

**Gateway Services Community
Development District**

ANNUAL FINANCIAL REPORT

September 30, 2023

Gateway Services Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2023

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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 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, 2023, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of Gateway Services Community Development District as of September 30, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund, Pelican Preserve, Stoneybrook, Towne Lakes and Lake Bank Restoration Funds for the year then ended in accordance 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.

Fort Pierce / Stuart

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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 would influence the judgment made by a reasonable user based on the 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. The 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.

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 May 31, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gateway Services Community Development District's internal control over financial reporting and compliance.

*Berger Toombs Elam
Gaines + Frank*

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

May 31, 2024

**Gateway Services Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

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, 2023**

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, 2023.

- ◆ The District's total assets and deferred outflows of resources exceeded total liabilities by \$47,337,241 (net position). Unrestricted net position for Governmental Activities was \$8,962,258 and Business-type Activities was \$5,589,727. Restricted net position for Governmental Activities was \$13,238,435 and Business-type Activities was \$43,189. Net investment in capital assets for Governmental Activities was \$305,972 and Business-type Activities was \$19,197,660.

**Gateway Services Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Highlights (Continued)

- ◆ Governmental Activities revenues totaled \$9,814,415 while Governmental Activities expenses totaled \$13,419,147. Business-type Activities revenues totaled \$7,234,181 while Business-type Activities expenses, transfers, and conveyances totaled \$10,942,649.

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	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 10,226,224	\$ 9,265,243	\$ 7,392,327	\$ 9,856,089	\$ 17,618,551	\$ 19,121,332
Prepaid Insurance	76,329	-	-	-	76,329	-
Restricted assets	12,916,908	516,170	162,435	157,587	13,079,343	673,757
Capital assets, net	25,533,591	26,165,788	19,516,408	20,503,639	45,049,999	46,669,427
Total Assets	48,753,052	35,947,201	27,071,170	30,517,315	75,824,222	66,464,516
Deferred outflows of resources	30,897	34,121	-	-	30,897	34,121
Current liabilities	1,523,920	1,045,028	1,908,516	1,536,482	3,432,436	2,581,510
Non-current liabilities	24,753,364	10,803,923	332,078	441,789	25,085,442	11,245,712
Total Liabilities	26,277,284	11,848,951	2,240,594	1,978,271	28,517,878	13,827,222
Net Position						
Net investment in capital assets	305,972	14,940,158	19,197,660	20,085,533	19,503,632	35,025,691
Restricted	13,238,435	1,048,817	43,189	36,885	13,281,624	1,085,702
Unrestricted	8,962,258	8,143,396	5,589,727	8,416,626	14,551,985	16,560,022
Total Net Position	\$ 22,506,665	\$ 24,132,371	\$ 24,830,576	\$ 28,539,044	\$ 47,337,241	\$ 52,671,415

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

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

**Gateway Services Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

The increase in restricted assets is related to the issuance of debt in the current year.

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 long-term debt in the current year.

**Gateway Services Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Program Revenues						
Charges for services	\$ 8,643,728	\$ 7,928,641	\$ 6,740,379	\$ 6,188,405	\$ 15,384,107	\$ 14,117,046
Capital contributions	400,191	-	261,320	-	661,511	-
General Revenues						
Investment earnings	659,093	7,979	205,669	5,432	864,762	13,411
Miscellaneous	111,403	20,664	26,813	450	138,216	21,114
Total Revenue	9,814,415	7,957,284	7,234,181	6,194,287	17,048,596	14,151,571
Expenses						
General government	902,625	655,351	-	-	902,625	655,351
Physical environment	10,698,610	7,461,354	-	-	10,698,610	7,461,354
Culture/recreation	785,923	782,274	-	-	785,923	782,274
Interest and other charges	1,031,989	244,730	-	-	1,031,989	244,730
Water and sewer	-	-	7,113,522	6,133,557	7,113,522	6,133,557
Total Expenses	13,419,147	9,143,709	7,113,522	6,133,557	20,532,669	15,277,266
Transfers	1,979,026	-	(1,979,026)	-	-	-
Conveyance of assets	-	198,233	(1,850,101)	-	(1,850,101)	198,233
Change in Net Position	(1,625,706)	(988,192)	(3,708,468)	60,730	(5,334,174)	(927,462)
Net Position -						
beginning of year	24,132,371	25,120,563	28,539,044	28,478,314	52,671,415	53,598,877
Net Position - end of year	\$ 22,506,665	\$ 24,132,371	\$ 24,830,576	\$ 28,539,044	\$ 47,337,241	\$ 52,671,415

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 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 mainly the result of the increase in repair and maintenance projects in the current year.

**Gateway Services Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

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, 2023 and 2022.

Description	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and improvements	\$ 6,300,859	\$ 5,900,668	\$ -	\$ -	\$ 6,300,859	\$ 5,900,668
Construction in progress	215,520	8,601	234,725	947,045	450,245	955,646
Building and improvements	2,615,505	2,615,505	3,083,947	3,083,947	5,699,452	5,699,452
Right-to-use leased building, net	13,191	20,073	18,982	28,885	32,173	48,958
Infrastructure	44,278,521	44,278,521	31,366,483	30,691,683	75,645,004	74,970,204
Equipment	1,030,281	894,271	2,615,142	2,347,326	3,645,423	3,241,597
Accumulated depreciation	<u>(28,920,286)</u>	<u>(27,551,851)</u>	<u>(17,802,871)</u>	<u>(16,595,247)</u>	<u>(46,723,157)</u>	<u>(44,147,098)</u>
Total Capital Assets (Net)	<u>\$ 25,533,591</u>	<u>\$ 26,165,788</u>	<u>\$ 19,516,408</u>	<u>\$ 20,503,639</u>	<u>\$ 45,049,999</u>	<u>\$ 46,669,427</u>

Governmental activities had current year additions of \$342,929, conveyances of \$400,191, and depreciation of \$1,375,317.

Business-type activities had current year additions of \$1,222,629, depreciation of \$1,231,586, disposals with a net value of \$21,326 and a conveyance of \$947,045.

