

GRACEWATER SARASOTA

**COMMUNITY DEVELOPMENT
DISTRICT**

September 17, 2025

BOARD OF SUPERVISORS

PUBLIC HEARING

AND REGULAR

MEETING AGENDA

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT**

**AGENDA
LETTER**

Gracewater Sarasota Community Development District

OFFICE OF THE DISTRICT MANAGER

2300 Glades Road, Suite 410W • Boca Raton, Florida 33431

Phone: (561) 571-0010 • Toll-free: (877) 276-0889 • Fax: (561) 571-0013

September 10, 2025

Board of Supervisors
Gracewater Sarasota Community Development District

ATTENDEES:

Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.

Dear Board Members:

The Board of Supervisors of the Gracewater Sarasota Community Development District will hold a Public Hearing and Regular Meeting on September 17, 2025 at 12:00 p.m., at the offices of Icard Merrill, 2033 Main Street, Suite 600, Sarasota, Florida 34237. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Administration of Oath of Office to Newly Elected Supervisors [Wren Dante - Seat 5] *(the following to be provided in a separate package)*
 - A. Required Ethics Training and Disclosure Filing
 - Sample Form 1 2023/Instructions
 - B. Membership, Obligations and Responsibilities
 - C. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees
 - D. Form 8B: Memorandum of Voting Conflict for County, Municipal and other Local Public Officers
4. Consider Appointment to Fill Unexpired Term of Seat 2; *Term Expires November 2026*
 - Administration of Oath of Office to Appointed Supervisor
5. Consideration of Resolution 2025-07, Electing and Removing Officers of the District, and Providing for an Effective Date
6. Consideration of Resolution 2025-08, Amending Resolution 2025-04 to Reset the Date, Time, and Location of the Public Hearing Regarding Proposed Budget for Fiscal Year 2025/2026, Ratifying the Actions of the District Manager and Chairman in Resetting Such Public Hearing; Providing a Severability Clause; and Providing an Effective Date
7. Public Hearing on Adoption of Fiscal Year 2025/2026 Budget

- A. Affidavit of Publication
- B. Consideration of Resolution 2025-09, Relating to the Annual Appropriations and Adopting the Budget(s) for the Fiscal Year Beginning October 1, 2025, and Ending September 30, 2026; Authorizing Budget Amendments; and Providing an Effective Date
8. Consideration of Resolution 2025-10, Providing for Funding for the FY 2026 Adopted Budget(s); Providing for the Collection and Enforcement of Special Assessments, Including but Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date
9. Presentation of Audited Annual Financial Report for the Fiscal Year Ended September 30, 2023, Prepared by Berger, Toombs, Elam, Gaines & Frank
 - A. Consideration of Resolution 2025-11, Hereby Accepting the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2023
10. Presentation of Audited Annual Financial Report for the Fiscal Year Ended September 30, 2024, Prepared by Berger, Toombs, Elam, Gaines & Frank
 - A. Consideration of Resolution 2025-12, Hereby Accepting the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2024
11. Consideration of Goals and Objectives Reporting FY2026 [HB7013 - Special Districts Performance Measures and Standards Reporting]
 - Authorization of Chair to Approve Findings Related to 2025 Goals and Objectives Reporting
12. Acceptance of Unaudited Financial Statements as of July 31, 2025
13. Approval of April 16, 2025 Regular Meeting Minutes
14. Staff Reports
 - A. District Counsel: *Kutak Rock LLP*
 - B. District Engineer: *Morris Engineering & Consulting, LLC*
 - C. District Manager: *Wrathell, Hunt and Associates, LLC*
 - 0 Registered Voters in District as of April 15, 2025
 - NEXT MEETING DATE: October 15, 2025 at 12:00 PM

○ QUORUM CHECK

SEAT 1	ELDON JOHNSON	☐	IN PERSON	☐	PHONE	☐	NO
SEAT 2		☐	IN PERSON	☐	PHONE	☐	NO
SEAT 3	PHIL DANTE	☐	IN PERSON	☐	PHONE	☐	NO
SEAT 4	KRISTEN JOHNSON	☐	IN PERSON	☐	PHONE	☐	NO
SEAT 5	WREN DANTE	☐	IN PERSON	☐	PHONE	☐	NO

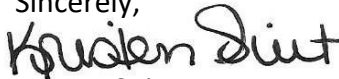
15. Board Members' Comments/Requests

16. Public Comments

17. Adjournment

If you should have any questions or concerns, please do not hesitate to contact me directly at (410) 207-1802.

Sincerely,



Kristen Suit
District Manager

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE

CALL-IN NUMBER: 1-888-354-0094

PARTICIPANT PASSCODE: 943 865 3730

GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT

3

**GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT
BOARD OF SUPERVISORS
OATH OF OFFICE**

I, _____, A CITIZEN OF THE STATE OF FLORIDA AND OF THE UNITED STATES OF AMERICA, AND BEING EMPLOYED BY OR AN OFFICER OF GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT AND A RECIPIENT OF PUBLIC FUNDS AS SUCH EMPLOYEE OR OFFICER, DO HEREBY SOLEMNLY SWEAR OR AFFIRM THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES AND OF THE STATE OF FLORIDA.

Board Supervisor

ACKNOWLEDGMENT OF OATH BEING TAKEN

STATE OF FLORIDA
COUNTY OF _____

The foregoing oath was administered before me before me by means of ☐ physical presence or ☐ online notarization on this ____ day of _____, 20__, by _____, who is personally known to me or has produced _____ as identification, and is the person described in and who took the aforementioned oath as a Member of the Board of Supervisors of Gracewater Sarasota Community Development District and acknowledged to and before me that he/she took said oath for the purposes therein expressed.

(NOTARY SEAL)

Notary Public, State of Florida

Print Name: _____

Commission No.: _____ Expires: _____

MAILING ADDRESS: ☐ Home ☐ Office County of Residence _____

Street Phone Fax

City, State, Zip Email Address

GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT

5

RESOLUTION 2025-07

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT
ELECTING AND REMOVING OFFICERS OF THE DISTRICT AND
PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the Gracewater Sarasota Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*; and

WHEREAS, the District’s Board of Supervisors desires to elect and remove Officers of the District.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
SUPERVISORS OF GRACEWATER SARASOTA COMMUNITY
DEVELOPMENT DISTRICT THAT:**

SECTION 1. The following is/are elected as Officer(s) of the District effective September 17, 2025:

_____ is elected Chair

_____ is elected Vice Chair

_____ is elected Assistant Secretary

_____ is elected Assistant Secretary

_____ is elected Assistant Secretary

Jordan Lansford is elected Assistant Secretary

SECTION 2. The following Officer(s) shall be removed as Officer(s) as of September 17, 2025:

SECTION 3. The following prior appointments by the Board remain unaffected by this Resolution:

Craig Wrathell is Secretary

Kristen Suit is Assistant Secretary

Craig Wrathell is Treasurer

Jeff Pinder is Assistant Treasurer

PASSED AND ADOPTED THIS 17TH DAY OF SEPTEMBER, 2025.

ATTEST:

**GRACEWATER SARASOTA COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT

6

RESOLUTION 2025-08

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT AMENDING RESOLUTION 2025-04 TO RESET THE DATE, TIME, AND LOCATION OF THE PUBLIC HEARING REGARDING PROPOSED BUDGET FOR FISCAL YEAR 2025/2026, RATIFYING THE ACTIONS OF THE DISTRICT MANAGER AND CHAIRMAN IN RESETTING SUCH PUBLIC HEARING; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Gracewater Sarasota Community Development District (“District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, as amended, and

WHEREAS, the Board of Supervisors of the District (“Board”) previously adopted Resolution 2025-04, approving the proposed budget for Fiscal Year 2025/2026 and setting public hearing on said approved budget, pursuant to Chapter 190, *Florida Statutes*, for August 20, 2025, at 12:00 p.m. at the Offices of Icard Merrill, 2033 Main Street, Suite 600, Sarasota, Florida 34237; and

WHEREAS, because the Board was unable to meet, the District Manager in consultation with the Chairman reset the public hearing to be held on September 17, 2025, at 12:00 p.m. at the same location as set forth in Resolution 2025-04, and the District Manager has caused the notice of the public hearing with the new date and time to be published consistent with the requirements of Chapter 190, *Florida Statutes*; and.

WHEREAS, the Board desires to ratify the District Manager and Chairman’s actions in resetting and noticing for the amended public hearing date.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. RATIFICATION OF PUBLIC HEARING RESET. The actions of the District Manager and Chairman in resetting the public hearing and the District Secretary in publishing the notice of public hearing are hereby ratified. Resolution 2025-04 is hereby amended to reflect that the public hearing as declared in Resolution 2025-04 is re-set to September 17, 2025, at 12:00 p.m. at the Office of Icard Merrill, 2033 Main Street, Suite 600, Sarasota, Florida 34237.

SECTION 2. RESOLUTION 2025-04 OTHERWISE REMAINS IN FULL FORCE AND EFFECT. Except as otherwise provided herein, all of the provisions of Resolution 2025-04 continue in full force and effect.

SECTION 3. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect upon its passage and adoption by the Board.

PASSED AND ADOPTED this 17th day of September 2025.

ATTEST:

**GRACEWATER SARASOTA COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT

7

GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT

7A

Serial Number
25-01671S

Business Observer

Published Weekly
Sarasota, Sarasota County, Florida

COUNTY OF SARASOTA

STATE OF FLORIDA

Before the undersigned authority personally appeared Cate Eschmann who on oath says that he/she is Publisher's Representative of the Business Observer a weekly newspaper published at Sarasota, Sarasota County, Florida; that the attached copy of advertisement,

being a Notice of Public Hearing and Notice of Regular Board of Supervisors' Meeting

in the matter of Public Hearing and Regular Meeting on September 17, 2025 at 12:00 p.m.; Gracewater Sarasota CDD

in the Court, was published in said newspaper by print in the

issues of 8/29/2025, 9/5/2025

Affiant further says that the Business Observer complies with all legal requirements for publication in chapter 50, Florida Statutes.

*This Notice was placed on the newspaper's website and floridapublicnotices.com on the same day the notice appeared in the newspaper.

GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT

NOTICE OF PUBLIC HEARING TO CONSIDER THE ADOPTION OF THE FISCAL YEAR 2026 PROPOSED BUDGET(S); AND NOTICE OF REGULAR BOARD OF SUPERVISORS' MEETING.

The Board of Supervisors ("Board") of the Community Development District ("District") will hold a public hearing and regular meeting as follows:

DATE: September 17, 2025
TIME: 12:00 p.m.
LOCATION: Icard Merrill
2033 Main Street, Suite 600
Sarasota, Florida 34237

The purpose of the public hearing is to receive comments and objections on the adoption of the District's proposed budget(s) for the fiscal year beginning October 1, 2025, and ending September 30, 2026 ("Proposed Budget"). A regular Board meeting of the District will also be held at the above time where the Board may consider any other business that may properly come before it. A copy of the agenda and Proposed Budget may be obtained at the offices of the District Manager, Wrathell, Hunt and Associates, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431, Ph: (561) 571-0010 ("District Manager's Office"), during normal business hours, or by visiting the District's website at <https://gracewatersarasotacdd.net/>.

