

**Riverwood Community
Development District**

ANNUAL FINANCIAL REPORT

September 30, 2023

Riverwood Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2023

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Riverwood Community Development District
Charlotte 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 Riverwood 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 Riverwood Community Development District as of September 30, 2023, and the respective changes in financial position and the budgetary comparison for the General and Special Revenue 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.

To the Board of Supervisors
Riverwood 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
Riverwood 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 8, 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 Riverwood Community Development District's internal control over financial reporting and compliance.



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

July 8, 2024

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

Management's discussion and analysis of Riverwood 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 assessments. Business-type activities are supported by charges to the users of those activities, such as water and sewer usage.

The **statement of net position** presents information on all assets, liabilities and deferred outflows of the District, with the difference between assets and liabilities reported as net position. Net position are 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 and related program revenues are reported by major function, 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, and interest on long-term debt. Business-type activities of the District include the water and sewer operation and interest on long-term debt.

Fund financial statements present financial information for governmental funds and enterprise funds. These statements provide financial information for the major and other governmental funds of the District. 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 Water and Sewer fund financial statements provide information on all assets and liabilities of the fund, changes in the economic resources (revenues and expenses), and total economic resources.

**Riverwood 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 Fund. For the Water and Sewer fund, a **statement of net position**, a **statement of revenues, expenses, and changes in 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.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as balances of expendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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, capital assets and long-term debt 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 \$17,527,246 (net position). Net investment in capital assets for Governmental Activities was \$4,693,975. Net investment in capital assets for Business-type Activities was \$6,969,143. Unrestricted net position for Governmental Activities was \$2,995,802 and for Business-type Activities was \$2,586,551. Restricted net position for Governmental Activities was \$281,775.
- ◆ Governmental Activities revenues totaled \$2,387,382 while Governmental Activities expenses totaled \$2,135,497. Business-type Activities revenues totaled \$2,431,158 while Business-type Activities expenses totaled \$2,504,457.

**Riverwood 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

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

Net Position

| | Governmental | | Business-type | | Total | |
|-------------------------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|
| | Activities | | Activities | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current assets | \$ 3,140,965 | \$ 2,883,089 | \$ 2,686,016 | \$ 2,364,834 | \$ 5,826,981 | \$ 5,247,923 |
| Restricted assets | 490,404 | 461,934 | 213,895 | 197,087 | 704,299 | 659,021 |
| Capital assets | <u>10,020,617</u> | <u>10,388,570</u> | <u>6,969,143</u> | <u>7,391,977</u> | <u>16,989,760</u> | <u>17,780,547</u> |
| Total Assets | <u>13,651,986</u> | <u>13,733,593</u> | <u>9,869,054</u> | <u>9,953,898</u> | <u>23,521,040</u> | <u>23,687,491</u> |
| Deferred amount on refunding | <u>1,056</u> | <u>1,584</u> | <u>-</u> | <u>-</u> | <u>1,056</u> | <u>1,584</u> |
| Current liabilities | 680,490 | 556,510 | 313,360 | 324,905 | 993,850 | 881,415 |
| Non-current liabilities | <u>5,001,000</u> | <u>5,459,000</u> | <u>-</u> | <u>-</u> | <u>5,001,000</u> | <u>5,459,000</u> |
| Total Liabilities | <u>5,681,490</u> | <u>6,015,510</u> | <u>313,360</u> | <u>324,905</u> | <u>5,994,850</u> | <u>6,340,415</u> |
| Net Position | | | | | | |
| Net investment in capital assets | 4,693,975 | 4,491,154 | 6,969,143 | 7,391,977 | 11,663,118 | 11,883,131 |
| Net position - restricted | 281,775 | 377,305 | - | - | 281,775 | 377,305 |
| Net position - unrestricted | <u>2,995,802</u> | <u>2,851,208</u> | <u>2,586,551</u> | <u>2,237,016</u> | <u>5,582,353</u> | <u>5,088,224</u> |
| Total Net Position | <u>\$ 7,971,552</u> | <u>\$ 7,719,667</u> | <u>\$ 9,555,694</u> | <u>\$ 9,628,993</u> | <u>\$ 17,527,246</u> | <u>\$ 17,348,660</u> |

The increase in current assets for governmental activities primarily relates to the increase in accounts receivable and prepaid expenses in the current year.

The decrease in capital assets is primarily the result of depreciation in the current year.

The decrease in non-current liabilities is primarily related to principal payments on long-term debt in the current year.

The increase in current assets for business-type activities is primarily due to the increase in cash in the current year.

**Riverwood 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 decrease in net investment in capital assets is related to capital additions were less than depreciation in the current year.

