

**Gateway Services Community  
Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2022**

**Gateway Services Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2022**

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# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

## REPORT OF INDEPENDENT AUDITORS

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

### Report on Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of Gateway Services Community Development District (the "District") as of and for the year ended, September 30, 2022 and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate fund information of Gateway Services Community Development District as of September 30, 2022, and the respective changes in financial position and the budgetary comparison for the General, Pelican Preserve, Stoneybrook, Towne Lakes and Lake Bank Restoration Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

#### *Responsibilities of Management for the Financial Statements*

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

To the Board of Supervisors  
Gateway Services Community Development District

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

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

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

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

To the Board of Supervisors  
Gateway Services Community Development District

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the basic financial statements of Gateway Services Community Development District. The Schedule of Expenditures of State Projects, as required by the Florida Department of Financial Services Projects Compliance Supplement and Chapter 10.550, Rules of the Auditor General are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates 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 State Projects, as required by the Florida Department of Financial Services Projects Compliance Supplement and Chapter 10.550, Rules of the Auditor General are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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

To the Board of Supervisors  
Gateway Services Community Development District

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 23, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gateway Services Community Development District's control over financial reporting and compliance.

*Berger Toombs Elam  
Gaines + Frank*

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

June 23, 2023

**Gateway Services Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

Management's discussion and analysis of Gateway Services Community Development District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and business-type activities and the change in net position. Governmental activities are primarily supported by special assessments. Business-type activities are supported by charges to the users of those activities, such as water and sewer service charges.

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

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

*Fund financial statements* present financial information for governmental funds and enterprise funds. These statements provide financial information for the major governmental funds of the District. All funds have been classified as major for reporting purposes. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. The enterprise funds financial statements provide information on all assets and liabilities of the enterprise funds, changes in the economic resources (revenues and expenses), and total economic resources.



**Gateway Services Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

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

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

**Financial Highlights**

The following are the highlights of financial activity for the year ended September 30, 2022.

- ◆ The District's total assets and deferred outflows of resources exceeded total liabilities by \$52,671,415 (net position). Unrestricted net position for Governmental Activities was \$8,143,396 and Business-type Activities was \$8,416,626. Restricted net position for Governmental Activities was \$1,048,817 and Business-type Activities was \$36,885. Net investment in capital assets for Governmental Activities was \$14,940,158 and Business-type Activities was \$20,085,533.

**Gateway Services Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Highlights (Continued)**

- ◆ Governmental Activities revenues and conveyance of assets totaled \$8,155,517 while Governmental Activities expenses totaled \$9,143,709. Business-type Activities revenues totaled \$6,194,287 while Business-type Activities expenses totaled \$6,133,557.

**Financial Analysis of the District**

The following schedule provides a summary of the assets, liabilities, deferred outflows of resources, and net position of the District. It is not intended to be a complete presentation of government-wide financial activity.

**Net Position**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 9,265,243	\$ 8,675,922	\$ 9,856,089	\$ 8,730,877	\$ 19,121,332	\$ 17,406,799
Restricted assets	516,170	507,516	157,587	997,960	673,757	1,505,476
Capital assets, net	26,165,788	27,364,754	20,503,639	20,558,045	46,669,427	47,922,799
<b>Total Assets</b>	<b>35,947,201</b>	<b>36,548,192</b>	<b>30,517,315</b>	<b>30,286,882</b>	<b>66,464,516</b>	<b>66,835,074</b>
Deferred outflows of resources	34,121	37,345	-	-	34,121	37,345
Current liabilities	1,045,028	1,074,714	1,536,482	1,323,026	2,581,510	2,397,740
Non-current liabilities	10,803,923	10,390,260	441,789	485,542	11,245,712	10,875,802
<b>Total Liabilities</b>	<b>11,848,951</b>	<b>11,464,974</b>	<b>1,978,271</b>	<b>1,808,568</b>	<b>13,827,222</b>	<b>13,273,542</b>
<b>Net Position</b>						
Net investment in capital assets	14,940,158	16,554,084	20,085,533	20,082,941	35,025,691	36,637,025
Restricted	1,048,817	1,020,896	36,885	29,172	1,085,702	1,050,068
Unrestricted	8,143,396	7,545,583	8,416,626	8,366,201	16,560,022	15,911,784
<b>Total Net Position</b>	<b>\$ 24,132,371</b>	<b>\$ 25,120,563</b>	<b>\$ 28,539,044</b>	<b>\$ 28,478,314</b>	<b>\$ 52,671,415</b>	<b>\$ 53,598,877</b>

The increase in current assets for governmental activities is related to the increase in loan proceeds in the current year.

The increase in current assets for business-type activities is related to the increase in cash and investments in the current year.

**Gateway Services Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District (Continued)**

The decrease in capital assets, net for governmental activities is primarily due to depreciation exceeding capital additions in the current year.

The decrease in non-current liabilities for business-type activities is the result of principal payments on long-term debt in the current year.

The increase in total liabilities for governmental activities is the result of the issuance of a note payable in the current year.

**Gateway Services Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District (Continued)**

**Financial Activity**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Program Revenues						
Charges for services	\$ 7,928,641	\$ 7,216,109	\$ 6,188,405	\$ 5,989,991	\$ 14,117,046	\$ 13,206,100
Capital contributions	-	-	-	660,101	-	660,101
General Revenues						
Investment earnings	7,979	35,113	5,432	22,888	13,411	58,001
Miscellaneous	20,664	62,671	450	310	21,114	62,981
<b>Total Revenue</b>	<b><u>7,957,284</u></b>	<b><u>7,313,893</u></b>	<b><u>6,194,287</u></b>	<b><u>6,673,290</u></b>	<b><u>14,151,571</u></b>	<b><u>13,987,183</u></b>
Expenses						
General government	655,351	584,609	-	-	655,351	584,609
Physical environment	7,461,354	6,628,026	-	-	7,461,354	6,628,026
Culture/recreation	782,274	587,915	-	-	782,274	587,915
Interest and other charges	244,730	203,873	-	-	244,730	203,873
Water and sewer	-	-	6,133,557	5,076,257	6,133,557	5,076,257
<b>Total Expenses</b>	<b><u>9,143,709</u></b>	<b><u>8,004,423</u></b>	<b><u>6,133,557</u></b>	<b><u>5,076,257</u></b>	<b><u>15,277,266</u></b>	<b><u>13,080,680</u></b>
Conveyance of assets	198,233	-	-	-	198,233	-
Change in Net Position	(988,192)	(690,530)	60,730	1,597,033	(927,462)	906,503
Net Position - beginning of year	<u>25,120,563</u>	<u>25,811,093</u>	<u>28,478,314</u>	<u>26,881,281</u>	<u>53,598,877</u>	<u>52,692,374</u>
Net Position - end of year	<b><u>\$ 24,132,371</u></b>	<b><u>\$ 25,120,563</u></b>	<b><u>\$ 28,539,044</u></b>	<b><u>\$ 28,478,314</u></b>	<b><u>\$ 52,671,415</u></b>	<b><u>\$ 53,598,877</u></b>

The increase in physical environment for governmental activities is primarily the result of more expenditures in the current year for the lake bank restoration projects that started in a prior year.

The increase in culture and recreation is related to various maintenance projects in the current year.

The decrease in interest and other charges is primarily due to the issuance costs related to debt issued in the current year.

The increase in water and sewer expenses for business-type activities is the result of the increase in repair and maintenance projects and the true-up with Lee County in the current year.

**Gateway Services Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Capital Assets Activity**

The following schedule provides a summary of the District's capital assets as of September 30, 2022 and 2021.