General Fund Budgetary Highlights

Budgeted expenditures exceeded actual expenditures primarily because of lower streetlight repairs expenditures than were anticipated.

The September 30, 2023 budget was not 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, 2023 was \$1,630,000.
- ◆ In March 2023, the District issued \$11,710,000 Series 2023-1 Special Assessment Bonds. These bonds were issued to finance the cost of acquisition and construction of the Series 2023-1 Project, including repayment of a portion of the interim bank loan. The outstanding balance at September 30, 2023 was \$11,710,000.
- ◆ In March 2023, the District issued \$1,255,000 Series 2023-2 Special Assessment Bonds. These bonds were issued to finance the cost of acquisition and construction of the Series 2023-2 Project, including repayment of a portion of the interim bank loan. The outstanding balance at September 30, 2023 was \$1,255,000.

**Gateway Services Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Debt Management (Continued)

- ◆ 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, 2023 was \$3,033,568.
- ◆ 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, 2023 was \$3,055,230.
- ◆ 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, 2023 was \$107,660.
- ◆ In December 2019, the District obtained a \$187,860 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, 2023 was \$177,214.
- ◆ In October 2020, the District obtained a \$2,229,594 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, 2023 was \$2,038,372.
- ◆ In February 2022, the District issued \$7,300,000 Series 2021 Capital Improvement Line of Credit Note, to date the District has drawn \$1,012,001 to finance certain capital improvements within the District. The outstanding balance was repaid in the current year.
- ◆ In September 2023, the District obtained a loan from the State of Florida of \$3,706,873, to date the District has received \$2,526,972 to fund certain cost of their lake bank restoration program. The balance outstanding at September 30, 2023 was \$2,526,972.
- ◆ In September 2022, the District entered into an agreement to lease building space. The outstanding balance at September 30, 2023 was \$13,678.

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, 2023 was \$301,501.
- ◆ In October 2021, the District obtained a \$170,273 loan from the State of Florida, through the Clean Water Revolving Loan Fund to fund certain wastewater improvements within the District. The balance outstanding at September 30, 2023 was \$114,511.
- ◆ In September 2022, the District entered into an agreement to lease building space. The outstanding balance at September 30, 2023 was \$19,682.

**Gateway Services Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

The Lake Bank Restoration Project will continue in fiscal year 2024 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, 11922 Fairway Lakes Drive, Fort Myers, Florida 33913.

Gateway Services Community Development District
STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash and investments	\$ 6,935,685	\$ 2,375,680	\$ 9,311,365
Restricted Assets			
Cash and investments - customer deposits	-	875,652	875,652
Investments	3,063,186	2,712,644	5,775,830
Accounts receivable and accrued revenues	189,786	1,287,765	1,477,551
Deposits	133,375	-	133,375
Due from other governments	2,445	-	2,445
Prepaid expenses	19,329	23,004	42,333
Internal balances	(117,582)	117,582	-
Total Current Assets	<u>10,226,224</u>	<u>7,392,327</u>	<u>17,618,551</u>
Non-current Assets			
Restricted Assets			
Prepaid bond insurance	76,329	-	76,329
Cash and investments	12,916,908	162,435	13,079,343
Capital assets			
Land and improvements	6,300,859	-	6,300,859
Construction in progress	215,520	234,725	450,245
Buildings and improvements	2,615,505	3,083,947	5,699,452
Right-to-use leased building, net	13,191	18,982	32,173
Infrastructure	44,278,521	31,366,483	75,645,004
Equipment	1,030,281	2,615,142	3,645,423
Less: accumulated depreciation	(28,920,286)	(17,802,871)	(46,723,157)
Total Non-current Assets	<u>38,526,828</u>	<u>19,678,843</u>	<u>58,205,671</u>
Total Assets	<u>48,753,052</u>	<u>27,071,170</u>	<u>75,824,222</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding, net	<u>30,897</u>	<u>-</u>	<u>30,897</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	536,051	861,348	1,397,399
Contracts/retainage payable	87,737	-	87,737
Due to other governments	1,930	-	1,930
Customer deposits, payable from restricted assets	-	875,652	875,652
Accrued interest payable	260,056	3,000	263,056
Lease payable	6,902	9,932	16,834
Bonds and notes payable	631,244	158,584	789,828
Total Current Liabilities	<u>1,523,920</u>	<u>1,908,516</u>	<u>3,432,436</u>
Non-current Liabilities			
Lease payable	6,776	9,750	16,526
Bonds and notes payable, net	24,742,564	257,428	24,999,992
Compensated absences	4,024	64,900	68,924
Total Non-current Liabilities	<u>24,753,364</u>	<u>332,078</u>	<u>25,085,442</u>
Total Liabilities	<u>26,277,284</u>	<u>2,240,594</u>	<u>28,517,878</u>
NET POSITION			
Net investment in capital assets	305,972	19,197,660	19,503,632
Restricted			
Debt service	596,308	43,189	639,497
Capital projects	12,642,127	-	12,642,127
Unrestricted			
	<u>8,962,258</u>	<u>5,589,727</u>	<u>14,551,985</u>
Total Net Position	<u>\$ 22,506,665</u>	<u>\$ 24,830,576</u>	<u>\$ 47,337,241</u>

See accompanying notes to financial statements

Gateway Services Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Capital Contributions	Governmental Activities	Business-type Activities	
Governmental Activities						
General government	\$ (902,625)	\$ 619,835	\$ -	\$ (282,790)	\$ -	\$ (282,790)
Physical environment	(10,698,610)	6,581,425	400,191	(3,716,994)	-	(3,716,994)
Culture/recreation	(785,923)	613,783	-	(172,140)	-	(172,140)
Interest and other charges	(1,031,989)	828,685	-	(203,304)	-	(203,304)
Total Governmental Activities	(13,419,147)	8,643,728	400,191	(4,375,228)	-	(4,375,228)
Business-type Activities						
Water and sewer utilities	(7,113,522)	6,740,379	261,320	-	(111,823)	(111,823)
Total Primary Government	\$ (20,532,669)	\$ 15,384,107	\$ 661,511	(4,375,228)	(111,823)	(4,487,051)
General Revenues						
Investment earnings				659,093	205,669	864,762
Miscellaneous revenues				111,403	26,813	138,216
Total General Revenues				770,496	232,482	1,002,978
Transfers in				2,188,900	209,874	2,398,774
Transfers out				(209,874)	(2,188,900)	(2,398,774)
Conveyance of assets				-	(1,850,101)	(1,850,101)
Change in Net Position				(1,625,706)	(3,708,468)	(5,334,174)
Net Position - October 1, 2022				24,132,371	28,539,044	52,671,415
Net Position - September 30, 2023				\$ 22,506,665	\$ 24,830,576	\$ 47,337,241

See accompanying notes to financial statements.

