



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

To the Board of Supervisors
Stoneybrook South Community Development District
Osceola County, Florida

We are pleased to present this report related to our audit of the basic financial statements of Stoneybrook South Community Development District for the year ended September 30, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

Auditing standards generally accepted in the United States of America require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

Our responsibility under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our engagement letter dated September 27, 2019. Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

We have issued a separate communication dated October 17, 2024, regarding the planned scope and timing of our audit and identified significant risks.

Management has the ultimate responsibility for the appropriateness of accounting policies used by the District. During the year, other than GASB 96, no significant new accounting policies were adopted nor were there any changes in the existing accounting policies.

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

We did not discuss with management, any significant or unusual transactions nor did we discuss any alternative treatments available under generally accepted accounting policies during the current audit period.

Any audit adjustments, other than those that are clearly trivial, provided by management or communicated to management have been reported to and agreed upon by management. If you would like a detailed listing of all audit adjustments for the current period, please contact us.

Fort Pierce / Stuart



Board of Supervisors
Stoneybrook South Community Development District

Page 2

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

We encountered no disagreements with management over the application of significant accounting principles, the basis for judgments made by Management on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

We did not encounter any significant difficulties in dealing with management during the audit process.

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants and Government Accountability Office independence rules. For us to fulfill our professional responsibility to maintain and monitor independence, management, the Board, and Berger, Toombs, Elam, Gaines, and Frank CPAs each play an important role.

Management has made certain written representations to us as part of the audit process. Please contact us if you would like a copy of those representations.

This letter is intended solely for the information and use of the Board and management and is not intended to be and should not be used by anyone other than the intended parties. Please contact J. W. Gaines should you have any questions concerning this letter. We greatly appreciate the opportunity to be of service to Stoneybrook South Community Development District.

A handwritten signature in cursive script that reads "Berger Toombs Elam Gaines & Frank".

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

December 9, 2024

**Stoneybrook South
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2023

Stoneybrook South Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2023

TABLE OF CONTENTS

	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-9
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds	12
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	16
Notes to Financial Statements	17-31
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 <i>GOVERNMENT AUDITING STANDARDS</i>	32-33
MANAGEMENT LETTER	34-36
INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	37



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
Stoneybrook South Community Development District
Osceola County, Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of Stoneybrook South 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 Stoneybrook South 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
Stoneybrook South 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
Stoneybrook South 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 December 9, 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 Stoneybrook South 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

December 9, 2024

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

Management's discussion and analysis of Stoneybrook South Community Development District (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. 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, physical environment 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.

Stoneybrook South 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 and notes are included. In the **statement of activities**, 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*, reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

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

Financial Highlights

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

- ◆ The District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$15,617,571 (net position). Unrestricted net position was \$1,663,616, restricted net position was \$911,527 and net investment in capital assets was \$13,042,428.
- ◆ Governmental activities revenues totaled \$2,841,002 while governmental activities expenses totaled \$4,307,426.

Stoneybrook South 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, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the District and is presented by category for comparison purposes

Net Position

	Governmental Activities	
	2023	2022
Current assets	\$ 1,702,135	\$ 1,679,971
Restricted assets	2,011,828	2,853,960
Capital assets, net	31,511,661	33,761,968
Deferred outflows of resources	-	19,410
Total Assets and Deferred Outflows	35,225,624	38,315,309
Current liabilities	1,033,792	1,052,732
Non-current liabilities	18,313,005	19,719,175
Deferred inflows of resources	261,256	459,407
Total Liabilities and Deferred Inflows	19,608,053	21,231,314
Net investment in capital assets	13,042,428	14,366,321
Net position - restricted	911,527	1,052,708
Net position - unrestricted	1,663,616	1,664,966
Total Net Position	\$ 15,617,571	\$ 17,083,995

The decrease in restricted assets is due to expenditures exceeding revenues at the fund level in the current year.

The decrease in capital assets is mainly related to depreciation for the current year.

The decrease in total liabilities is related to the principal payments and bond refunding in the current year.

The decrease in net position is related to expenses exceeding revenues in the current year.

**Stoneybrook South 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	\$ 2,675,380	\$ 2,672,051
General Revenues		
Investment earnings	165,622	24,609
Total Revenues	<u>2,841,002</u>	<u>2,696,660</u>
Expenses		
General government	85,989	81,485
Physical environment	3,091,319	3,009,386
Interest and other charges	1,130,118	1,158,378
Total Expenses	<u>4,307,426</u>	<u>4,249,249</u>
Change in Net Position	(1,466,424)	(1,552,589)
Net Position - Beginning of Year	<u>17,083,995</u>	<u>18,636,584</u>
Net Position - End of Year	<u>\$ 15,617,571</u>	<u>\$ 17,083,995</u>

The increase in investment earnings is due to an increase in the return on investments in the current year.