Description	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and improvements	\$ 5,900,668	\$ 5,900,668	\$ -	\$ -	\$ 5,900,668	\$ 5,900,668
Construction in progress	8,601	716,283	947,045	90,737	955,646	807,020
Building and improvements	2,615,505	2,654,746	3,083,947	3,175,509	5,699,452	5,830,255
Right-to-use leased building, net	20,073	-	28,885	-	48,958	-
Infrastructure	44,278,521	44,044,495	30,691,683	30,660,878	74,970,204	74,705,373
Equipment	894,271	816,293	2,347,326	2,049,835	3,241,597	2,866,128
Accumulated depreciation	(27,551,851)	(26,767,731)	(16,595,247)	(15,418,914)	(44,147,098)	(42,186,645)
<b>Total Capital Assets (Net)</b>	<b>\$ 26,165,788</b>	<b>\$ 27,364,754</b>	<b>\$ 20,503,639</b>	<b>\$ 20,558,045</b>	<b>\$ 46,669,427</b>	<b>\$ 47,922,799</b>

Governmental activities had current year additions of \$1,417,429, disposals with a net value of \$555,485, and depreciation of \$1,344,627.

Business-type activities had current year additions of \$1,222,637, depreciation of \$1,195,247 and disposals with a net value of \$81,796.

**General Fund Budgetary Highlights**

Budgeted expenditures exceeded actual expenditures primarily because of lower capital outlay expenditures than were anticipated.

The September 30, 2022 budget was not formally amended.

**Debt Management**

Governmental Activities debt includes the following:

- ◆ In November 2013, the District issued \$2,630,000 Series 2013 Special Assessment Refunding Bonds. These bonds were issued to pay and redeem the outstanding Series 2003 bonds. The outstanding balance at September 30, 2022 was \$1,750,000.

**Gateway Services Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Debt Management (Continued)**

- ◆ In November 2017, the District obtained a \$100,974 loan from the State of Florida, through the Clean Water Revolving Loan Fund to fund certain costs of their lake bank restoration program. The loan was paid off in the current year.
- ◆ In April 2018, the District obtained a \$3,855,181 loan from the State of Florida, through the Clean Water Revolving Loan Fund to fund certain costs of their lake bank restoration program. The balance outstanding at September 30, 2022 was \$3,218,607.
- ◆ In March 2018, the District obtained a \$3,896,698 loan from the State of Florida, through the Clean Water Revolving Loan Fund to fund certain costs of their lake bank restoration program. The balance outstanding at September 30, 2022 was \$3,239,976.
- ◆ In January 2019, the District obtained a \$116,907 loan from the State of Florida, through the Clean Water Revolving Loan Fund to fund certain costs of their lake bank restoration program. The balance outstanding at September 30, 2022 was \$112,673.
- ◆ In December 2019, the District obtained a loan from the State of Florida of \$258,450, to date the District has received \$185,760 to fund certain costs of their lake bank restoration program. The balance outstanding at September 30, 2022 was \$185,875.
- ◆ In October 2020, the District obtained a loan from the State of Florida of \$2,342,396, to date the District has received \$1,879,221 to fund certain costs of their lake bank restoration program. The balance outstanding at September 30, 2022 was \$2,081,546.
- ◆ In February 2022, the District issued \$7,300,000 Series 2021 Capital Improvement Line of Credit Note, to date the District has drawn \$701,001 to finance certain capital improvements within the District. The balance outstanding at September 30, 2022 was \$701,001.

Business-type Activities debt includes the following:

- ◆ In October 2014, the District issued \$1,350,000 Series 2014-2 Water and Sewer Revenue Draw Down Bonds. These bonds were issued to fund certain construction projects within the District. The outstanding balance at September 30, 2022 was \$447,853.
- ◆ In October 2021, the District obtained a loan from the State of Florida in the amount of \$277,000, to date the District has received \$57,614 to fund certain wastewater improvements within the District. The balance outstanding at September 30, 2022 was \$57,614.

**Gateway Services Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Economic Factors and Next Year's Budget**

The Lake Bank Restoration Project will continue in fiscal year 2023 resulting in additional loans from the State Clean Water Revolving Loan Fund.

**Request for Information**

The financial report is designed to provide a general overview of Gateway Services Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Gateway Services Community Development District, District Offices, District Manager or Assistant District Manager, 11922 Fairway Lakes Drive, Fort Myers, Florida 33913.

**Gateway Services Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2022**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 8,836,294	\$ 8,250,980	\$ 17,087,274
Restricted Assets			
Cash and investments - customer deposits	-	870,014	870,014
Accounts receivable and accrued revenues	6,183	1,064,506	1,070,689
Deposits	90,375	-	90,375
Due from other governments	2,980	-	2,980
Internal balances	329,411	(329,411)	-
Total Current Assets	<u>9,265,243</u>	<u>9,856,089</u>	<u>19,121,332</u>
Non-current Assets			
Restricted Assets			
Cash and investments	516,170	157,587	673,757
Capital assets			
Land and improvements	5,900,668	-	5,900,668
Construction in progress	8,601	947,045	955,646
Buildings and improvements	2,615,505	3,083,947	5,699,452
Right-to-use leased building, net	20,073	28,885	48,958
Infrastructure	44,278,521	30,691,683	74,970,204
Equipment	894,271	2,347,326	3,241,597
Less: accumulated depreciation	(27,551,851)	(16,595,247)	(44,147,098)
Total Non-current Assets	<u>26,681,958</u>	<u>20,661,226</u>	<u>47,343,184</u>
Total Assets	<u>35,947,201</u>	<u>30,517,315</u>	<u>66,464,516</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding, net	34,121	-	34,121
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accrued expenses	383,907	496,917	880,824
Retainage payable	52,677	-	52,677
Due to other governments	2,006	-	2,006
Unearned revenue	37,634	9,528	47,162
Customer deposits, payable from restricted assets	-	870,014	870,014
Accrued interest payable	58,944	4,456	63,400
Lease payable	6,403	9,214	15,617
Bonds and notes payable	503,457	146,353	649,810
Total Current Liabilities	<u>1,045,028</u>	<u>1,536,482</u>	<u>2,581,510</u>
Non-current Liabilities			
Lease payable	13,678	19,682	33,360
Bonds and notes payable, net	10,786,221	359,114	11,145,335
Compensated absences	4,024	62,993	67,017
Total Non-current Liabilities	<u>10,803,923</u>	<u>441,789</u>	<u>11,245,712</u>
Total Liabilities	<u>11,848,951</u>	<u>1,978,271</u>	<u>13,827,222</u>
<b>NET POSITION</b>			
Net investment in capital assets	14,940,158	20,085,533	35,025,691
Restricted			
Debt service	755,466	36,885	792,351
Capital projects	293,351	-	293,351
Unrestricted	8,143,396	8,416,626	16,560,022
Total Net Position	<u>\$ 24,132,371</u>	<u>\$ 28,539,044</u>	<u>\$ 52,671,415</u>

See accompanying notes to financial statements



**Gateway Services Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2022**

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position		Total
			Governmental Activities	Business-type Activities	
<b>Governmental Activities</b>					
General government	\$ (655,351)	\$ 673,748	\$ 18,397	\$ -	\$ 18,397
Physical environment	(7,461,354)	5,574,531	(1,886,823)	-	(1,886,823)
Culture/recreation	(782,274)	828,767	46,493	-	46,493
Interest and other charges	(244,730)	851,595	606,865	-	606,865
<b>Total Governmental Activities</b>	<b>(9,143,709)</b>	<b>7,928,641</b>	<b>(1,215,068)</b>	<b>-</b>	<b>(1,215,068)</b>
<b>Business-type Activities</b>					
Water and sewer utilities	(6,133,557)	6,188,405	-	54,848	54,848
<b>Total Primary Government</b>	<b>\$ (15,277,266)</b>	<b>\$ 14,117,046</b>	<b>(1,215,068)</b>	<b>54,848</b>	<b>(1,160,220)</b>
<b>General Revenues</b>					
Investment earnings			7,979	5,432	13,411
Miscellaneous revenues			20,664	450	21,114
<b>Total General Revenues</b>			<b>28,643</b>	<b>5,882</b>	<b>34,525</b>
Conveyance of assets			198,233	-	198,233
<b>Change in Net Position</b>			<b>(988,192)</b>	<b>60,730</b>	<b>(927,462)</b>
Net Position - October 1, 2021			25,120,563	28,478,314	53,598,877
<b>Net Position - September 30, 2022</b>			<b>\$ 24,132,371</b>	<b>\$ 28,539,044</b>	<b>\$ 52,671,415</b>

See accompanying notes to financial statements.