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

Change In Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------------------|------------------------------------|---------------------|-------------------------------------|---------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Program Revenues | | | | | | |
| Charges for services | \$ 2,214,158 | \$ 2,215,744 | \$ 2,336,143 | \$ 2,285,447 | \$ 4,550,301 | \$ 4,501,191 |
| General Revenues | | | | | | |
| Investment earnings | 158,848 | 18,130 | 95,015 | 12,543 | 253,863 | 30,673 |
| Other revenues | 14,376 | 32,965 | - | - | 14,376 | 32,965 |
| Total Revenues | <u>2,387,382</u> | <u>2,266,839</u> | <u>2,431,158</u> | <u>2,297,990</u> | <u>4,818,540</u> | <u>4,564,829</u> |
| Expenses | | | | | | |
| General government | 208,049 | 214,485 | - | - | 208,049 | 214,485 |
| Culture/recreation | 1,304,248 | 409,102 | - | - | 1,304,248 | 409,102 |
| Physical environment | 396,280 | 703,680 | - | - | 396,280 | 703,680 |
| Water and sewer | - | - | 2,504,457 | 2,281,901 | 2,504,457 | 2,281,901 |
| Interest and other charges | 226,920 | 234,857 | - | - | 226,920 | 234,857 |
| Total Expenses | <u>2,135,497</u> | <u>1,562,124</u> | <u>2,504,457</u> | <u>2,281,901</u> | <u>4,639,954</u> | <u>3,844,025</u> |
| Change in Net Position | 251,885 | 704,715 | (73,299) | 16,089 | 178,586 | 720,804 |
| Net Position - Beginning of Year | <u>7,719,667</u> | <u>7,014,952</u> | <u>9,628,993</u> | <u>9,612,904</u> | <u>17,348,660</u> | <u>16,627,856</u> |
| Net Position - End of Year | <u>\$ 7,971,552</u> | <u>\$ 7,719,667</u> | <u>\$ 9,555,694</u> | <u>\$ 9,628,993</u> | <u>\$ 17,527,246</u> | <u>\$ 17,348,660</u> |

The increase in culture recreation for governmental activities is primarily due to major hurricane related repairs in the current year.

The decrease in physical environment for governmental activities is the result of decreased gatehouse payroll costs in the current year.

**Riverwood 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 activity as of September 30, 2023.

| Description | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|--------------------------------|----------------------|---------------------------------|---------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land and improvements | \$ 2,093,166 | \$ 2,093,166 | \$ 343,998 | \$ 343,998 | \$ 2,437,164 | \$ 2,437,164 |
| Construction in progress | - | 20,200 | - | - | - | 20,200 |
| Building and improvements | 8,164,622 | 8,164,622 | 1,413,584 | 1,413,584 | 9,578,206 | 9,578,206 |
| Infrastructure | 26,516,155 | 26,516,155 | 10,649,119 | 10,649,119 | 37,165,274 | 37,165,274 |
| Equipment | 412,110 | 392,095 | 37,977 | 37,977 | 450,087 | 430,072 |
| Accumulated depreciation | (27,165,436) | (26,797,668) | (5,475,535) | (5,052,701) | (32,640,971) | (31,850,369) |
| Total Capital Assets (Net) | \$ 10,020,617 | \$ 10,388,570 | \$ 6,969,143 | \$ 7,391,977 | \$ 16,989,760 | \$ 17,780,547 |

During the year, depreciation for governmental activities was \$367,768, \$20,200 was removed from construction in progress, and \$20,015 was added to equipment. Business-type activities depreciation was \$422,834.

General Fund Budgetary Highlights

The budget exceeded governmental expenditures primarily due to less special project and reserve expenditures than were anticipated.

The September 30, 2023 budget was amended for an increase in emergency and disaster relief expenditures.

Debt Management

Governmental Activities debt includes the following:

- ◆ In March 2018, the District issued Series 2018 Special Assessment Revenue Refunding Note to pay off the Series 2015 Notes and pay for additional improvements. The Note was issued for \$7,500,000 at 3.795% interest maturing May 1, 2033. As of September 30, 2023, the District the balance outstanding was \$5,459,000.

**Riverwood 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

Riverwood Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2024.

Request for Information

This financial report is designed to provide homeowners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact Riverwood Community Development District, Inframark, LLC, 210 North University Drive, Suite 702, Coral Springs, Florida 33071.

Riverwood Community Development District
STATEMENT OF NET POSITION
September 30, 2023

