

# 2025

Lakewood Ranch Community  
Development District 1

Financial Statements and  
Independent Auditor's Report

September 30, 2025

**PURVIS GRAY**  
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**LAKEWOOD RANCH  
COMMUNITY DEVELOPMENT DISTRICT 1  
LAKEWOOD RANCH, FLORIDA**

**SEPTEMBER 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Lakewood Ranch Community Development District 1  
Lakewood Ranch, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Lakewood Ranch Community Development District 1 (the District) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

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

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

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

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

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## INDEPENDENT AUDITOR'S REPORT

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information, as listed in the table of contents (collectively, the required supplementary information), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to

Board of Supervisors  
Lakewood Ranch Community Development District 1  
Lakewood Ranch, Florida

### INDEPENDENT AUDITOR'S REPORT

be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Purvis Gray*

February 9, 2026  
Sarasota, Florida

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Lakewood Ranch Community Development District 1 (the District), our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the District's independent auditor's report, basic financial statements, accompanying notes, and required supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

#### Government-Wide Financial Statements

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year and resulted in a net position of \$2,089,879.
- The District's net position decreased by \$724,305 for the year.

#### Fund Financial Statements

- At September 30, 2025, the District's general fund reported an ending fund balance of \$1,125,689, a decrease of \$691,765 for the year.

### OVERVIEW OF FINANCIAL STATEMENTS

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

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances. The *statement of net position* and *statement of activities* focus on the government "taken as a whole" rather than on fund types.

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

The *statement of activities* presents information showing how the District's net position changed during the year. Revenues are recognized when earned and expenses are reported when incurred.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the following functions: general government (Town Hall, maintenance facility, and other administration), maintenance and operations, security, and special projects.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only governmental funds. There are no business-type or fiduciary funds.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Governmental Funds

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

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

The District maintains one governmental fund for external reporting. Information for that fund is presented separately in the general fund balance sheet and the general fund statement of revenues, expenditures, and changes in fund balances. The general fund is considered a major fund.

The District adopts an annual budget for the general fund. In the required supplementary information section, a budgetary comparison schedule has been provided for the general fund.

### Notes to the Financial Statements

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Key components of the District's net position as of September 30 of each year are reflected in the following table:

	<u>2025</u>	<u>2024</u>
Assets, Excluding Capital Assets	\$ 1,305,911	\$ 2,005,017
Capital Assets, Net of Depreciation	964,190	996,730
<b>Total Assets</b>	<u>2,270,101</u>	<u>3,001,747</u>
Liabilities	<u>180,222</u>	<u>187,563</u>
<b>Total Liabilities</b>	<u>180,222</u>	<u>187,563</u>
<b>Net Position</b>		
Net Investment in Capital Assets	964,190	996,730
Restricted for Infrastructure Improvements	-	302,396
Unrestricted	<u>1,125,689</u>	<u>1,515,058</u>
<b>Total Net Position</b>	<u>\$ 2,089,879</u>	<u>\$ 2,814,184</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The District's net position reflects its investment in capital assets (e.g., land, infrastructure, other improvements, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay any such debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

The District's net position decreased during the year by \$724,305. The decrease reflects the extent to which the costs of operations, including depreciation, exceed program and general revenues.

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

	2025	2024
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 2,764,319	\$ 2,497,222
Grants and Contributions	203,397	-
General Revenues	113,174	161,987
<b>Total Revenues</b>	3,080,890	2,659,209
<b>Expenses</b>		
General Government:		
Town Hall	88,600	68,640
Maintenance Facility	69,514	69,924
Other Administration	502,947	434,985
Maintenance and Operations	3,144,134	2,276,334
<b>Total Expenses</b>	3,805,195	2,849,883
<b>Change in Net Position</b>	(724,305)	(190,674)
<b>Net Position, Beginning of Year</b>	2,814,184	3,004,858
<b>Net Position, End of Year</b>	\$ 2,089,879	\$ 2,814,184

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2025, was \$3,805,195. The costs of the District's activities were primarily funded by program revenues. In the current year, program revenues are comprised primarily of annual assessments and other grants and contributions. Program revenues increased by \$470,494 from 2024 to 2025. During the fiscal year Homeowners' Association (HOA), Summerfield/Riverwalk Village Association (SRVA), contributed \$183,000 to the District for the Heron's Lake Pond Bank Repair Project. This is reflected in the statement of activities as an operating contribution. Expenses increased by \$955,312 for a variety of reasons, such as costs for labor and maintenance, hurricane-related cleanup and repairs, common areas upkeep, increases in operating costs and repair materials driven by price fluctuations and current market conditions.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FINANCIAL ANALYSIS OF THE GENERAL FUND

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal and contractual requirements. The District's general fund includes all activities of the District. There are no other funds.