**Gateway Services Community Development District**  
**BALANCE SHEET -**  
**GOVERNMENTAL FUNDS**  
**September 30, 2022**

	Special Revenue				Debt Service			Capital Projects	Governmental Funds	
	General	Pelican Preserve	Stoneybrook	Towne Lakes	Lake Bank Restoration	Series 2013	Lake Bank Restoration			Series 2022
<b>ASSETS</b>										
Cash and cash equivalents	\$3,720,045	\$4,110,945	\$ 287,442	\$ 71,067	\$ -	\$ -	\$ 646,023	\$ 772	\$ -	\$ 8,836,294
Accounts receivable	5,580	-	-	-	-	-	-	-	-	5,580
Accrued interest receivable	603	-	-	-	-	-	-	-	-	603
Due from other funds	1,249,770	8,000	-	1,144	-	3	10	-	4,857	1,263,784
Due from other governments	1,374	1,079	201	3	-	88	235	-	-	2,980
Deposits	375	90,000	-	-	-	-	-	-	-	90,375
Restricted assets										
Investments, at fair value	-	-	-	-	-	219,806	-	-	296,364	516,170
<b>Total Assets</b>	<b>\$4,977,747</b>	<b>\$4,210,024</b>	<b>\$ 287,643</b>	<b>\$ 72,214</b>	<b>\$ -</b>	<b>\$ 219,897</b>	<b>\$ 646,268</b>	<b>\$ 772</b>	<b>\$ 301,221</b>	<b>\$10,715,786</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable and accrued expenses	\$ 179,990	\$ 173,129	\$ 18,308	\$ -	\$ 12,480	\$ -	\$ -	\$ -	\$ -	\$ 383,907
Retainage payable	-	-	-	-	52,677	-	-	-	-	52,677
Due to other funds	4,462	167,372	27,243	-	725,102	1,552	-	772	7,870	934,373
Due to other governments	933	747	121	2	-	65	138	-	-	2,006
Unearned revenue	37,634	-	-	-	-	-	-	-	-	37,634
<b>Total Liabilities</b>	<b>223,019</b>	<b>341,248</b>	<b>45,672</b>	<b>2</b>	<b>790,259</b>	<b>1,617</b>	<b>138</b>	<b>772</b>	<b>7,870</b>	<b>1,410,597</b>
Fund Balances:										
Nonspendable										
Deposits	375	90,000	-	-	-	-	-	-	-	90,375
Restricted										
Debt service	-	-	-	-	-	218,280	646,130	-	-	864,410
Capital projects	-	-	-	-	-	-	-	-	293,351	293,351
Assigned										
Emergency reserve	700,000	-	-	-	-	-	-	-	-	700,000
Capital projects	2,230,441	-	-	-	-	-	-	-	-	2,230,441
Special revenue	-	3,778,776	241,971	72,212	-	-	-	-	-	4,092,959
Unassigned	1,823,912	-	-	-	(790,259)	-	-	-	-	1,033,653
<b>Total Fund Balances</b>	<b>4,754,728</b>	<b>3,868,776</b>	<b>241,971</b>	<b>72,212</b>	<b>(790,259)</b>	<b>218,280</b>	<b>646,130</b>	<b>-</b>	<b>293,351</b>	<b>9,305,189</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$4,977,747</b>	<b>\$4,210,024</b>	<b>\$ 287,643</b>	<b>\$ 72,214</b>	<b>\$ -</b>	<b>\$ 219,897</b>	<b>\$ 646,268</b>	<b>\$ 772</b>	<b>\$ 301,221</b>	<b>\$10,715,786</b>

See accompanying notes to financial statements.

**Gateway Services Community Development District**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**September 30, 2022**

Total Governmental Fund Balances	\$ 9,305,189
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets (land, \$5,900,668, construction in progress, \$8,601, buildings and improvements, \$2,615,505, infrastructure, \$44,278,521, and equipment, \$894,271, net of accumulated depreciation, \$(27,551,851), and right-to-use leased building, net, \$20,073) used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	26,165,788
Deferred outflows of resources, deferred amount on refunding, net, are not current financial resources and therefore, are not reported at the fund level.	34,121
Long-term liabilities, including bonds payable, \$(1,750,000), notes payable, \$(9,539,678), lease payable, \$(20,081), and accrued compensated absences, \$(4,024), are not due and payable in the current period and therefore, are not reported at the fund level.	(11,313,783)
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the fund level.	<u>(58,944)</u>
Net Position of Governmental Activities	<u>\$ 24,132,371</u>

*See accompanying notes to financial statements.*

**Gateway Services Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2022**

	Special Revenue				Debt Service			Capital Projects	Total Governmental Funds	
	General	Pelican Preserve	Stoneybrook	Towne Lakes	Lake Bank Restoration	Series 2013	Lake Bank Restoration			Series 2022
<b>Revenues</b>										
Special assessments	\$3,623,125	\$2,846,234	\$ 530,808	\$ 6,923	\$ -	\$ 232,665	\$ 618,930	\$ -	\$ -	\$7,858,685
Charges for services	69,956	-	-	-	-	-	-	-	-	69,956
Investment earnings	3,661	1,948	515	82	-	702	123	-	948	7,979
Miscellaneous revenues	20,664	-	-	-	-	-	-	-	-	20,664
<b>Total Revenues</b>	<u>3,717,406</u>	<u>2,848,182</u>	<u>531,323</u>	<u>7,005</u>	<u>-</u>	<u>233,367</u>	<u>619,053</u>	<u>-</u>	<u>948</u>	<u>7,957,284</u>
<b>Expenditures</b>										
Current										
General government	369,094	288,393	17,012	15	-	249	661	-	-	675,424
Physical environment	2,157,306	2,178,530	462,530	786	789,245	-	-	-	-	5,588,397
Culture and recreation	760,699	-	-	-	-	-	-	-	-	760,699
Capital outlay	122,372	360,468	-	-	-	-	-	-	-	482,840
Debt service										
Principal	372	193	-	-	-	120,000	514,940	-	-	635,505
Interest	-	-	-	-	-	106,325	86,314	4,094	-	196,733
Other	47,815	-	-	-	-	-	-	-	-	47,815
<b>Total Expenditures</b>	<u>3,457,658</u>	<u>2,827,584</u>	<u>479,542</u>	<u>801</u>	<u>789,245</u>	<u>226,574</u>	<u>601,915</u>	<u>4,094</u>	<u>-</u>	<u>8,387,413</u>
Excess/(deficiency) of revenues over/(under) expenditures	259,748	20,598	51,781	6,204	(789,245)	6,793	17,138	(4,094)	948	(430,129)
Other financing sources/(uses)										
Issuance of long-term debt	701,001	-	-	-	325,602	-	-	-	-	1,026,603
Proceeds from sale of capital assets	5,580	-	-	-	-	-	-	-	-	5,580
Initiation of lease	13,596	7,050	-	-	-	-	-	-	-	20,646
Transfers in	-	-	-	-	-	-	-	4,094	-	4,094
Transfers out	(4,094)	-	-	-	-	-	-	-	-	(4,094)
<b>Total Other Financing Sources/(Uses)</b>	<u>716,083</u>	<u>7,050</u>	<u>-</u>	<u>-</u>	<u>325,602</u>	<u>-</u>	<u>-</u>	<u>4,094</u>	<u>-</u>	<u>1,052,829</u>
<b>Net change in fund balances</b>	975,831	27,648	51,781	6,204	(463,643)	6,793	17,138	-	948	622,700
<b>Fund Balances - October 1, 2021</b>	<u>3,778,897</u>	<u>3,841,128</u>	<u>190,190</u>	<u>66,008</u>	<u>(326,616)</u>	<u>211,487</u>	<u>628,992</u>	<u>-</u>	<u>292,403</u>	<u>8,682,489</u>
<b>Fund Balances - September 30, 2022</b>	<u>\$4,754,728</u>	<u>\$3,868,776</u>	<u>\$ 241,971</u>	<u>\$ 72,212</u>	<u>\$ (790,259)</u>	<u>\$ 218,280</u>	<u>\$ 646,130</u>	<u>\$ -</u>	<u>\$ 293,351</u>	<u>\$9,305,189</u>