| | Governmental Activities | Business-type Activities | Total |
|---------------------------------------|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and equivalents | \$ 2,892,695 | \$ 2,430,528 | \$ 5,323,223 |
| Accounts receivable, net of allowance | 111,189 | 191,503 | 302,692 |
| Due from other governments | 26,441 | - | 26,441 |
| Prepaid expenses | 78,307 | 63,985 | 142,292 |
| Deposits | 32,333 | - | 32,333 |
| Restricted assets: | | | |
| Customer deposits | - | 213,895 | 213,895 |
| Total Current Assets | 3,140,965 | 2,899,911 | 6,040,876 |
| Non-current Assets | | | |
| Restricted assets | | | |
| Cash and investments | 490,404 | - | 490,404 |
| Capital Assets: | | | |
| Capital assets, not being depreciated | | | |
| Land and improvements | 2,093,166 | 343,998 | 2,437,164 |
| Capital assets, being depreciated | | | |
| Buildings and improvements | 8,164,622 | 1,413,584 | 9,578,206 |
| Infrastructure | 26,516,155 | 10,649,119 | 37,165,274 |
| Equipment | 412,110 | 37,977 | 450,087 |
| Less: accumulated depreciation | (27,165,436) | (5,475,535) | (32,640,971) |
| Total Non-current Assets | 10,511,021 | 6,969,143 | 17,480,164 |
| Total Assets | 13,651,986 | 9,869,054 | 23,521,040 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred amount on refunding, net | 1,056 | - | 1,056 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable and accrued expenses | 136,170 | 99,465 | 235,635 |
| Notes payable | 458,000 | - | 458,000 |
| Accrued interest | 86,320 | - | 86,320 |
| Payable from restricted assets: | | | |
| Customer deposits | - | 213,895 | 213,895 |
| Total Current Liabilities | 680,490 | 313,360 | 993,850 |
| Non-current Liabilities | | | |
| Notes payable | 5,001,000 | - | 5,001,000 |
| Total Liabilities | 5,681,490 | 313,360 | 5,994,850 |
| NET POSITION | | | |
| Net investment in capital assets | 4,693,975 | 6,969,143 | 11,663,118 |
| Restricted for debt service | 281,775 | - | 281,775 |
| Unrestricted | 2,995,802 | 2,586,551 | 5,582,353 |
| Total Net Position | \$ 7,971,552 | \$ 9,555,694 | \$ 17,527,246 |

See accompanying notes to financial statements

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

| Functions/Programs | Expenses | Program Revenues Charges for Services | Net (Expense) Revenue and Changes in Net Position | | Total |
|-----------------------------------|-----------------------|--|--|---------------------------------|----------------------|
| | | | Governmental Activities | Business- type Activities | |
| Governmental Activities | | | | | |
| General government | \$ (208,049) | \$ 157,817 | \$ (50,232) | \$ - | \$ (50,232) |
| Culture/recreation | (1,304,248) | 435,873 | (868,375) | - | (868,375) |
| Physical environment | (396,280) | 946,956 | 550,676 | - | 550,676 |
| Interest and other charges | (226,920) | 673,512 | 446,592 | - | 446,592 |
| Total Governmental Activities | <u>(2,135,497)</u> | <u>2,214,158</u> | <u>78,661</u> | <u>-</u> | <u>78,661</u> |
| Business-type Activities | | | | | |
| Water and sewer utilities | (2,504,457) | 2,336,143 | - | (168,314) | (168,314) |
| Total Business-type Activities | <u>(2,504,457)</u> | <u>2,336,143</u> | <u>-</u> | <u>(168,314)</u> | <u>(168,314)</u> |
| Total Primary Government | <u>\$ (4,639,954)</u> | <u>\$ 4,550,301</u> | <u>78,661</u> | <u>(168,314)</u> | <u>(89,653)</u> |
| General Revenues | | | | | |
| Investment earnings | | | 158,848 | 95,015 | 253,863 |
| Other revenues | | | 14,376 | - | 14,376 |
| Total General Revenues | | | <u>173,224</u> | <u>95,015</u> | <u>268,239</u> |
| Change in Net Position | | | 251,885 | (73,299) | 178,586 |
| Net Position - October 1, 2022 | | | <u>7,719,667</u> | <u>9,628,993</u> | <u>17,348,660</u> |
| Net Position - September 30, 2023 | | | <u>\$ 7,971,552</u> | <u>\$ 9,555,694</u> | <u>\$ 17,527,246</u> |

See accompanying notes to financial statements.

Riverwood Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2023

| | General | Special Revenue | Debt Service 2018 | Total Governmental Funds |
|---------------------------------------|--------------|--------------------|-------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and cash equivalent | \$ 2,730,683 | \$ 162,012 | \$ - | \$ 2,892,695 |
| Accounts receivable | 111,189 | - | - | 111,189 |
| Due from other governments | 17,448 | - | 8,993 | 26,441 |
| Prepaid expenses | 58,394 | 19,913 | - | 78,307 |
| Deposits | 32,333 | - | - | 32,333 |
| Advance to other funds | 141,875 | - | - | 141,875 |
| Restricted assets | | | | |
| Investments | - | - | 490,404 | 490,404 |
| Total Assets | \$ 3,091,922 | \$ 181,925 | \$ 499,397 | \$ 3,773,244 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued expenses | \$ 132,231 | \$ 3,939 | \$ - | \$ 136,170 |
| Advance from other funds | - | 141,875 | - | 141,875 |
| Total Liabilities | 132,231 | 145,814 | - | 278,045 |
| Fund Balances: | | | | |
| Nonspendable: | | | | |
| Prepaid | 58,394 | 19,913 | - | 78,307 |
| Deposits | 32,333 | - | - | 32,333 |
| Advances | 141,875 | - | - | 141,875 |
| Restricted for: | | | | |
| Debt service | - | - | 499,397 | 499,397 |
| Assigned: | | | | |
| Activity center | 745,653 | - | - | 745,653 |
| Environmental services | 649,648 | - | - | 649,648 |
| Roadways | 862,787 | - | - | 862,787 |
| RV park | 119,001 | - | - | 119,001 |
| Operating reserves | 350,000 | - | - | 350,000 |
| Beach club | - | 16,198 | - | 16,198 |
| Total Fund Balances | 2,959,691 | 36,111 | 499,397 | 3,495,199 |
| Total Liabilities and Fund Balances | \$ 3,091,922 | \$ 181,925 | \$ 499,397 | \$ 3,773,244 |

See accompanying notes to financial statements.

