-	33,554,665
Equipment	3,079,065	390,773	37,397	3,432,441
Total capital assets, being depreciated	39,756,987	554,467	67,107	40,244,347
Less accumulated depreciation for:				
Building and improvements	1,318,815	119,241	-	1,438,056
Right-to-use leased building	20,631	9,079	29,710	-
Infrastructure	15,638,547	875,785	-	16,514,332
Equipment	2,107,096	381,417	37,397	2,451,116
Total accumulated depreciation	19,085,089	1,385,522	67,107	20,403,504
Total capital assets, being depreciated, net	20,671,898	(831,055)	-	19,840,843
Business-type activities capital assets, net	\$ 22,091,795	\$ 6,761,198	\$ -	\$ 28,852,993

Depreciation expense was charged to function/programs of the primary government as follows:

<u>Governmental Activities:</u>	
Physical environment	\$ 1,340,197
Culture/recreation	15,224
Total depreciation expense	<u>\$ 1,355,421</u>
<u>Business-type Activities</u>	
Water and sewer utilities	\$ 1,385,522
Total depreciation expense	<u>\$ 1,385,522</u>

NOTE 7 – LEASES

In September 2022, the District entered into an agreement to lease building space for two years with two optional one-year renewals. The District was reasonably certain one of the optional renewals will be exercised and, therefore, one optional one-year renewal was included in the total lease term. Monthly payments under this agreement range from \$1,379.04 to \$1,520.39. In accordance with the implementation of GASB 87, the District recorded a right-to-use asset for leased building space. The lease liability was measured at a discount rate of 2.39%, which is the District's incremental borrowing rate. The right-to-use asset and related liability was allocated between governmental activities and business-type activities. The lease term ended in the current fiscal year.

NOTE 8 – LONG-TERM LIABILITIES

The following is a summary of the long-term debt of the District at September 30, 2025

Governmental Activities

Bonds Payable

\$11,710,000 Series 2023-1 Special Assessment Bonds, due in annual principal installments beginning May 2025 and maturing May 1, 2044. Interest payable in May and November at interest rates between 3.00% to 4.25% beginning in May 2023. Current portion is \$425,000.	\$ 11,300,000
\$1,255,000 Series 2023-2 Special Assessment Bonds, due in annual principal installments beginning May 2025 and maturing May 1, 2044. Interest payable in May and November at interest rates between 3.00% to 4.25% beginning in May 2023. Current portion is \$45,000.	1,210,000
Total Bonds Payable	<u>12,510,000</u>

Notes Payable

\$3,855,181 State Revolving Loan Fund SW360401, due in semi-annual principal installments beginning December 2018 and maturing June 15, 2038. Interest payable in June and December at an interest rate of 1.1%. Current portion is \$191,229.	2,657,346
\$3,896,698 State Revolving Loan Fund SW360410, due in semi-annual principal installments beginning February 2019 and maturing August 15, 2038. Interest payable in February and August at interest rates between 1.07% and 1.68%. Current portion is \$191,522.	2,679,020
\$116,907 State Revolving Loan Fund SW360440, due in semi-annual principal installments beginning October 2020 and maturing April 15, 2040. Interest payable in April and October at an interest rate of 2.53%. Current portion is \$5,405.	97,249
\$187,860 State Revolving Loan Fund SW360441, due in semi-annual principal installments beginning June 2021 and maturing December 15, 2040. Interest payable in June and December at an interest rate of 1.66%. Current portion is \$9,101.	159,456
\$2,229,594 State Revolving Loan Fund SW360442, due in semi-annual principal installments beginning February 2022 and maturing August 15, 2041. Current portion is \$113,243.	1,811,886
\$3,706,873 authorized, State Revolving Loan Fund SW3604A0, due in semi-annual principal installments beginning February 2026. The District has drawn \$3,531,933 of the amount authorized.	3,531,933
\$2,767,566 authorized, State Revolving Loan Fund SW3604B1, due in semi-annual principal installments beginning March 2026. The District has drawn \$2,450,351 of the amount authorized.	2,450,351
\$3,753,843 authorized, State Revolving Loan Fund SW3604H0, due in semi-annual principal installments beginning August 2027. Interest payable in February and August at an interest rate 2.19%. The District has drawn \$2,040,297 of the amount authorized.	2,040,297
Total Notes Payable	<u>15,427,538</u>
Total Bonds and Notes Payable - governmental activities	<u>\$ 27,937,538</u>