The focus of the District's *general fund* is to provide information on *near-term* inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the District's net resources available for spending at the end of the year.

At the end of the current fiscal year, unassigned fund balance of the general fund was \$533,951 and total fund balance was \$1,125,689. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 14.2% of total general fund expenditures while the total fund balance represents 29.8% of the same amount.

### GENERAL FUND BUDGETARY COMPARISON

An operating budget was adopted and maintained by the District, pursuant to the requirements of *Florida Statutes*. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors through resolution and in compliance with the statutory budget adoption process, which includes a Public Hearing to consider the amendment. The general fund budget for the fiscal year ending September 30, 2025, was amended to increase appropriations by \$961,000 and use \$758,000 of the fund balance.

The difference between the original expenditures budget and the final budget are summarized as follows:

#### Revenues:

- \$183,000 increase - HOA (SRVA) Contributions
- \$20,000 increase - Grant Contributions (Hurricane related)

#### Expenditures:

##### Increases:

- \$2,000 - District Engineering Services
- \$26,000 - Special Engineering Services (Special Projects)
- \$6,000 - Insurance
- \$320,000 - Misc. Non-Contracted Maintenance (Hurricane Cleanup)
- \$5,000 - Hardwood Non-Contracted Maintenance
- \$529,000 - Supplement Stormwater Pond Maintenance (Pond Bank repair Project)
- \$13,000 - Storm Drain/Inlet Repairs
- \$92,000 - Irrigation Main Line Repairs/Valve Replacement
- \$44,000 - Drainage Maintenance
- \$7,000 - Signage

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Decreases:

- \$27,000 - Plant Replacement
- \$23,000 - Conservation/Preserve/Wetland Maintenance
- \$21,000 - Irrigation Usage (Braden River Utilities)
- \$5,160 - Park Facilities Maintenance
- \$6,840 - Special Projects

The original budget required utilization of carry forward surplus of \$50,000 and restricted infrastructure reserves of \$100,000 to balance an appropriation plan in excess of funding sources. The original appropriations budget was \$2,947,320. The final (amended) budget required an additional utilization of carry forward surplus of \$390,000 and special project reserves (CIP) of \$368,000 for a total of \$758,000 to balance an appropriation plan in excess of funding sources. The final (amended) appropriation budget was \$3,908,320. Actual results *reduced* fund balance by \$691,765. Revenues were \$80,570 over the budget and expenditures were \$135,665 under the budget. The variances occurred for a variety of reasons.

A budgetary comparison schedule is shown in the required supplementary information section of the report.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES ADMINISTRATION

### Capital Assets

The District's investment in capital assets at September 30, 2025, totaled \$964,190 (net of accumulated depreciation). Capital assets include land, infrastructure, other improvements, and machinery and equipment. There were no additions or disposals of assets during the fiscal year. More detailed information about the District's capital assets is presented in Note 5 to the financial statements.

### Long-Term Liabilities

There was no new debt issued during the year. The District retired its bonds outstanding on the final maturity date of May 1, 2014, and no longer has any long-term liabilities, including long-term debt.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2026 general fund budget uses carry forward surplus of \$183,000, Special Project reserves (CIP) of \$200,120, and includes a 6.4% increase in the operation and maintenance assessment rate to balance an appropriation plan in excess of funding sources. The District does not anticipate significant changes in its operations for fiscal year 2026, except for the replenishment of its fund balance.