**Riverwood Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2023**

| | |
|--|----------------------------|
| Total Governmental Fund Balances | \$ 3,495,199 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets, not being depreciated, land and improvements, used in governmental activities are not current financial resources and, therefore, are not reported at the fund level. | 2,093,166 |
| Capital assets, being depreciated, infrastructure, \$26,516,155, buildings and improvements, \$8,164,622, and equipment, \$412,110, net of accumulated depreciation, \$(27,165,436), used in governmental activities are not current financial resources; and therefore, are not reported at the fund level. | 7,927,451 |
| Deferred amounts on refunding are not current financial uses, and therefore, are not reported at the fund level. | 1,056 |
| Long-term liabilities, notes payable, are not due and payable in the current period and; therefore, are not reported at the governmental fund statement level. | (5,459,000) |
| Accrued interest on long-term debt is not a current financial use, and therefore, is not reported at the fund level. | <u>(86,320)</u> |
| Net Position of Governmental Activities | <u><u>\$ 7,971,552</u></u> |

See accompanying notes to financial statements.

Riverwood Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

| | General | Special Revenue | Debt Service 2018 | Total Governmental Funds |
|---|---------------------|--------------------|-------------------------|--------------------------------|
| Revenues | | | | |
| Special assessments | \$ 1,306,683 | \$ - | \$ 673,512 | \$ 1,980,195 |
| Charges for services | 60,198 | 173,765 | - | 233,963 |
| Investment earnings | 131,763 | 3,439 | 23,646 | 158,848 |
| Other revenues | 14,114 | 262 | - | 14,376 |
| Total Revenues | 1,512,758 | 177,466 | 697,158 | 2,387,382 |
| Expenditures | | | | |
| Current | | | | |
| General government | 203,572 | - | 4,477 | 208,049 |
| Physical environment | 260,449 | - | - | 260,449 |
| Culture/recreation | 1,221,501 | 141,254 | - | 1,362,755 |
| Capital outlay | 20,015 | - | - | 20,015 |
| Debt service | | | | |
| Principal | - | - | 440,000 | 440,000 |
| Interest | - | 9,483 | 223,867 | 233,350 |
| Total Expenditures | 1,705,537 | 150,737 | 668,344 | 2,524,618 |
| Excess of revenues over/(under) expenditures | (192,779) | 26,729 | 28,814 | (137,236) |
| Other Financing Sources/(Uses) | | | | |
| Insurance proceeds | 301,944 | 8,700 | - | 310,644 |
| Net change in fund balances | 109,165 | 35,429 | 28,814 | 173,408 |
| Fund Balances - October 1, 2022 | 2,850,526 | 682 | 470,583 | 3,321,791 |
| Fund Balances - September 30, 2023 | \$ 2,959,691 | \$ 36,111 | \$ 499,397 | \$ 3,495,199 |

See accompanying notes to financial statements.

Riverwood 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 | \$ 173,408 |
|--|------------|

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 is allocated over their estimated useful lives as depreciation expense. This is the amount that depreciation, \$(367,768), and disposal of construction in progress, \$(20,200), exceeded capital outlay, \$20,015. | (367,953) |
|--|-----------|

| | |
|--|-------|
| The deferred amount on refunding is a current use at the fund level, at the government-wide level, however, it is a deferred outflow amortized over the life of the debt. This is the current year amortization. | (528) |
|--|-------|

| | |
|---|---------|
| Repayment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the Statement of Net Position and are eliminated in the Statement of Activities. | 440,000 |
|---|---------|

| | |
|---|-------|
| Accrued interest expense is reported in the Statement of Activities but in governmental funds interest expenditures are reported when due. This is the net amount between current year and prior year accruals. | 6,958 |
|---|-------|

| | |
|---|--------------------------|
| Change in Net Position of Governmental Activities | <u><u>\$ 251,885</u></u> |
|---|--------------------------|

See accompanying notes to financial statements.