See accompanying notes to financial statements.

**Gateway Services Community Development District**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 622,700

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation. This is the amount that depreciation/amortization, \$(1,345,200), and disposal of capital assets, \$(555,485), exceeded capital outlay, \$482,840, right-to-use leased buildings, \$20,646, and conveyances, \$198,233. (1,198,966)

Proceeds from the issuance of long-term debt and leases are recognized as an other financing source at the fund level, but increase liabilities at the government-wide level. (1,047,249)

Repayments of bond principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position. 635,505

The deferred outflows of resources for refunding debt is recognized as a component of interest expense in the Statement of Activities, but not in the governmental funds. This is the amount of interest in the current period. (3,224)

In the Statement of Activities, interest is accrued on outstanding bonds; whereas in the governmental funds, interest is reported when due. This is the change in accrued interest in the current period. 3,042

Change in Net Position of Governmental Activities \$ (988,192)

*See accompanying notes to financial statements.*

**Gateway Services Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended September 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Special assessments	\$ 3,611,349	\$ 3,611,349	\$ 3,623,125	\$ 11,776
Charges for services	50,800	50,800	69,956	19,156
Investment earnings	15,000	15,000	3,661	(11,339)
Miscellaneous revenues	7,500	7,500	20,664	13,164
Total Revenues	<u>3,684,649</u>	<u>3,684,649</u>	<u>3,717,406</u>	<u>32,757</u>
<b>Expenditures</b>				
Current				
General government	618,663	618,663	369,094	249,569
Physical environment	2,936,120	2,936,120	2,157,306	778,814
Culture and recreation	738,616	738,616	760,699	(22,083)
Capital outlay	2,843,000	2,843,000	122,372	2,720,628
Debt Service				
Principal	-	-	372	(372)
Other	-	-	47,815	(47,815)
Total Expenditures	<u>7,136,399</u>	<u>7,136,399</u>	<u>3,457,658</u>	<u>3,678,741</u>
Excess/(deficiency) of revenues over/(under) expenditures	(3,451,750)	(3,451,750)	259,748	3,711,498
<b>Other Financing Sources/(Uses)</b>				
Transfers in	150,000	150,000	-	(150,000)
Transfers out	-	-	(4,094)	(4,094)
Proceeds from sale of capital assets	-	-	5,580	5,580
Issuance of long-term debt	3,173,750	3,173,750	701,001	(2,472,749)
Initiation of lease	-	-	13,596	13,596
Total Other Financing Sources/(Uses)	<u>3,323,750</u>	<u>3,323,750</u>	<u>716,083</u>	<u>(2,607,667)</u>
Net change in fund balances	(128,000)	(128,000)	975,831	1,103,831
Fund Balances - October 1, 2021	<u>128,000</u>	<u>128,000</u>	<u>3,778,897</u>	<u>3,650,897</u>
Fund Balances - September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,754,728</u>	<u>\$ 4,754,728</u>

See accompanying notes to financial statements.

**Gateway Services Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - PELICAN PRESERVE FUND**  
**For the Year Ended September 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues				
Special assessments	\$ 2,836,982	\$ 2,836,982	\$ 2,846,234	\$ 9,252
Investment earnings	27,000	27,000	1,948	(25,052)
Impact fees	25,000	25,000	-	(25,000)
Total Revenues	<u>2,888,982</u>	<u>2,888,982</u>	<u>2,848,182</u>	<u>(40,800)</u>
Expenditures				
Current				
General government	224,050	224,050	288,393	(64,343)
Physical environment	2,269,932	2,269,932	2,178,530	91,402
Capital outlay	395,000	395,000	360,468	34,532
Debt Service				
Principal	-	-	193	(193)
Total Expenditures	<u>2,888,982</u>	<u>2,888,982</u>	<u>2,827,584</u>	<u>61,398</u>
Excess of revenues over/(under) expenditures	<u>-</u>	<u>-</u>	<u>20,598</u>	<u>20,598</u>
Other Financing Sources/(Uses)				
Initiation of lease	<u>-</u>	<u>-</u>	<u>7,050</u>	<u>7,050</u>
Net change in fund balances	-	-	27,648	27,648
Fund Balances - October 1, 2021	<u>-</u>	<u>-</u>	<u>3,841,128</u>	<u>3,841,128</u>
Fund Balances - September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,868,776</u>	<u>\$ 3,868,776</u>

See accompanying notes to financial statements.

**Gateway Services Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - STONEYBROOK FUND**  
**For the Year Ended September 30, 2022**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues				
Special assessments	\$ 528,509	\$ 528,509	\$ 530,808	\$ 2,299
Investment earnings	-	-	515	515
Total Revenues	<u>528,509</u>	<u>528,509</u>	<u>531,323</u>	<u>2,814</u>
Expenditures				
Current				
General government	22,009	22,009	17,012	4,997
Physical environment	496,500	496,500	462,530	33,970
Capital outlay	10,000	10,000	-	10,000
Total Expenditures	<u>528,509</u>	<u>528,509</u>	<u>479,542</u>	<u>48,967</u>
Net change in fund balances	-	-	51,781	51,781
Fund Balances - October 1, 2021	<u>-</u>	<u>-</u>	<u>190,190</u>	<u>190,190</u>
Fund Balances - September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,971</u>	<u>\$ 241,971</u>

*See accompanying notes to financial statements.*



**Gateway Services Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - TOWNE LAKES FUND**  
**For the Year Ended September 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 6,900	\$ 6,900	\$ 6,923	\$ 23
Investment earnings	-	-	82	82
Total Revenues	<u>6,900</u>	<u>6,900</u>	<u>7,005</u>	<u>105</u>
Expenditures				
Current				
General government	170	170	15	155
Physical environment	6,730	6,730	786	5,944
Total Expenditures	<u>6,900</u>	<u>6,900</u>	<u>801</u>	<u>6,099</u>
Net change in fund balances	-	-	6,204	6,204
Fund Balances - October 1, 2021	<u>-</u>	<u>-</u>	<u>66,008</u>	<u>66,008</u>
Fund Balances - September 30, 2022	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 72,212</u></u>	<u><u>\$ 72,212</u></u>