The increase in physical environment is mainly related to an increase in streetlighting and landscape maintenance expenses in the current year.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

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

Description	Governmental Activities	
	2023	2022
Infrastructure	\$ 45,645,737	\$ 45,645,737
Less: accumulated depreciation	(14,134,076)	(11,883,769)
Total	<u>\$ 31,511,661</u>	<u>\$ 33,761,968</u>

Current year activity consisted of depreciation of \$2,250,307.

General Fund Budgetary Highlights

Budgeted expenditures exceeded actual expenditures primarily due to less engineering and legal fees and capital outlay expenditures than were anticipated.

The September 30, 2023 budget was not amended.

Debt Management

Governmental Activities debt includes the following:

- ◆ In June 2013, the District issued \$9,300,000 Series 2013 Special Assessment Refunding Bonds. These bonds were issued to refund a portion of the Series 2007A and 2007B Special Assessment Revenue Bonds. The bonds were fully refunded in the current year.
- ◆ In June 2014, the District issued \$14,785,000 Series 2014 Special Assessment Bonds. These bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District, specifically Area Two-A. The balance outstanding at September 30, 2023 was \$12,660,000.
- In February 2023, the District issued \$6,394,000 Series 2023 Special Assessment Refunding Bonds. These bonds were issued to refund the Series 2013 Special Assessment Refunding Bonds. The balance outstanding at September 30, 2023 was \$6,394,000.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Stoneybrook South Community Development District does not anticipate 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 Stoneybrook South 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 Stoneybrook South Community Development District, Governmental Management Services – CF, LLC, 219 East Livingston Street, Orlando, Florida 32801.

Stoneybrook South Community Development District
STATEMENT OF NET POSITION
September 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash	\$ 455,052
Investments	1,199,910
Due from other governments	21,577
Prepaid expenses	25,596
Total Current Assets	<u>1,702,135</u>
Non-Current Assets	
Restricted Assets	
Investments	2,011,828
Capital Assets, Being Depreciated	
Infrastructure	45,645,737
Less: accumulated depreciation	<u>(14,134,076)</u>
Total Non-Current Assets	<u>33,523,489</u>
Total Assets	<u>35,225,624</u>
LIABILITIES	
Current Liabilities	
Accounts payable	23,869
Bonds payable	597,000
Accrued interest	412,923
Total Current Liabilities	<u>1,033,792</u>
Non-Current Liabilities	
Bonds payable, net	<u>18,313,005</u>
Total Liabilities	<u>19,346,797</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred gain on refunding, net	<u>261,256</u>
NET POSITION	
Net investment in capital assets	13,042,428
Restricted for debt service	911,527
Unrestricted	1,663,616
Total Net Position	<u>\$ 15,617,571</u>

See accompanying notes to financial statements.

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

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
General government	\$ (85,989)	\$ 79,669	\$ (6,320)
Physical environment	(3,091,319)	779,199	(2,312,120)
Interest and other charges	(1,130,118)	1,816,512	686,394
Total Governmental Activities	<u>\$ (4,307,426)</u>	<u>\$ 2,675,380</u>	<u>(1,632,046)</u>
	General Revenues		
	Investment income		<u>165,622</u>
	Change in Net Position		(1,466,424)
	Net Position - October 1, 2022		<u>17,083,995</u>
	Net Position - September 30, 2023		<u>\$ 15,617,571</u>

See accompanying notes to financial statements.

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

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash	\$ 455,052	\$ -	\$ 455,052
Investments	1,199,910	-	1,199,910
Due from other governments	6,927	14,650	21,577
Prepaid expenses	25,596	-	25,596
Restricted assets			
Investments	-	2,011,828	2,011,828
Total Assets	<u>\$ 1,687,485</u>	<u>\$ 2,026,478</u>	<u>\$ 3,713,963</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	<u>\$ 23,869</u>	<u>\$ -</u>	<u>\$ 23,869</u>
FUND BALANCES			
Nonspendable - prepaid expenses	25,596	-	25,596
Restricted:			
Debt service	-	2,026,478	2,026,478
Unassigned	<u>1,638,020</u>	<u>-</u>	<u>1,638,020</u>
Total Fund Balances	<u>1,663,616</u>	<u>2,026,478</u>	<u>3,690,094</u>
Total Liabilities and Fund Balances	<u>\$ 1,687,485</u>	<u>\$ 2,026,478</u>	<u>\$ 3,713,963</u>

See accompanying notes to financial statements.