As we prepare for the budget for fiscal year 2026, the District should take several critical economic factors into account, notably the current state of the economy and inflation trends. If the prices of goods and services keep rising, it may result in higher expenses for the District, which would consequently impact the budget allocations. Additionally, inflation can affect maintenance costs, construction expenses, and material prices, which can potentially influence the District's operations and planned capital improvements. It is essential to continuously monitor overall economic conditions and consider these variables. By taking a proactive and forward-thinking approach, the District can ensure that its budget is realistic, aligned with its strategic goals, and resilient in the face of potential economic fluctuations.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Lakewood Ranch Community Development District 1's Finance Department at Town Hall, 8175 Lakewood Ranch Blvd., Lakewood Ranch, Florida, 34202.

**LAKEWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2025**  
**LAKEWOOD RANCH, FLORIDA**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 282,705
Investments	1,015,218
Due from Other Governments	7,286
Deposits	702
Capital Assets:	
Depreciable Assets, Net	174,893
Non-Depreciable	789,297
<b>Total Assets</b>	<b>2,270,101</b>
<b>Liabilities</b>	
Accounts Payable	68,151
Accrued Expenses	33,661
Due to Other Governments	77,060
Deposits	1,100
Unearned Revenue	250
<b>Total Liabilities</b>	<b>180,222</b>
<b>Net Position</b>	
Net Investment in Capital Assets	964,190
Unrestricted	1,125,689
<b>Total Net Position</b>	<b>\$ 2,089,879</b>

See accompanying notes.

**LAKEWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1**  
**STATEMENT OF ACTIVITIES**  
**SEPTEMBER 30, 2025**  
**LAKEWOOD RANCH, FLORIDA**

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense), Revenue, and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Governmental Activities</b>				
General Government:				
Town Hall	\$ 88,600	\$ 64,059	\$ -	\$ (24,541)
Maintenance Facility	69,514	50,430	-	(19,084)
Other Administration	502,947	386,546	-	(116,401)
Maintenance and Operations	<u>3,144,134</u>	<u>2,263,284</u>	<u>203,397</u>	<u>(677,453)</u>
<b>Total Governmental Activities</b>	<u>\$ 3,805,195</u>	<u>\$ 2,764,319</u>	<u>\$ 203,397</u>	<u>(837,479)</u>
<b>General Revenues</b>				
Unrestricted Investment Earnings				97,210
Other Revenues				<u>15,964</u>
<b>Total General Revenues</b>				<u>113,174</u>
<b>Change in Net Position</b>				(724,305)
<b>Net Position, Beginning of Year</b>				<u>2,814,184</u>
<b>Net Position, End of Year</b>				<u>\$ 2,089,879</u>

See accompanying notes.

**LAKEWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1**  
**BALANCE SHEET - GENERAL FUND**  
**SEPTEMBER 30, 2025**  
**LAKEWOOD RANCH, FLORIDA**

	<b>General</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 282,705
Investments	1,015,218
Due from Other Governments	7,286
Deposits	702
<b>Total Assets</b>	<b>1,305,911</b>
 <b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable	68,151
Accrued Expenses	33,661
Due to Other Governments	77,060
Deposits	1,100
Unearned Revenue	250
<b>Total Liabilities</b>	<b>180,222</b>
 <b>Fund Balance</b>	
Assigned for:	
Infrastructure Reserve	182,000
Special Projects	26,618
Subsequent Year's Expenditures	383,120
Unassigned	533,951
<b>Total Fund Balance</b>	<b>1,125,689</b>
 <b>Total Liabilities and Fund Balance</b>	 <b>\$ 1,305,911</b>

See accompanying notes.

**LAKEWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1  
RECONCILIATION OF THE BALANCE SHEET - GENERAL FUND  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2025  
LAKEWOOD RANCH, FLORIDA**

<b>Fund Balance - General Fund</b>	\$	1,125,689
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**Amounts Reported for Governmental Activities in the Statement  
of Net Position are Different Because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes these assets, net of accumulated depreciation:

Capital Assets	\$	4,534,994	
(Accumulated Depreciation)		<u>(3,570,804)</u>	<u>964,190</u>

<b>Net Position of Governmental Activities</b>	\$	<u><u>2,089,879</u></u>
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See accompanying notes.

**LAKWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - GENERAL FUND  
SEPTEMBER 30, 2025  
LAKWOOD RANCH, FLORIDA**

	<b>General</b>
<b>Revenues</b>	
Assessments	\$ 2,764,319
Contributions	203,397
Interest	97,210
Other Revenues	15,964
<b>Total Revenues</b>	<b>3,080,890</b>
 <b>Expenditures</b>	
Current:	
General Government:	
Town Hall	88,600
Maintenance Facility	69,514
Other Administration	502,947
Maintenance and Operations	3,111,594
<b>(Total Expenditures)</b>	<b>(3,772,655)</b>
 <b>Net Change in Fund Balance</b>	 (691,765)
 <b>Fund Balance, Beginning of Year</b>	 <u>1,817,454</u>
 <b>Fund Balance, End of Year</b>	 <u><u>\$ 1,125,689</u></u>

See accompanying notes.

**LAKEWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GENERAL FUND  
TO THE STATEMENT OF ACTIVITIES  
SEPTEMBER 30, 2025  
LAKEWOOD RANCH, FLORIDA**

<b>Net Change in Fund Balance - General Fund</b>	\$ (691,765)
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**Amounts Reported for Governmental Activities in the Statement of  
Activities are Different Because:**

Depreciation on capital assets is not recognized in the governmental  
fund statements, but is reported as an expense in the statement  
of activities.

(32,540)

<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ (724,305)</u></u>
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See accompanying notes.

**LAKWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**LAKWOOD RANCH, FLORIDA**

**Note 1 - Nature of Organization and Reporting Entity**

Lakewood Ranch Community Development District 1 (the District) is one of five community development districts in the Lakewood Ranch community in the southeast corner of Manatee County, Florida. The District was created on February 24, 1994, pursuant to the *Uniform Community Development District Act of 1980* (the Act), as amended, otherwise known as Chapter 190, Florida Statutes, and by Manatee County Ordinance 94-07. The Act delineates the powers and duties of community development districts, including, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and the power to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purpose of financing and managing the acquisition, construction, maintenance, and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors (the Board), which is composed of five members. The Board is elected on an at-large basis by registered voters within the District. The Board exercises all powers granted to the District pursuant to the Act.

The Board has the final responsibility for:

- Assessing and Levying Assessments
- Approving Budgets
- Acquiring, Operating, and Maintaining Systems, Facilities, and Basic Infrastructures
- Controlling the Use of Funds Generated by the District
- Financing Improvements

Under applicable governmental accounting, the financial reporting entity consists of:

- a) The primary government (i.e., the District).
- b) Organizations for which the primary government is considered to be financially accountable.
- c) Other organizations for which the nature and significance of their relationship with the primary government are such that, if excluded, the financial statements of the primary government would be considered incomplete or misleading.

These financial statements include only the balances and transactions of the District. There are no component units.

**Note 2 - Summary of Significant Accounting Policies**

These financial statements are prepared in conformity with U.S. generally accepted accounting principles applicable to governmental entities, as established by the Governmental Accounting Standards Board (GASB). Following is a summary of the significant accounting policies:

**LAKWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**LAKWOOD RANCH, FLORIDA**

**A. Government-Wide and Fund Financial Statements**

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government.

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

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both *measurable* and *available*. Revenues are available when they are collected within the current period or soon enough 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. Inter-District billings are susceptible to accrual, but assessments and other revenues generally are not. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest are recorded in the period when payment is due. The District has no long-term liabilities, including long-term debt.

**Fund Accounting**

The financial transactions of the District are recorded in individual funds. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures, or expenses, as appropriate. Government 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.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. In addition, funds may be considered major for qualitative reasons.

**LAKWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**LAKWOOD RANCH, FLORIDA**

The District reports the following major governmental fund:

*General Fund*—The General Fund is the general operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in another fund.

The District has no non-major funds.

**Assessments**

Assessments are non-ad valorem assessments on benefited property within the District. The Manatee County Tax Collector bills the assessments each November 1 and collects the assessments on behalf of the District after receiving a 3% collector's fee. Discounts are available for payments through February. Assessments become delinquent after March 31.

*Operating and maintenance assessments* are determined annually during the budget process at a public hearing of the District.

All assessments are reported as revenue in the year collected. Future receivables on debt service assessments are not accrued. Delinquent receivables are considered insignificant.

**C. Financial Statement Balances**

**Cash and Cash Equivalents and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and money market funds with original maturities of three months or less from the date of acquisition. The District also holds assets that are defined as investments. The District's investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance of GASB Statement No. 79, which allows, under certain criteria, these investments to be recorded at amortized cost.