Riverwood 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> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|----------------------------|---------------------------|---------------------------|---|
| Revenues | | | | |
| Special assessments | \$1,299,501 | \$1,299,501 | \$ 1,306,683 | \$ 7,182 |
| Charges for services | 67,000 | 67,000 | 60,198 | (6,802) |
| Investment earnings | 1,693 | 1,693 | 131,763 | 130,070 |
| Other revenues | 500 | 500 | 14,114 | 13,614 |
| Total Revenues | <u>1,368,694</u> | <u>1,368,694</u> | <u>1,512,758</u> | <u>144,064</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 222,418 | 222,418 | 203,572 | 18,846 |
| Physical environment | 258,148 | 325,206 | 260,449 | 64,757 |
| Culture/recreation | 888,128 | 1,203,255 | 1,221,501 | (18,246) |
| Capital outlay | - | - | 20,015 | (20,015) |
| Total Expenditures | <u>1,368,694</u> | <u>1,750,879</u> | <u>1,705,537</u> | <u>45,342</u> |
| Excess of revenues over/(under) expenditures | - | (382,185) | (192,779) | 189,406 |
| Other Financing Sources/(Uses) | | | | |
| Insurance proceeds | - | - | 301,944 | 301,944 |
| Net change in fund balances | - | (382,185) | 109,165 | 491,350 |
| Fund Balances - October 1, 2022 | <u>3,268,569</u> | <u>2,993,303</u> | <u>2,850,526</u> | <u>(142,777)</u> |
| Fund Balances - September 30, 2023 | <u><u>\$3,268,569</u></u> | <u><u>\$2,611,118</u></u> | <u><u>\$2,959,691</u></u> | <u><u>\$ 348,573</u></u> |

See accompanying notes to financial statements.

Riverwood Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUND
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|----------------------------|-------------------------|------------------|---|
| Revenues | | | | |
| Charges for services | \$ 173,000 | \$ 173,000 | \$ 173,765 | \$ 765 |
| Investment earnings | 200 | 200 | 3,439 | 3,239 |
| Other revenues | 500 | 500 | 262 | (238) |
| Total Revenues | <u>173,700</u> | <u>173,700</u> | <u>177,466</u> | <u>3,766</u> |
| Expenditures | | | | |
| Current | | | | |
| Culture/recreation | 149,256 | 170,816 | 141,254 | 29,562 |
| Debt service | | | | |
| Principal | 23,617 | 23,617 | - | 23,617 |
| Interest | 827 | 9,483 | 9,483 | - |
| Total Expenditures | <u>173,700</u> | <u>203,916</u> | <u>150,737</u> | <u>53,179</u> |
| Excess of revenues over/(under) expenditures | <u>-</u> | <u>(30,216)</u> | <u>26,729</u> | <u>56,945</u> |
| Other Financing Sources/(Uses) | | | | |
| Insurance proceeds | <u>-</u> | <u>-</u> | <u>8,700</u> | <u>8,700</u> |
| Net change in fund balances | - | (30,216) | 35,429 | 65,645 |
| Fund Balances - October 1, 2022 | <u>95,468</u> | <u>187,290</u> | <u>682</u> | <u>(186,608)</u> |
| Fund Balances - September 30, 2023 | <u>\$ 95,468</u> | <u>\$ 157,074</u> | <u>\$ 36,111</u> | <u>\$ (120,963)</u> |

See accompanying notes to financial statements.

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

ASSETS

Current Assets

| | |
|---------------------------------------|--------------|
| Cash and cash equivalents | \$ 2,430,528 |
| Accounts receivable, net of allowance | 191,503 |
| Prepaid expenses | 63,985 |
| Restricted Assets: | |
| Cash for customer deposits | 213,895 |
| Total Current Assets | 2,899,911 |

Non-current Assets

Capital Assets:

| | |
|----------------------------|-------------|
| Land | 343,998 |
| Buildings and improvements | 1,413,584 |
| Infrastructure | 10,649,119 |
| Equipment | 37,977 |
| Accumulated depreciation | (5,475,535) |
| Total Non-current Assets | 6,969,143 |
| Total Assets | 9,869,054 |

LIABILITIES

Current Liabilities

| | |
|--|---------|
| Accounts payable and accrued expenses | 99,465 |
| Payable from restricted assets: | |
| Customer deposits | 213,895 |
| Total Current Liabilities | 313,360 |

NET POSITION

| | |
|----------------------------------|--------------|
| Net investment in capital assets | 6,969,143 |
| Unrestricted | 2,586,551 |
| Total Net Position | \$ 9,555,694 |

See accompanying notes to financial statements.

Riverwood 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 | |
| Charges for Services | |
| Water and sewer charges | \$ 2,303,282 |
| Meter and other fees | 32,861 |
| Total Operating Revenues | 2,336,143 |
| Operating Expenses | |
| Cost of sales and services | 1,888,342 |
| General and administrative | 193,281 |
| Depreciation | 422,834 |
| Total Operating Expenses | 2,504,457 |
| Operating Income/(Loss) | (168,314) |
| Non-operating revenues/(expenses) | |
| Interest earnings | 95,015 |
| Change in Net Position | (73,299) |
| Net Position - October 1, 2022 | 9,628,993 |
| Net Position - September 30, 2023 | \$ 9,555,694 |

See accompanying notes to financial statements.

