

**Riverwood Community
Development District**

ANNUAL FINANCIAL REPORT

September 30, 2025

Riverwood Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2025

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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, 2025, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the District as of September 30, 2025, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 opinion.

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.

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 any currently known information that may raise substantial doubt shortly 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 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 be presented to supplement the basic financial statements.

To the Board of Supervisors
Riverwood Community Development District

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 GAAS, 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 Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 26, 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 and contracts and grant agreements and other matters.

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 the District's internal control over financial reporting and compliance.



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

March 26, 2026

**Riverwood Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

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, culture/recreation, physical environment, and debt service. Business-type activities of the District include the water and sewer operations.

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, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures, and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General and Special Revenue Funds. For the 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, 2025.

- ◆ The District's total assets exceeded total liabilities by \$18,324,799 (net position). Net investment in capital assets for Governmental Activities was \$4,999,958. Net investment in capital assets for Business-type Activities was \$6,245,068. Unrestricted net position for Governmental Activities was \$3,041,317 and for Business-type Activities was \$3,670,733. Restricted net position for Governmental Activities was \$367,723.
- ◆ Governmental Activities revenues totaled \$3,226,841 while Governmental Activities expenses totaled \$3,249,749. Business-type Activities revenues totaled \$2,551,027 while Business-type Activities expenses totaled \$2,292,226.

**Riverwood Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

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 Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current assets	\$ 3,524,101	\$ 3,551,684	\$ 3,852,430	\$ 3,274,506	\$ 7,376,531	\$ 6,826,190
Restricted assets	559,477	526,378	247,556	398,464	807,033	924,842
Capital assets	<u>9,394,656</u>	<u>9,780,856</u>	<u>6,245,068</u>	<u>6,548,496</u>	<u>15,639,724</u>	<u>16,329,352</u>
Total Assets	<u>13,478,234</u>	<u>13,858,918</u>	<u>10,345,054</u>	<u>10,221,466</u>	<u>23,823,288</u>	<u>24,080,384</u>
Deferred outflows of resources	-	528	-	-	-	528
Current liabilities	1,036,236	901,540	429,253	564,466	1,465,489	1,466,006
Non-current liabilities	<u>4,033,000</u>	<u>4,526,000</u>	<u>-</u>	<u>-</u>	<u>4,033,000</u>	<u>4,526,000</u>
Total Liabilities	<u>5,069,236</u>	<u>5,427,540</u>	<u>429,253</u>	<u>564,466</u>	<u>5,498,489</u>	<u>5,992,006</u>
Net Position						
Net investment in capital assets	4,999,958	4,911,686	6,245,068	6,548,496	11,245,026	11,460,182
Net position - restricted	367,723	325,564	-	-	367,723	325,564
Net position - unrestricted	<u>3,041,317</u>	<u>3,194,656</u>	<u>3,670,733</u>	<u>3,108,504</u>	<u>6,712,050</u>	<u>6,303,160</u>
Total Net Position	<u>\$ 8,408,998</u>	<u>\$ 8,431,906</u>	<u>\$ 9,915,801</u>	<u>\$ 9,657,000</u>	<u>\$ 18,324,799</u>	<u>\$ 18,088,906</u>

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

The decrease in capital assets for governmental activities and business-type activities is primarily the result of depreciation in the current year.

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

The decrease in net investment in capital assets for business-type activities is due to depreciation in excess of capital additions in the current year.

**Riverwood Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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	
	2025	2024	2025	2024	2025	2024
Program Revenues						
Charges for services	\$ 3,025,689	\$ 2,930,931	\$ 2,395,815	\$ 2,287,135	\$ 5,421,504	\$ 5,218,066
General Revenues						
Investment earnings	193,466	229,096	155,212	157,763	348,678	386,859
Other revenues	7,686	38,893	-	-	7,686	38,893
Total Revenues	<u>3,226,841</u>	<u>3,198,920</u>	<u>2,551,027</u>	<u>2,444,898</u>	<u>5,777,868</u>	<u>5,643,818</u>
Expenses						
General government	221,007	223,055	-	-	221,007	223,055
Culture/recreation	1,096,306	970,512	-	-	1,096,306	970,512
Physical environment	1,744,191	1,337,450	-	-	1,744,191	1,337,450
Water and sewer	-	-	2,292,226	2,343,592	2,292,226	2,343,592
Interest and other charges	188,245	207,549	-	-	188,245	207,549
Total Expenses	<u>3,249,749</u>	<u>2,738,566</u>	<u>2,292,226</u>	<u>2,343,592</u>	<u>5,541,975</u>	<u>5,082,158</u>
Change in Net Position	(22,908)	460,354	258,801	101,306	235,893	561,660
Net Position - Beginning of Year	<u>8,431,906</u>	<u>7,971,552</u>	<u>9,657,000</u>	<u>9,555,694</u>	<u>18,088,906</u>	<u>17,527,246</u>
Net Position - End of Year	<u>\$ 8,408,998</u>	<u>\$ 8,431,906</u>	<u>\$ 9,915,801</u>	<u>\$ 9,657,000</u>	<u>\$ 18,324,799</u>	<u>\$ 18,088,906</u>