Cash on the balance sheet and the statement of net position includes cash on hand and demand deposits in qualified public depositories.

The District has adopted a written investment policy, which complies with the requirements of Section 218.415, Florida Statutes. The District may invest any surplus public funds in the following:

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

Debt covenants may provide other options for the investment of debt proceeds and related accounts.

**LAKWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1  
NOTES TO THE FINANCIAL STATEMENTS  
LAKWOOD RANCH, FLORIDA**

**Receivables/Due from Other Governments**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. There are no estimated uncollectible amounts at September 30, 2025.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Capital Assets**

Capital assets include land, infrastructure, other improvements, and machinery and equipment, and are reported as assets in the governmental activities column of the statement of net position.

Capital assets are defined in the District’s policy as tangible assets with a cost of at least \$5,000 and an estimated useful life of five years or more. Capital assets are recorded at historical cost, if purchased or constructed, and at estimated fair value if donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major projects are reported as construction in progress until completed and placed in service.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Improvements other than Buildings	5 to 50
Machinery and Equipment	5 to 10
Infrastructure	25 to 50

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

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. There were no such items in 2025.

**LAKWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**LAKWOOD RANCH, FLORIDA**

**Long-Term Debt Obligations**

In the government-wide financial statements, the principal amount outstanding on long-term debt is reported as a liability in the governmental activities column of the statement of net position. The liability is increased by unamortized premiums and reduced by unamortized discounts. Premiums and discounts, if applicable, are amortized over the debt term using the straight-line method.

In the fund financial statements, debt proceeds are reported as other financing sources in the year of issuance and increased or decreased by original issue premiums or discounts, where applicable. Principal and interest are reported as expenditures, when due. The District has no long-term debt obligations.

**Net Position/Fund Balance**

In the government-wide financial statements, equity is referred to as *net position* and is classified as: (a) net investment in capital assets, (b) restricted, or (c) unrestricted. Restricted net position represents net assets constrained by the District's debt covenants or other contractual requirements.

In the fund financial statements, equity is referred to as fund balance, and is reported according to the following classifications:

- *Non-Spendable*—Amounts that are: (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- *Restricted*—Amounts that are constrained for specific purposes either: (a) externally by creditors, grantors, contributors, or laws or regulations of other governments, or (b) by law through constitutional provisions or enabling legislation.
- *Committed*—Amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action (resolution) of the Board. These committed amounts may not be used for any other purpose unless the Board removes or changes the specified use by taking the same type of formal action (resolution) that imposed the constraint originally.
- *Assigned*—Amounts that are constrained by action of the Board, or by an individual or body to whom the Board has delegated this responsibility. The Board has not delegated this responsibility.
- *Unassigned*—This classification is used for: (a) negative unrestricted fund balance in any fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned for those specific purposes.

*Flow Assumption*—When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as needed. Within the unrestricted categories when various classifications of fund balances are available for a specific expenditure, the District first uses committed fund balance, followed by assigned, and then unassigned.

*Minimum Fund Balance Levels*—Board policy CDD1-2012-02, adopted September 13, 2012, established guidelines for the District to maintain certain fund balance levels as follows:

**LAKWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**LAKWOOD RANCH, FLORIDA**

- General Reserves - Maintain an amount equal to a minimum of 20% of Annual Appropriations less Other Funding Sources, Projects, and Reserve Contributions.
- Infrastructure Reserves - Appropriate \$25,000 annually with the intent to cap at \$500,000.
- Unassigned - Maintain an amount equal to a minimum of 20% of Annual Appropriations less Other Funding Sources, Projects, and Reserve Contributions.

**D. Other Disclosures**

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported and disclosed in the accompanying financial statements and notes. Actual results could differ from those estimates.

**Note 3 - Budgetary Information**

An annual budget is prepared and adopted on a basis consistent with U.S. generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

The District has adopted a budget policy consistent with Florida Statute 190.008. The District follows these procedures in establishing and adopting the budgets:

- a) Starting in January of each year, budget proposals are accepted for the upcoming fiscal year, and a series of budget workshops are held with District representatives, staff, and the public. The assessment amounts for the upcoming fiscal year are proposed.
- b) A budget summary is ready by June, and a formal public hearing is conducted in August to obtain comments.
- c) The Board adopts the final original budget in August for the fiscal year beginning October 1. The budget is adopted by resolution.
- d) Budget amendments, if any, are approved by the Board during the year.