*See accompanying notes to financial statements.*

**Gateway Services Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - LAKE BANK RESTORATION FUND**  
**For the Year Ended September 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures				
Current				
Physical environment	\$ 3,600,000	\$ 3,600,000	\$ 789,245	\$ 2,810,755
Other Financing Sources/(Uses)				
Issuance of long-term debt	3,600,000	3,600,000	325,602	(3,274,398)
Net change in fund balances	-	-	(463,643)	(463,643)
Fund Balances - October 1, 2021	-	-	(326,616)	(326,616)
Fund Balances - September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (790,259)</u>	<u>\$ (790,259)</u>

*See accompanying notes to financial statements.*

**Gateway Services Community Development District**  
**STATEMENT OF NET POSITION –**  
**WATER & SEWER FUND**  
**September 30, 2022**

<b>ASSETS</b>	
Current Assets	
Cash and investments	\$ 8,250,980
Restricted Assets	
Cash and investments - customer deposits	870,014
Accounts receivable and accrued revenues	1,064,506
Due from other funds	10,504
Total Current Assets	<u>10,196,004</u>
Non-current Assets	
Restricted Assets	
Cash and investments	157,587
Capital Assets	
Construction in progress	947,045
Buildings and improvements	3,083,947
Right-to-use leased building, net	28,885
Infrastructure	30,691,683
Equipment	2,347,326
Accumulated depreciation	<u>(16,595,247)</u>
Total Non-current Assets	<u>20,661,226</u>
Total Assets	<u>30,857,230</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	496,917
Due to other funds	339,915
Unearned revenue	9,528
Customer deposits, payable from restricted assets	870,014
Accrued interest payable	4,456
Lease payable	9,214
Bonds payable	146,353
Total Current Liabilities	<u>1,876,397</u>
Non-current Liabilities	
Lease payable	19,682
Bonds payable, net	359,114
Compensated absences	62,993
Total Non-current Liabilities	<u>441,789</u>
Total Liabilities	<u>2,318,186</u>
<b>NET POSITION</b>	
Net investment in capital assets	20,085,533
Restricted	
Debt service	36,885
Unrestricted	<u>8,416,626</u>
Total Net Position	<u>\$ 28,539,044</u>

*See accompanying notes to financial statements.*

**Gateway Services Community Development District**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET POSITION - WATER & SEWER FUND**  
**For The Year Ended September 30, 2022**

Operating revenues:	
Water and sewer charges	\$ 6,188,405
Miscellaneous revenues	450
Total Operating Revenues	6,188,855
Operating Expenses:	
Water purchases	1,680,271
Administrative and other	1,039,924
Depreciation and amortization	1,196,072
Personnel services	1,076,727
Repairs and maintenance	827,741
Utilities	199,340
Insurance	35,795
Total Operating Expenses	6,055,870
Operating Income (Loss)	132,985
Non-operating Revenues/(Expenses):	
Interest earnings	5,432
Loss on disposal of capital assets	(68,775)
Interest expense and other debt service costs	(8,912)
Total Non-operating Revenues/(Expenses)	(72,255)
Change in Net Position	60,730
Net Position - October 1, 2021	28,478,314
Net Position - September 30, 2022	\$ 28,539,044

*See accompanying notes to financial statements.*

**Gateway Services Community Development District**  
**STATEMENT OF CASH FLOWS –**  
**WATER & SEWER FUND**  
**For The Year Ended September 30, 2022**

	Water & Sewer Fund
Cash Flows From Operating Activities	
Cash received from customers	\$ 6,186,917
Cash paid to suppliers	(2,990,115)
Cash paid for employee services	(1,051,423)
Net Cash Provided By Operating Activities	2,145,379
Cash Flows From Capital Activities and Related Financing Activities	
Investment in capital assets	(1,180,731)
Interest paid on capital debt	(10,340)
Proceeds from long-term debt	57,614
Principal payments on long-term debt	(144,311)
Net Cash Used By Capital Activities and Related Financing Activities	(1,277,768)
Cash Flows From Investing Activities	
Interest income	5,432
Net increase in cash and investments	873,043
Cash and investments, October 1, 2021	8,405,538
Cash and investments, September 30, 2022	\$ 9,278,581
Reconciliation of Net Operating Income to Net Cash Provided By Operating Activities	
Cash Flows From Operating Activities:	
Operating income	\$ 132,985
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	1,196,072
Changes in assets and liabilities:	
Increase in accounts receivable	(38,479)
Decrease in due from other funds	3,657
Decrease in prepaid expenses	91
Increase in accounts payable	241,330
Increase in due to other funds	622,935
Decrease in due to other governments	(71,400)
Increase in unearned	9,528
Increase in customer deposits	23,356
Increase in accrued compensation	25,304
Total Adjustments	2,012,394
Net Cash Provided By Operating Activities	\$ 2,145,379

*See accompanying notes to financial statements.*

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF ACCOUNTING POLICIES**

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

**1. Reporting Entity**

The District was established on May 22, 1986 by the Florida Land and Water Adjudicatory Commission Chapter 42F-1, pursuant to the provisions of Chapter 190, Florida Statutes, for the purpose of planning, financing, constructing, operating, and maintaining certain community-wide infrastructure. The District consists of approximately 4,488 acres located in Lee County, Florida, and is governed by a five-member Board of Supervisors, who are elected to a term of four years, by qualified electors.

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

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards, the District has identified no component units.

**2. Measurement Focus and Basis of Accounting**

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

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

**a. Government-wide Financial Statements**

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

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**a. Government-wide Financial Statements (Continued)**

Governmental activities which normally are supported by special assessments, rents and interest, are reported separately from business-type activities. Program revenues include charges for services, special assessments and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

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

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

**b. Fund Financial Statements**

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

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

**Governmental Funds**

When both restricted and unrestricted resources are combined in a fund, qualified expenses are considered to be paid first from restricted resources, and then from unrestricted resources. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

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

The District has various policies governing the fund balance classifications.

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

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

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

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

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

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



**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

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

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

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

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

Debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

**Enterprise Funds**

In the fund financial statements, the enterprise fund is presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, enterprise funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Enterprise Funds (Continued)**

Enterprise fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as other financing sources.

Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

**3. Basis of Presentation**

**a. Governmental Funds**

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

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 Debt Service Funds are used to account for the accumulation of resources for the annual payment of principal and interest on long-term general obligation debt on the Series 2013 and Series 2022 Bonds and the payment of principal and interest on the lake bank restoration notes.

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Basis of Presentation (Continued)**

**a. Governmental Funds (Continued)**

Capital Projects Fund – The Capital Project Fund accounts for construction of infrastructure improvements located within the boundaries of the District.

**b. Enterprise Funds**

Water and Sewer Fund – The Water and Sewer Fund accounts for the operations of the water and sewer plant, which are funded by proceeds from operations of these facilities, including user fees, meter fees and connection fees.

**c. Non-current Governmental Assets/Liabilities**

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds, due to developer and accrued compensated absences be reported in the governmental activities column in the government-wide statement of net position.

**4. Assets, Liabilities, Deferred Outflows of Resources, and Net Position or Equity**

**a. Cash and Investments**

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

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

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

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, Deferred Outflows of Resources, and Net Position or Equity (Continued)**

**a. Cash and Investments (Continued)**

For purposes of the statement of cash flows, cash and investments include time deposits, certificates of deposit, money market funds, and all highly liquid debt instruments with original maturities of three months or less.