Gateway Services Community Development District
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2023

	Special Revenue					Debt Service					Capital Projects			Governmental Funds
	General	Pelican Preserve	Stoneybrook	Towne Lakes	Lake Bank Restoration	Series 2013	Lake Bank Restoration	Series 2022	Series 2023-1	Series 2023-2	Series 2013	Series 2023-1	Series 2023-2	
ASSETS														
Cash and cash equivalents	\$ 3,899,463	\$ 2,024,142	\$ 305,543	\$ 79,925	\$ -	\$ -	\$ 625,840	\$ 772	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,935,685
Investments	750,356	2,312,830	-	-	-	-	-	-	-	-	-	-	-	3,063,186
Accounts receivable	136,117	139	-	-	-	-	-	-	-	-	-	-	-	136,256
Accrued interest receivable	27,626	25,904	-	-	-	-	-	-	-	-	-	-	-	53,530
Due from other funds	425,300	7,870	19,167	-	-	4,232	39,801	-	-	-	4,857	-	7,716	508,943
Due from other governments	1,145	909	153	2	-	66	170	-	-	-	-	-	-	2,445
Prepaid expenses	17,203	1,914	212	-	-	-	-	-	-	-	-	-	-	19,329
Deposits	375	103,000	30,000	-	-	-	-	-	-	-	-	-	-	133,375
Restricted assets														
Investments, at fair value	-	-	-	-	-	238,002	-	-	-	-	308,117	11,456,581	914,208	12,916,908
Total Assets	\$ 5,257,585	\$ 4,476,708	\$ 355,075	\$ 79,927	\$ -	\$ 242,300	\$ 665,811	\$ 772	\$ -	\$ -	\$ 312,974	\$11,456,581	\$ 921,924	\$ 23,769,657
LIABILITIES AND FUND BALANCES														
Liabilities:														
Accounts payable and accrued expenses	\$ 345,447	\$ 132,800	\$ 28,998	\$ 312	\$ 16,571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,923	\$ -	\$ 536,051
Contracts/retainage payable	87,737	-	-	-	-	-	-	-	-	-	-	-	-	87,737
Due to other funds	178,630	25,955	-	663	381,524	1,552	-	772	-	-	7,870	29,559	-	626,525
Due to other governments	898	719	116	2	-	63	132	-	-	-	-	-	-	1,930
Total Liabilities	612,712	159,474	29,114	977	398,095	1,615	132	772	-	-	7,870	41,482	-	1,252,243
Fund Balances:														
Nonspendable														
Deposits/prepays	17,578	104,914	30,212	-	-	-	-	-	-	-	-	-	-	152,704
Restricted														
Debt service	-	-	-	-	-	240,685	665,679	-	-	-	-	-	-	906,364
Capital projects	-	-	-	-	-	-	-	-	-	305,104	11,415,099	921,924	-	12,642,127
Assigned														
Emergency reserve	700,000	-	-	-	-	-	-	-	-	-	-	-	-	700,000
Capital projects	2,230,441	-	-	-	-	-	-	-	-	-	-	-	-	2,230,441
Special revenue	-	4,212,320	295,749	78,950	-	-	-	-	-	-	-	-	-	4,587,019
Unassigned	1,696,854	-	-	-	(398,095)	-	-	-	-	-	-	-	-	1,298,759
Total Fund Balances	4,644,873	4,317,234	325,961	78,950	(398,095)	240,685	665,679	-	-	305,104	11,415,099	921,924	-	22,517,414
Total Liabilities and Fund Balances	\$ 5,257,585	\$ 4,476,708	\$ 355,075	\$ 79,927	\$ -	\$ 242,300	\$ 665,811	\$ 772	\$ -	\$ -	\$ 312,974	\$11,456,581	\$ 921,924	\$ 23,769,657

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, 2023

Total Governmental Fund Balances	\$ 22,517,414
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets (land, \$6,300,859, construction in progress, \$215,520, buildings and improvements, \$2,615,505, infrastructure, \$44,278,521, and equipment, \$1,030,281, net of accumulated depreciation, \$(28,920,286), and right-to-use leased building, net, \$13,191) used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	25,533,591
Prepaid bond insurance is not a current resource and therefore is not recognized at the fund level.	76,329
Deferred outflows of resources, deferred amount on refunding, net, are not current financial resources and therefore, are not reported at the fund level.	30,897
Long-term liabilities, including bonds payable, \$(14,595,000), net of bond discount, \$160,208, notes payable, \$(10,939,016), lease payable, \$(13,678), and accrued compensated absences, \$(4,024), are not due and payable in the current period and therefore, are not reported at the fund level.	(25,391,510)
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the fund level.	<u>(260,056)</u>
Net Position of Governmental Activities	<u><u>\$ 22,506,665</u></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, 2023