Neither the statute nor the District's budget policy specifies the legal level of budgetary authority. The District amended its fiscal year 2025 budget.

**Note 4 - Deposits and Investments**

**Cash Deposits**

The District's bank deposits are held in qualified public depositories (QPDs) pursuant to Chapter 280, Florida Statutes. Under this chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

**LAKWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1  
NOTES TO THE FINANCIAL STATEMENTS  
LAKWOOD RANCH, FLORIDA**

**Investments**

The District holds assets that are defined as investments. The District’s investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance in GASB Statement No. 79.

The District holds investments in a qualified external investment pool that measures all of its investments at amortized cost. The following investments are recorded at amortized cost at September 30, 2025:

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
Local Government Surplus Funds Trust Fund (Florida PRIME)	\$ 1,015,218	AAAm	Weighted Average of the Fund Portfolio: 47 Days
<b>Total Investments</b>	<u>\$ 1,015,218</u>		

Florida PRIME is a local government investment pool administered by the Florida State Board of Administration (SBA) and managed by professional money managers. Florida PRIME invests exclusively in short-term, high-quality fixed-income securities rated in the highest short-term rating category by one or more nationally recognized statistical rating agencies, or securities of comparable quality.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states, “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days”.

With regard to liquidity fees, Florida Statute Section 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

*Foreign Currency Risk*—The pool was not exposed to foreign currency risk during the year.

*Custodial Credit Risk*—For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. Safekeeping considerations are satisfied through the avoidance of physical or book entry forms.

**LAKWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**LAKWOOD RANCH, FLORIDA**

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

*Concentration Risk*—The District places no limit on the amount the District may invest in any one issuer or investment vehicle, but the policy stresses “avoidance of concentration” as an investment objective.

*Interest Rate Risk*—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages interest rate risk by minimizing the weighted average maturities of its investments. The policy sets a maximum maturity at five years unless matched to specific cash flows.

**Note 5 - Capital Assets**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 789,297	\$ -	\$ -	\$ 789,297
Total Capital Assets Not Being Depreciated	<u>789,297</u>	<u>-</u>	<u>-</u>	<u>789,297</u>
Capital Assets Being Depreciated:				
Infrastructure	639,328	-	-	639,328
Other Improvements	2,935,825	-	-	2,935,825
Machinery and Equipment	170,544	-	-	170,544
Total Capital Assets Being Depreciated	<u>3,745,697</u>	<u>-</u>	<u>-</u>	<u>3,745,697</u>
Less Accumulated Depreciation for:				
Infrastructure	(635,112)	(256)	-	(635,368)
Other Improvements	(2,838,881)	(12,962)	-	(2,851,843)
Machinery and Equipment	(64,271)	(19,322)	-	(83,593)
Total Accumulated Depreciation	<u>(3,538,264)</u>	<u>(32,540)</u>	<u>-</u>	<u>(3,570,804)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>207,433</u>	<u>(32,540)</u>	<u>-</u>	<u>174,893</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 996,730</u>	<u>\$ (32,540)</u>	<u>\$ -</u>	<u>\$ 964,190</u>

Depreciation expense of \$32,540 was allocated to the maintenance and operations function in the statement of activities.

**Note 6 - Related-Party Transactions**

**Related Parties**

The District is one of five community development districts in the community of Lakewood Ranch, Florida. The other Districts are Lakewood Ranch Community Development Districts 2, 4, 5, and 6 (including District 1) (the Districts). The Districts are the public entities responsible for providing operation and maintenance of various elements of infrastructure and landscaping within Lakewood Ranch. The

**LAKWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**LAKWOOD RANCH, FLORIDA**

Lakewood Ranch Inter-District Authority (the Authority) is a separate public entity created by the Districts, which provides administrative, financial, and operations and maintenance services to the Districts, under terms of an Amended Inter-Local Agreement among the parties. A representative from each District sits on the five-member Board of the Authority.

On November 15, 2012, the Districts and Authority entered into an Inter-Local Agreement, which replaced prior Inter-Local Agreements. The new Inter-Local Agreement identified the Authority as the District Manager for the Districts and clarified the relationship and financial agreements among the entities, as they related to the following transactions.