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

Total Governmental Fund Balances	\$ 3,690,094
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, infrastructure, \$45,645,737, net of accumulated depreciation, \$(14,134,076), used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	31,511,661
Long-term liabilities, including bonds payable, \$(19,054,000), net of bond discount, net, \$143,995, are not due and payable in the current period and therefore, are not reported at the fund level.	(18,910,005)
Deferred inflows of resources are not current financial uses and therefore, are not reported at the fund level.	(261,256)
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the governmental fund level.	<u>(412,923)</u>
Net Position of Governmental Activities	<u><u>\$ 15,617,571</u></u>

See accompanying notes to financial statements.

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

	General	Debt Service	Total Governmental Funds
Revenues			
Special assessments	\$ 858,868	\$ 1,816,512	\$ 2,675,380
Investment income	66,783	98,839	165,622
Total Revenues	<u>925,651</u>	<u>1,915,351</u>	<u>2,841,002</u>
Expenditures			
Current			
General government	85,989	-	85,989
Physical environment	841,012	-	841,012
Debt service			
Principal	-	310,000	310,000
Interest	-	994,835	994,835
Other	-	381,443	381,443
Total Expenditures	<u>927,001</u>	<u>1,686,278</u>	<u>2,613,279</u>
Excess of revenues over/(under) expenditures	(1,350)	229,073	227,723
Other Financing Sources/(Uses)			
Issuance of refunding debt	-	6,394,000	6,394,000
Payments to refunded escrow agent	-	(7,465,000)	(7,465,000)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(1,071,000)</u>	<u>(1,071,000)</u>
Net Change in Fund Balances	(1,350)	(841,927)	(843,277)
Fund Balances - October 1, 2022	<u>1,664,966</u>	<u>2,868,405</u>	<u>4,533,371</u>
Fund Balances - September 30, 2023	<u><u>\$1,663,616</u></u>	<u><u>\$ 2,026,478</u></u>	<u><u>\$ 3,690,094</u></u>

See accompanying notes to financial statements.

Stoneybrook South 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	\$ (843,277)
--	--------------

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period.	(2,250,307)
--	-------------

The issuance of refunding debt is an other financing source at the fund level however, it increases liabilities at the government-wide level.	(6,394,000)
---	-------------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	310,000
--	---------

The payment to the refunding escrow agent is reflected as an other financing use at the fund level however, it reduces liabilities at the government-wide level.	7,465,000
--	-----------

The issuance of refunding debt created changes in the deferred amount on refunding, \$(19,091), and the deferred gain on refunding, \$179,759, at the government-wide level.	160,668
--	---------

Governmental funds report bond discounts as expenditures. However, in the Statement of Activities, the cost is allocated as interest expense.	(6,830)
---	---------

The deferred amount on refunding is amortized at the government-wide level as interest over the life of the associated bonds payable. This is the current year amount amortized.	(319)
--	-------

The deferred gain on refunding is amortized at the government-wide level as interest over the life of the associated bonds payable. This is the current year amount amortized.	18,392
--	--------

At the fund level interest is recognized when due. At the government-wide level interest is accrued on outstanding debt. This is the current year change in accrual.	74,249
--	--------

Change in Net Position of Governmental Activities	<u>\$ (1,466,424)</u>
---	-----------------------

See accompanying notes to financial statements.

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 845,101	\$ 845,101	\$ 858,868	\$ 13,767
Investment income	3,750	3,750	66,783	63,033
Total Revenues	<u>848,851</u>	<u>848,851</u>	<u>925,651</u>	<u>76,800</u>
Expenditures				
Current				
General government	109,916	109,916	85,989	23,927
Physical environment	852,527	852,527	841,012	11,515
Capital outlay	25,000	25,000	-	25,000
Total Expenditures	<u>987,443</u>	<u>987,443</u>	<u>927,001</u>	<u>60,442</u>
Net Change in Fund Balances	<u>(138,592)</u>	<u>(138,592)</u>	<u>(1,350)</u>	<u>137,242</u>
Fund Balances - October 1, 2022	<u>210,573</u>	<u>210,573</u>	<u>1,664,966</u>	<u>1,454,393</u>
Fund Balances - September 30, 2023	<u>\$ 71,981</u>	<u>\$ 71,981</u>	<u>\$1,663,616</u>	<u>\$ 1,591,635</u>

See accompanying notes to financial statements.