	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	Series 2023-1	Series 2023-2	Series 2013	Series 2023-1	Series 2023-2	
Revenues														
Special assessments	\$ 4,008,441	\$ 3,181,218	\$ 534,543	\$ 6,921	\$ -	\$ 232,618	\$ 596,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,559,808
Charges for services	83,920	-	-	-	-	-	-	-	-	-	-	-	-	83,920
Investment earnings	152,461	149,785	14,104	2,638	-	10,056	3,277	-	-	-	11,753	289,822	25,197	659,093
Miscellaneous revenues	55,658	-	-	-	-	-	-	-	-	-	-	-	-	55,658
Total Revenues	4,300,480	3,331,003	548,647	9,559	-	242,674	599,344	-	-	-	11,753	289,822	25,197	9,358,479
Expenditures														
Current														
General government	497,087	378,538	19,235	14	-	244	625	-	-	-	-	-	-	895,743
Physical environment	3,254,229	2,499,698	452,422	2,807	2,163,394	-	-	-	-	-	945,442	193,029	-	9,511,021
Culture and recreation	739,332	-	-	-	-	-	-	-	-	-	26,389	-	-	765,721
Capital outlay	193,374	-	-	-	-	-	-	-	-	-	102,582	46,973	-	342,929
Debt service														
Principal	4,217	2,186	-	-	-	120,000	455,219	1,012,001	-	-	-	-	-	1,593,623
Interest	-	140	-	-	-	100,025	79,359	10,725	-	-	-	67,853	7,206	265,308
Other	-	-	-	-	-	-	44,592	-	-	-	-	525,817	63,743	634,152
Total Expenditures	4,688,239	2,880,562	471,657	2,821	2,163,394	220,269	579,795	1,022,726	-	-	-	1,668,083	310,951	14,008,497
Excess of revenues over/(nder) expenditures	(387,759)	450,441	76,990	6,738	(2,163,394)	22,405	19,549	(1,022,726)	-	-	11,753	(1,378,261)	(285,754)	(4,650,018)
Other financing sources/(uses)														
Issuance of long-term debt	311,000	-	-	-	2,555,558	-	-	-	986,197	29,606	-	10,723,803	1,225,394	15,831,558
Insurance proceeds	205,840	3,549	7,000	-	-	-	-	-	-	-	-	-	-	216,389
Bond discount	-	-	-	-	-	-	-	-	-	-	(141,482)	(23,248)	-	(164,730)
Transfers in	-	-	-	-	-	-	-	1,022,726	-	-	2,420,913	5,532	-	3,449,171
Transfers out	(238,936)	(5,532)	-	-	-	-	-	(986,197)	(29,606)	-	(209,874)	-	-	(1,470,145)
Total Other Financing Sources/(Uses)	277,904	(1,983)	7,000	-	2,555,558	-	-	1,022,726	-	-	-	12,793,360	1,207,678	17,862,243
Net change in fund balances	(109,855)	448,458	83,990	6,738	392,164	22,405	19,549	-	-	-	11,753	11,415,099	921,924	13,212,225
Fund Balances - October 1, 2022	4,754,728	3,868,776	241,971	72,212	(790,259)	218,280	646,130	-	-	-	293,351	-	-	9,305,189
Fund Balances - September 30, 2023	\$ 4,644,873	\$ 4,317,234	\$ 325,961	\$ 78,950	\$ (398,095)	\$ 240,685	\$ 665,679	\$ -	\$ -	\$ -	\$ 305,104	\$ 11,415,099	\$ 921,924	\$ 22,517,414

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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 13,212,225

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, \$(1,375,317), exceeded capital outlay, \$342,929, and contributed land and improvements, \$400,191. (632,197)

Proceeds from the issuance of long-term debt, \$(12,965,000) net of bond discount, \$164,730, and note proceeds, \$(2,866,558), are recognized as an other financing source at the fund level, but increase liabilities at the government-wide level. (15,666,828)

Repayments of bond principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position. 1,593,623

Prepaid bond insurance is recognized as other debt service costs at the fund level, however, at the government-wide level it is recognized as an asset and amortized over the life of the bonds. 78,483

Prepaid bond insurance is amortized over the life of the bonds as interest expense. This is the current year amortization. (2,154)

Bond discount is amortized over the life of the bonds as interest expense. This is the current year amortization. (4,522)

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. (201,112)

Change in Net Position of Governmental Activities \$ (1,625,706)