**Shared Expenses**

As District Manager, the Authority provides certain administrative, financial, and operation and maintenance services to the Districts. The costs of these services are borne by the Authority and then allocated and reimbursed by the Districts on a monthly basis. Total shared expenses for 2025 were \$3,740,926, of which the District's share of \$865,256 is included under "other administration" and "maintenance and operations" in the expenditure section of the financial statements. The District's shared expenses for September 2025, totaling \$77,060, are included under "due to other governments" at September 30, 2025.

**Town Hall and Maintenance Facility**

The Lakewood Ranch Town Hall (Town Hall) was constructed and financed by District 2 in 2003. In 2013, District 2 issued \$3,250,000 of Special Revenue Improvement and Refunding Notes (the 2012 Notes) to finance the construction of a shared maintenance facility, and to retire the remaining principal balance of the 2003 Notes. The portion of the 2012 Notes attributable to Town Hall reached final maturity on May 1, 2018.

The land on which the maintenance facility had been constructed was acquired by the Authority in 2013 for \$126,114 and is being used by District 2 under terms of a mutual agreement (the mutual agreement) between the parties dated November 15, 2012. The mutual agreement is for 25 years beginning on the effective date, unless terminated earlier by agreement of the parties. There is no annual payment for use of the land; consideration lies in the mutual promises contained in the mutual agreement. The portion of the 2012 Notes attributable to Maintenance Facility matured on May 1, 2025, which included a principal payment of \$250,000.

The District's portion of the shared expenses for both the Town Hall and the maintenance facility payments are covered under the terms of an amended non-exclusive and operating agreement dated November 15, 2012, among the Districts and the Authority (the agreement). The original term of the agreement is thirteen years ending on November 15, 2025. The agreement will be extended automatically for additional five-year terms; however, any District may give notice at least one year prior to the expiration of its desire not to extend. In accordance with the agreement, the Town Hall facilities were conveyed from the Lakewood Ranch Community Development District 2 to the Authority in 2018. The Maintenance Facility was conveyed from Lakewood Ranch Community Development District 2 (CDD2) to the Authority within ninety (90) days after all financing costs associated with its construction were fully satisfied, which occurred on May 1, 2025.

**LAKWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1  
NOTES TO THE FINANCIAL STATEMENTS  
LAKWOOD RANCH, FLORIDA**

Payments by the Districts to District 2 are equal to their allocable share of District 2’s related debt service costs, based on equivalent dwelling units (EDU) (see below). Contributions received by District 2 in 2025 totaled \$187,752 for the maintenance facility, of which the District’s share was \$69,514.

Monthly payments are also required by each District to the Authority for their allocable share of the costs (including insurance costs) to operate and maintain the two facilities, as determined in the annual budget of the Authority. Contributions received by the Authority in 2025 totaled \$378,330, of which the District’s allocable share was \$88,600, which is included under “Town Hall” in the expenditure section of the financial statements. The Lakewood Ranch Town Center Owners Association, Inc. (TCOA), the successor entity to District 3, shares in this allocation. Total shared expenses paid by District 1 to District 2 and the Authority was, therefore, \$158,114.

The 2025 EDU for allocation purposes were as follows:

<b>District 2 Rent Payments</b>			<b>Authority Rent Payments</b>		
	<b>EDU</b>	<b>Percent</b>		<b>EDU</b>	<b>Percent</b>
District 1	1,819	26.75%	District 1	1,819	23.42%
District 2	1,887	27.75%	District 2	1,887	24.30%
District 4	1,688	24.82%	TCOA	967	12.45%
District 5	962	14.15%	District 4	1,688	21.73%
District 6	444	6.53%	District 5	962	12.39%
<b>Total</b>	<b>6,800</b>	<b>100.00%</b>	District 6	444	5.71%
			<b>Total</b>	<b>7,767</b>	<b>100.00%</b>

**Short-Term Contractor Land Lease**

Other revenues collected by District 2 under a short-term contractor land lease were \$27,238 in total and the amount due back to the District totaled \$7,286 for 2025. This amount is included in other revenues and due from other governments at year-end. The short-term land lease for the contractor was transferred from District 2 to the Authority at the same time the Maintenance Facility and its contents were conveyed to the Authority.