The public hearing and meeting are open to the public and will be conducted in accordance with the provisions of Florida law. The public hearing and/or meeting may be continued in progress to a date, time certain, and place to be specified on the record at the public hearing and/or meeting. There may be occasions when Board Supervisors or District Staff may participate by speaker telephone.

Any person requiring special accommodations at the public hearing or meeting because of a disability or physical impairment should contact the District Manager's Office at least forty-eight (48) hours prior to the public hearing and meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Manager's Office.

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the public hearing or meeting is advised that person will need a record of proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

District Manager

August 29; September 5, 2025

25-01671S



Cate Eschmann

Sworn to and subscribed, and personally appeared by physical presence before me,

5th day of September, 2025 A.D.

by Cate Eschmann who is personally known to me.



Notary Public, State of Florida
(SEAL)



Andrew Pagnotta
Comm.: HH 627562
Expires: Jan. 12, 2029
Notary Public - State of Florida

GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT

7B

RESOLUTION 2025-09
[FY 2026 APPROPRIATION RESOLUTION]

THE ANNUAL APPROPRIATION RESOLUTION OF THE GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT ("DISTRICT") RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET(S) FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025, AND ENDING SEPTEMBER 30, 2026; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, for the fiscal year beginning October 1, 2025, and ending September 30, 2026 ("**FY 2026**"), the District Manager prepared and submitted to the Board of Supervisors ("**Board**") of the Gracewater Sarasota Community Development District ("**District**") prior to June 15, 2025, proposed budget(s) ("**Proposed Budget**") along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, at least sixty (60) days prior to the adoption of the Proposed Budget, the District filed a copy of the Proposed Budget with the local general-purpose government(s) having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), *Florida Statutes*; and

WHEREAS, the Board set a public hearing on the Proposed Budget and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, the District Manager posted the Proposed Budget on the District's website in accordance with Section 189.016, *Florida Statutes*; and

WHEREAS, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1st of each year, the Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BUDGET

- a. The Proposed Budget, attached hereto as **Exhibit A**, as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* ("**Adopted Budget**"), and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.
- b. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District's Local Records Office and identified as "The Budget for the Gracewater Sarasota Community Development District for the Fiscal Year Ending September 30, 2026."

- c. The Adopted Budget shall be posted by the District Manager on the District's official website in accordance with Section 189.016, *Florida Statutes* and shall remain on the website for at least two (2) years.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the District, for FY 2026, the sum(s) set forth in **Exhibit A** to be raised by the levy of assessments and/or otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated as set forth in **Exhibit A**.

SECTION 3. BUDGET AMENDMENTS

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within FY 2026 or within 60 days following the end of the FY 2026 may amend its Adopted Budget for that fiscal year as follows:

- a. A line-item appropriation for expenditures within a fund may be decreased or increased by motion of the Board recorded in the minutes, and approving the expenditure, if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may approve an expenditure that would increase or decrease a line-item appropriation for expenditures within a fund if the total appropriations of the fund do not increase and if either (i) the aggregate change in the original appropriation item does not exceed the greater of \$15,000 or 15% of the original appropriation, or (ii) such expenditure is authorized by separate disbursement or spending resolution.
- c. Any other budget amendments shall be adopted by resolution and consistent with Florida law. The District Manager or Treasurer must ensure that any amendments to the budget under this paragraph c. are posted on the District's website in accordance with Section 189.016, *Florida Statutes*, and remain on the website for at least two (2) years.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 17th DAY OF SEPTEMBER, 2025.

ATTEST:

**GRACEWATER SARASOTA COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

Exhibit A: FY 2026 Budget

Exhibit A: FY 2026 Budget

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT
PROPOSED BUDGET
FISCAL YEAR 2026**

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT
TABLE OF CONTENTS**

<u>Description</u>	<u>Page Number(s)</u>
General Fund Budget	1
Definitions of General Fund Expenditures	2
Debt Service Fund Budget - Series 2021	3
Amortization Schedule - Series 2021	4 - 5
Assessment Summary	6

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND BUDGET
FISCAL YEAR 2026**

	Fiscal Year 2025				Proposed
	Adopted Budget FY 2025	Actual through 2/28/2025	Projected Through 9/30/2025	Total Actual & Projected	Budget FY 2026
REVENUES					
Assessment levy: on-roll - gross	\$ 51,642				\$ 51,642
Allowable discounts (4%)	(2,066)				(2,066)
Assessment levy: on-roll - net	49,576	\$ -	\$ 49,576	\$ 49,576	49,576
Assessment levy: off-roll	60,596	49,779	10,817	60,596	60,596
Total revenues	110,172	49,779	60,393	110,172	110,172
EXPENDITURES					
Professional & administrative					
Supervisors	5,375	-	5,375	5,375	5,375
Management/accounting/recording	48,000	20,000	28,000	48,000	48,000
Legal	20,000	293	15,000	15,293	20,000
Engineering	1,200	-	1,200	1,200	1,200
Audit	4,500	-	4,500	4,500	4,500
Arbitrage rebate calculation	500	-	500	500	500
Dissemination agent	1,000	417	583	1,000	1,000
Trustee	5,000	4,031	969	5,000	5,000
Telephone	200	83	117	200	200
Postage	500	12	488	500	500
Printing & binding	500	208	292	500	500
Legal advertising	1,500	-	1,500	1,500	1,500
Annual special district fee	175	175	-	175	175
Insurance/property insurance	18,761	17,469	-	17,469	18,761
Contingencies/bank charges	500	529	1,000	1,529	500
Website hosting & maintenance	705	-	705	705	705
Website ADA compliance	210	-	210	210	210
Property appraiser	775	-	775	775	775
Tax collector	775	529	246	775	775
Total expenditures	110,176	43,746	61,460	105,206	110,176
Excess/(deficiency) of revenues over/(under) expenditures	(4)	6,033	(1,067)	4,966	(4)
Fund balance - beginning (unaudited)	3,211	21,754	27,787	21,754	26,720
Fund balance - ending (projected)					
Unassigned	3,207	27,787	26,720	26,720	26,716
Fund balance - ending	\$ 3,207	\$ 27,787	\$ 26,720	\$ 26,720	\$ 26,716

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT
DEFINITIONS OF GENERAL FUND EXPENDITURES**

EXPENDITURES

Professional & administrative

Supervisors	\$ 5,375
Statutorily set at \$200 for each meeting of the Board of Supervisors not to exceed \$4,800 for each fiscal year.	
Management/accounting/recording	48,000
Wrathell, Hunt and Associates, LLC (WHA), specializes in managing community development districts by combining the knowledge, skills and experience of a team of professionals to ensure compliance with all of the District's governmental requirements. WHA develops financing programs, administers the issuance of tax exempt bond financings, operates and maintains the assets of the community.	
Legal	20,000
General counsel and legal representation, which includes issues relating to public finance, public bidding, rulemaking, open meetings, public records, real property dedications, conveyances and contracts.	
Engineering	1,200
The District's Engineer will provide construction and consulting services, to assist the District in crafting sustainable solutions to address the long term interests of the community while recognizing the needs of government, the environment and maintenance of the District's facilities.	
Audit	4,500
Statutorily required for the District to undertake an independent examination of its books, records and accounting procedures.	
Arbitrage rebate calculation	500
To ensure the District's compliance with all tax regulations, annual computations are necessary to calculate the arbitrage rebate liability.	
Dissemination agent	1,000
The District must annually disseminate financial information in order to comply with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934. Wrathell, Hunt & Associates serves as dissemination agent.	
Trustee	5,000
Annual fee for the service provided by trustee, paying agent and registrar.	
Telephone	200
Telephone and fax machine.	
Postage	500
Mailing of agenda packages, overnight deliveries, correspondence, etc.	
Printing & binding	500
Letterhead, envelopes, copies, agenda packages	
Legal advertising	1,500
The District advertises for monthly meetings, special meetings, public hearings, public bids, etc.	

EXPENDITURES (continued)

Annual special district fee	175
Annual fee paid to the Florida Department of Economic Opportunity.	
Insurance/property insurance	18,761
The District will obtain public officials, general liability and property insurance.	
Contingencies/bank charges	500
Bank charges and other miscellaneous expenses incurred during the year and automated AP routing etc.	
Website hosting & maintenance	705
Website ADA compliance	210
Property appraiser	775
Tax collector	775
Total expenditures	<u><u>\$ 110,176</u></u>

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND BUDGET - SERIES 2021
FISCAL YEAR 2026**

	Fiscal Year 2025				Proposed Budget FY 2026
	Adopted Budget FY 2025	Actual through 2/28/2025	Projected Through 9/30/2025	Total Actual & Projected	
REVENUES					
Assessment levy: on-roll	\$ 443,487				\$ 443,487
Allowable discounts (4%)	(17,739)				(17,739)
Net assessment levy - on-roll	425,748	\$ -	\$ 425,748	\$ 425,748	425,748
Assessment levy: off-roll	523,074	427,490	95,584	523,074	523,074
Interest	-	20,080	-	20,080	-
Total revenues	948,822	447,570	521,332	968,902	948,822
EXPENDITURES					
Debt service					
Principal	355,000	-	355,000	355,000	365,000
Interest	578,048	289,024	289,024	578,048	569,528
Property appraiser	6,652	-	6,652	6,652	6,652
Tax collector	6,652	4,542	-	4,542	6,652
Total expenditures	946,352	293,566	650,676	944,242	947,832
Excess/(deficiency) of revenues over/(under) expenditures	2,470	154,004	(129,344)	24,660	990
Fund balance:					
Beginning fund balance (unaudited)	1,292,578	1,324,142	1,478,146	1,324,142	1,348,802
Ending fund balance (projected)	<u>\$1,295,048</u>	<u>\$ 1,478,146</u>	<u>\$ 1,348,802</u>	<u>\$ 1,348,802</u>	<u>1,349,792</u>
Use of fund balance:					
Debt service reserve account balance (required)					(933,300)
Interest expense - November 1, 2026					(280,384)
Projected fund balance surplus/(deficit) as of September 30, 2026					<u>\$ 136,108</u>

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT
SERIES 2021 AMORTIZATION SCHEDULE**