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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 3,996,222	\$ 3,996,222	\$ 4,008,441	\$ 12,219
Charges for services	52,000	52,000	83,920	31,920
Investment earnings	5,000	5,000	152,461	147,461
Miscellaneous revenues	7,500	7,500	55,658	48,158
Total Revenues	<u>4,060,722</u>	<u>4,060,722</u>	<u>4,300,480</u>	<u>239,758</u>
Expenditures				
Current				
General government	657,924	657,924	497,087	160,837
Physical environment	2,510,368	2,510,368	3,254,229	(743,861)
Culture and recreation	763,430	763,430	739,332	24,098
Capital outlay	-	-	193,374	(193,374)
Debt Service				
Principal	-	-	4,217	(4,217)
Total Expenditures	<u>3,931,722</u>	<u>3,931,722</u>	<u>4,688,239</u>	<u>(756,517)</u>
Excess/(deficiency) of revenues over/(under) expenditures	129,000	129,000	(387,759)	(516,759)
Other Financing Sources/(Uses)				
Transfers in	150,000	150,000	-	(150,000)
Transfers out	(279,000)	(279,000)	(238,936)	40,064
Insurance proceeds	-	-	205,840	205,840
Issuance of long-term debt	-	-	311,000	311,000
Total Other Financing Sources/(Uses)	<u>(129,000)</u>	<u>(129,000)</u>	<u>277,904</u>	<u>406,904</u>
Net change in fund balances	-	-	(109,855)	(109,855)
Fund Balances - October 1, 2022	<u>-</u>	<u>-</u>	<u>4,754,728</u>	<u>4,754,728</u>
Fund Balances - September 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,644,873</u>	<u>\$ 4,644,873</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 3,171,519	\$ 3,171,519	\$ 3,181,218	\$ 9,699
Investment earnings	5,000	5,000	149,785	144,785
Impact fees	25,000	25,000	-	(25,000)
Total Revenues	<u>3,201,519</u>	<u>3,201,519</u>	<u>3,331,003</u>	<u>129,484</u>
Expenditures				
Current				
General government	335,399	335,399	378,538	(43,139)
Physical environment	2,636,120	2,636,120	2,499,698	136,422
Capital outlay	230,000	230,000	-	230,000
Debt Service				
Principal	-	-	2,186	(2,186)
Interest	-	-	140	(140)
Total Expenditures	<u>3,201,519</u>	<u>3,201,519</u>	<u>2,880,562</u>	<u>320,957</u>
Excess of revenues over/(under) expenditures	<u>-</u>	<u>-</u>	<u>450,441</u>	<u>450,441</u>
Other Financing Sources/(Uses)				
Insurance proceeds	-	-	3,549	3,549
Transfers out	-	-	(5,532)	(5,532)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>(1,983)</u>	<u>(1,983)</u>
Net change in fund balances	-	-	448,458	448,458
Fund Balances - October 1, 2022	<u>-</u>	<u>-</u>	<u>3,868,776</u>	<u>3,868,776</u>
Fund Balances - September 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,317,234</u>	<u>\$ 4,317,234</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 532,916	\$ 532,916	\$ 534,543	\$ 1,627
Investment earnings	-	-	14,104	14,104
Total Revenues	<u>532,916</u>	<u>532,916</u>	<u>548,647</u>	<u>15,731</u>
Expenditures				
Current				
General government	17,916	17,916	19,235	(1,319)
Physical environment	505,000	505,000	452,422	52,578
Capital outlay	10,000	10,000	-	10,000
Total Expenditures	<u>532,916</u>	<u>532,916</u>	<u>471,657</u>	<u>61,259</u>
Excess of revenues over/(under) expenditures	<u>-</u>	<u>-</u>	<u>76,990</u>	<u>76,990</u>
Other Financing Sources/(Uses)				
Insurance proceeds	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>7,000</u>
Net change in fund balances	-	-	83,990	83,990
Fund Balances - October 1, 2022	<u>-</u>	<u>-</u>	<u>241,971</u>	<u>241,971</u>
Fund Balances - September 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,961</u>	<u>\$ 325,961</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 6,900	\$ 6,900	\$ 6,921	\$ 21
Investment earnings	-	-	2,638	2,638
Total Revenues	<u>6,900</u>	<u>6,900</u>	<u>9,559</u>	<u>2,659</u>
Expenditures				
Current				
General government	170	170	14	156
Physical environment	6,730	6,730	2,807	3,923
Total Expenditures	<u>6,900</u>	<u>6,900</u>	<u>2,821</u>	<u>4,079</u>
Net change in fund balances	-	-	6,738	6,738
Fund Balances - October 1, 2022	<u>-</u>	<u>-</u>	<u>72,212</u>	<u>72,212</u>
Fund Balances - September 30, 2023	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 78,950</u></u>	<u><u>\$ 78,950</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures				
Current				
Physical environment	<u>\$ 3,600,000</u>	<u>\$ 3,600,000</u>	<u>\$ 2,163,394</u>	<u>\$ 1,436,606</u>
Other Financing Sources/(Uses)				
Issuance of long-term debt	<u>3,600,000</u>	<u>3,600,000</u>	<u>2,555,558</u>	<u>(1,044,442)</u>
Net change in fund balances	-	-	392,164	392,164
Fund Balances - October 1, 2022	<u>-</u>	<u>-</u>	<u>(790,259)</u>	<u>(790,259)</u>
Fund Balances - September 30, 2023	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (398,095)</u></u>	<u><u>\$ (398,095)</u></u>

See accompanying notes to financial statements.

Gateway Services Community Development District
STATEMENT OF NET POSITION –
WATER & SEWER FUND
September 30, 2023

ASSETS	
Current Assets	
Cash and investments	\$ 2,375,680
Restricted Assets	
Cash and investments - customer deposits	875,652
Investments	2,712,644
Accounts receivable and accrued revenues	1,250,547
Accrued interest receivable	37,218
Due from other funds	117,582
Prepaid expenses	23,004
Total Current Assets	7,392,327
Non-current Assets	
Restricted Assets	
Cash and investments	162,435
Capital Assets	
Construction in progress	234,725
Buildings and improvements	3,083,947
Right-to-use leased building, net	18,982
Infrastructure	31,366,483
Equipment	2,615,142
Accumulated depreciation	(17,802,871)
Total Non-current Assets	19,678,843
Total Assets	27,071,170
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	861,348
Customer deposits, payable from restricted assets	875,652
Accrued interest payable	3,000
Lease payable	9,932
Bonds payable	158,584
Total Current Liabilities	1,908,516
Non-current Liabilities	
Lease payable	9,750
Bonds payable, net	257,428
Compensated absences	64,900
Total Non-current Liabilities	332,078
Total Liabilities	2,240,594
 NET POSITION	
Net investment in capital assets	19,197,660
Restricted	
Debt service	43,189
Unrestricted	5,589,727
Total Net Position	\$ 24,830,576

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, 2023

Operating revenues:	
Water and sewer charges	\$ 6,740,379
Miscellaneous revenues	26,813
Total Operating Revenues	6,767,192
Operating Expenses:	
Water purchases	1,927,714
Administrative and other	1,237,668
Depreciation and amortization	1,241,489
Personnel services	1,204,022
Repairs and maintenance	1,264,499
Utilities	211,582
Insurance	33,774
Total Operating Expenses	7,120,748
Operating Income (Loss)	(353,556)
Non-operating Revenues/(Expenses):	
Interest earnings	205,669
Gain on disposal of capital assets	15,969
Interest expense and other debt service costs	(8,743)
Total Non-operating Revenues/(Expenses)	212,895
Income before contributions, transfers and conveyances	(140,661)
Capital contribution	261,320
Transfers in	209,874
Transfers out	(2,188,900)
Conveyance of assets	(1,850,101)
Total Contributions Transfers and Conveyances	(3,567,807)
Change in Net Position	(3,708,468)
Net Position - October 1, 2022	28,539,044
Net Position - September 30, 2023	\$ 24,830,576

See accompanying notes to financial statements.