The increase in culture/recreation for governmental activities is primarily due to the increase in repairs and maintenance to the beach club in the current year.

The increase in physical environment for governmental activities is the result of increased landscaping costs in the current year.

**Riverwood Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

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, 2025 and 2024.

Description	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and improvements	\$ 2,093,166	\$ 2,093,166	\$ 343,998	\$ 343,998	\$ 2,437,164	\$ 2,437,164
Building and improvements	8,164,622	8,164,622	1,413,584	1,413,584	9,578,206	9,578,206
Infrastructure	26,549,135	26,549,135	10,748,459	10,649,119	37,297,594	37,198,254
Equipment	494,081	494,081	37,977	37,977	532,058	532,058
Accumulated depreciation	<u>(27,906,348)</u>	<u>(27,520,148)</u>	<u>(6,298,950)</u>	<u>(5,896,182)</u>	<u>(34,205,298)</u>	<u>(33,416,330)</u>
Total Capital Assets (Net)	<u>\$ 9,394,656</u>	<u>\$ 9,780,856</u>	<u>\$ 6,245,068</u>	<u>\$ 6,548,496</u>	<u>\$ 15,639,724</u>	<u>\$ 16,329,352</u>

During the year, depreciation for governmental activities was \$386,200. Business-type activities consisted of additions to infrastructure of \$99,340 and depreciation was \$402,768.

General Fund Budgetary Highlights

Final budgeted expenditures exceeded actual expenditures primarily due to less operating supplies and capital outlay expenditures than were anticipated.

The General Fund budget was amended for the year ended September 30, 2025 to closely reflect actual expenditures. Budgeted expenditures were amended primarily to decrease reserve-roadway and increase pond and landscape supplies and maintenance expenditures that were more than originally anticipated.

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, 2025, the balance outstanding was \$4,526,000.

**Riverwood Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

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 2026.

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, 11555 Heron Bay Boulevard, Suite 201, Coral Springs, Florida 33076.

Riverwood Community Development District
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash and equivalents	\$ 3,385,337	\$ 3,660,896	\$ 7,046,233
Accounts receivable, net of allowance	20,297	179,486	199,783
Due from other governments	40,646	-	40,646
Interest receivable	103	-	103
Prepaid expenses	11,277	12,048	23,325
Deposits	66,441	-	66,441
Restricted assets			
Cash - customer deposits	-	247,556	247,556
Total Current Assets	3,524,101	4,099,986	7,624,087
Non-current Assets			
Restricted assets			
Investments	559,477	-	559,477
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	26,549,135	10,748,459	37,297,594
Equipment	494,081	37,977	532,058
Less: accumulated depreciation	(27,906,348)	(6,298,950)	(34,205,298)
Total Non-current Assets	9,954,133	6,245,068	16,199,201
Total Assets	13,478,234	10,345,054	23,823,288
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	471,669	181,697	653,366
Notes payable	493,000	-	493,000
Accrued interest	71,567	-	71,567
Payable from restricted assets:			
Customer deposits	-	247,556	247,556
Total Current Liabilities	1,036,236	429,253	1,465,489
Non-current Liabilities			
Notes payable	4,033,000	-	4,033,000
Total Liabilities	5,069,236	429,253	5,498,489
NET POSITION			
Net investment in capital assets	4,999,958	6,245,068	11,245,026
Restricted for debt service	367,723	-	367,723
Unrestricted	3,041,317	3,670,733	6,712,050
Total Net Position	\$ 8,408,998	\$ 9,915,801	\$ 18,324,799