	Principal	Coupon Rate	Interest	Debt Service	Bond Balance
11/01/25			284,763.75	284,763.75	15,735,000.00
05/01/26	365,000.00	2.400%	284,763.75	649,763.75	15,370,000.00
11/01/26			280,383.75	280,383.75	15,370,000.00
05/01/27	375,000.00	2.950%	280,383.75	655,383.75	14,995,000.00
11/01/27			274,852.50	274,852.50	14,995,000.00
05/01/28	385,000.00	2.950%	274,852.50	659,852.50	14,610,000.00
11/01/28			269,173.75	269,173.75	14,610,000.00
05/01/29	400,000.00	2.950%	269,173.75	669,173.75	14,210,000.00
11/01/29			263,273.75	263,273.75	14,210,000.00
05/01/30	410,000.00	2.950%	263,273.75	673,273.75	13,800,000.00
11/01/30			257,226.25	257,226.25	13,800,000.00
05/01/31	425,000.00	2.950%	257,226.25	682,226.25	13,375,000.00
11/01/31			250,957.50	250,957.50	13,375,000.00
05/01/32	435,000.00	3.350%	250,957.50	685,957.50	12,940,000.00
11/01/32			243,671.25	243,671.25	12,940,000.00
05/01/33	450,000.00	3.350%	243,671.25	693,671.25	12,490,000.00
11/01/33			236,133.75	236,133.75	12,490,000.00
05/01/34	465,000.00	3.350%	236,133.75	701,133.75	12,025,000.00
11/01/34			228,345.00	228,345.00	12,025,000.00
05/01/35	480,000.00	3.350%	228,345.00	708,345.00	11,545,000.00
11/01/35			220,305.00	220,305.00	11,545,000.00
05/01/36	500,000.00	3.350%	220,305.00	720,305.00	11,045,000.00
11/01/36			211,930.00	211,930.00	11,045,000.00
05/01/37	515,000.00	3.350%	211,930.00	726,930.00	10,530,000.00
11/01/37			203,303.75	203,303.75	10,530,000.00
05/01/38	535,000.00	3.350%	203,303.75	738,303.75	9,995,000.00
11/01/38			194,342.50	194,342.50	9,995,000.00
05/01/39	550,000.00	3.350%	194,342.50	744,342.50	9,445,000.00
11/01/39			185,130.00	185,130.00	9,445,000.00
05/01/40	570,000.00	3.350%	185,130.00	755,130.00	8,875,000.00
11/01/40			175,582.50	175,582.50	8,875,000.00
05/01/41	590,000.00	3.350%	175,582.50	765,582.50	8,285,000.00
11/01/41			165,700.00	165,700.00	8,285,000.00
05/01/42	610,000.00	4.000%	165,700.00	775,700.00	7,675,000.00
11/01/42			153,500.00	153,500.00	7,675,000.00
05/01/43	635,000.00	4.000%	153,500.00	788,500.00	7,040,000.00
11/01/43			140,800.00	140,800.00	7,040,000.00
05/01/44	665,000.00	4.000%	140,800.00	805,800.00	6,375,000.00
11/01/44			127,500.00	127,500.00	6,375,000.00
05/01/45	690,000.00	4.000%	127,500.00	817,500.00	5,685,000.00
11/01/45			113,700.00	113,700.00	5,685,000.00
05/01/46	720,000.00	4.000%	113,700.00	833,700.00	4,965,000.00

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT
SERIES 2021 AMORTIZATION SCHEDULE**

	Principal	Coupon Rate	Interest	Debt Service	Bond Balance
11/01/46			99,300.00	99,300.00	4,965,000.00
05/01/47	745,000.00	4.000%	99,300.00	844,300.00	4,220,000.00
11/01/47			84,400.00	84,400.00	4,220,000.00
05/01/48	780,000.00	4.000%	84,400.00	864,400.00	3,440,000.00
11/01/48			68,800.00	68,800.00	3,440,000.00
05/01/49	810,000.00	4.000%	68,800.00	878,800.00	2,630,000.00
11/01/49			52,600.00	52,600.00	2,630,000.00
05/01/50	840,000.00	4.000%	52,600.00	892,600.00	1,790,000.00
11/01/50			35,800.00	35,800.00	1,790,000.00
05/01/51	875,000.00	4.000%	35,800.00	910,800.00	915,000.00
11/01/51			18,300.00	18,300.00	915,000.00
05/01/52	915,000.00	4.000%	18,300.00	933,300.00	-
Total	15,735,000.00		9,679,550.00	25,414,550.00	

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT
ASSESSMENT COMPARISON
PROJECTED FISCAL YEAR 2026 ASSESSMENTS**

On-Roll					
		FY 2026 O&M Assessment per Unit	FY 2026 DS Assessment per Unit	FY 2026 Total Assessment per Unit	FY 2025 Total Assessment per Unit
Product/Parcel	Units				
SFD 50'	92	\$ 241.32	\$ 2,499.93	\$ 2,741.25	\$ 2,741.25
SFA Villa 35'	122	241.32	1,749.95	1,991.27	1,991.27
Total	214				

Off-Roll					
		FY 2026 O&M Assessment per Unit	FY 2026 DS Assessment per Unit	FY 2026 Total Assessment per Unit	FY 2025 Total Assessment per Unit
Product/Parcel	Units				
SFD 50'	124	\$ 224.43	\$ 2,312.44	\$ 2,536.87	\$ 2,536.87
SFA Villa 35'	146	224.43	1,618.71	1,843.14	1,843.14
Total	270				

GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT

8

RESOLUTION 2025-10
[FY 2026 ASSESSMENT RESOLUTION]

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT PROVIDING FOR FUNDING FOR THE FY 2026 ADOPTED BUDGET(S); PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF SPECIAL ASSESSMENTS, INCLUDING BUT NOT LIMITED TO PENALTIES AND INTEREST THEREON; CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENTS TO THE ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Gracewater Sarasota Community Development District ("**District**") is a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District, located in Sarasota County, Florida ("**County**"); and

WHEREAS, the District has constructed or acquired various infrastructure improvements and provides certain services in accordance with the District's adopted capital improvement plan and Chapter 190, *Florida Statutes*; and

WHEREAS, for the fiscal year beginning October 1, 2025, and ending September 30, 2026 ("**FY 2026**"), the Board of Supervisors ("**Board**") of the District has determined to undertake various operations and maintenance and other activities described in the District's budget ("**Adopted Budget**"), attached hereto as **Exhibit A**; and

WHEREAS, pursuant to Chapter 190, *Florida Statutes*, the District may fund the Adopted Budget through the levy and imposition of special assessments on benefitted lands within the District and, regardless of the imposition method utilized by the District, under Florida law the District may collect such assessments by direct bill, tax roll, or in accordance with other collection measures provided by law; and

WHEREAS, in order to fund the District's Adopted Budget, the District's Board now desires to adopt this Resolution setting forth the means by which the District intends to fund its Adopted Budget.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT:

1. **FUNDING.** The District's Board hereby authorizes the funding mechanisms for the Adopted Budget as provided further herein and as indicated in the Adopted Budget attached hereto as **Exhibit A** and the assessment roll attached hereto as **Exhibit B ("Assessment Roll")**.

2. **OPERATIONS AND MAINTENANCE ASSESSMENTS.**

- a. **Benefit Findings.** The provision of the services, facilities, and operations as described in **Exhibit A** confers a special and peculiar benefit to the lands within the District, which benefit exceeds or equals the cost of the assessments. The allocation of the assessments to the specially benefitted lands is shown in **Exhibit A** and **Exhibit B** and is hereby found to be fair and reasonable.

- b. **O&M Assessment Imposition.** Pursuant to Chapter 190, *Florida Statutes*, a special assessment for operations and maintenance ("**O&M Assessment(s)**") is hereby levied and imposed on benefitted lands within the District and in accordance with **Exhibit A** and **Exhibit B**. The lien of the O&M Assessments imposed and levied by this Resolution shall be effective upon passage of this Resolution.
 - c. **Maximum Rate.** Pursuant to Section 197.3632(4), *Florida Statutes*, the lien amount shall serve as the "maximum rate" authorized by law for operation and maintenance assessments.
3. **DEBT SERVICE SPECIAL ASSESSMENTS.** The District's Board hereby certifies for collection the FY 2026 installment of the District's previously levied debt service special assessments ("**Debt Assessments,**" and together with the O&M Assessments, the "**Assessments**") in accordance with this Resolution and as further set forth in **Exhibit A** and **Exhibit B**, and hereby directs District staff to affect the collection of the same.
4. **COLLECTION AND ENFORCEMENT; PENALTIES; INTEREST.** Pursuant to Chapter 190, *Florida Statutes*, the District is authorized to collect and enforce the Assessments as set forth below.
 - a. **Tax Roll Assessments.** To the extent indicated in **Exhibit A** and **Exhibit B**, those certain O&M Assessments (if any) and/or Debt Assessments (if any) imposed on the "**Tax Roll Property**" identified in **Exhibit B** shall be collected by the County Tax Collector at the same time and in the same manner as County property taxes in accordance with Chapter 197, *Florida Statutes* ("**Uniform Method**"). That portion of the Assessment Roll which includes the Tax Roll Property is hereby certified to the County Tax Collector and shall be collected by the County Tax Collector in the same manner and time as County property taxes. The District's Board finds and determines that such collection method is an efficient method of collection for the Tax Roll Property.
 - b. **Direct Bill Assessments.** To the extent indicated in **Exhibit A** and **Exhibit B**, those certain O&M Assessments (if any) and/or Debt Assessments (if any) imposed on "**Direct Collect Property**" identified in **Exhibit B** shall be collected directly by the District in accordance with Florida law, as set forth in **Exhibit A** and **Exhibit B**. The District's Board finds and determines that such collection method is an efficient method of collection for the Direct Collect Property.
 - i. *Due Date (O&M Assessments).* O&M Assessments directly collected by the District shall be due and payable in full on December 1, 2025; provided, however, that, to the extent permitted by law, the O&M Assessments due may be paid in several partial, deferred payments and according to the following schedule: 50% due no later than December 1, 2025, 25% due no later than February 1, 2026 and 25% due no later than May 1, 2026.

- ii. **Due Date (Debt Assessments).** Debt Assessments directly collected by the District shall be due and payable in full on December 1, 2025; provided, however, that, to the extent permitted by law, the Debt Assessments due may be paid in several partial, deferred payments and according to the following schedule: 50% due no later than December 1, 2025, 25% due no later than February 1, 2026, and 25% due no later than May 1, 2026
- iii. In the event that an Assessment payment is not made in accordance with the schedule(s) stated above, the whole of such Assessment, including any remaining partial, deferred payments for the Fiscal Year: shall immediately become due and payable; shall accrue interest, penalties in the amount of one percent (1%) per month, and all costs of collection and enforcement; and shall either be enforced pursuant to a foreclosure action, or, at the District's sole discretion, collected pursuant to the Uniform Method on a future tax bill, which amount may include penalties, interest, and costs of collection and enforcement. Any prejudgment interest on delinquent Assessments shall accrue at the rate of any bonds secured by the Assessments, or at the statutory prejudgment interest rate, as applicable. In the event an Assessment subject to direct collection by the District shall be delinquent, the District Manager and District Counsel, without further authorization by the Board, may initiate foreclosure proceedings pursuant to Chapter 170, *Florida Statutes*, or other applicable law to collect and enforce the whole Assessment, as set forth herein.