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Business-type Activities

Bonds Payable

In March 2025, the District issued Water and Sewer Revenue Bonds, Series 2025, not to exceed \$1,800,000, maturing March 1, 2030. Interest payable in July and January at a rate of 5.77% beginning July 2025. The District has drawn \$65,500 of the amount authorized.

	65,500
Total Bonds Payable	65,500

Notes Payable

\$170,505, State Revolving Loan Fund WW360490, due in semi-annual principal installments beginning February 2023. Interest payable in February and August at an interest rate of 0.73%. Current portion is \$29,586.

	59,388
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\$2,174,900, State Revolving Loan Fund WW360491, due in semi-annual principal installments beginning August 2026. Interest payable in February and August at an interest rate of 1.54%. The District has drawn \$941,430 of the amount authorized.

	941,430
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State Revolving Loan Fund DW3604G0, evidenced by Subordinate Taxable Water and Sewer Revenue Bonds Series 2025, in amount not to exceed \$13,924,800. Due in semi-annual principal installments beginning October 2027 and maturing on October 15, 2047. Interest payable in April and October at an interest rate of 2.56%. The District has drawn \$425,641 of the amount authorized.

	425,641
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Total Notes Payable	1,426,459
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Total Bonds and Notes Payable - business-type activities	\$ 1,491,959
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Summary of Significant Bond Resolution Terms and Covenant (Governmental Activities)

The Series 2013 Bonds are subject to mandatory redemption at par on a schedule of annual redemptions through May 2033, the maturity date. The District is required to redeem the Bonds at par prior to schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture. Only the bonds maturing on or after May 1, 2024 are subject to redemption at the option of the District. The Series 2013 Bonds were paid off during the current fiscal year.

The Series 2023-1 and Series 2023-2 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2033, at the redemption price of 100% of the principal amount to be rendered plus accrued interest to the date of redemption. The Series 2023-1 and Series 2023-2 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Series 2023-1 and Series 2023-2 Bond Indentures provides for a surety bond to be obtained in place of funding for the Debt Service Reserve Fund (the "Reserve Fund"). The Debt Service Reserve Fund Surety Bond constitutes a Debt Service Reserve Fund Insurance Policy under the Bond Indenture. The District has obtained the required bonding and is in compliance with the reserve requirement.

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

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Summary of Significant Note Resolution Terms and Covenants (Governmental Activities)

The District is required to maintain and collect non-ad valorem assessment that will be sufficient to provide, in each fiscal year, pledged revenues equal to or exceeding 1.15 times the sum of the loan payments due in such fiscal year. The District collected net assessments of \$782,461. At September 30, 2025, the District is in compliance with the revenue covenant.

Summary of Significant Bond Resolution Terms and Covenant (Business-type Activities)

The District pledged, as security for payment of the principal and interest on the Bonds, the net revenues (gross revenues less cost of operations and maintenance) derived from the operation of the District's water and sewer system. The Bond Indenture contains a rate covenant that requires net revenues to be at least 110% of the debt service requirements for that fiscal year. At September 30, 2025, the District is in compliance with the rate covenant.

Summary of Significant Note Resolution Terms and Covenant (Business-type Activities)

The District pledged, as security for payment of the principal and interest on the Notes, the net revenues (gross revenues less cost of operations and maintenance) derived from the operation of the District's water and sewer system. The Bond Indenture contains a rate covenant that requires net revenues to be equal to or exceeding 1.15 times the sum of the loan payments due in such fiscal year, after payments of senior debt. At September 30, 2025, the District is in compliance with the rate covenant.