**b. Receivables and Payables**

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

**c. Inventories**

Inventories are valued at cost in the enterprise fund.

**d. Restricted Net Position**

Certain net position of the District are classified as restricted on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

**e. Capital Assets**

Capital assets, which include land, construction in progress, building and improvements, infrastructure and equipment, are reported in the applicable governmental or business-type activities column.

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

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

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

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, Deferred Outflows of Resources, and Net Position or Equity (Continued)**

**e. Capital Assets (Continued)**

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

Buildings and improvements	7-39 years
Infrastructure	10-40 years
Equipment	5-20 years

**f. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred amount on refunding reported on the Statement of Net Position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District only has one item that qualifies for reporting in this category. Unavailable revenues are reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

**g. Accrued 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.

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, Deferred Outflows of Resources, and Net Position or Equity (Continued)**

**h. Leases**

The District determines if an arrangement is a lease at inception. Lessee arrangements for governmental funds are included as right-to-use lease assets and lease liabilities in the Statement of Net Position, however, these leases are not reflected in the fund financial statements since they are not payable from available resources. Lessee arrangements for proprietary funds are included as right-to-use lease assets and lease liabilities in the Statement of Net Position.

Payment for short-term leases with a lease term of twelve months or less are recognized as expenses as incurred. The District has a \$5,000 threshold, for total annual payments, for leases subject to GASB 87. Short-term leases and leases under the threshold are not included as lease liabilities or right-to-use lease assets on the Statement of Net Position. The right-to-use assets are amortized on a straight-line basis over the terms of the related leases.

**Governmental Accounting Standards Board Statement No. 87**

The District implemented GASB Statement No. 87, Leases, which changes the accounting and financial reporting for leases. GASB Statement No. 87 defines a lease as a contract that conveys the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Under GASB Statement No. 87, leases other than short-term leases, defined as having a maximum possible term of twelve months or less, are required to be recognized on the Statement of Net Position in the financial statements of the District. A lessee should recognize a lease liability and an intangible right-to-use leased asset, and a lessor should recognize a lease receivable and a deferred inflow of resources.

**i. Budget**

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

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

“Total fund balances” of the District’s governmental funds, \$9,305,189, differs from “net position” of governmental activities, \$24,132,371, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below:

**Capital related items**

When capital assets (property, plant and equipment that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Land		\$ 5,900,668
Construction in progress		8,601
Buildings and improvements		2,615,505
Right-to-use leased building		20,073
Infrastructure		44,278,521
Equipment		894,271
Accumulated depreciation		<u>(27,551,851)</u>
Total		<u>\$ 26,165,788</u>

**Deferred amount on refunding**

Deferred outflows of resources are not financial resources, and therefore, are not recognized at the governmental fund level.

Deferred amount on refunding, net		<u>\$ 34,121</u>
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**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2022

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)**

**Long-term debt transactions**

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position.

Bonds and notes payable, net	\$ (11,289,678)
Lease payable	(20,081)
Accrued compensated absences	<u>(4,024)</u>
Total	<u>\$ (11,313,783)</u>

**Accrued interest**

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to accrued interest on bonds.

Accrued interest	<u>\$ (58,944)</u>
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**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities**

The “net change in fund balances” for government funds, \$622,700, differs from the “change in net position” for governmental activities, \$(988,192), reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital related items**

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the year. The following is the amount of depreciation, amortization and capital asset additions:

Capital outlay	\$ 482,840
Right-to-use leased building	20,646
Conveyance of assets	198,233
Disposal of capital assets	(555,485)
Depreciation/amortization	(1,345,200)
Total	<u>\$ (1,198,966)</u>

**Long-term debt transactions**

Repayments of bond principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Bonds principal payments	\$ 635,505
Issuance of long-term debt/leases	(1,047,249)
Total	<u>\$ (411,744)</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest payable	\$ 3,042
Change in deferred amount on refunding	(3,224)
Total	<u>\$ (182)</u>

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE C – CASH AND INVESTMENTS**

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2022, the District's bank balance was \$17,967,594 and the carrying value was \$17,957,288. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

Investments

As of September 30, 2022, the District had the following investments and maturities:

<b>Investment</b>	<b>Maturities</b>	<b>Fair Value</b>
First American Government Obligation	18 days*	\$ 673,757

\* Maturity is a weighted average maturity.

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

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

Based on the criteria in the preceding paragraph, investments in First American Government Obligation are Level 1 assets.

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE C – CASH AND INVESTMENTS (CONTINUED)**

Investments (Continued)

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes.

Interest Rate Risk

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

Credit Risk

The District's investments in treasury funds, commercial paper, and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2022, the District's investment in the First American Government Obligation Fund was rated AAAm by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one investment. The investments in First American Government Obligation Fund are 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2022 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

**NOTE D – SPECIAL ASSESSMENT REVENUES**

Special assessment revenues recognized for the 2021-2022 fiscal year were levied in October 2021. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Florida Statute 197.162, discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount.

All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to, June 1; therefore, there were no material taxes receivable at fiscal year end.

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE E – INTERFUND BALANCES**

Interfund balances at September 30, 2022, consisted of the following:

<b>Receivable Fund</b>	<b>Payable Fund</b>						<b>Total</b>	
	<b>General Fund</b>	<b>Special Revenue Funds</b>			<b>Debt Service</b>	<b>Capital Projects</b>		<b>Enterprise Fund</b>
		<b>Pelican Preserve</b>	<b>Stoneybrook</b>	<b>Lake Bank Restoration</b>				
General Fund	\$ -	\$ 167,372	\$ 16,739	\$ 725,102	\$ 772	\$ -	\$ 339,785	\$ 1,249,770
Pelican Preserve Fund	-	-	-	-	-	7,870	130	8,000
Towne Lakes Fund	1,144	-	-	-	-	-	-	1,144
Debt Service Fund	13	-	-	-	-	-	-	13
Capital Projects Fund	3,305	-	-	-	1,552	-	-	4,857
Enterprise Fund	-	-	10,504	-	-	-	-	10,504
<b>Total</b>	<b>\$ 4,462</b>	<b>\$ 167,372</b>	<b>\$ 27,243</b>	<b>\$ 725,102</b>	<b>\$ 2,324</b>	<b>\$ 7,870</b>	<b>\$ 339,915</b>	<b>\$ 1,274,288</b>

Interfund balances between governmental funds are eliminated at the government-wide level.

Interfund balances are primarily due to the General Fund paying for expenditures on behalf of Special Revenue Funds and the Enterprise Fund that have not been repaid as of year-end.

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE F – CHANGES IN CAPITAL ASSETS**

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

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
<u>Governmental Activities:</u>				
Capital assets, not depreciated:				
Land and improvements	\$ 5,900,668	\$ -	\$ -	\$ 5,900,668
Construction in progress	716,283	8,601	(716,283)	8,601
Total Capital Assets, Not Depreciated	<u>6,616,951</u>	<u>8,601</u>	<u>(716,283)</u>	<u>5,909,269</u>
Capital assets, being depreciated:				
Building and improvements	2,654,746	-	(39,241)	2,615,505
Right-to-use leased building, net	-	20,073	-	20,073
Infrastructure	44,044,495	1,310,777	(1,076,751)	44,278,521
Equipment	816,293	77,978	-	894,271
Total Capital Assets, Being Depreciated	<u>47,515,534</u>	<u>1,408,828</u>	<u>(1,115,992)</u>	<u>47,808,370</u>
Less accumulated depreciation for:				
Building and improvements	(2,229,891)	(48,857)	4,186	(2,274,562)
Infrastructure	(23,866,713)	(1,245,417)	556,321	(24,555,809)
Equipment	(671,127)	(50,353)	-	(721,480)
Total Accumulated Depreciation	<u>(26,767,731)</u>	<u>(1,344,627)</u>	<u>560,507</u>	<u>(27,551,851)</u>
Total Capital Assets Depreciated, Net	<u>20,747,803</u>	<u>64,201</u>	<u>(555,485)</u>	<u>20,256,519</u>
Governmental Activities Capital Assets	<u>\$ 27,364,754</u>	<u>\$ 72,802</u>	<u>\$ (1,271,768)</u>	<u>\$ 26,165,788</u>

Depreciation of \$1,323,052 was charged to physical environment and \$21,575 was charged to culture and recreation.