- c. **Future Collection Methods.** The District's decision to collect Assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

5. **ASSESSMENT ROLL; AMENDMENTS.** The Assessment Roll, attached hereto as **Exhibit B**, is hereby certified for collection. The Assessment Roll shall be collected pursuant to the collection methods provided above. The proceeds therefrom shall be paid to the District. The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution and shall amend the Assessment Roll in accordance with any such updates, for such time as authorized by Florida law, to the County property roll.

6. **SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

7. **EFFECTIVE DATE.** This Resolution shall take effect upon the passage and adoption of this Resolution by the Board.

PASSED AND ADOPTED this 17th day of September, 2025.

ATTEST:

**GRACEWATER SARASOTA COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

By: _____

Its: _____

Exhibit A: Budget
Exhibit B: Assessment Roll

GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT

9

**Gracewater Sarasota
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2023

Gracewater Sarasota Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2023

TABLE OF CONTENTS

FINANCIAL SECTION	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-3
MANAGEMENT’S DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	15
Notes to Financial Statements	16-26
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	27-28
MANAGEMENT LETTER	29-31
INDEPENDENT ACCOUNTANTS’ REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	32



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

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

REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Gracewater Sarasota Community Development District
Sarasota, Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of Gracewater Sarasota Community Development District (the "District"), as of and for the year ended September 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Gracewater Sarasota Community Development District as of September 30, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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



To the Board of Supervisors
Gracewater Sarasota Community Development District

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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



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

To the Board of Supervisors
Gracewater Sarasota Community Development District

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 16, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

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

*Berger Toombs Elam
Gaines & Frank*

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

September 16, 2024

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

Management's discussion and analysis of Gracewater Sarasota 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 the change in net position. Governmental activities are primarily supported by special assessments and developer contributions.

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

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government and debt service.

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major 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.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2023.

- ◆ The District's liabilities exceeded assets by \$(95,287) (net position). Restricted net position was \$97,281 and unrestricted net position was \$(192,568).
- ◆ Governmental activities revenues totaled \$1,601,147, while governmental activities expenses totaled \$655,442.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2023	2022
Current assets	\$ 306,528	\$ 27,521
Restricted assets	3,793,195	6,439,568
Capital assets	12,963,559	11,160,884
Total Assets	<u>17,063,282</u>	<u>17,627,973</u>
Current liabilities	781,431	1,931,868
Non-current liabilities	16,377,138	16,737,097
Total Liabilities	<u>17,158,569</u>	<u>18,668,965</u>
Net Position		
Net investment in capital assets	-	(801,871)
Restricted	97,281	-
Unrestricted	<u>(192,568)</u>	<u>(239,121)</u>
Total Net Position	<u>\$ (95,287)</u>	<u>\$ (1,040,992)</u>

The increase in current assets is related to the increase in assessments receivable in the current year.

The decrease in restricted assets is related to the debt service and capital projects activity in the current year.

The increase in capital assets is related to the capital projects activity in the current year.

The decrease in current liabilities is related to the decreases in contracts and retainage payable in the current year.

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

The 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	
	2023	2022
Program Revenues		
Charges for services	\$ 933,301	\$ -
Operating contributions	68,203	76,852
Miscellaneous revenues	410,310	-
Investment income	189,333	23,065
Total Revenues	<u>1,601,147</u>	<u>99,917</u>
Expenses		
General government	74,193	71,233
Interest and other charges	581,249	1,069,700
Total Expenses	<u>655,442</u>	<u>1,140,933</u>
Change in Net Position	945,705	(1,041,016)
Net Position - Beginning of Year	<u>(1,040,992)</u>	<u>24</u>
Net Position - End of Year	<u><u>\$ (95,287)</u></u>	<u><u>\$ (1,040,992)</u></u>

The increase in charges for services is related to the debt service special assessments in the current year.

The increase in miscellaneous revenues is related to the reimbursement by the State for an environmental clean-up.

The decrease in interest and other charges is related to the issuance of long-term debt in the prior year.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2023 and 2022.

<u>Description</u>	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Construction in progress	<u>\$ 12,963,559</u>	<u>\$ 11,160,884</u>

Current year activity consisted of additions to construction in progress of \$1,802,675.

General Fund Budgetary Highlights

Actual expenditures were less than the final budget because legal expenditures were less than anticipated.

There were no amendments to the September 30, 2023 budget.

Debt Management

In October 2021, the District issued \$16,780,000 Capital Improvement Revenue Bonds, Series 2021. The Bonds were issued to finance the cost of acquisition, installation, and equipping of a portion of the 2021 Project. As of September 30, 2023, the balance outstanding was \$16,440,000.

Economic Factors and Next Year's Budget

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

Request for Information

The financial report is designed to provide a general overview of Gracewater Sarasota Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Gracewater Sarasota Community Development District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

Gracewater Sarasota Community Development District
STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities
Assets	
Current Assets	
Cash	\$ 10,186
Assessments receivable	295,998
Due from developer	344
Total Current Assets	<u>306,528</u>
Non-Current Assets	
Restricted Assets	
Investments	3,793,195
Capital assets, not being depreciated	
Construction in progress	12,963,559
Total Non-Current Assets	<u>16,756,754</u>
Total Assets	<u>17,063,282</u>
Liabilities	
Current Liabilities	
Accounts payable and accrued expenses	4,877
Contracts/retainage payable	176,201
Due to developer	6,000
Accrued interest	244,353
Bonds payable	350,000
Total Current Liabilities	<u>781,431</u>
Non-Current Liabilities	
Bonds payable, net	16,377,138
Total Liabilities	<u>17,158,569</u>
Net Position	
Restricted for debt service	97,281
Unrestricted net position	(192,568)
Total Net Position	<u>\$ (95,287)</u>

See accompanying notes to financial statements.

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

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position Governmental Activities
		Charges for services	Operating Grants and Contributions	
Governmental Activities				
General government	\$ (74,193)	\$ -	\$ 68,203	\$ (5,990)
Interest and other charges	(581,249)	933,301	-	352,052
Total Governmental Activities	<u>\$ (655,442)</u>	<u>\$ 933,301</u>	<u>\$ 68,203</u>	<u>346,062</u>
General Revenues				
Miscellaneous revenues				410,310
Investment income				189,333
Total General Revenues				<u>599,643</u>
Changes in Net Position				945,705
Net Position - October 1, 2022				<u>(1,040,992)</u>
Net Position - September 30, 2023				<u>\$ (95,287)</u>

See accompanying notes to financial statements.

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

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 10,186	\$ -	\$ -	\$ 10,186
Assessments receivable	-	295,998	-	295,998
Due from developer	344	-	-	344
Restricted assets				
Investments	-	978,943	2,814,252	3,793,195
Total Assets	<u>\$ 10,530</u>	<u>\$ 1,274,941</u>	<u>\$ 2,814,252</u>	<u>\$ 4,099,723</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued expenses	\$ 4,877	\$ -	\$ -	\$ 4,877
Contracts/retainage payable	-	-	176,201	176,201
Due to developer	6,000	-	-	6,000
Total Liabilities	<u>10,877</u>	<u>-</u>	<u>176,201</u>	<u>187,078</u>
Fund Balances				
Restricted:				
Debt service	-	1,274,941	-	1,274,941
Capital projects	-	-	2,638,051	2,638,051
Unassigned	(347)	-	-	(347)
Total Fund Balance	<u>(347)</u>	<u>1,274,941</u>	<u>2,638,051</u>	<u>3,912,645</u>
Total Liabilities and Fund Balances	<u>\$ 10,530</u>	<u>\$ 1,274,941</u>	<u>\$ 2,814,252</u>	<u>\$ 4,099,723</u>

See accompanying notes to financial statements.

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

Total Governmental Fund Balances	\$ 3,912,645
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	12,963,559
Long-term liabilities, including bonds payable, \$(16,440,000), net of bond premium, \$(287,138), are not due and payable in the current period and therefore, are not reported at the fund level.	(16,727,138)
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the fund level.	<u>(244,353)</u>
Net Position of Governmental Activities	<u><u>\$ (95,287)</u></u>

See accompanying notes to financial statements.

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

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ -	\$ 933,301	\$ -	\$ 933,301
Developer contributions	79,637	-	-	79,637
Miscellaneous revenues	-	-	410,310	410,310
Investment income	-	41,692	147,641	189,333
Total Revenues	<u>79,637</u>	<u>974,993</u>	<u>557,951</u>	<u>1,612,581</u>
Expenditures				
Current				
General government	74,193	-	-	74,193
Capital outlay	-	-	1,802,675	1,802,675
Debt service				
Principal	-	340,000	-	340,000
Interest	-	594,608	-	594,608
Total Expenditures	<u>74,193</u>	<u>934,608</u>	<u>1,802,675</u>	<u>2,811,476</u>
Net Change in Fund Balances	5,444	40,385	(1,244,724)	(1,198,895)
Fund Balances - October 1, 2022	<u>(5,791)</u>	<u>1,234,556</u>	<u>3,882,775</u>	<u>5,111,540</u>
Fund Balances - September 30, 2023	<u>\$ (347)</u>	<u>\$ 1,274,941</u>	<u>\$ 2,638,051</u>	<u>\$ 3,912,645</u>

See accompanying notes to financial statements.

Gracewater Sarasota Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ (1,198,895)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives as depreciation. This is the amount of capital outlay in the current year.	1,802,675
Bond principal payments are reported as an expenditure at the fund level, but are reported as a decrease to a liability at the government-wide level.	340,000
Amortization of bond premium does not require the use of current financial resources and therefore, is not reported in the governmental funds. This is the amount of amortization in the current period.	9,959
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in the governmental funds, interest expenditures are reported when due. This is the change in accrued interest in the current period.	3,400
Revenues that are not available to meet current uses, are not reflected as revenues at the fund level, however, revenues are recognized when earned at the government-wide level. This is the current year change in unavailable revenues.	<u>(11,434)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 945,705</u></u>

See accompanying notes to financial statements.

Gracewater Sarasota Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Developer contributions	<u>\$ 95,365</u>	<u>\$ 95,365</u>	<u>\$ 79,637</u>	<u>\$ (15,728)</u>
Expenditures				
Current				
General government	<u>95,365</u>	<u>95,365</u>	<u>74,193</u>	<u>21,172</u>
Net Change in Fund Balances	-	-	5,444	5,444
Fund Balances - October 1, 2022	<u>-</u>	<u>-</u>	<u>(5,791)</u>	<u>(5,791)</u>
Fund Balances - September 30, 2023	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (347)</u></u>	<u><u>\$ (347)</u></u>

See accompanying notes to financial statements.