Long-term Debt Activity

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2013	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ -
Series 2023-1	11,710,000	-	410,000	11,300,000	425,000
Less: original issue discount	(130,888)	-	(6,737)	(124,151)	-
Series 2023-2	1,255,000	-	45,000	1,210,000	45,000
Less: original issue discount	(21,568)	-	(1,107)	(20,461)	-
Notes payable:					
State Revolving Loan Fund SW360401	2,846,489	-	189,143	2,657,346	191,229
State Revolving Loan Fund SW360410	2,868,254	-	189,234	2,679,020	191,522
State Revolving Loan Fund SW360440	102,520	-	5,271	97,249	5,405
State Revolving Loan Fund SW360441	168,408	-	8,952	159,456	9,101
State Revolving Loan Fund SW360442	1,925,129	-	113,243	1,811,886	113,243
State Revolving Loan Fund SW3604A0	2,830,394	701,539	-	3,531,933	- *
State Revolving Loan Fund SW3604B1	1,707,965	742,386	-	2,450,351	- *
State Revolving Loan Fund SW3604H0	-	2,040,297	-	2,040,297	- *
Lease payable	6,776	-	6,776	-	-
Compensated absences payable	4,024	20,235	-	24,259	-
Total	\$26,772,503	\$ 3,504,457	\$ 2,459,775	\$ 27,817,185	\$ 980,500

* Not included in maturity schedule

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Long-term Debt Activity (Continued)

Business-type Activities

Bonds payable:

Series 2014-2 Water and Sewer	\$ 152,235	\$ -	\$ 152,235	\$ -	\$ -
Series 2025 Water and Sewer	-	65,500	-	65,500	- *

Notes payable:

State Revolving Loan Fund WW360490	88,759	-	29,371	59,388	29,586
State Revolving Loan Fund WW360491	-	941,430	-	941,430	- *
State Revolving Loan Fund DW3604G0 (Series 2025 Subordinate)	-	425,641	-	425,641	- *
Lease payable	9,750	-	9,750	-	-
Compensated absences payable	87,399	-	14,623	72,776	-
	<u>\$ 338,143</u>	<u>\$ 1,432,571</u>	<u>\$ 205,979</u>	<u>\$ 1,564,735</u>	<u>\$ 29,586</u>

* Not included in maturity schedule

At September 30, 2025, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2026	\$ 980,500	\$ 542,061	\$ 1,522,561
2027	1,005,214	522,147	1,527,361
2028	1,024,986	501,612	1,526,598
2029	1,044,818	480,786	1,525,604
2030	1,064,710	460,010	1,524,720
2031-2035	5,679,089	1,957,624	7,636,713
2036-2040	5,541,603	1,222,788	6,764,391
2041-2044	3,574,037	383,133	3,957,170
Total	<u>\$ 19,914,957</u>	<u>\$ 6,070,161</u>	<u>\$ 25,985,118</u>

Year ending September 30:	Business-type Activities		
	Principal	Interest	Total
2026	\$ 29,586	\$ 380	\$ 29,966
2027	29,802	163	29,965
Total	<u>\$ 59,388</u>	<u>\$ 543</u>	<u>\$ 59,931</u>

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2025 were as follows:

Fund	Receivable	Payable
General	\$ 1,635,197	\$ 136
SRF-Pelican	153	20,723
SRF-Stoneybrook	-	2,689
SRF-Lake Bank	-	669,409
DSF-Series 2023-1	3,012	874,449
DSF-Series 2023-2	715	83,530
Water and sewer	11,859	-
Total	<u>\$ 1,650,936</u>	<u>\$ 1,650,936</u>

The outstanding balances between funds result primarily from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. In the case of the District, interfund balances relate primarily to expenditures paid by one fund related to another that had not yet been reimbursed.