See accompanying notes to financial statements

Riverwood Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Governmental Activities	Business-type Activities	
Governmental Activities					
General government	\$ (221,007)	\$ 187,806	\$ (33,201)	\$ -	\$ (33,201)
Culture/recreation	(1,096,306)	1,673,915	577,609	-	577,609
Physical environment	(1,744,191)	490,295	(1,253,896)	-	(1,253,896)
Interest and other charges	(188,245)	673,673	485,428	-	485,428
Total Governmental Activities	<u>(3,249,749)</u>	<u>3,025,689</u>	<u>(224,060)</u>	<u>-</u>	<u>(224,060)</u>
Business-type Activities					
Water and sewer utilities	<u>(2,292,226)</u>	<u>2,395,815</u>	<u>-</u>	<u>103,589</u>	<u>103,589</u>
Total Business-type Activities	<u>(2,292,226)</u>	<u>2,395,815</u>	<u>-</u>	<u>103,589</u>	<u>103,589</u>
Total Primary Government	<u>\$ (5,541,975)</u>	<u>\$ 5,421,504</u>	<u>(224,060)</u>	<u>103,589</u>	<u>(120,471)</u>
General Revenues					
Investment earnings			193,466	155,212	348,678
Other revenues			7,686	-	7,686
Total General Revenues			<u>201,152</u>	<u>155,212</u>	<u>356,364</u>
Change in Net Position			(22,908)	258,801	235,893
Net Position - October 1, 2024			<u>8,431,906</u>	<u>9,657,000</u>	<u>18,088,906</u>
Net Position - September 30, 2025			<u>\$ 8,408,998</u>	<u>\$ 9,915,801</u>	<u>\$ 18,324,799</u>

See accompanying notes to financial statements.

Riverwood Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2025

	General	Special Revenue	Debt Service 2018	Total Governmental Funds
ASSETS				
Cash and cash equivalent	\$ 3,225,048	\$ 160,289	\$ -	\$ 3,385,337
Accounts receivable	19,608	689	-	20,297
Due from other governments	30,687	-	9,959	40,646
Interest receivable	77	-	26	103
Prepaid expenses	7,991	3,286	-	11,277
Deposits	66,441	-	-	66,441
Due from other funds	6,785	-	1,130	7,915
Advance to other funds	94,641	-	-	94,641
Restricted assets				
Investments	-	-	559,477	559,477
Total Assets	\$ 3,451,278	\$ 164,264	\$ 570,592	\$ 4,186,134
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable/accrued expenses	\$ 457,221	\$ 14,448	\$ -	\$ 471,669
Due to other funds	1,130	6,785	-	7,915
Advance from other funds	-	94,641	-	94,641
Total Liabilities	458,351	115,874	-	574,225
Fund Balances:				
Nonspendable:				
Prepaid	7,991	3,286	-	11,277
Deposits	66,441	-	-	66,441
Advances	94,641	-	-	94,641
Restricted for:				
Debt service	-	-	570,592	570,592
Assigned:				
Activity center	574,179	-	-	574,179
Environmental services	601,439	-	-	601,439
Roadways	943,018	-	-	943,018
RV park	111,510	-	-	111,510
Operating reserves	350,000	-	-	350,000
Beach club	-	45,104	-	45,104
Unassigned	243,708	-	-	243,708
Total Fund Balances	2,992,927	48,390	570,592	3,611,909
Total Liabilities and Fund Balances	\$ 3,451,278	\$ 164,264	\$ 570,592	\$ 4,186,134

See accompanying notes to financial statements.

Riverwood Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2025

Total Governmental Fund Balances	\$	3,611,909
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, \$26,549,135, buildings and improvements, \$8,164,622, and equipment, \$494,081, net of accumulated depreciation, \$(27,906,348), used in governmental activities are not current financial resources; and therefore, are not reported at the fund level.		7,301,490
Long-term liabilities, notes payable, are not due and payable in the current period and; therefore, are not reported at the fund level.		(4,526,000)
Accrued interest on long-term debt is not a current financial use, and therefore, is not reported at the fund level.		(71,567)
Net Position of Governmental Activities	\$	<u><u>8,408,998</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, 2025