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established on April 6, 2021, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance 2020-048 of the County of Sarasota, as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Gracewater Sarasota Community Development District. The District is governed by a five member Board of Supervisors. All the Supervisors are employed by the Developer. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Gracewater Sarasota 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 in Governmental Accounting Standards Board, The Financial Reporting Entity, 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

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

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.

Governmental activities are supported by special assessments and developer contributions. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program

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

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

b. Fund Financial Statements

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

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

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

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

The District has various policies governing the fund balance classifications.

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

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

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

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

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

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter, to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 90 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.

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 financing 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 are 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 are recorded only when payment is due.

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.

Debt Service Fund – The Debt Service Fund accounts for the debt service requirements of the long-term debt issued to finance the construction of District infrastructure improvements.

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Capital Projects Fund – The Capital Projects Funds account for construction of infrastructure improvements within the boundaries of the District.

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and improvements, and non-current governmental liabilities, such as general obligation bonds and due to developer be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, 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

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

a. Cash and Investments (Continued)

Cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

b. Budgets

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

c. Capital Assets

Capital assets, which includes construction in progress, are reported in the governmental 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 two years. 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.

d. Unamortized Bond Premium

Bond premiums are presented on the government-wide financial statements. The costs are amortized over the life of the bonds using the straight-line method. For financial reporting, the unamortized bond premium is netted with the applicable long-term debt.

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE B – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments. The District did not have investment balances.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2023, the District's bank balance was \$5,375 and the carrying value was \$10,186. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

Investments

As of September 30, 2023, the District has the following investment and maturity:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
First American Government Obligation	18 days *	<u>\$ 3,793,195</u>

* Maturity is a weighted average maturity.

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

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that 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 investment listed above is a Level 1 asset.

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

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

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2023, the District's investments in First American Government Obligation Fund were rated AAAM by Standard & Poor's.

Concentration of Credit Risk

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

The types of deposits and investments and their level of risk exposure as of September 30, 2023 were typical of these items during the period then ended. The District considers any decline in fair value for certain investments to be temporary.

NOTE C – CAPITAL ASSETS

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

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Construction in progress	<u>\$ 11,160,884</u>	<u>\$ 1,802,675</u>	<u>\$ -</u>	<u>\$ 12,963,559</u>

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE D – LONG-TERM DEBT

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

Long-term debt at October 1, 2022	\$ 16,780,000
Principal payments	<u>340,000</u>
Long-term debt at September 30, 2023	\$ 16,440,000
Bond premium, net	<u>287,138</u>
Bonds Payable, Net at September 30, 2023	<u><u>\$ 16,727,138</u></u>

Long-term debt is comprised of the following:

Capital Improvement Revenue Bonds

\$16,780,000 Capital Improvement Revenue Bonds, Series 2021 due in annual principal installments, beginning May 1, 2023. Interest is due semi-annually on May 1 and November 1, beginning November 1, 2022, at rates ranging from 2.40% to 4.00% with a maturity date of May 1, 2052. Current portion \$350,000.

\$ 16,440,000

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

Year Ending September 30,	Principal	Interest	Total
2024	\$ 350,000	\$ 586,448	\$ 936,448
2025	355,000	578,048	933,048
2026	365,000	569,528	934,528
2027	375,000	560,768	935,768
2028	385,000	549,705	934,705
2029-2033	2,120,000	2,568,607	4,688,607
2034-2038	2,495,000	2,200,036	4,695,036
2039-2043	2,955,000	1,748,510	4,703,510
2044-2048	3,600,000	1,131,400	4,731,400
2049-2052	3,440,000	351,000	3,791,000
Totals	<u><u>\$ 16,440,000</u></u>	<u><u>\$ 10,844,050</u></u>	<u><u>\$ 27,284,050</u></u>

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE D – LONG-TERM DEBT (CONTINUED)

Significant Bond Provisions

The Series 2021 Bonds are subject to optional redemption prior to maturity at the option of the District, in whole or in part, on any day on or after May 1, 2031 at the redemption price of 100% of principal amount of the respective Bonds redeemed together with accrued interest at the redemption date. The Series 2021 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the respective Bond Registrar if certain events occurred as outlined in the respective Trust Indenture.

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

Depository Funds

The bond resolution 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, are as follows:

1. Series 2021 Reserve Fund – The 2021 Reserve Account was funded from the proceeds of the Series 2021 Bonds in amounts equal to the maximum annual debt service requirement for all outstanding Series 2021 Bonds until certain conditions for reduction of reserve account requirement as stated in the Trust Indenture are met, at which time and thereafter, the Series 2021 Reserve Account Requirement shall be amounts equal to fifty percent of the maximum annual debt service requirement for all outstanding Series 2021 Bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Series 2021 Capital Improvement Revenue Bonds	\$ 933,300	\$ 933,300

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE E – RELATED PARTY TRANSACTIONS

All five members of the Board of Supervisors are affiliated with the Developer or a related entity. The District received \$79,637 in contributions from the Developer for the year ended September 30, 2023. Additionally, the District has \$344 due from the developer and a developer advance of \$6,000.

Additionally, four of the members of the Board are members of two separate immediate families.

NOTE F – ECONOMIC DEPENDENCY

The Developer owns a significant portion of land within the District. The District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

NOTE G – 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 for which the government carries commercial insurance. The District has not filed any claims under this commercial coverage.



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

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

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

To the Board of Supervisors
Gracewater Sarasota Community Development District
Sarasota, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, as listed in the table of contents, of Gracewater Sarasota Community Development District, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated September 16, 2024.

Report on Internal Control Over Financial Reporting

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

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

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



To the Board of Supervisors
Gracewater Sarasota Community Development District

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

September 16, 2024



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

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

MANAGEMENT LETTER

To the Board of Supervisors
Gracewater Sarasota Community Development District
Sarasota, Florida

Report on the Financial Statements

We have audited the financial statements of the Gracewater Sarasota Community Development District as of and for the year ended September 30, 2023, and have issued our report thereon dated September 16, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated September 16, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been 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.

Financial Condition and Management

Section 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 Gracewater Sarasota Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that Gracewater Sarasota Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.



To the Board of Supervisors
Gracewater Sarasota Community Development District

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 Gracewater Sarasota Community Development District. It is management's responsibility to monitor the Gracewater Sarasota Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2023.

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

Specific Information

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

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

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 1
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$0
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$65,029
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2022, together with the total expenditures for such project: The District spent \$1,802,675 for the 2021 project in the current year.
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended.

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

- 1) The rate or rates of non-ad valorem special assessments imposed by the District: Debt Service Fund, \$1,618.71 - \$2,312.44.
- 2) The amount of special assessments collected by or on behalf of the District: Total special assessments collected was \$933,301.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds: Series 2021 \$16,440,000 matures in May 2052.



To the Board of Supervisors
Gracewater Sarasota Community Development District

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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

September 16, 2024



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

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

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

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

To the Board of Supervisors
Gracewater Sarasota Community Development District
Sarasota, Florida

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

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

*Berger Toombs Elam
Gaines & Frank*

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

September 16, 2024

GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT

9A

RESOLUTION 2025-11

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT
HEREBY ACCEPTING THE AUDITED ANNUAL FINANCIAL REPORT FOR
THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

WHEREAS, the District's Auditor, Berger, Toombs, Elam, Gaines & Frank, has heretofore prepared and submitted to the Board, for accepting, the District's Audited Financial Statements for Fiscal Year 2023;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS
OF THE GRACEWATER SARASOTA COMMUNITY DEVELOPMENT
DISTRICT;**

1. The Audited Financial Statements for Fiscal Year 2023, heretofore submitted to the Board, is hereby accepted for Fiscal Year 2023, for the period ending September 30, 2023; and

2. A verified copy of said Audited Financial Statements for Fiscal Year 2023 shall be attached hereto as an exhibit to this Resolution, in the District's "Official Record of Proceedings".

PASSED AND ADOPTED THIS 17TH DAY OF SEPTEMBER, 2025.

**GRACEWATER SARASOTA COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT

10

**Gracewater Sarasota
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2024

Gracewater Sarasota Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2024

TABLE OF CONTENTS

FINANCIAL SECTION	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-3
MANAGEMENT’S DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	15
Notes to Financial Statements	16-26
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	27-28
MANAGEMENT LETTER	29-31
INDEPENDENT ACCOUNTANTS’ REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	32



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

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

REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Gracewater Sarasota Community Development District
Sarasota, Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of Gracewater Sarasota Community Development District (the "District"), as of and for the year ended September 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Gracewater Sarasota Community Development District as of September 30, 2024, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Fort Pierce / Stuart
- 1 -



To the Board of Supervisors
Gracewater Sarasota Community Development District

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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



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

To the Board of Supervisors
Gracewater Sarasota Community Development District

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 12, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

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

*Berger Toombs Elam
Gaines & Frank*

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

June 12, 2025

Gracewater Sarasota Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024

Management's discussion and analysis of Gracewater Sarasota 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 the change in net position. Governmental activities are primarily supported by special assessments.

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

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government and debt service.

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major 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.

Gracewater Sarasota Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Notes to financial statements provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, 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, 2024.

- ◆ The District's assets exceeded liabilities by \$546,971 (net position). Restricted net position was \$149,982, unrestricted net position was \$21,754, and net investment in capital assets was \$375,235.
- ◆ Governmental activities revenues totaled \$1,298,513, while governmental activities expenses totaled \$656,255.

**Gracewater Sarasota Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024**

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	
	2024	2023
Current assets	\$ 32,880	\$ 306,528
Restricted assets	2,841,173	3,793,195
Capital assets	14,298,097	12,963,559
Total Assets	<u>17,172,150</u>	<u>17,063,282</u>
Current liabilities	613,000	781,431
Non-current liabilities	16,012,179	16,377,138
Total Liabilities	<u>16,625,179</u>	<u>17,158,569</u>
Net Position		
Net investment in capital assets	375,235	-
Restricted	149,982	97,281
Unrestricted	<u>21,754</u>	<u>(192,568)</u>
Total Net Position	<u>\$ 546,971</u>	<u>\$ (95,287)</u>

The decrease in current assets is related to the decrease in assessments receivable in the current year.

The decrease in restricted assets and increase in capital assets is related to the capital projects activity in the current year.

The decrease in current liabilities is related to the decrease in contracts/retainage payable in the current year.

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

Gracewater Sarasota Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024

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	
	2024	2023
Program Revenues		
Charges for services	\$ 1,038,669	\$ 933,301
Operating contributions	-	68,203
Miscellaneous revenues	103,242	410,310
Investment income	156,602	189,333
Total Revenues	<u>1,298,513</u>	<u>1,601,147</u>
Expenses		
General government	83,266	74,193
Interest and other charges	572,989	581,249
Total Expenses	<u>656,255</u>	<u>655,442</u>
Change in Net Position	642,258	945,705
Net Position - Beginning of Year	<u>(95,287)</u>	<u>(1,040,992)</u>
Net Position - End of Year	<u>\$ 546,971</u>	<u>\$ (95,287)</u>

The increase in charges for services and decrease in operating contributions is related to the collection of General Fund special assessments in the current year.