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

Interfund transfers during the current fiscal year were as follows:

Fund	Transfer in	Transfer out
General	\$ 152,770	\$ 116
SRF-Pelican	236,372	962,874
SRF-Stoneybrook	116	-
DSF-Series 2013	1,283,205	238,891
DSF-Lake Bank	-	147,391
DSF-Series 2023-1	321,498	-
DSF-Series 2023-2	37,330	-
CPF-Series 2013	7,424	330,615
CPF-Series 2023-1	-	1,128,580
CPF-Series 2023-2	-	37,330
Water and sewer	807,082	-
Total	<u>\$ 2,845,797</u>	<u>\$ 2,845,797</u>

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers are primarily to fund debt service payments and capital projects.

NOTE 10 – DEFICIT FUND EQUITY

At September 30, 2025, the District has a deficit fund balance in the Lake Bank Restoration fund of (\$1,012,613). In addition the Lake Bank Restoration fund owes other funds \$669,409. The deficit and the due to other funds balance in the Lake Bank Restoration fund is expected to be eliminated in fiscal year 2026 through the receipt of grant funding. It should be noted that the District’s total governmental funds unassigned fund balance is positive.

NOTE 11 – INTER-LOCAL AGREEMENT – BUSINESS TYPE ACTIVITIES

The District is obligated to Lee County under a wholesale wastewater treatment and reuse water service agreement. Future minimum required payments are as follows:

Year Ending	Payments
September 30,	
2026	\$ 172,335
2027	172,335
2028	172,335
2029	172,335
2030	172,335
2031-2033	517,005
Total	<u>\$ 1,378,680</u>

NOTE 12 – RETIREMENT PLANS

Under the provisions of IRS Code Section 457 and GASB Statement No. 32 Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans all assets and income of the Plan are held in trust for the benefits of participants. Accordingly, the assets of the Plan are not included in the District’s financial statements. The Plan is administered by ICMA Retirement Corporation.

NOTE 13 – MANAGEMENT COMPANY

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

NOTE 14 – RISK MANAGEMENT

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

NOTE 15 – COMMITMENTS AND CONTINGENCIES

As of September 30, 2025, the District had open contracts for various construction projects. The contracts totaled approximately \$15 million, of which approximately \$10.4 million was uncompleted at September 30, 2025.

The District is involved in various claims and litigation arising in the ordinary course of operations, none of which, in the opinion of the District's counsel, Board of Supervisors and District Manager, will have a material effect on the District's financial position. Accordingly, no provision has been made in the financial statements for these contingencies.

Amounts received, or receivable, from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the District. In the opinion of Management, any such adjustment would not be significant.

NOTE 16 – SUBSEQUENT EVENTS

Long-term debt activity

Subsequent to the end of the fiscal year, the District approved State Revolving Loan funding for a Force Main and Irrigation Main redundancy project of \$8,059,936.

Subsequent to the end of the fiscal year, the District made additional draws totaling \$6,173,997 on various state revolving loans.

In March 2026, the District issued Subordinate Water and Sewer Revenue Bonds, Taxable Series 2026, not to exceed \$7,336,305 with an interest rate of 2.75%.

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

	Budgeted Amounts		Variance Favorable
	Original & Final	Actual	(Unfavorable)
REVENUES			
Special assessments	\$ 5,011,765	\$ 5,034,842	\$ 23,077
Charges for services	72,000	209,832	137,832
Investment earnings	45,000	261,023	216,023
Miscellaneous revenues	7,500	137,984	130,484
Total revenues	<u>5,136,265</u>	<u>5,643,681</u>	<u>507,416</u>
EXPENDITURES			
Current:			
General government	746,211	680,733	65,478
Public safety	30,000	15,016	14,984
Physical environment	2,452,016	1,874,326	577,690
Public works	595,079	479,034	116,045
Culture/recreation	1,303,868	1,035,040	268,828
Debt Service:			
Principal	-	6,776	(6,776)
Interest	-	81	(81)
Capital outlay	7,780,846	263,771	7,517,075
Total expenditures	<u>12,908,020</u>	<u>4,354,777</u>	<u>8,553,243</u>
Excess (deficiency) of revenues over (under) expenditures	(7,771,755)	1,288,904	9,060,659
OTHER FINANCING SOURCES (USES)			
Carryforward surplus	729,707	-	(729,707)
Transfer in / (out)	-	152,654	152,654
Issuance of long-term debt	\$ 7,042,048	-	(7,042,048)
Total other financing sources and (uses)	<u>7,771,755</u>	<u>152,654</u>	<u>(7,619,101)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,441,558</u>	<u>\$ 1,441,558</u>
Fund balance - beginning		<u>6,406,420</u>	
Fund balance - ending		<u>\$ 7,847,978</u>	