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE F – CHANGES IN CAPITAL ASSETS (CONTINUED)**

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
<u>Business-type Activities:</u>				
Capital assets, not being depreciated				
Construction in progress	\$ 90,737	\$ 856,308	\$ -	\$ 947,045
Capital assets, being depreciated				
Building and improvements	3,175,509	-	(91,562)	3,083,947
Right-to-use leased building, net	-	28,885	-	28,885
Infrastructure	30,660,878	30,805	-	30,691,683
Equipment	2,049,835	306,639	(9,148)	2,347,326
Total Capital Assets, Being Depreciated	<u>35,886,222</u>	<u>366,329</u>	<u>(100,710)</u>	<u>36,151,841</u>
Less accumulated depreciation for:				
Building and improvements	(976,853)	(119,414)	9,766	(1,086,501)
Infrastructure	(13,202,406)	(803,484)	-	(14,005,890)
Equipment	(1,239,655)	(272,349)	9,148	(1,502,856)
Total Accumulated Depreciation	<u>(15,418,914)</u>	<u>(1,195,247)</u>	<u>18,914</u>	<u>(16,595,247)</u>
Total Capital Assets Depreciated, Net	<u>20,467,308</u>	<u>(828,918)</u>	<u>(81,796)</u>	<u>19,556,594</u>
Business-type Activities Capital Assets	<u>\$ 20,558,045</u>	<u>\$ 27,390</u>	<u>\$ (81,796)</u>	<u>\$ 20,503,639</u>

Depreciation of \$1,195,247 was charged to Water and Sewer.

**NOTE G – LONG-TERM DEBT**

The following is a summary of long-term debt activity of the District for the year ended September 30, 2022:

Governmental Activities

Long-term debt at October 1, 2021	\$ 10,898,015
Issuance of long-term debt	1,026,603
Principal payments	<u>(634,940)</u>
Long-term debt at September 30, 2022	<u>\$ 11,289,678</u>

Business-type Activities

Long-term debt at October 1, 2021	\$ 591,350
Issuance of long-term debt	57,614
Principal payments	<u>(143,997)</u>
Long-term debt at September 30, 2022	<u>\$ 505,467</u>

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE G – LONG-TERM DEBT (CONTINUED)**

Long-term debt is comprised of the following:

**Governmental Activities**

Bonds Payable

\$2,630,000 Series 2013 Special Assessment Revenue Refunding Bond, due in annual principal installments beginning May 2014 and maturing May 1, 2033. Interest payable in May and November from 5.25% to 5.75% beginning in May 2014. Current portion is \$120,000. \$ 1,750,000

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 \$185,038. 3,218,607

\$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 \$184,476. 3,239,976

\$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 \$5,012. 112,673

\$187,860, State Revolving Loan Fund SW360441, due in semi-annual principal installments beginning June 2021. Interest payable in June and December at an interest rate of 1.66%. The Current portion is \$8,661. 185,875

\$2,342,396 authorized, State Revolving Loan Fund SW360442, due in semi-annual principal installments beginning February 2022. Interest payable in February and August at an interest rate of 0%. The District has drawn \$2,201,008 of the amount authorized. 2,081,546

\$7,300,000 authorized, Series 2021 Capital Improvement Line of Credit Note, due in monthly principal installments beginning September 2023. Interest payable monthly at an interest rate of 2.39%. The District has drawn \$701,001 of the amount authorized. 701,001

Notes payable \$ 9,539,678

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE G – LONG-TERM DEBT (CONTINUED)**

The annual requirements to amortize the principal and interest of long-term debt outstanding as of September 30, 2022 are as follows:

Year Ending September 30,	Principal	Interest	Total
2023	\$ 503,457	\$ 179,384	\$ 682,841
2024	518,001	168,541	686,542
2025	537,601	156,466	694,067
2026	547,257	143,473	690,730
2027	551,971	130,134	682,105
2028-2032	2,932,642	441,032	3,373,674
2033-2037	2,414,612	116,261	2,530,873
2038-2041	501,590	6,150	507,740
Totals	<u>\$ 8,507,131</u>	<u>\$ 1,341,441</u>	<u>\$ 9,848,572</u>

State Revolving Loan Fund SW360441 and SW360442 are not reflected in the amortization schedule above as additional note proceeds will be received.

Summary of Significant Bond Resolution Terms and Covenants

The 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 following is a schedule of the debt service reserve requirement and balance in the reserve account at September 30, 2022:

	Reserve Balance	Reserve Requirement
Series 2013 Special Assessment Revenue Refunding Bond	<u>\$ 50,000</u>	<u>\$ 50,000</u>

Summary of Significant Note Resolution Terms and Covenants

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 levied net assessments of \$616,918 and budgeted the use of fund balance of \$91,188 which was 1.18 times the loan payments for the year ended September 30, 2022.



**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE G – LONG-TERM DEBT (CONTINUED)**

**Business-type Activities**

Revenue Bonds

The District issued Series 2014-2 Water and Sewer Draw Down Revenue Bonds on October 31, 2014, due in annual principal installments beginning October 2017 and maturing October 2024. Interest payable in April and October at a rate of 1.99% beginning April 2015. Current portion is \$146,343. \$ 447,853

Notes Payable

\$277,000 authorized, 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%. The District has drawn \$57,614 of the amount authorized. \$ 57,614

The annual requirements to amortize the principal and interest of long-term debt outstanding, as of September 30, 2022 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 146,353	\$ 7,456	\$ 153,809
2024	149,265	4,515	153,780
2025	<u>152,235</u>	<u>1,514</u>	<u>153,749</u>
Totals	<u>\$ 447,853</u>	<u>\$ 13,485</u>	<u>\$ 461,338</u>

State Revolving Loan Fund WW360490 is not included in the amortization schedule above as additional note proceeds will be received.

Summary of Significant Bond Resolution Terms and Covenant

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, 2022, the District is in compliance with the rate covenant.

The following is a schedule of the debt service reserve requirement and balance in the reserve account at September 30, 2022:

<u>Revenue Bonds</u>	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Series 2014-2 Water and Sewer Draw Down Revenue Bonds	<u>\$ 117,460</u>	<u>\$ 116,246</u>

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE H – 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 is reasonably certain one of the optional renewals will be exercised and, therefore, one optional one-year renewal is included in the total lease term. Monthly payments under this agreement range from \$1,379.04 to \$1,520.39. The agreement qualifies as a lease under GASB 87 and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. In addition, in accordance with the implementation of GASB 87, the District has 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 is allocated between governmental activities and business-type activities.