The decrease in miscellaneous revenues is related to the reimbursement by the State for an environmental clean-up in the prior year.

**Gracewater Sarasota Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2024 and 2023.

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Construction in progress	<u>\$ 14,298,097</u>	<u>\$ 12,963,559</u>

Current year activity consisted of additions to construction in progress of \$1,334,538.

General Fund Budgetary Highlights

Actual expenditures were less than the final budget because legal expenditures were less than anticipated.

There were no amendments to the September 30, 2024 budget.

Debt Management

In October 2021, the District issued \$16,780,000 Capital Improvement Revenue Bonds, Series 2021. The Bonds were issued to finance the cost of acquisition, installation, and equipping of a portion of the 2021 Project. As of September 30, 2024, the balance outstanding was \$16,090,000.

Economic Factors and Next Year's Budget

The District does not expect any economic factors to have a significant effect on the financial position or results of operations of the District in fiscal year 2025.

Request for Information

The financial report is designed to provide a general overview of Gracewater Sarasota Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Gracewater Sarasota Community Development District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

Gracewater Sarasota Community Development District
STATEMENT OF NET POSITION
September 30, 2024

	Governmental Activities
Assets	
Current Assets	
Cash	\$ 32,000
Accounts receivable	880
Total Current Assets	<u>32,880</u>
Non-Current Assets	
Restricted Assets	
Investments	2,841,173
Capital assets, not being depreciated	
Construction in progress	14,298,097
Total Non-Current Assets	<u>17,139,270</u>
Total Assets	<u>17,172,150</u>
Liabilities	
Current Liabilities	
Accounts payable and accrued expenses	4,946
Contracts/retainage payable	6,021
Due to developer	6,180
Accrued interest	240,853
Bonds payable	355,000
Total Current Liabilities	<u>613,000</u>
Non-Current Liabilities	
Bonds payable, net	16,012,179
Total Liabilities	<u>16,625,179</u>
Net Position	
Net investment in capital assets	375,235
Restricted for debt service	149,982
Unrestricted net position	21,754
Total Net Position	<u>\$ 546,971</u>

See accompanying notes to financial statements.

Gracewater Sarasota Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues Charges for services	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
General government	\$ (83,266)	\$ 105,367	\$ 22,101
Interest and other charges	(572,989)	933,302	360,313
Total Governmental Activities	<u>\$ (656,255)</u>	<u>\$ 1,038,669</u>	<u>382,414</u>
General Revenues			
			103,242
			156,602
			<u>259,844</u>
			642,258
			<u>(95,287)</u>
			<u>\$ 546,971</u>

See accompanying notes to financial statements.

Gracewater Sarasota Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2024

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 32,000	\$ -	\$ -	\$ 32,000
Accounts receivable	880	-	-	880
Restricted assets				
Investments	-	1,324,142	1,517,031	2,841,173
Total Assets	<u>\$ 32,880</u>	<u>\$ 1,324,142</u>	<u>\$ 1,517,031</u>	<u>\$ 2,874,053</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued expenses	\$ 4,946	\$ -	\$ -	\$ 4,946
Contracts/retainage payable	-	-	6,021	6,021
Due to developer	6,180	-	-	6,180
Total Liabilities	<u>11,126</u>	<u>-</u>	<u>6,021</u>	<u>17,147</u>
Fund Balances				
Restricted:				
Debt service	-	1,324,142	-	1,324,142
Capital projects	-	-	1,511,010	1,511,010
Unassigned	21,754	-	-	21,754
Total Fund Balance	<u>21,754</u>	<u>1,324,142</u>	<u>1,511,010</u>	<u>2,856,906</u>
Total Liabilities and Fund Balances	<u>\$ 32,880</u>	<u>\$ 1,324,142</u>	<u>\$ 1,517,031</u>	<u>\$ 2,874,053</u>

See accompanying notes to financial statements.

Gracewater Sarasota Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2024

Total Governmental Fund Balances	\$ 2,856,906
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, construction in progress, used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	14,298,097
Long-term liabilities, including bonds payable, \$(16,090,000), net of bond premium, net, \$(277,179), are not due and payable in the current period and therefore, are not reported at the fund level.	(16,367,179)
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the fund level.	<u>(240,853)</u>
Net Position of Governmental Activities	<u><u>\$ 546,971</u></u>

See accompanying notes to financial statements.

Gracewater Sarasota Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ 105,367	\$ 933,302	\$ -	\$ 1,038,669
Miscellaneous revenues	-	-	103,242	103,242
Investment income	-	52,347	104,255	156,602
Total Revenues	<u>105,367</u>	<u>985,649</u>	<u>207,497</u>	<u>1,298,513</u>
Expenditures				
Current				
General government	83,266	-	-	83,266
Capital outlay	-	-	1,334,538	1,334,538
Debt service				
Principal	-	350,000	-	350,000
Interest	-	586,448	-	586,448
Total Expenditures	<u>83,266</u>	<u>936,448</u>	<u>1,334,538</u>	<u>2,354,252</u>
Net Change in Fund Balances	22,101	49,201	(1,127,041)	(1,055,739)
Fund Balances - October 1, 2023	<u>(347)</u>	<u>1,274,941</u>	<u>2,638,051</u>	<u>3,912,645</u>
Fund Balances - September 30, 2024	<u>\$ 21,754</u>	<u>\$ 1,324,142</u>	<u>\$ 1,511,010</u>	<u>\$ 2,856,906</u>

See accompanying notes to financial statements.

Gracewater Sarasota 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, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ (1,055,739)
--	----------------

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

Governmental funds report capital outlays. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives as depreciation. This is the amount of capital outlay in the current year.	1,334,538
--	-----------

Bond principal payments are reported as an expenditure at the fund level, but are reported as a decrease to a liability at the government-wide level.	350,000
---	---------

Amortization of bond premium does not require the use of current financial resources and therefore, is not reported in the fund level. This is the amount of amortization in the current period.	9,959
--	-------

In the Statement of Activities, interest is accrued on outstanding bonds; whereas at the fund level, interest expenditures are reported when due. This is the change in accrued interest in the current period.	3,500
---	--

Change in Net Position of Governmental Activities	\$ 642,258
---	---

See accompanying notes to financial statements.

Gracewater Sarasota Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	<u>\$ 105,365</u>	<u>\$ 105,365</u>	<u>\$ 105,367</u>	<u>\$ 2</u>
Expenditures				
Current				
General government	<u>105,365</u>	<u>105,365</u>	<u>83,266</u>	<u>22,099</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>22,101</u>	<u>22,101</u>
Fund Balances - October 1, 2023	<u>-</u>	<u>-</u>	<u>(347)</u>	<u>(347)</u>
Fund Balances - September 30, 2024	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,754</u></u>	<u><u>\$ 21,754</u></u>

See accompanying notes to financial statements.

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established on April 6, 2021, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance 2020-048 of Sarasota County, as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Gracewater Sarasota Community Development District. The District is governed by a five member Board of Supervisors. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Gracewater Sarasota 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 in Governmental Accounting Standards Board, The Financial Reporting Entity, 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

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

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.

Governmental activities are supported by special assessments. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program

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

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

b. Fund Financial Statements

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

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

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

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

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.

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period, or soon thereafter, to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 90 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.

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 financing 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 are 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 are recorded only when payment is due.

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.

Debt Service Fund – The Debt Service Fund accounts for the debt service requirements of the long-term debt issued to finance the construction of District infrastructure improvements.

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Capital Projects Fund – The Capital Projects Funds account for construction of infrastructure improvements within the boundaries of the District.

b. 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 capital improvement bonds be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, 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.

Cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

b. Budgets

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

c. Restricted Net Position

Certain net position of the District are classified as restricted in 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. Capital Assets

Capital assets, which includes construction in progress, are reported in the governmental 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 two years. 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.

e. Unamortized Bond Premium

Bond premiums are presented on the government-wide financial statements. The costs are amortized over the life of the bonds using the straight-line method. For financial reporting, the unamortized bond premium is netted with the applicable long-term debt.

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE B – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments. The District did not have investment balances.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2024, the District's bank balance and carrying value were \$32,000. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

Investments

As of September 30, 2024, the District has the following investment and maturity:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
First American Government Obligation Fund	31 days *	<u>\$ 2,841,173</u>

* Maturity is a weighted average maturity.

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

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that 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 investment listed above is a Level 1 asset.

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

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

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2024, the District's investments in First American Government Obligation Fund were rated AAAM by Standard & Poor's.

Concentration of Credit Risk

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

The types of deposits and investments and their level of risk exposure as of September 30, 2024 were typical of these items during the period then ended. The District considers any decline in fair value for certain investments to be temporary.

NOTE C – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2024 was as follows:

	Balance October 1, 2023	Additions	Deletions	Balance September 30, 2024
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Construction in progress	\$ 12,963,559	\$ 1,334,538	\$ -	\$ 14,298,097

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE D – LONG-TERM DEBT

The following is a summary of long-term debt activity of the District for the year ended September 30, 2024:

Long-term debt at October 1, 2023	\$ 16,440,000
Principal payments	<u>350,000</u>
Long-term debt at September 30, 2024	\$ 16,090,000
Bond premium, net	<u>277,179</u>
Bonds Payable, Net at September 30, 2024	<u><u>\$ 16,367,179</u></u>

Long-term debt is comprised of the following:

Capital Improvement Revenue Bonds

\$16,780,000 Capital Improvement Revenue Bonds, Series 2021 due in annual principal installments, beginning May 1, 2023. Interest is due semi-annually on May 1 and November 1, beginning November 1, 2022, at rates ranging from 2.40% to 4.00% with a maturity date of May 1, 2052. Current portion \$355,000.

\$ 16,090,000

The annual requirements to amortize the principal and interest of the bonded debt outstanding as of September 30, 2024 are as follows:

Year Ending September 30,	Principal	Interest	Total
2025	\$ 355,000	\$ 578,048	\$ 933,048
2026	365,000	569,528	934,528
2027	375,000	560,768	935,768
2028	385,000	549,705	934,705
2029	400,000	538,348	938,348
2030-2034	2,185,000	2,502,527	4,687,527
2035-2039	2,580,000	2,116,453	4,696,453
2040-2044	3,070,000	1,641,425	4,711,425
2045-2049	3,745,000	987,400	4,732,400
2050-2052	2,630,000	213,400	2,843,400
Totals	<u><u>\$ 16,090,000</u></u>	<u><u>\$ 10,257,602</u></u>	<u><u>\$ 26,347,602</u></u>

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE D – LONG-TERM DEBT (CONTINUED)

Significant Bond Provisions

The Series 2021 Bonds are subject to optional redemption prior to maturity at the option of the District, in whole or in part, on any day on or after May 1, 2031 at the redemption price of 100% of principal amount of the respective Bonds redeemed together with accrued interest at the redemption date. The Series 2021 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the respective Bond Registrar if certain events occurred as outlined in the respective Trust Indenture.