See notes to required supplementary information

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – PELICAN PRESERVE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Special assessments	\$ 3,100,147	\$ 3,100,147	\$ 3,112,267	\$ 12,120
Investment earnings	10,000	10,000	206,782	196,782
Miscellaneous revenues	-	-	22,350	22,350
Total revenues	3,110,147	3,110,147	3,341,399	231,252
EXPENDITURES				
Current:				
General government	333,673	333,673	577,655	(243,982)
Public safety	1,023,500	1,023,500	450,416	573,084
Physical environment	2,031,437	2,031,437	2,015,112	16,325
Capital outlay	265,480	265,480	-	265,480
Total expenditures	3,654,090	3,654,090	3,043,183	610,907
Excess (deficiency) of revenues over (under) expenditures	(543,943)	(543,943)	298,216	842,159
OTHER FINANCING SOURCES (USES)				
Carryforward surplus	543,943	543,943	-	(543,943)
Transfer in / (out)	-	(962,874)	(726,502)	236,372
Total other financing sources and (uses)	543,943	(418,931)	(726,502)	(307,571)
Net change in fund balance	\$ -	\$ (962,874)	(428,286)	\$ 534,588
Fund balance - beginning			4,507,960	
Fund balance - ending			\$ 4,079,674	

See notes to required supplementary information

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

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Special assessments	\$ 339,777	\$ 339,777	\$ 342,351	\$ 2,574
Investment earnings	-	9,795	9,793	(2)
Total revenues	<u>339,777</u>	<u>349,572</u>	<u>352,144</u>	<u>2,572</u>
EXPENDITURES				
Current:				
General government	7,799	71,798	79,481	(7,683)
Public safety	230,478	290,479	289,027	1,452
Physical environment	58,500	97,618	27,963	69,655
Public works	43,000	46,000	42,126	3,874
Capital outlay	-	-	69,871	(69,871)
Total expenditures	<u>339,777</u>	<u>505,895</u>	<u>508,468</u>	<u>(2,573)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(156,323)	(156,324)	(1)
OTHER FINANCING SOURCES (USES)				
Transfer in / (out)	-	-	116	116
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>116</u>	<u>116</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (156,323)</u>	<u>(156,208)</u>	<u>\$ 115</u>
Fund balance - beginning			<u>156,322</u>	
Fund balance - ending			<u>\$ 114</u>	

See notes to required supplementary information

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – TOWNE LAKES FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Special assessments	\$ 7,320	\$ 7,320	\$ 7,349	\$ 29
Investment earnings	-	-	3,623	3,623
Total revenues	7,320	7,320	10,972	3,652
EXPENDITURES				
Current:				
General government	120	570	546	24
Physical environment	7,200	10,275	7,508	2,767
Total expenditures	7,320	10,845	8,054	2,791
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (3,525)	2,918	\$ 6,443
Fund balance - beginning			93,018	
Fund balance - ending			\$ 95,936	

See notes to required supplementary information

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

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Special assessments	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Physical environment	3,600,000	4,000,000	3,841,929	158,071
Total expenditures	3,600,000	4,000,000	3,841,929	158,071
Excess (deficiency) of revenues over (under) expenditures	(3,600,000)	(4,000,000)	(3,841,929)	158,071
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	3,600,000	3,600,000	3,484,222	(115,778)
Total other financing sources and (uses)	3,600,000	3,600,000	3,484,222	(115,778)
Net change in fund balance	<u>\$ -</u>	<u>\$ (400,000)</u>	(357,707)	<u>\$ 42,293</u>
Fund balance - beginning			(654,906)	
Fund balance - ending			<u>\$ (1,012,613)</u>	

See notes to required supplementary information

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the General Fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles). The District also established budgets for its major special revenues funds.