	General	Special Revenue	Debt Service 2018	Total Governmental Funds
Revenues				
Special assessments	\$ 2,092,418	\$ -	\$ 673,673	\$ 2,766,091
Charges for services	50,640	208,958	-	259,598
Investment earnings	157,546	6,643	29,277	193,466
Other revenues	7,433	253	-	7,686
Total Revenues	<u>2,308,037</u>	<u>215,854</u>	<u>702,950</u>	<u>3,226,841</u>
Expenditures				
Current				
General government	217,493	-	3,514	221,007
Physical environment	1,637,886	-	-	1,637,886
Culture/recreation	567,799	280,107	-	847,906
Debt service				
Principal	-	-	475,000	475,000
Interest	-	5,440	189,788	195,228
Total Expenditures	<u>2,423,178</u>	<u>285,547</u>	<u>668,302</u>	<u>3,377,027</u>
Excess of Revenues Over/(Under)				
Expenditures	(115,141)	(69,693)	34,648	(150,186)
Other Financing Sources				
Insurance proceeds	<u>10,976</u>	<u>20,519</u>	<u>-</u>	<u>31,495</u>
Change in fund balances	(104,165)	(49,174)	34,648	(118,691)
Fund Balances - October 1, 2024	<u>3,097,092</u>	<u>97,564</u>	<u>535,944</u>	<u>3,730,600</u>
Fund Balances - September 30, 2025	<u>\$ 2,992,927</u>	<u>\$ 48,390</u>	<u>\$ 570,592</u>	<u>\$ 3,611,909</u>

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, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ (118,691)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, at the government-wide level, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period.	(386,200)
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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)
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Repayment of long-term liabilities are reported as expenditures at the fund level but such repayments reduce liabilities at the government-wide level.	475,000
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Accrued interest expense is reported at the government-wide level, but at the fund level, interest expenditures are reported when due. This is the net amount between current year and prior year accruals.	7,511
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Change in Net Position of Governmental Activities	\$ (22,908)
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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, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 2,077,801	\$ 2,077,801	\$ 2,092,418	\$ 14,617
Charges for services	61,000	61,000	50,640	(10,360)
Investment earnings	95,000	95,000	157,546	62,546
Other revenues	500	500	7,433	6,933
Total Revenues	<u>2,234,301</u>	<u>2,234,301</u>	<u>2,308,037</u>	<u>73,736</u>
Expenditures				
Current				
General government	236,963	239,963	217,493	22,470
Physical environment	1,221,692	1,685,336	1,637,886	47,450
Culture/recreation	767,146	613,550	567,799	45,751
Capital outlay	8,500	77,720	-	77,720
Total Expenditures	<u>2,234,301</u>	<u>2,616,569</u>	<u>2,423,178</u>	<u>193,391</u>
Excess of revenues over/(under) expenditures	-	(382,268)	(115,141)	267,127
Other financing sources				
Insurance proceeds	-	-	10,976	10,976
Change in fund balances	-	(382,268)	(104,165)	278,103
Fund Balances - October 1, 2024	<u>2,849,791</u>	<u>3,097,092</u>	<u>3,097,092</u>	<u>-</u>
Fund Balances - September 30, 2025	<u><u>\$ 2,849,791</u></u>	<u><u>\$ 2,714,824</u></u>	<u><u>\$ 2,992,927</u></u>	<u><u>\$ 278,103</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, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Charges for services	\$ 202,500	\$ 202,500	\$ 208,958	\$ 6,458
Investment earnings	200	200	6,643	6,443
Other revenues	500	500	253	(247)
Total Revenues	<u>203,200</u>	<u>203,200</u>	<u>215,854</u>	<u>12,654</u>
Expenditures				
Current				
Culture/recreation	174,144	293,644	280,107	13,537
Debt service				
Principal	23,616	23,616	-	23,616
Interest	5,440	5,440	5,440	-
Total Expenditures	<u>203,200</u>	<u>322,700</u>	<u>285,547</u>	<u>37,153</u>
Excess of revenues over/(under) expenditures	-	(119,500)	(69,693)	49,807
Other financing sources				
Insurance proceeds	<u>-</u>	<u>-</u>	<u>20,519</u>	<u>20,519</u>
Change in fund balances	-	(119,500)	(49,174)	70,326
Fund Balances - October 1, 2024	<u>188,556</u>	<u>215,821</u>	<u>97,564</u>	<u>(118,257)</u>
Fund Balances - September 30, 2025	<u>\$ 188,556</u>	<u>\$ 96,321</u>	<u>\$ 48,390</u>	<u>\$ (47,931)</u>

See accompanying notes to financial statements.