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

Depository Funds

The bond resolution 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, are as follows:

1. Series 2021 Reserve Fund – The 2021 Reserve Account was funded from the proceeds of the Series 2021 Bonds in amounts equal to the maximum annual debt service requirement for all outstanding Series 2021 Bonds until certain conditions for reduction of reserve account requirement as stated in the Trust Indenture are met, at which time and thereafter, the Series 2021 Reserve Account Requirement shall be amounts equal to fifty percent of the maximum annual debt service requirement for all outstanding Series 2021 Bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Series 2021 Capital Improvement Revenue Bonds	\$ 933,300	\$ 933,300

Gracewater Sarasota Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE E – RELATED PARTY TRANSACTIONS

All five members of the Board of Supervisors are affiliated with the Developer or a related entity. The District received \$1,038,669 in assessments from the Developer for the year ended September 30, 2024. Additionally, the District has a developer advance due of \$6,000.

Additionally, four of the members of the Board are members of two separate immediate families.

NOTE F – ECONOMIC DEPENDENCY

The Developer owns a significant portion of land within the District. The District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

NOTE G – 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 for which the government carries commercial insurance. The District has not filed any claims under this commercial coverage.



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

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

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

To the Board of Supervisors
Gracewater Sarasota Community Development District
Sarasota, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, as listed in the table of contents, of Gracewater Sarasota Community Development District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated June 12, 2025.

Report on Internal Control Over Financial Reporting

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

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

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



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

To the Board of Supervisors
Gracewater Sarasota Community Development District

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

June 12, 2025



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

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

MANAGEMENT LETTER

To the Board of Supervisors
Gracewater Sarasota Community Development District
Sarasota, Florida

Report on the Financial Statements

We have audited the financial statements of the Gracewater Sarasota Community Development District as of and for the year ended September 30, 2024, and have issued our report thereon dated June 12, 2025.

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 Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 12, 2025, 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.

Financial Condition and Management

Section 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 Gracewater Sarasota Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that Gracewater Sarasota Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.



To the Board of Supervisors
Gracewater Sarasota Community Development District

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 Gracewater Sarasota Community Development District. It is management's responsibility to monitor the Gracewater Sarasota Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2024.

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

Specific Information

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

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

- 1) The total number of District employees compensated in the last pay period of the District's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 1
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$0
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$65,029
- 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, 2023, together with the total expenditures for such project: The District spent \$1,334,538 for the 2021 project in the current year.
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended.

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

- 1) The rate or rates of non-ad valorem special assessments imposed by the District: General Fund, \$217.70 and Debt Service Fund, \$1,618.71 - \$2,312.44.
- 2) The amount of special assessments collected by or on behalf of the District: Total special assessments collected was \$1,038,669.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds: Series 2021 \$16,090,000 matures in May 2052.



To the Board of Supervisors
Gracewater Sarasota 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

June 12, 2025



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

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

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

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

To the Board of Supervisors
Gracewater Sarasota Community Development District
Sarasota, Florida

We have examined Gracewater Sarasota Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2024. Management is responsible for Gracewater Sarasota Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Gracewater Sarasota 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 Gracewater Sarasota 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 Gracewater Sarasota Community Development District's compliance with the specified requirements.

In our opinion, Gracewater Sarasota Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2024.

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

June 12, 2025

GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT

10A

RESOLUTION 2025-12

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT
HEREBY ACCEPTING THE AUDITED ANNUAL FINANCIAL REPORT FOR
THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

WHEREAS, the District's Auditor, Berger, Toombs, Elam, Gaines & Frank, has heretofore prepared and submitted to the Board, for accepting, the District's Audited Financial Statements for Fiscal Year 2024;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS
OF THE GRACEWATER SARASOTA COMMUNITY DEVELOPMENT
DISTRICT;**

1. The Audited Financial Statements for Fiscal Year 2024, heretofore submitted to the Board, is hereby accepted for Fiscal Year 2024, for the period ending September 30, 2024; and

2. A verified copy of said Audited Financial Statements for Fiscal Year 2024 shall be attached hereto as an exhibit to this Resolution, in the District's "Official Record of Proceedings".

PASSED AND ADOPTED THIS 17TH DAY OF SEPTEMBER, 2025.

**GRACEWATER SARASOTA COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT

11

GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT
Performance Measures/Standards & Annual Reporting Form
October 1, 2025 – September 30, 2026

1. COMMUNITY COMMUNICATION AND ENGAGEMENT

Goal 1.1 Public Meetings Compliance

Objective: Hold at least two (2) regular Board of Supervisor meetings per year to conduct CDD related business and discuss community needs.

Measurement: Number of public board meetings held annually as evidenced by meeting minutes and legal advertisements.

Standard: A minimum of two (2) regular board meetings was held during the fiscal year.

Achieved: Yes ☐ No ☐

Goal 1.2 Notice of Meetings Compliance

Objective: Provide public notice of each meeting at least seven days in advance, as specified in Section 190.007(1), using at least two communication methods.

Measurement: Timeliness and method of meeting notices as evidenced by posting to CDD website, publishing in local newspaper and via electronic communication.

Standard: 100% of meetings were advertised with 7 days' notice per statute on at least two mediums (i.e., newspaper, CDD website, electronic communications).

Achieved: Yes ☐ No ☐

Goal 1.3 Access to Records Compliance

Objective: Ensure that meeting minutes and other public records are readily available and easily accessible to the public by completing monthly CDD website checks.

Measurement: Monthly website reviews will be completed to ensure meeting minutes and other public records are up to date as evidenced by District Management's records.

Standard: 100% of monthly website checks were completed by District Management.

Achieved: Yes ☐ No ☐

2. **INFRASTRUCTURE AND FACILITIES MAINTENANCE**

Goal 2.1 District Infrastructure and Facilities Inspections

Objective: District Engineer will conduct an annual inspection of the District's infrastructure and related systems.

Measurement: A minimum of one (1) inspection completed per year as evidenced by district engineer's report related to district's infrastructure and related systems.

Standard: Minimum of one (1) inspection was completed in the Fiscal Year by the district's engineer.

Achieved: Yes ☐ No ☐

3. **FINANCIAL TRANSPARENCY AND ACCOUNTABILITY**

Goal 3.1 Annual Budget Preparation

Objective: Prepare and approve the annual proposed budget by June 15 and final budget was adopted by September 30 each year.

Measurement: Proposed budget was approved by the Board before June 15 and final budget was adopted by September 30 as evidenced by meeting minutes and budget documents listed on CDD website and/or within district records.

Standard: 100% of budget approval and adoption were completed by the statutory deadlines and posted to the CDD website.

Achieved: Yes ☐ No ☐

Goal 3.2 Financial Reports

Objective: Publish to the CDD website the most recent versions of the following documents: annual audit, current fiscal year budget with any amendments, and most recent financials within the latest agenda package.

Measurement: Annual audit, previous years' budgets, and financials are accessible to the public as evidenced by corresponding documents on the CDD website.

Standard: CDD website contains 100% of the following information: most recent annual audit, most recently adopted/amended fiscal year budget, and most recent agenda package with updated financials.

Achieved: Yes ☐ No ☐

Goal 3.3 Annual Financial Audit

Objective: Conduct an annual independent financial audit per statutory requirements and publish the results to the CDD website for public inspection and transmit said results to the State of Florida.

Measurement: Timeliness of audit completion and publication as evidenced by meeting minutes showing board approval and annual audit is available on the CDD website and transmitted to the State of Florida.

Standard: Audit was completed by an independent auditing firm per statutory requirements and results were posted to the CDD website and transmitted to the State of Florida.

Achieved: Yes ☐ No ☐

District Manager

Chair/Vice Chair, Board of Supervisors

Print Name

Print Name

Date

Date

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT**

**UNAUDITED
FINANCIAL
STATEMENTS**

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
UNAUDITED
JULY 31, 2025**

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2025**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash	\$ 64,088	\$ -	\$ -	\$ 64,088
Investments				
Revenue	-	448,603	-	448,603
Reserve	-	933,300	-	933,300
Construction	-	-	1,285,912	1,285,912
Total assets	<u>\$ 64,088</u>	<u>\$1,381,903</u>	<u>\$ 1,285,912</u>	<u>\$ 2,731,903</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to Landowner	\$ 180	\$ -	\$ -	\$ 180
Landowner advance	6,000	-	-	6,000
Total liabilities	<u>6,180</u>	<u>-</u>	<u>-</u>	<u>6,180</u>
Fund balances:				
Restricted for:				
Debt service	-	1,381,903	-	1,381,903
Capital projects	-	-	1,285,912	1,285,912
Unassigned	57,908	-	-	57,908
Total fund balances	<u>57,908</u>	<u>1,381,903</u>	<u>1,285,912</u>	<u>2,725,723</u>
Total liabilities and fund balances	<u>\$ 64,088</u>	<u>\$1,381,903</u>	<u>\$ 1,285,912</u>	<u>\$ 2,731,903</u>

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDED JULY 31, 2025**

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Assessment levy: on-roll - net	\$ -	\$ 49,934	\$ 49,576	101%
Assessment levy: off-roll		60,596	60,596	100%
Total revenues	<u>-</u>	<u>110,530</u>	<u>110,172</u>	100%
EXPENDITURES				
Professional & administrative				
Supervisors	-	646	5,375	12%
Management/accounting/recording	4,000	40,000	48,000	83%
Legal	876	1,581	20,000	8%
Engineering	-	-	1,200	0%
Audit	-	4,485	4,500	100%
Arbitrage rebate calculation	-	-	500	0%
Dissemination agent	84	833	1,000	83%
Trustee	-	4,031	5,000	81%
Telephone	17	167	200	84%
Postage	321	464	500	93%
Printing & binding	42	417	500	83%
Legal advertising	-	1,851	1,500	123%
Annual special district fee	-	175	175	100%
Insurance	-	17,469	18,761	93%
Contingencies/bank charges	103	1,023	500	205%
Website hosting & maintenance	705	705	705	100%
Website ADA compliance	-	-	210	0%
Total professional & administrative	<u>6,148</u>	<u>73,847</u>	<u>108,626</u>	68%
Other fees & charges				
Property appraiser	-	-	775	0%
Tax collector	-	529	775	68%
Total other fees & charges	<u>-</u>	<u>529</u>	<u>1,550</u>	34%
Total expenditures	<u>6,148</u>	<u>74,376</u>	<u>110,176</u>	68%
Excess/(deficiency) of revenues over/(under) expenditures	(6,148)	36,154	(4)	
Fund balances - beginning	64,056	21,754	3,211	
Fund balances - ending	<u>\$ 57,908</u>	<u>\$ 57,908</u>	<u>\$ 3,207</u>	

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND, SERIES 2021
FOR THE PERIOD ENDED JULY 31, 2025**