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

The Special Revenue Fund – Pelican Preserve budget for the fiscal year ended September 30, 2025 was amended to increase transfers out by \$962,874. The Special Revenue Fund – Towne Lakes budget for the fiscal year ended September 30, 2025 was amended to increase appropriations by \$3,525. The Special Revenue Fund – Lake Bank Restoration budget for the fiscal year ended September 30, 2025 was amended to increase appropriations by \$400,000. Actual expenditures for the Pelican Preserve, Towne Lakes, and Lake Bank Restoration Special Revenue Funds did not exceed appropriations for the fiscal year ended September 30, 2025.

The Special Revenue Fund – Stoneybrook budget for the fiscal year ended September 30, 2025 was amended to increase revenues by \$9,795 and increase appropriations by \$166,118. Actual Special Revenue Fund – Stoneybrook expenditures for the fiscal year ended September 30, 2025 exceeded appropriations by \$2,573. The over expenditures were funded by additional assessment collected.

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

<u>Element</u>	<u>Comments</u>
Number of District employees compensated in the last pay period of the District's fiscal year being reported.	32
Number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	49
Employee compensation for last pay period of the District's fiscal year	\$77,115
Independent contractor compensation in the last month of the fiscal year	\$142,175
Construction projects with total cost ≥ \$65,000 scheduled to begin on or after October 1 of the reported fiscal year: approved budget and total expenditures during the reported fiscal year	
SRF - SW3604A Lake 127 & 130 (Mettauer)	Approved Budget 687,198 Total Fiscal Year Expenditures 612,372
SRF - SW3604H Lakes 94 & 109 (Mettauer)	Approved Budget 1,388,561 Total Fiscal Year Expenditures 1,252,328
SRF - DW3604G0 Meter Box Replacement	Approved Budget 300,000 Total Fiscal Year Expenditures 4,990,716
SRF - SW3604B1 MRI	Approved Budget 618,630 Total Fiscal Year Expenditures 584,198
2023-1 Gateway Commons Construction	Approved Budget 550,000 Total Fiscal Year Expenditures 781,797
2023-1 Public Works Storage Building	Approved Budget 680,000 Total Fiscal Year Expenditures 74,082
2023-1 Stormwater System Repair & Swale Reclamation	Approved Budget 315,000 Total Fiscal Year Expenditures 139,733
2023-1 Lake Bank Point Repairs and Maintenance	Approved Budget 100,000 Total Fiscal Year Expenditures 105,141
2023-1 Master Irrigation Renovation	Approved Budget 0 Total Fiscal Year Expenditures 165,505
Pelican Preserve Lakes 47 & 48	Approved Budget 269,000 Total Fiscal Year Expenditures 392,539
Budget variance report	See the Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Ad Valorem taxes	Not applicable
Non ad valorem special assessments;	
Special assessment rate	Operations and maintenance - See table below Debt service - See table below
Special assessments collected	\$10,497,384.00
Outstanding Bonds:	See Note 8 for details

Assessment	Amount Per Fund				
	General Fund	Stoneybrook	Towne Center	Lake Bank	Series 2023
Residential (Per Unit)					
Single Family	\$905.18	\$0.00	\$0.00	\$127.88	\$157.32
Multi Family	\$700.97	\$0.00	\$0.00	\$127.88	\$116.18
Stoneybrook Inside Gate	\$905.18	\$456.59	\$0.00	\$127.88	\$157.32
Commercial (Total)					
Commercial	\$762,017.85	\$0.00	\$0.00	\$128,122.99	\$131,148.31
Unplatted Commercial	\$6,780.29	\$0.00	\$0.00	\$2,322.22	\$1,604.91
Towne Lakes Commercial	\$104,423.05	\$0.00	\$7,625.00	\$10,223.16	\$17,530.32
Golf Course	\$78,143.89	\$0.00	\$0.00	\$28,618.60	\$18,090.13