Riverwood 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 | \$ 2,334,095 |
| Cash paid to suppliers | (2,173,961) |
| Net Cash Provided By Operating Activities | 160,134 |
| Cash Flows From Investing Activities | |
| Interest income | 95,015 |
| Net increase in cash and equivalents | 255,149 |
| Cash and equivalents, beginning of year | 2,389,274 |
| Cash and equivalents, end of year | \$ 2,644,423 |
| Reconciliation of Net Operating Income to Net Cash Provided By Operating Activities | |
| Cash Flows From Operating Activities: | |
| Operating income/(loss) | \$ (168,314) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation | 422,834 |
| Changes in assets and liabilities: | |
| Increase in accounts receivable | (18,856) |
| Increase in prepaid expenses | (63,985) |
| Decrease in accounts payable | (28,353) |
| Increase in customer deposits | 16,808 |
| Total Adjustments | 328,448 |
| Net Cash Provided By Operating Activities | \$ 160,134 |

See accompanying notes to financial statements.

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF ACCOUNTING POLICIES

The financial statements of Riverwood 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 in 1991, by the Board of County Commissioners of Charlotte County by Ordinance 91-58, pursuant to the provisions of Chapter 190, Florida Statutes, for the purpose of planning, financing, constructing, operating, and maintaining certain community-wide infrastructure. In August 2020, through Charlotte County Ordinance 2000-025, the District boundaries were expanded by approximately 22.65 acres. The District is governed by a five member Board of Supervisors, who are elected to a term of four years by landholders of the District on a one-vote-per acre basis.

As required by GAAP, these financial statements present the Riverwood 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 by the Governmental Accounting Standards Board, 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 all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Riverwood 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 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 financial 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

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.

Riverwood 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 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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.

Riverwood 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)

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. The District applies all GASB pronouncements as well as all FASB and AICPA pronouncements, issued on or before November 30, 1989, which do not conflict with, or contradict, GASB pronouncements.

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.

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation

a. Governmental Major 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

The special revenue fund is used to account for the activity of the Beach Club maintained by the District.

Debt Service Fund – 2018

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on the 2018 note payable.

b. Enterprise Major Fund

Water and Sewer Fund

The water and sewer fund accounts for the operations that provide water and sewer utility services within the District.

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 be reported in the governmental activities column in the government-wide statement of net position.

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Deferred Outflows of Resources, Liabilities, 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.

For purposes of the statement of cash flows, cash equivalents include time deposits and certificates of deposit with original maturities of three months or less and held in a qualified public depository as defined by Florida Statute 280.02.

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. 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.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

d. Capital Assets

Capital assets, which include land and improvements, buildings 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.

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 | 20-40 years |
| Infrastructure | 15-40 years |
| Equipment | 7 years |

e. Budgets

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.

f. Deferred Outflows of Resources

Deferred outflows of resources is the consumption of net position by the government that is applicable to a future reported period. Deferred amount on refunding is amortized and recognized as a component of interest expense over the life of the note.

Riverwood 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, \$3,495,199, differs from “net position” of governmental activities, \$7,971,552, 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 as follows:

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 | \$ | \$2,093,166 |
| Buildings and improvements | | \$8,164,622 |
| Infrastructure | | \$26,516,155 |
| Equipment | | \$412,110 |
| Accumulated depreciation | | <u>(27,165,436)</u> |
| Total | | <u>\$ 10,020,617</u> |

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.

| | | |
|---------------|----|--------------------|
| Notes payable | \$ | <u>(5,459,000)</u> |
|---------------|----|--------------------|

Deferred amount on refunding

Deferred amount on refunding is an other debt service cost at the fund level. It is recognized as a deferred outflow of resources at the government-wide level and amortized over the life of the associated note payable.

| | | |
|------------------------------|----|----------------|
| Deferred amount on refunding | \$ | <u>\$1,056</u> |
|------------------------------|----|----------------|

Accrued interest

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

| | | |
|------------------|----|-------------------|
| Accrued interest | \$ | <u>(\$86,320)</u> |
|------------------|----|-------------------|

Riverwood 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, \$173,408, differs from the “change in net position” for governmental activities, \$251,885, 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 as follows.

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 is allocated over their estimated useful lives and reported as depreciation expense. 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.

| | |
|--------------------------------------|---------------------|
| Depreciation | \$ (367,768) |
| Disposal of construction in progress | (20,200) |
| Capital outlay | <u>20,015</u> |
| Total | <u>\$ (367,953)</u> |

Long-term debt transactions

The issuance of long-term debt and repayments of principal are reported as other financing sources and expenditures in the governmental funds and, thus, have the effect of increasing fund balance because current financial resources have been used.

| | |
|-------------------------|-------------------|
| Note principal payments | <u>\$ 440,000</u> |
|-------------------------|-------------------|

The deferred amount on refunding is recognized as a current use at the fund level, however, at the government-wide level, it is a deferred outflow amortized over the life of the debt. This is the current year amortization

| | |
|------------------|-----------------|
| Interest expense | <u>\$ (528)</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.

| | |
|--|-----------------|
| Net change in accrued interest payable | <u>\$ 6,958</u> |
|--|-----------------|

**Riverwood 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. The District does, however, follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2023, the District's bank balance was \$5,683,991 and the carrying value was \$5,537,118. Exposure to custodial credit risk was as follows. The District maintains all deposits and certificates of deposit 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:

| Investment | Maturities | Fair Value |
|---|------------|------------|
| First American Government Obligation Fund | 24 days* | \$ 490,404 |

*Maturity is a weighed 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 use 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, the investments in First American Government Obligation Fund is a Level 1 asset.