	Current Month	Year To Date	Budget	% of Budget
REVENUES				
Assessment levy: on-roll - net	\$ -	\$ 428,822	\$ 425,748	101%
Assessment levy: off-roll	-	523,074	523,074	100%
Interest	4,420	43,455	-	N/A
Total revenues	<u>4,420</u>	<u>995,351</u>	<u>948,822</u>	105%
EXPENDITURES				
Principal	-	355,000	355,000	100%
Interest	-	578,048	578,048	100%
Tax collector	-	4,542	6,652	68%
Total debt service	<u>-</u>	<u>937,590</u>	<u>939,700</u>	100%
Other fees & charges				
Property appraiser	-	-	6,652	0%
Total other fees and charges	<u>-</u>	<u>-</u>	<u>6,652</u>	0%
Total expenditures	<u>-</u>	<u>937,590</u>	<u>946,352</u>	99%
Excess/(deficiency) of revenues over/(under) expenditures	4,420	57,761	2,470	
Fund balances - beginning	<u>1,377,483</u>	<u>1,324,142</u>	<u>1,292,578</u>	
Fund balances - ending	<u><u>\$ 1,381,903</u></u>	<u><u>\$ 1,381,903</u></u>	<u><u>\$ 1,295,048</u></u>	

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND, SERIES 2021
FOR THE PERIOD ENDED JULY 31, 2025**

	Current Month	Year To Date
REVENUES		
Interest	\$ 4,156	\$ 49,580
Miscellaneous income	-	37,708
Total revenues	<u>4,156</u>	<u>87,288</u>
EXPENDITURES		
Construction costs	<u>3,946</u>	<u>312,386</u>
Total expenditures	<u>3,946</u>	<u>312,386</u>
Excess/(deficiency) of revenues over/(under) expenditures	210	(225,098)
Fund balances - beginning	1,285,702	1,511,010
Fund balances - ending	<u><u>\$ 1,285,912</u></u>	<u><u>\$ 1,285,912</u></u>

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT**

MINUTES

DRAFT
MINUTES OF MEETING
GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT

The Board of Supervisors of the Gracewater Sarasota Community Development District held a Regular Meeting on April 16, 2025 at 12:00 p.m., at the offices of Icard Merrill, 2033 Main Street, Suite 600, Sarasota, Florida 34237.

Present:

Eldon Johnson	Chair
Kristen Johnson	Assistant Secretary
Phil Dante	Assistant Secretary

Also present:

Kristen Suit	District Manager
Jonathan Johnson (via telephone)	District Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Suit called the meeting to order at 12:04 p.m.

Supervisors Eldon Johnson, Phil Dante and Supervisor-Elect Kristen Johnson were present. Supervisor-Elect Wren Dante was not present. One seat was vacant.

SECOND ORDER OF BUSINESS

Public Comments

No members of the public spoke.

THIRD ORDER OF BUSINESS

Administration of Oath of Office to Newly Elected Supervisors [Kristen Johnson - Seat 4, Wren Dante - Seat 5] (the following to be provided in a separate package)

Ms. Suit, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Kristen Johnson. Ms. Johnson is familiar with the following:

A. Required Ethics Training and Disclosure Filing

- **Sample Form 1 2023/Instructions**

B. Membership, Obligations and Responsibilities

C. Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees

D. Form 8B: Memorandum of Voting Conflict for County, Municipal and other Local Public Officers

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2025-01, Canvassing and Certifying the Results of the Landowners' Election of Supervisors Held Pursuant to Section 190.006(2), Florida Statutes; and Providing for an Effective Date

Ms. Suit presented Resolution 2025-01. The results of the Landowners' Election were as follows:

Seat 2	Vacant	0 votes	2-year term
Seat 4	Kristen Johnson	280 votes	4-year term
Seat 5	Wren Dante	280 votes	4-year term

On MOTION by Mr. Johnson and seconded by Ms. Johnson, with all in favor, Resolution 2025-01, Canvassing and Certifying the Results of the Landowners' Election of Supervisors Held Pursuant to Section 190.006(2), Florida Statutes; and Providing for an Effective Date, was adopted.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2025-02, Declaring a Vacancy in Seat 2 of the Board of Supervisors Pursuant to Section 190.006(2)(b), Florida Statutes; and Providing an Effective Date

Ms. Suit presented Resolution 2025-02.

On MOTION by Ms. Johnson and seconded by Mr. Dante, with all in favor, Resolution 2025-02, Declaring a Vacancy in Seat 2 of the Board of Supervisors Pursuant to Section 190.006(2)(b), Florida Statutes; and Providing an Effective Date, was adopted.

SIXTH ORDER OF BUSINESS

**Consider Appointment to Fill Unexpired
Term of Seat 2; Term Expires November
2026**

- Administration of Oath of Office to Appointed Supervisor**

This item was deferred.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2025-03,
Electing and Removing Officers of the
District, and Providing for an Effective Date**

Ms. Suit presented Resolution 2025-03. Mr. Johnson nominated the following slate:

Eldon Johnson	Chair
Phil Dante	Vice Chair
Kristen Johnson	Assistant Secretary
Wren Dante	Assistant Secretary

No other nominations were made.

This Resolution removes the following from the Board:

Clifton Fischer	Assistant Secretary
-----------------	---------------------

The following prior appointments by the Board remain unaffected by this Resolution:

Craig Wrathell	Secretary
Kristen Suit	Assistant Secretary
Craig Wrathell	Treasurer
Jeff Pinder	Assistant Treasurer

**On MOTION by Mr. Johnson and seconded by Ms. Johnson, with all in favor,
Resolution 2025-03, Electing, as nominated, and Removing Officers of the
District, and Providing for an Effective Date, was adopted.**

EIGHTH ORDER OF BUSINESS

**Consideration of Resolution 2025-04,
Approving a Proposed Budget for Fiscal
Year 2025/2026 and Setting a Public
Hearing Thereon Pursuant to Florida Law;
Addressing Transmittal, Posting and
Publication Requirements; Addressing
Severability; and Providing for an Effective
Date**

Ms. Suit presented Resolution 2025-04. She reviewed the proposed Fiscal Year 2026 budget, highlighting increases, decreases and adjustments, compared to the Fiscal Year 2025 budget, and explained the reasons for any changes.

On MOTION by Ms. Johnson and seconded by Mr. Dante, with all in favor, Resolution 2025-04, Approving a Proposed Budget for Fiscal Year 2025/2026 and Setting a Public Hearing Thereon Pursuant to Florida Law for August 20, 2025 at 12:00 p.m., at the offices of Icard Merrill, 2033 Main Street, Suite 600, Sarasota, Florida, 34237; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing for an Effective Date, was adopted.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2025-05, Approving the Florida Statewide Mutual Aid Agreement; Providing for Severability; and Providing for an Effective Date

Ms. Suit presented Resolution 2025-05. She discussed the benefits of the Agreement and noted that the CDD would more likely be the recipient of aid from other governmental entities than a provider of aid. This Agreement was previously approved and is being presented due to some updates to the Agreement.

On MOTION by Mr. Johnson and seconded by Ms. Johnson, with all in favor, Resolution 2025-05, Approving the Florida Statewide Mutual Aid Agreement; Providing for Severability; and Providing for an Effective Date, was adopted.

TENTH ORDER OF BUSINESS

Consideration of Resolution 2025-06, Designating Dates, Times and Locations for Regular Meetings of the Board of Supervisors of the District for Fiscal Year 2025/2026 and Providing for an Effective Date

On MOTION by Ms. Johnson and seconded by Mr. Dante, with all in favor, Resolution 2025-06, Designating Dates, Times and Locations for Regular Meetings of the Board of Supervisors of the District for Fiscal Year 2025/2026 and Providing for an Effective Date, was adopted.

ELEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial
Statements as of February 28, 2025

On MOTION by Ms. Johnson and seconded by Mr. Dante, with all in favor, the
Unaudited Financial Statements as of February 28, 2025, were accepted.

TWELFTH ORDER OF BUSINESS

Approval of Minutes

- A. August 21, 2024, Public Hearings and Regular Meeting
- B. November 5, 2024 Landowners' Meeting

On MOTION by Ms. Johnson and seconded by Mr. Dante, with all in favor, the
August 21, 2024, Public Hearings and Regular Meeting Minutes and the
November 5, 2024 Landowners' Meeting Minutes, both as presented, were
approved.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

- A. District Counsel: Kutak Rock LLP
- B. District Engineer: Morris Engineering & Consulting, LLC
- C. District Manager: Wrathell, Hunt and Associates, LLC

There were no District Counsel or District Engineer reports.

- NEXT MEETING DATE: May 21, 2025 at 12:00 PM at 12:00 P.M.
- QUORUM CHECK

The May 21, 2025; June 18, 2025; and July 16, 2025 meetings will be canceled.

FOURTEENTH ORDER OF BUSINESS

Board Members' Comments/Requests

There were no Board Members' comments or requests.

FIFTEENTH ORDER OF BUSINESS

Public Comments

No members of the public spoke.

SIXTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Johnson and seconded by Mr. Dante, with all in favor, the
meeting adjourned at 12:12 p.m.

198
199
200
201
202

Secretary/Assistant Secretary

Chair/Vice Chair

**GRACEWATER SARASOTA
COMMUNITY DEVELOPMENT DISTRICT**

**STAFF
REPORTS**



Ron Turner Supervisor of Elections

Sarasota County: Our County. Our Vote.

April 15, 2025

Daphne Gillyard
Wrathell, Hunt and Associates, LLC
2300 Glades Road
Suite 410W
Boca Raton, FL 33431

RE: Gracewater CDD Registered Electors

Dear Ms. Gillyard:

As of April 15, 2025, there are no registered electors residing within the boundaries of the Gracewater Sarasota Community Development District.

Sincerely,

Ron Turner
Supervisor of Elections
Sarasota County

RT/tm

GRACEWATER SARASOTA COMMUNITY DEVELOPMENT DISTRICT		
BOARD OF SUPERVISORS FISCAL YEAR 2025/2026 MEETING SCHEDULE		
LOCATION		
<i>offices of Icard Merrill, 2033 Main Street, Suite 600, Sarasota, Florida 34237</i>		
DATE	POTENTIAL DISCUSSION/FOCUS	TIME
October 15, 2025	Regular Meeting	12:00 PM
November 19, 2025	Regular Meeting	12:00 PM
December 17, 2025	Regular Meeting	12:00 PM
January 21, 2026	Regular Meeting	12:00 PM
February 18, 2026	Regular Meeting	12:00 PM
March 18, 2026	Regular Meeting	12:00 PM
April 15, 2026	Regular Meeting	12:00 PM
May 20, 2026	Regular Meeting	12:00 PM
June 17, 2026	Regular Meeting	12:00 PM
July 15, 2026	Regular Meeting	12:00 PM
August 19, 2026	Regular Meeting	12:00 PM
September 16, 2026	Regular Meeting	12:00 PM