**Note 7 - Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

**Note 8 - Subsequent Events**

No subsequent events have occurred between September 30, 2025 and the date of the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**LAKEWOOD RANCH COMMUNITY DEVELOPMENT DISTRICT 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Assessments	\$ 2,738,320	\$ 2,738,320	\$ 2,764,319	\$ 25,999
Contributions	-	203,000	203,397	397
Interest	55,000	55,000	97,210	42,210
Other Revenues	4,000	4,000	15,964	11,964
<b>Total Revenues</b>	<u>2,797,320</u>	<u>3,000,320</u>	<u>3,080,890</u>	<u>80,570</u>
<b>Expenditures</b>				
Current:				
General Government:				
Town Hall	88,600	88,600	88,600	-
Maintenance Facility	69,750	69,750	69,514	236
Other Administration	500,630	534,630	502,947	31,683
Maintenance and Operations	2,196,500	3,130,340	3,111,594	18,746
Capital Outlay	6,840	-	-	-
Reserves	85,000	85,000	-	85,000
<b>(Total Expenditures)</b>	<u>(2,947,320)</u>	<u>(3,908,320)</u>	<u>(3,772,655)</u>	<u>135,665</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(150,000)</u>	<u>(908,000)</u>	<u>(691,765)</u>	<u>216,235</u>
<b>Other Financing Sources</b>				
Carry Forward Surplus:				
Unassigned	50,000	440,000	-	(440,000)
Special Projects (CIP)	-	368,000	-	(368,000)
Restricted - Infrastructure	100,000	100,000	-	(100,000)
<b>Total Other Financing Sources</b>	<u>150,000</u>	<u>908,000</u>	<u>-</u>	<u>(908,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (691,765)</u>	<u>\$ (691,765)</u>

## **OTHER INFORMATION**

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

Board of Supervisors  
Lakewood Ranch Community Development District 1  
Lakewood Ranch, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Lakewood Ranch Community Development District 1 (the District) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated February 9, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) 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 the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

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

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Lakewood Ranch Community Development District 1  
Lakewood Ranch, Florida

**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**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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 District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Purvis Gray*

February 9, 2026  
Sarasota, Florida

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE  
WITH FLORIDA STATUTE SECTION 218.415 - INVESTMENTS OF PUBLIC FUNDS**

Board of Supervisors  
Lakewood Ranch Community Development District 1  
Lakewood Ranch, Florida

We have examined the Lakewood Ranch Community Development District 1’s (the District) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. Management is responsible for the District’s compliance with those requirements. Our responsibility is to express an opinion on the District’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on the District’s compliance with specified requirements.

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

This report is intended solely for the information and use of the Florida Auditor General, the Board of Supervisors of the District, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

February 9, 2026  
Sarasota, Florida

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## MANAGEMENT LETTER

Board of Supervisors  
Lakewood Ranch Community Development District 1  
Lakewood Ranch, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Lakewood Ranch Community Development District 1 (the District) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated February 9, 2026.

### **Auditor's Responsibility**

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

### **Other 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 9, 2026, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 of the District's financial statements for this information. There are no component units related to the District.

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## MANAGEMENT LETTER

### Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by 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 specific information below has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the District reported:

- a. The total number of District employees compensated in the last pay period of the District's fiscal year as 5.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the District's fiscal year as 1.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$22,800.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency, as \$14,381.
- e. No construction projects with a total cost of at least \$65,000 approved by the District that are scheduled to begin on or after October 1 of the fiscal year being reported.
- f. 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. This information is included as a budget to actual schedule in the required supplementary information on page 26.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)9, *Rules of the Auditor General*, the District reported:

- a. The rate of non-ad valorem special assessments imposed by the District as of September 30, 2025, as an average rate of \$1,586.

Board of Supervisors  
Lakewood Ranch Community Development District 1  
Lakewood Ranch, Florida

### MANAGEMENT LETTER

- b. The total amount of special assessments collected by or on behalf of the District as of September 30, 2025, as \$2,764,319.
- c. There are no outstanding bonds as of September 30, 2025.

#### **Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

#### **Purpose of this Letter**

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

*Purvis Gray*

February 9, 2026  
Sarasota, Florida

# PURVIS GRAY

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