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Investments

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. The First American Government Obligation Fund investments were rated AAAM by Standard & Poor's.

Concentration of Credit Risk

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

The types of deposits and investments and their level of risk exposure as of September 30, 2023 were typical.

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

NOTE D – SPECIAL ASSESSMENT REVENUES

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 Section 197.162, Florida Statutes, 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.

NOTE E – INTERFUND BALANCES

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

| Receivable Fund | Payable Fund |
|------------------------|----------------------|
| General Fund | Special Revenue Fund |
| | \$ 141,875 |

Interfund balances between the General Fund and the Special Revenue Fund are due to an internal advance from the General Fund to the Special Revenue Fund for the Beach Club.

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE F – 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 being depreciated: | | | | |
| Land and land improvements | \$ 2,093,166 | \$ - | \$ - | \$ 2,093,166 |
| Construction in progress | 20,200 | - | (20,200) | - |
| Total Capital Assets, Not Depreciated | <u>2,113,366</u> | <u>-</u> | <u>(20,200)</u> | <u>2,093,166</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 8,164,622 | - | - | 8,164,622 |
| Equipment | 392,095 | 20,015 | - | 412,110 |
| Infrastructure | 26,516,155 | - | - | 26,516,155 |
| Total Capital Assets, Being Depreciated | <u>35,072,872</u> | <u>20,015</u> | <u>-</u> | <u>35,092,887</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (1,514,114) | (209,263) | - | (1,723,377) |
| Equipment | (179,422) | (42,874) | - | (222,296) |
| Infrastructure | (25,104,132) | (115,631) | - | (25,219,763) |
| Total Accumulated Depreciation | <u>(26,797,668)</u> | <u>(367,768)</u> | <u>-</u> | <u>(27,165,436)</u> |
| Total Capital Assets Depreciated, Net | <u>8,275,204</u> | <u>(347,753)</u> | <u>-</u> | <u>7,927,451</u> |
| Governmental Activities Capital Assets | <u>\$ 10,388,570</u> | <u>\$ (347,753)</u> | <u>\$ (20,200)</u> | <u>\$ 10,020,617</u> |

Depreciation of \$367,768 was charged to culture/recreation, \$252,137, and physical environment, \$115,631.

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE F – CAPITAL ASSETS (CONTINUED)

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

| | Balance October 1, 2022 | Additions | Deletions | Balance September 30, 2023 |
|---|-------------------------------|---------------------|-------------|----------------------------------|
| <u>Business-type activities:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 343,998 | \$ - | \$ - | \$ 343,998 |
| Capital assets, being depreciated: | | | | |
| Buildings | 1,413,584 | - | - | 1,413,584 |
| Equipment | 37,977 | - | - | 37,977 |
| Infrastructure | 10,649,119 | - | - | 10,649,119 |
| Total Capital Assets, Being Depreciated | <u>12,100,680</u> | <u>-</u> | <u>-</u> | <u>12,100,680</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (829,875) | (35,340) | - | (865,215) |
| Equipment | (12,204) | (5,855) | - | (18,059) |
| Infrastructure | (4,210,622) | (381,639) | - | (4,592,261) |
| Total Accumulated Depreciation | <u>(5,052,701)</u> | <u>(422,834)</u> | <u>-</u> | <u>(5,475,535)</u> |
| Total Capital Assets Depreciated, Net | <u>7,047,979</u> | <u>(422,834)</u> | <u>-</u> | <u>6,625,145</u> |
| Business-type Activities Capital Assets | <u>\$ 7,391,977</u> | <u>\$ (422,834)</u> | <u>\$ -</u> | <u>\$ 6,969,143</u> |

Depreciation expense of \$422,834 was charged to cost of sales and services.

NOTE G – LONG-TERM DEBT

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

| | |
|--------------------------------------|---------------------|
| Long-term debt at October 1, 2022 | \$ 5,899,000 |
| Principal payments | <u>440,000</u> |
| Long-term debt at September 30, 2023 | <u>\$ 5,459,000</u> |

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

NOTE G – LONG-TERM DEBT (CONTINUED)

Long-term debt is comprised of the following:

Revenue Refunding Note

Series 2018 Special Assessment Revenue Refunding Note on March 22, 2018, maturing May 2033 at an interest rate of 3.795% payable on May 1 and November 1 beginning May 1, 2018; collateralized by the pledged revenues of the special assessment levied against the benefited property owners. Current portion is \$458,000.

\$ 5,459,000

Summary of Significant Note Resolution Terms and Covenants

The Trust Indenture has certain restrictions and requirements relating principally to the use of proceeds and the procedures to be followed by the District on assessments to property owners.

The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with the requirements of the Trust Indenture.