Riverwood Community Development District
STATEMENT OF NET POSITION –
WATER & SEWER FUND
September 30, 2025

ASSETS

Current Assets

Cash and cash equivalents	\$ 3,660,896
Accounts receivable, net of allowance	179,486
Prepaid expenses	12,048
Restricted Assets:	
Cash for customer deposits	247,556
Total Current Assets	4,099,986

Non-current Assets

Capital Assets:

Land	343,998
Buildings	1,413,584
Infrastructure	10,748,459
Equipment	37,977
Accumulated depreciation	(6,298,950)
Total Non-current Assets	6,245,068
Total Assets	10,345,054

LIABILITIES

Current Liabilities

Accounts payable and accrued expenses	181,697
Payable from restricted assets:	
Customer deposits	247,556
Total Current Liabilities	429,253

NET POSITION

Net investment in capital assets	6,245,068
Unrestricted	3,670,733
Total Net Position	\$ 9,915,801

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, 2025

Operating Revenues	
Charges for Services	
Water and sewer charges	\$ 2,332,906
Meter and other fees	62,909
Total Operating Revenues	<u>2,395,815</u>
 Operating Expenses	
Cost of sales and services	1,542,999
General and administrative	346,459
Depreciation	402,768
Total Operating Expenses	<u>2,292,226</u>
 Operating Income/(Loss)	 103,589
 Non-operating revenues/(expenses)	
Interest earnings	<u>155,212</u>
 Changes in Net Position	 258,801
 Net Position - October 1, 2024	 <u>9,657,000</u>
 Net Position - September 30, 2025	 <u><u>\$ 9,915,801</u></u>

See accompanying notes to financial statements.

Riverwood Community Development District
STATEMENT OF CASH FLOWS –
WATER & SEWER FUND
For The Year Ended September 30, 2025

	Water & Sewer Fund
Cash Flows From Operating Activities	
Cash received from customers	\$ 2,239,158
Cash paid to suppliers	(1,875,164)
Net Cash Provided By Operating Activities	363,994
Cash Flows From Investing Activities	
Purchase of capital assets	(99,340)
Interest received	155,212
Net Cash Provided By Investing Activities	55,872
Net increase in cash and equivalents	419,866
Cash and equivalents, beginning of year	3,488,586
Cash and equivalents, end of year	\$ 3,908,452
Reconciliation of Net Operating Income to Net Cash Provided By Operating Activities	
Operating income/(loss)	\$ 103,589
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	402,768
Changes in assets and liabilities:	
Increase in accounts receivable	(5,749)
Increase in prepaid expenses	(1,401)
Increase in accounts payable	15,695
Decrease in customer deposits	(150,908)
Total Adjustments	260,405
Net Cash Provided By Operating Activities	\$ 363,994

See accompanying notes to financial statements.

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

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, including, but 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, 2025

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, charges for services, 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 in accordance with 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, 2025

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.

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

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.

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

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

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

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

Enterprise Funds

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

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Enterprise Funds (Continued)

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

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

3. Basis of Presentation

a. Governmental 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.

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

c. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as capital assets, and non-current governmental liabilities, such as long-term debt, be reported in the governmental activities column in the government-wide statement of net position.

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".

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

d. Use of Estimates

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

e. 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	10-40 years
Equipment	7-15 years

**Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

f. Budgets

Budgets are prepared and adopted after a public hearing 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, special revenue, and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

g. 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.

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, \$3,611,909, differs from “net position” of governmental activities, \$8,408,998, 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 at the governmental fund level. However, at the government-wide level these capital assets, are included as assets of the District as a whole.

Land	\$	2,093,166
Buildings and improvements		8,164,622
Infrastructure		26,549,135
Equipment		494,081
Accumulated depreciation		<u>(27,906,348)</u>
Total		<u><u>\$ 9,394,656</u></u>

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

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 (Continued)

Long-term debt transactions

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported at the fund level. All liabilities (both current and long-term) are reported at the government-wide level.