The future minimum payments under this lease agreement and the present value of the minimum payments as of September 30, 2022, are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 6,403	\$ 410	\$ 9,214	\$ 591	\$ 15,617	\$ 1,001
2024	6,902	252	9,932	363	16,834	615
2025	6,776	81	9,750	117	16,526	198
Totals	<u>\$ 20,081</u>	<u>\$ 743</u>	<u>\$ 28,896</u>	<u>\$ 1,071</u>	<u>\$ 48,977</u>	<u>\$ 1,814</u>

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE H – LEASES (CONTINUED)**

District recorded a right-to-use leased asset for building space. Right-to-use asset activity for the year ended September 30, 2022, was as follows:

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
<u>Governmental Activities</u>				
Right-to-use assets				
Building space	\$ -	\$ 20,646	\$ -	\$ 20,646
Less accumulated amortization:				
Building space	-	(573)	-	(573)
Right-to-use Assets, Net	<u>\$ -</u>	<u>\$ 20,073</u>	<u>\$ -</u>	<u>\$ 20,073</u>
<u>Business-type Activities</u>				
Right-to-use assets				
Building space	\$ -	\$ 29,710	\$ -	\$ 29,710
Less accumulated amortization:				
Building space	-	(825)	-	(825)
Right-to-use Assets, Net	<u>\$ -</u>	<u>\$ 28,885</u>	<u>\$ -</u>	<u>\$ 28,885</u>

**NOTE I – INTERLOCAL 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 September 30,	Payments
2023	\$ 172,335
2024	172,335
2025	172,335
2026	172,335
2027	172,335
2028-2032	861,675
2033	172,335
Total	<u>\$ 1,895,685</u>

**Gateway Services Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE J – RETIREMENT PLAN**

Under the provisions of IRS Code Section 457 and GASB Statement No. 32 *Accounting and Financial Reporting for IRS Code Section 547 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 K – RISK MANAGEMENT**

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. These risks are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for each of the past three fiscal years.

**NOTE L – CONTINGENCIES**

Various suits and claims arising in the ordinary course of district operations are pending. The District is party to litigation under which it is the opinion of the District's counsel that the potential amount of the District's liability in these matters will not be material to the financial statements. Accordingly, no provision has been made in the financial statements for these contingencies.

**NOTE M – SUBSEQUENT EVENT**

In February 2023, the District issued Series 2023-1 Special Assessment Bonds and Series 2023-2 Special Assessment Bonds for \$11,710,000 and \$1,255,000, respectively, to finance certain capital projects within the District.



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

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

To the Board of Supervisors  
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, as listed in the table of contents, of Gateway Services Community Development District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated June 23, 2023.

### **Report on Internal Control Over Financial Reporting**

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

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

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

To the Board of Supervisors  
Gateway Services Community Development District

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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



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

June 23, 2023



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of the Gateway Services Community Development District as of and for the year ended September 30, 2022, and have issued our report thereon dated June 23, 2022.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated June 23, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been made to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding financial audit report.

### Financial Condition

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

To the Board of Supervisors  
Gateway Services Community Development District

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2022 for the Gateway Services Community Development District. It is management's responsibility to monitor the Gateway Services Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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

### **Specific Information**

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

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

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 25
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 35
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$1,247,554
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$1,051,194
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2021, together with the total expenditures for such project: The District had 4 construction projects: the Boardwalk Project, \$360,468, Pool Rehabilitation, \$153,383, Griffin Roundabout, \$819,930, and the Lake Bank Restoration Project, \$736,568.
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended.

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

- 1) The rate or rates of non-ad valorem special assessments imposed by the District: \$708.63 for the General Fund, \$677.71-\$1,502.02 for Pelican Preserve, \$713.52 for Stoneybrook, and \$97.50 for Debt Service.
- 2) The amount of special assessments collected by or on behalf of the District: Total special assessments collected was \$7,858,685.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds: See Note G for details.





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Gaines & Frank  
Certified Public Accountants PL

To the Board of Supervisors  
Gateway Services Community Development District

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we noted no such findings.

### **Purpose of this Letter**

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

*Berger Toombs Elam  
Gaines + Frank*

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

June 23, 2023



**Berger, Toombs, Elam,  
Gaines & Frank**

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

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

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

We have examined Gateway Services Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2022. Management is responsible for Gateway Services Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Gateway Services Community Development District's compliance based on our examination.

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

In our opinion, Gateway Services Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2022.

*Berger Toombs Elam  
Gaines + Frank*

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

June 23, 2023

**Gateway Services Community Development District  
 SCHEDULE OF EXPENDITURES OF STATE PROJECTS  
 For the Year Ended September 30, 2022**

Description	CFDA CSFA No	Contract/ Grant Number	Expenditures
<b>State:</b>			
<b><u>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</u></b>			
Wastewater Treatment Facility Construction*	37.077	SW36044	\$ 222,470
Wastewater Treatment Facility Construction*	37.077	SW36049	126,523
Wastewater Treatment Facility Construction*	37.077	SW3604A	<u>554,340</u>
<b>Total Florida Department of Environmental Protection</b>			<b><u><u>\$ 903,333</u></u></b>

\* denotes major project

See accompanying notes to schedule of expenditures of state projects.

**Gateway Services Community Development District**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE PROJECTS**  
**September 30, 2022**

**NOTE 1 – BASIS OF PRESENTATION**

The information in this Schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes and Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of Gateway Community Services District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Gateway Services Community Development District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they become measurable and available as net current assets and expenditures are recognized when the related fund liability is incurred.

Gateway Services Community Development District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 3 – 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.

**Gateway Services Community Development District  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
STATE PROJECTS  
September 30, 2022**

**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	___ Yes	_X_ No
Significant deficiency(ies) identified?	___ Yes	_X_ None reported
Noncompliance material to financial statements noted?	___ Yes	_X_ No

State Projects

Internal Control over major State Projects:

Material weakness(es) identified?	___ Yes	_X_ No
Significant deficiency(ies) identified?	___ Yes	_X_ None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that were required to be reported in accordance with Chapter 10.550?	___ Yes	_X_ No

Identification of major State Projects:

State Projects

<u>CSFA Number(s)</u>	<u>Name of State Project(s)</u>
37.077	Wastewater Treatment Facility Construction

Dollar threshold used to distinguish between Type A and B State Projects: \$300,000

Auditee qualified as low-risk auditee? \_\_\_ Yes \_X\_ No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

There are no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*

**SECTION III – MAJOR STATE PROJECTS FINDINGS AND QUESTIONED COST**

There were no audit findings related to state projects required to be reported by Chapter 10.550, *Rules of the Auditor General*.

**Gateway Services Community Development District  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
STATE PROJECTS  
September 30, 2022**

***SECTION IV – SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS***

There is no Summary of Prior Audit Findings or Corrective Action Plan required to be reported under Florida Single Audit Act, as there were no prior year findings.



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

## REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

### Report on Compliance for Each Major State Project

We have audited Gateway Services Community Development District's (the "District") compliance with the types of compliance requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Gateway Services Community Development District's State projects for the year ended September 30, 2022. Gateway Services Community Development District's state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its State projects applicable to its State projects.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a State project occurred. An audit includes examining, on a test basis, evidence about District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State project. However, our audit does not provide a legal determination of the District's compliance.

The Board of Supervisors  
Gateway Services Community Development District

### **Opinion on Each Major State Project**

In our opinion, Gateway Services Community Development District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended September 30, 2022.

### **Report on Internal Control Over Compliance**

Management of the Gateway Services Community Development District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Gateway Services Community Development District internal control over compliance with the types of requirements that could have a direct and material effect on a major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State project, and to test and report on internal control over compliance in accordance with the Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Gateway Services Community Development District's internal control over compliance.

*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 State project 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 State project 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 state project 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 consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.





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

The Board of Supervisors  
Gateway Services Community Development District

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 Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*Berger Toombs Elam  
Gaines & Frank*

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

June 23, 2023