Depository Funds

The note establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes is as follows:

1. Reserve Fund – The Series 2018 Reserve Account is funded from proceeds of the Series 2018 Note in an amount equal to twenty percent of the maximum annual debt service. Monies held in the reserve account will be used only for the purposes established by the Trust Indenture.

| | Reserve Balance | Reserve Requirement |
|--|--------------------|------------------------|
| Series 2018 Special Assessment Revenue Refunding Note | \$ 131,302 | \$ 131,302 |

**Riverwood 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 bonded 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 | \$ 458,000 | \$ 207,169 | \$ 665,169 |
| 2025 | 475,000 | 189,788 | 664,788 |
| 2026 | 493,000 | 171,762 | 664,762 |
| 2027 | 512,000 | 153,052 | 665,052 |
| 2028 | 533,000 | 133,622 | 666,622 |
| 2029-2033 | <u>2,988,000</u> | <u>348,836</u> | <u>3,336,836</u> |
| Totals | <u>\$ 5,459,000</u> | <u>\$ 1,204,229</u> | <u>\$ 6,663,229</u> |

NOTE H – 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.



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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
Riverwood Community Development District
Charlotte 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 Riverwood 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 July 8, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Riverwood 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 Riverwood Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Riverwood 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
Riverwood Community Development District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Riverwood 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

July 8, 2024



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MANAGEMENT LETTER

To the Board of Supervisors
Riverwood Community Development District
Charlotte County, Florida

Report on the Financial Statements

We have audited the financial statements of the Riverwood Community Development District as of and for the year ended September 30, 2023, and have issued our report thereon dated July 8, 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 July 8, 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. The following findings or recommendations were made in the preceding financial audit report:

To the Board of Supervisors
Riverwood Community Development District

Finding 2022-01, 2021-01 & 2020-01

Finding: Certain late fees and other miscellaneous fees on the monthly billing summaries could not be reconciled to the general ledger.

Recommendation: Management should change reporting procedures to ensure that billing registers are accurately posted to the general ledger in a manner that all miscellaneous fees and adjustments can be reconciled.

Management Response: In October 2022, the billing register was modified to include all miscellaneous fees and adjustments and the miscellaneous fees and adjustments are posted and reconciled to the general ledger.

Current Status: Finding was corrected in current year.

Financial Condition and Management

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 Riverwood 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 Riverwood Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2023 for the Riverwood Community Development District. It is management's responsibility to monitor the Riverwood 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.

To the Board of Supervisors
Riverwood Community Development District

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 Riverwood Community Development District reported:

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 15
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 21
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$552,155
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$577,570
- 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: Replacement meters, \$261,206, and tank coating, \$193,000.
- 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 amended, see below.

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

- 1) The rate or rates of non-ad valorem special assessments imposed by the District: The General Fund, \$666.95 – \$962.55 and the Debt Service Fund, \$130.33 – \$515.98.
- 2) The amount of special assessments collected by or on behalf of the District: Total special assessments collected was \$1,980,195.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds: Series 2018 Bonds, \$5,459,000, maturing May 2033.

To the Board of Supervisors
Riverwood Community Development District

| | Original Budget | Actual | Variance with Original Budget Positive (Negative) |
|--|----------------------------|---------------------|--|
| Revenues | | | |
| Special assessments | \$ 1,299,501 | \$ 1,306,683 | \$ 7,182 |
| Charges for services | 67,000 | 60,198 | (6,802) |
| Other revenues | 500 | 14,114 | 13,614 |
| Investment earnings | 1,693 | 131,763 | 130,070 |
| Total Revenues | <u>1,368,694</u> | <u>1,512,758</u> | <u>144,064</u> |
| Expenditures | | | |
| Current | | | |
| General government | 222,418 | 203,572 | 18,846 |
| Physical environment | 258,148 | 260,449 | (2,301) |
| Culture and recreation | 888,128 | 1,221,501 | (333,373) |
| Capital outlay | - | 20,015 | (20,015) |
| Total Expenditures | <u>1,368,694</u> | <u>1,705,537</u> | <u>(336,843)</u> |
| Excess of revenues over/(under) expenditures | - | (192,779) | (192,779) |
| Other Financing Sources/(Uses) | | | |
| Insurance proceeds | - | 301,944 | 301,944 |
| Net changes in fund balance | - | 109,165 | 109,165 |
| Fund Balances - October 1, 2022 | <u>3,268,569</u> | <u>2,850,526</u> | <u>(418,043)</u> |
| Fund Balances - September 30, 2023 | <u>\$ 3,268,569</u> | <u>\$ 2,959,691</u> | <u>\$ (308,878)</u> |

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.

To the Board of Supervisors
Riverwood Community Development District

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

July 8, 2024



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

To the Board of Supervisors
Riverwood Community Development District
Charlotte County, Florida

We have examined Riverwood Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2023. Management is responsible for Riverwood Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Riverwood 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 Riverwood 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 Riverwood Community Development District's compliance with the specified requirements.

In our opinion, Riverwood Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2023.

*Berger Toombs Elam
Gaines + Frank*

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Certified Public Accountants PL
Fort Pierce, Florida

July 8, 2024