Notes payable	<u>\$ (4,526,000)</u>
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Accrued interest

Accrued liabilities at the government-wide level differ from the amount reported at the fund level due to the accrued interest on bonds.

Accrued interest	<u>\$ (71,567)</u>
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2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The "net change in fund balances" for government funds, \$(118,691), differs from the "change in net position" for governmental activities, \$(22,908), 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 at the fund level. However, at the government-wide level, the costs of those assets is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation charged for the year.

Depreciation	<u>\$ (386,200)</u>
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Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

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 (Continued)

Long-term debt transactions

Repayments of note principal are reported as expenditures at the fund level and, thus, have the effect of reducing fund balance because current financial resources have been used. At the government-wide level, these payments reduce notes payable.

Note principal payments	<u>\$ 475,000</u>
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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.

Amortization of deferred amount on refunding	<u>\$ (528)</u>
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Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures at the fund level.

Net change in accrued interest payable	<u>\$ 7,511</u>
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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, 2025, the District's bank balance was \$7,368,732 and the carrying value was \$7,293,789. 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.

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Investments

As of September 30, 2025, the District had the following investments and maturities:

Investment	Maturities	Fair Value
First American Government Obligations Fund	45 days*	\$ 559,477

*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 Obligations Fund are a Level 1 asset.

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.

**Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2025, the District's investment in First American Government Obligations 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. As of September 30, 2025, the District's investment in First American Government Obligations Fund represent 100% of the District's investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2025 were typical.

NOTE D – SPECIAL ASSESSMENT REVENUES

Assessment revenues recognized for the 2024-2025 fiscal year were levied in October 2024. 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, 2025, consisted of the following:

Receivable Fund	Payable Fund		Total
	General Fund	Special Revenue Fund	
General Fund	\$ -	\$ 101,426	\$ 101,426
Debt Service Fund 2018	1,130	-	1,130
Total	\$ 1,130	\$ 101,426	\$ 102,556

Interfund balances between the General Fund and the Special Revenue are due to an internal advance, \$94,641, from the General Fund to the Special Revenue for the Beach Club and payments made on behalf of the other fund. Interfund balances between the General Fund and the Debt Service Fund relates to monies collected in one fund on behalf of the other fund.

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE F – CAPITAL ASSETS

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

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025
Governmental Activities:				
Capital assets, not being depreciated:				
Land and land improvements	\$ 2,093,166	\$ -	\$ -	\$ 2,093,166
Capital assets, being depreciated:				
Buildings and improvements	8,164,622	-	-	8,164,622
Infrastructure	26,549,135	-	-	26,549,135
Equipment	494,081	-	-	494,081
Total Capital Assets, Being Depreciated	<u>35,207,838</u>	<u>-</u>	<u>-</u>	<u>35,207,838</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,932,639)	(209,262)	-	(2,141,901)
Infrastructure	(25,317,980)	(117,281)	-	(25,435,261)
Equipment	(269,529)	(59,657)	-	(329,186)
Total Accumulated Depreciation	<u>(27,520,148)</u>	<u>(386,200)</u>	<u>-</u>	<u>(27,906,348)</u>
Total Capital Assets Depreciated, Net	7,687,690	(386,200)	-	7,301,490
Governmental Activities Capital Assets	<u>\$ 9,780,856</u>	<u>\$ (386,200)</u>	<u>\$ -</u>	<u>\$ 9,394,656</u>

Depreciation of \$386,200 was charged to culture/recreation, \$268,919, and physical environment, \$117,281.

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 343,998	\$ -	\$ -	\$ 343,998
Capital assets, being depreciated:				
Buildings	1,413,584	-	-	1,413,584
Infrastructure	10,649,119	99,340	-	10,748,459
Equipment	37,977	-	-	37,977
Total Capital Assets, Being Depreciated	<u>12,100,680</u>	<u>99,340</u>	<u>-</u>	<u>12,200,020</u>
Less accumulated depreciation for:				
Buildings	(900,555)	(35,339)	-	(935,894)
Infrastructure	(4,971,713)	(361,616)	-	(5,333,329)
Equipment	(23,914)	(5,813)	-	(29,727)
Total Accumulated Depreciation	<u>(5,896,182)</u>	<u>(402,768)</u>	<u>-</u>	<u>(6,298,950)</u>
Total Capital Assets Depreciated, Net	6,204,498	(303,428)	-	5,901,070
Business-type Activities Capital Assets	<u>\$ 6,548,496</u>	<u>\$ (303,428)</u>	<u>\$ -</u>	<u>\$ 6,245,068</u>

Depreciation expense of \$402,768 was charged to water and sewer utilities.

**Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025**

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, 2025:

Long-term debt at October 1, 2024	\$ 5,001,000
Principal payments	<u>(475,000)</u>
Long-term debt at September 30, 2025	<u>\$ 4,526,000</u>

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 \$493,000. \$ 4,526,000

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2025 are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 493,000	\$ 171,762	\$ 664,762
2027	512,000	153,052	665,052
2028	533,000	133,622	666,622
2029	553,000	113,395	666,395
2030	574,000	92,408	666,408
2031-2033	<u>1,861,000</u>	<u>143,033</u>	<u>2,004,033</u>
Totals	<u>\$ 4,526,000</u>	<u>\$ 807,272</u>	<u>\$ 5,333,272</u>

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.

Riverwood Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE G – LONG-TERM DEBT (CONTINUED)

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

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. There have been no claims or settled claims from these risks that have 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 (*Government Auditing Standards*), the financial statements, as listed in the table of contents, of Riverwood Community Development District, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated March 26, 2026.

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 were not 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 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 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

March 26, 2026



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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 Riverwood Community Development District as of and for the year ended September 30, 2025, and have issued our report thereon dated March 26, 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 Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of 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 those reports, which are dated March 26, 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 made to address findings and recommendations made in the preceding financial audit report. The following finding was included in the preceding financial audit report:

Finding 2024-01

Finding: The actual expenditures in the General Fund exceed the budget which is a violation of Section 189.016, Florida Statutes.

To the Board of Supervisors
Riverwood Community Development District

Response: Management will review spending to ensure that expenditures do not exceed appropriations in the future.

Current status: The finding was corrected in the current fiscal 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 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 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 condition assessment procedures for Riverwood Community Development District. It is management's responsibility to monitor Riverwood Community Development District's financial condition; and our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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

Specific Information

The information below was provided by management and has not been audited by us; 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)7, Rules of the Auditor General, Riverwood Community Development District reported:

- 1) The total number of District employees compensated in the last pay period of the District's fiscal year as: 14
- 2) The total number of independent contractors, to whom nonemployee compensation was paid in the last month of the District's fiscal year as: 24
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$624,839
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$615,932
- 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, 2024, together with the total expenditures for such project as: None
- 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 Board amended the budget. See comparison of original budget to actual amounts below.

To the Board of Supervisors
 Riverwood Community Development District

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance with Original Budget Positive (Negative)</u>
Revenues			
Special assessments	\$ 2,077,801	\$ 2,092,418	\$ 14,617
Charges for services	61,000	50,640	(10,360)
Investment earnings	95,000	157,546	62,546
Other revenues	500	7,433	6,933
Total Revenues	<u>2,234,301</u>	<u>2,308,037</u>	<u>73,736</u>
Expenditures			
Current			
General government	236,963	217,493	19,470
Physical environment	1,221,692	1,637,886	(416,194)
Culture/recreation	767,146	567,799	199,347
Capital outlay	8,500	-	8,500
Total Expenditures	<u>2,234,301</u>	<u>2,423,178</u>	<u>(188,877)</u>
Excess of revenues over expenditures	-	(115,141)	(115,141)
Other financing sources			
Insurance proceeds	-	10,976	10,976
Net changes in fund balance	-	(104,165)	(104,165)
Fund Balances - October 1, 2024	<u>2,849,791</u>	<u>3,097,092</u>	<u>247,301</u>
Fund Balances - September 30, 2025	<u>\$ 2,849,791</u>	<u>\$ 2,992,927</u>	<u>\$ 143,136</u>

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

- 1) The rate or rates of non-ad valorem special assessments imposed by the District:
 \$1,150.78 – \$1,532.11 for the General Fund and \$130.33 – \$515.98 for the Debt Service Fund.
- 2) The amount of special assessments collected by or on behalf of the District: \$2,766,091
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds are as follows: See Note G of the report.



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Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Riverwood Community Development District

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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 which 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 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

March 26, 2026



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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, 2025. 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, 2025.

*Berger Toombs Elam
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Fort Pierce, Florida

March 26, 2026