Gateway Services Community Development District
STATEMENT OF CASH FLOWS –
WATER & SEWER FUND
For The Year Ended September 30, 2023

	Water & Sewer Fund
Cash Flows From Operating Activities	
Cash received from customers	\$ 6,130,268
Cash paid to suppliers	(4,333,810)
Cash paid for employee services	(1,202,115)
Net Cash Provided By Operating Activities	<u>594,343</u>
Cash Flows From Internal Activity	
Cash paid to other funds	(2,188,900)
Cash received from other funds	209,874
Net Cash (Used) by Internal Activity	<u>(1,979,026)</u>
Cash Flows From Capital Activities and Related Financing Activities	
Investment in capital assets	(921,631)
Interest paid on capital debt	(10,199)
Conveyance to other governments	(942,734)
Proceeds from long-term debt	112,891
Proceeds from sale of equipment	37,295
Principal payments on long-term debt	(211,560)
Net Cash Used By Capital Activities and Related Financing Activities	<u>(1,935,938)</u>
Cash Flows From Investing Activities	
Purchases of investments	(2,712,644)
Interest income	168,451
Net Cash Used by Investing Activities	<u>(2,544,193)</u>
Net decrease in cash and investments	(5,864,814)
Cash and investments, October 1, 2022	<u>9,278,581</u>
Cash and investments, September 30, 2023	<u>\$ 3,413,767</u>
Reconciliation of Net Operating Income to Net Cash Provided By Operating Activities	
Cash Flows From Operating Activities:	
Operating income	\$ (353,556)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	1,241,489
Changes in assets and liabilities:	
Decrease in accounts receivable	(186,041)
Decrease in due from other funds	(446,993)
Decrease in prepaid expenses	(23,004)
Increase in accounts payable	364,431
Decrease in unearned revenues	(9,528)
Increase in customer deposits	5,638
Increase in accrued compensation	1,907
Total Adjustments	<u>947,899</u>
Net Cash Provided By Operating Activities	<u>\$ 594,343</u>

See accompanying notes to financial statements.

Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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 2023-1 and 2023-2 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, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Funds (Continued)

Capital Project Funds – The Capital Project Funds account 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, 2023

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, 2023

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, 2023

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.

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.

j. Unamortized Bond Discount

Bond discount associated with the issuance of revenue bonds are amortized according to the straight-line method of accounting over the life of the bonds. For financial reporting, unamortized bond discount is netted with the applicable long-term debt.

Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, \$22,517,414, differs from “net position” of governmental activities, \$22,506,665, 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	\$ 6,300,859
Construction in progress	215,520
Buildings and improvements	2,615,505
Right-to-use leased building, net	13,191
Infrastructure	44,278,521
Equipment	1,030,281
Accumulated depreciation	<u>(28,920,286)</u>
Total	<u>\$ 25,533,591</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>\$ 30,897</u>
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Prepaid bond insurance

Prepaid bond insurance is not a current resource and therefore, is not recognized at the fund level.

Prepaid bond insurance, net	<u>\$ 76,329</u>
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Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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	\$ (25,373,808)
Lease payable	(13,678)
Accrued compensated absences	<u>(4,024)</u>
Total	<u>\$ (25,391,510)</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>\$ (260,056)</u>
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Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, \$13,212,225, differs from the “change in net position” for governmental activities, \$(1,625,706), 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	\$	342,929
Contributed land and improvements		400,191
Depreciation/amortization		<u>(1,375,317)</u>
Total	\$	<u><u>(632,197)</u></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	\$	1,593,623
Issuance of long-term debt		(15,831,558)
Prepaid bond insurance		78,483
Bond discount		<u>164,730</u>
Total	\$	<u><u>(13,994,722)</u></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	\$	(201,112)
Change in prepaid bond insurance		(2,154)
Change in bond discount		(4,522)
Change in deferred amount on refunding		<u>(3,224)</u>
Total	\$	<u><u>(211,012)</u></u>

Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023, the District's bank balance was \$10,425,708 and the carrying value was \$10,187,017. 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, 2023, the District had the following investments and maturities:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
First American Government Obligation Fund	24 days*	\$ 708,554
Goldman Sachs Financial Square Government Fund	36 days*	12,370,789
First Horizon United States Treasury Bills	10/2023 - 3/2024	5,774,767
Fidelity Government Cash Reserves	26 days*	1,063
		<u>\$ 18,855,173</u>

*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 Fund, Goldman Sachs Financial Square Government Fund, First Horizon United States Treasury Bills, and Fidelity Government Cash Reserves are Level 1 assets.

Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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 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, 2023, the District's investments in the First American Government Obligation Fund and the Goldman Sachs Financial Square Government Fund were rated AAAM by Standard & Poor's. The District's investments in the First Horizon United States Treasury Bills and Fidelity Government Cash Reserves were not rated.

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 4%, Goldman Sachs Financial Square Government Fund are 65% of the District's total investments, the investments in First Horizon United States Treasury Bills are 31% of the District's total investments, and the Fidelity Government Cash Reserves are less than 1% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2023 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 2022-2023 fiscal year were levied in October 2022. 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, 2023

NOTE E – INTERFUND ACTIVITY

Interfund balances at September 30, 2023, consisted of the following:

Receivable Fund	Payable Fund								Total
	General Fund	Special Revenue Funds			Debt Service Funds		Capital Project Funds		
		Pelican Preserve	Towne Lakes	Lake Bank Restoration	Series 2013	Series 2022	Series 2013	Series 2023-1	
General Fund	\$ -	\$ 12,782	\$ 663	\$ 381,524	\$ -	\$ 772	\$ -	\$ 29,559	\$ 425,300
Special Revenue Funds:									
Pelican Preserve	-	-	-	-	-	-	7,870	-	7,870
Stoneybrook	6,138	13,029	-	-	-	-	-	-	19,167
Debt Service Funds:									
Series 2013	4,232	-	-	-	-	-	-	-	4,232
Lake Bank Restoration	39,801	-	-	-	-	-	-	-	39,801
Capital Projects Funds:									
Series 2013	3,305	-	-	-	1,552	-	-	-	4,857
Series 2023-2	7,716	-	-	-	-	-	-	-	7,716
Enterprise Fund	117,438	144	-	-	-	-	-	-	117,582
Total	\$ 178,630	\$ 25,955	\$ 663	\$ 381,524	\$ 1,552	\$ 772	\$ 7,870	\$ 29,559	\$ 626,525

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

Interfund balances are primarily due to expenditures paid by one fund on behalf of another that have not been repaid as of year-end.

Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE E – INTERFUND ACTIVITY (CONTINUED)

Interfund transfers for the year-ended September 30, 2023, consisted of the following:

Transfers Out	Transfers In				Total
	Debt Service Fund	Capital Projects Fund		Enterprise Fund	
	Series 2022	Series 2023-1	Series 2023-2		
General Fund	\$ 6,923	\$ 232,013	\$ -	\$ -	\$ 238,936
Special Revenue Fund:					
Pelican Preserve	-	-	5,532	-	5,532
Debt Service Funds:					
Series 2023-1	986,197	-	-	-	986,197
Series 2023-2	29,606	-	-	-	29,606
Capital Projects Fund:					
Series 2023-1	-	-	-	209,874	209,874
Enterprise Fund	-	2,188,900	-	-	2,188,900
Total	\$ 1,022,726	\$ 2,420,913	\$ 5,532	\$ 209,874	\$ 3,659,045

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

Interfund transfers are primarily related to the issuance of long-term debt in the current year.

Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE F – CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023
<u>Governmental Activities:</u>				
Capital assets, not depreciated:				
Land and improvements	\$ 5,900,668	\$ 400,191	\$ -	\$ 6,300,859
Construction in progress	8,601	206,919	-	215,520
Total Capital Assets, Not Depreciated	<u>5,909,269</u>	<u>607,110</u>	<u>-</u>	<u>6,516,379</u>
Capital assets, being depreciated:				
Building and improvements	2,615,505	-	-	2,615,505
Right-to-use leased building, net	20,073	-	(6,882)	13,191
Infrastructure	44,278,521	-	-	44,278,521
Equipment	894,271	136,010	-	1,030,281
Total Capital Assets, Being Depreciated	<u>47,808,370</u>	<u>136,010</u>	<u>(6,882)</u>	<u>47,937,498</u>
Less accumulated depreciation for:				
Building and improvements	(2,274,562)	(47,376)	-	(2,321,938)
Infrastructure	(24,555,809)	(1,254,464)	-	(25,810,273)
Equipment	(721,480)	(66,595)	-	(788,075)
Total Accumulated Depreciation	<u>(27,551,851)</u>	<u>(1,368,435)</u>	<u>-</u>	<u>(28,920,286)</u>
Total Capital Assets Depreciated, Net	<u>20,256,519</u>	<u>(1,232,425)</u>	<u>(6,882)</u>	<u>19,017,212</u>
Governmental Activities Capital Assets	<u>\$ 26,165,788</u>	<u>\$ (625,315)</u>	<u>\$ (6,882)</u>	<u>\$ 25,533,591</u>

Depreciation of \$1,368,435 was charged to physical environment, \$1,348,233, and culture and recreation, \$20,202.

Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE F – CHANGES IN CAPITAL ASSETS (CONTINUED)

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023
<u>Business-type Activities:</u>				
Capital assets, not being depreciated				
Construction in progress	\$ 947,045	\$ 234,725	\$ (947,045)	\$ 234,725
Capital assets, being depreciated				
Building and improvements	3,083,947	-	-	3,083,947
Right-to-use leased building, net	28,885	-	(9,903)	18,982
Infrastructure	30,691,683	674,800	-	31,366,483
Equipment	2,347,326	313,104	(45,288)	2,615,142
Total Capital Assets, Being Depreciated	<u>36,151,841</u>	<u>987,904</u>	<u>(55,191)</u>	<u>37,084,554</u>
Less accumulated depreciation for:				
Building and improvements	(1,086,501)	(116,057)	-	(1,202,558)
Infrastructure	(14,005,890)	(809,226)	-	(14,815,116)
Equipment	(1,502,856)	(306,303)	23,962	(1,785,197)
Total Accumulated Depreciation	<u>(16,595,247)</u>	<u>(1,231,586)</u>	<u>23,962</u>	<u>(17,802,871)</u>
Total Capital Assets Depreciated, Net	19,556,594	(243,682)	(31,229)	19,281,683
Business-type Activities Capital Assets	<u>\$ 20,503,639</u>	<u>\$ (8,957)</u>	<u>\$ (978,274)</u>	<u>\$ 19,516,408</u>

Depreciation of \$1,231,586 was charged to Water and Sewer.

Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE G – LONG-TERM DEBT

The following is a summary of long-term debt activity of the District for the year ended September 30, 2023:

Governmental Activities

Long-term debt at October 1, 2022	\$ 11,289,678
Issuance of long-term debt	15,831,558
Principal payments	<u>(1,587,220)</u>
Long-term Debt at September 30, 2023	25,534,016
Bond discount, net	<u>(160,208)</u>
Long-term Debt, Net at September 30, 2023	<u>\$ 25,373,808</u>

Business-type Activities

Long-term debt at October 1, 2022	\$ 505,467
Issuance of long-term debt	112,891
Principal payments	<u>(202,346)</u>
Long-term debt at September 30, 2023	<u>\$ 416,012</u>

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 at interest rates between 5.25% to 5.75% beginning in May 2014. Current portion is \$130,000.	\$ 1,630,000
\$11,710,000 Series 2023-1 Special Assessment Bonds, due in annual principal installments beginning May 2025 and maturing May 1, 2044. Interest payable in May and November at interest rates between 3.00% to 4.25% beginning in May 2023.	11,710,000
\$1,255,000 Series 2023-2 Special Assessment Bonds, due in annual principal installments beginning May 2025 and maturing May 1, 2044. Interest payable in May and November at interest rates between 3.00% to 4.25% beginning in May 2023.	<u>1,255,000</u>
Bonds Payable	<u>\$ 14,595,000</u>

Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE G – LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

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 \$187,079.	\$ 3,033,568
\$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 \$186,976.	3,055,230
\$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 \$5,140.	107,660
\$187,860 State Revolving Loan Fund SW360441, due in semi-annual principal installments beginning June 2021 and maturing December 15, 2040. Interest payable in June and December at an interest rate of 1.66%. Current portion is \$8,806.	177,214
\$2,229,594 State Revolving Loan Fund SW360442, due in semi-annual principal installments beginning February 2022 and maturing August 15, 2041. Current portion is \$113,243.	2,038,372
\$3,706,873 authorized, State Revolving Loan Fund SW3604A0, due in semi-annual principal installments beginning February 2025. The District has drawn \$2,526,972 of the amount authorized.	<u>2,526,972</u>
Notes payable	<u><u>\$ 10,939,016</u></u>

Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE G – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of long-term debt outstanding as of September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 631,244	\$ 659,839	\$ 1,291,083
2025	1,105,844	647,764	1,753,608
2026	1,130,500	620,095	1,750,595
2027	1,155,214	591,594	1,746,808
2028	1,179,986	562,397	1,742,383
2029-2033	6,338,624	2,351,409	8,690,033
2034-2038	6,107,178	1,542,308	7,649,486
2039-2043	4,438,454	728,160	5,166,614
2044	920,000	39,100	959,100
Totals	<u>\$ 23,007,044</u>	<u>\$ 7,742,666</u>	<u>\$ 30,749,710</u>

State Revolving Loan Fund SW3604A0 is not reflected in the amortization schedule above as additional note proceeds will be received.

Summary of Significant Bond Resolution Terms and Covenant

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

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

The Trust Indenture established certain amounts be maintained in a reserve account. In addition, the Trust Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements.

**Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023**

NOTE G – LONG-TERM DEBT (CONTINUED)

Summary of Significant Bond Resolution Terms and Covenant (Continued)

The following is a schedule of the debt service reserve requirement and balance in the reserve account at September 30, 2023:

	Reserve Balance	Reserve Requirement
Series 2013 Special Assessment Revenue Refunding Bond	\$ 50,000	\$ 50,000

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 \$594,242 and budgeted the use of fund balance of \$87,936 which was 1.28 times the loan payments for the year ended September 30, 2023.

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 \$149,266.

\$ 301,501

Notes Payable

\$170,505, State Revolving Loan Fund WW360490, due in semi-annual principal installments beginning February 2023. Interest payable in February and August at an interest rate of 0.73%. Current portion is \$9,318.

\$ 114,511

Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE G – LONG-TERM DEBT (CONTINUED)

Business-type Activities (Continued)

The annual requirements to amortize the principal and interest of long-term debt outstanding, as of September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 158,584	\$ 5,340	\$ 163,924
2025	165,051	2,260	167,311
2026	12,910	651	13,561
2027	13,004	556	13,560
2028	13,100	461	13,561
2029-2032	<u>53,363</u>	<u>880</u>	<u>54,243</u>
Totals	<u>\$ 416,012</u>	<u>\$ 10,148</u>	<u>\$ 426,160</u>

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, 2023, 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, 2023:

<u>Revenue Bonds</u>	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Series 2014-2 Water and Sewer Draw Down Revenue Bonds	<u>\$ 121,531</u>	<u>\$ 116,246</u>

Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023, are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 6,902	\$ 252	\$ 9,932	\$ 363	\$ 16,834	\$ 615
2025	6,776	81	9,750	117	16,526	198
Totals	<u>\$ 13,678</u>	<u>\$ 333</u>	<u>\$ 19,682</u>	<u>\$ 480</u>	<u>\$ 33,360</u>	<u>\$ 813</u>

The District recorded a right-to-use leased asset for building space. Right-to-use asset activity for the year ended September 30, 2023, was as follows:

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023
<u>Governmental Activities</u>				
Right-to-use assets				
Building space	\$ 20,646	\$ -	\$ -	\$ 20,646
Less accumulated amortization:				
Building space	(573)	(6,882)	-	(7,455)
Right-to-use Assets, Net	<u>\$ 20,073</u>	<u>\$ (6,882)</u>	<u>\$ -</u>	<u>\$ 13,191</u>
<u>Business-type Activities</u>				
Right-to-use assets				
Building space	\$ 29,710	\$ -	\$ -	\$ 29,710
Less accumulated amortization:				
Building space	(825)	(9,903)	-	(10,728)
Right-to-use Assets, Net	<u>\$ 28,885</u>	<u>\$ (9,903)</u>	<u>\$ -</u>	<u>\$ 18,982</u>

Gateway Services Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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
2024	\$ 172,335
2025	172,335
2026	172,335
2027	172,335
2028	172,335
2029-2033	861,675
Total	\$ 1,723,350

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.



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, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated May 31, 2024.

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

May 31, 2024



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, 2023, and have issued our report thereon dated May 31, 2024.

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 May 31, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been 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, 2023 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: 26
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 29
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$1,553,190
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$786,382
- 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, 2022, together with the total expenditures for such project: The District had the following construction projects: the Phase 2 Year 2 Lake Bank Project, \$916,716, Lake Bank Restoration Project, \$2,053,923, Griffin Roundabout, \$819,930, Basin Cleaning \$730,892, Stoneybrook Seal Coating, \$189,995, Admin Building, \$389,958, Road Repairs, \$135,849, Streetlight Conversion, \$528,113, Adjustable Weirs, \$1,046,536, Avila Road Resurfacing, \$124,063, and Irrigation System Generator, \$853,494.
- 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: \$534.45 - \$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 \$8,559,808.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds: See Note G for details.



Berger, Toombs, Elam,
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

May 31, 2024



**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, 2023. 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, 2023.

*Berger Toombs Elam
Gaines + Frank*

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

May 31, 2024

**Gateway Services Community Development District
SCHEDULE OF EXPENDITURES OF STATE PROJECTS
For the Year Ended September 30, 2023**

Description	CFDA CSFA No	Contract/ Grant Number	Expenditures
State:			
<u>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>			
Wastewater Treatment Facility Construction*	37.077	SW36049	\$ 22,061
Wastewater Treatment Facility Construction*	37.077	SW3604A	2,102,367
Wastewater Treatment Facility Construction*	37.077	SW360B1	<u>61,027</u>
Total Florida Department of Environmental Protection			<u>\$ 2,185,455</u>

* 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, 2023

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 Services Community Development 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, 2023**

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: \$655,637

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, 2023**

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, 2023. 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, 2023.

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

May 31, 2024