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Federal Agency Pass-through Entity Federal Award/State Project	CFDA/CSFA Number	Agency or Pass-through Number	Expenditures
FEDERAL AWARDS			
US Environmental Protection Agency			
Florida Department of Environmental Protection			
Clean Water State Revolving Funds	66.458	SW360441	\$ 675,741
Clean Water State Revolving Funds	66.458	SW3604H0	2,363,847
Drinking Water State Revolving Funds - Construction	66.468	DW3604G0	4,804,131
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 7,843,719</u>
 STATE PROJECTS			
Florida Department of Environmental Protection:			
Wastewater Treatment Facility Construction	37.077	SW3604A0	631,815
Wastewater Treatment Facility Construction	37.077	SW3604B1	724,371
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 1,356,186</u>

See notes to schedule of expenditures of federal awards

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state projects (the “Schedule”) includes the state revolving loan activity of Gateway Services Community Development District, Lee County, Florida (the “District”), under a program of the federal government and state project for the year ended September 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (the “Uniform Guidance”), and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the same basis of accounting as the related fund to which the expenditures relate. As such, certain expenditures reported on the Schedule related to governmental funds are reported using the modified accrual basis of accounting. Expenditures reported on the Schedule related to business-type activities are reported on the accrual basis of accounting. Expenditures reported on the Schedule are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The District did not elect to use the 15 percent *de minimis* indirect cost rate.



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

To the Board of Supervisors
Gateway Services Community Development District
Lee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business type activities and each major fund of Gateway Services Community Development District, Lee County, Florida ("District") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated March 18, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Grau & Associates

March 18, 2026



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

To the Board of Supervisors
Gateway Services Community Development District
Lee County, Florida

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

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

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

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

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

Grau & Associates

March 18, 2026



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
AND CHAPTER 10.550 RULES OF THE AUDITOR GENERAL**

To the Board of Supervisors
Gateway Services Community Development District
Lee County, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Compliance for Each Major Federal Program and State Project

We have audited Gateway Services Community Development District, Lee County, Florida's ("District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs and state projects for the fiscal year ended September 30, 2025. The District's major federal program and state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and state project for the fiscal year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program and state project. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's major federal programs and state projects.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud

may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each of its major federal programs and state projects.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Grau & Associates

March 18, 2026

**GATEWAY SERVICES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS AND STATE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Gateway Services Community Development District, Lee County, Florida (the "District").
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the District were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award program and major state project are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.
5. The independent auditor's report on compliance for each major federal award program and state project of the District expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award and state project tested for the District.
7. Dollar threshold for Type A federal programs and state awards was \$1,000,000 and \$750,000, respectively. The programs tested as major programs include:

Federal Programs	
Assistance Listing Number(s)	Name of Federal Program(s) or Cluster
66.468	Drinking Water State Revolving Funds - Construction
State Projects	
CSFA Number(s)	Name of State Project(s)
37.077	Wastewater Treatment Facility Construction

8. The District was determined to be a high-risk auditee pursuant to the Uniform Guidance.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS AND STATE PROJECT

None

D. OTHER ISSUES

No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal awards programs and state projects.

No corrective action plan is required because there were no findings required to be reported under the Federal Single Audit Act or Florida Single Audit Act.



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

To the Board of Supervisors
Gateway Services Community Development District
Lee County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Gateway Services Community Development District ("District") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 18, 2026.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of 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 18, 2026, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

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

Grau & Associates

March 18, 2026

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2024-01: Budget

Current Status: Recommendation has been implemented.

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

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

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

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

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

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

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

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

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

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

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 40.