Stoneybrook South 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 July 24, 2006, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, (the "Act"), by Ordinance No. 06-26 and amended by Ordinance No. 2016-69, of the Board of County Commissioners of Osceola 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 Stoneybrook South Community Development District. The District is governed by a Board of Supervisors who are elected on an at large basis by the qualified electors within the District. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Stoneybrook South 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, 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

Stoneybrook South 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. 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.

Stoneybrook South 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 reports 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.

Stoneybrook South Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

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.

Stoneybrook South 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)

Debt Service Fund – The Debt Service Fund accounts for debt service requirements to retire Special Assessment Bonds, which were used to finance the construction of certain improvements within the District.

b. Non-current Governmental Assets/Liabilities

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

4. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

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;

Stoneybrook South Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

a. Cash and Investments (Continued)

4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Cash and cash equivalents include time deposits, certificates of deposit, money market funds, and all highly liquid debt instruments with original maturities of three months or less.

b. Restricted Assets

Certain net position of the District are classified as restricted assets on the Statement of Net Position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

c. Capital Assets

Capital assets, which include infrastructure, 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 one year. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method over the assets' estimated useful lives ranging from 15 to 25 years.

Stoneybrook South Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

d. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District only has one item that qualifies for reporting in this category. Deferred gain on refunding is reported only at the government-wide level. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

e. Bond Discounts

Bond discounts associated with the issuance of bonds are amortized over the life of the bonds using the straight-line method of accounting.

f. Budgets

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

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

"Total fund balances" of the District's governmental funds, \$3,690,094, differs from "net position" of governmental activities, \$15,617,571, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated on the following page.

Stoneybrook South Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Capital related items

When capital assets (land, buildings and improvements, infrastructure and equipment that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Infrastructure	\$ 45,645,737
Accumulated depreciation	<u>(14,134,076)</u>
Total	<u>\$ 31,511,661</u>

Long-term debt transactions

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2023 were:

Bonds payable	\$ (19,054,000)
Bond discount, net	<u>143,995</u>
Total	<u>\$ (18,910,005)</u>

Deferred amount on refunding

The difference between the outstanding balance of the old debt and the cost of the new debt is a deferred inflow/outflow of resources. This balance is amortized over the life of the new debt. The unamortized balance is reflected as deferred amount on refunding and deferred gain on refunding.

Deferred gain on refunding, net	<u>\$ (261,256)</u>
---------------------------------	---------------------

Accrued interest

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

Accrued interest	<u>\$ (412,923)</u>
------------------	---------------------

Stoneybrook South Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds, \$(843,277), differs from the “change in net position” for governmental activities, \$(1,466,424), reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below:

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the year.

Depreciation	\$ <u>(2,250,307)</u>
--------------	-----------------------

Long-term debt transactions

Issuance of refunding debt	\$ <u>(6,394,000)</u>
Debt principal payments	\$ <u>310,000</u>
Refunded payment to escrow agent	\$ <u>7,465,000</u>
Change in deferred amount on refunding	\$ <u>(19,091)</u>
Change in deferred gain on refunding	\$ <u>179,759</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest	\$ <u>74,249</u>
----------------------------	------------------

Amortization of the bond discount, deferred amount on refunding and deferred gain on refunding do not require the use of current resources and therefore is not reported in the governmental funds.

Amortization of bond discount	\$ (6,830)
Amortization of deferred amount on refunding	(319)
Amortization of deferred gain on refunding	18,392
Total	\$ <u>11,243</u>

Stoneybrook South Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE C – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2023, the District's bank balance was \$480,888 and the carrying value was \$455,052. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

Investments

As of September 30, 2023, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturity Date</u>	<u>Fair Value</u>
First American Treasury Obligations	15 days*	\$ 1,798,320
First American Government Obligations	24 days*	213,508
Florida PRIME	35 days*	1,199,910
Total		<u>\$3,211,738</u>

*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 in First American Treasury Obligations and First American Government Obligations are Level 1 assets.

Stoneybrook South Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

The District's investment policy allows management to invest in investments permitted under Section 218.415, Florida Statutes. The investment in Florida PRIME is measured at amortized cost. Florida PRIME has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2023, there were no redemption fees, maximum transaction amounts, or any other requirements that would limit daily access to 100 percent of the account value.

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, all of the District's investments were rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in First American Treasury Obligations funds represent 56% of the District's total investments. The investments in Florida PRIME are 37% of the District's total investments. The investments in First American Government Obligations funds represent 7% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2023 were typical of these items during the fiscal year then ended.

NOTE D – SPECIAL ASSESSMENT REVENUES

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted budget and levied annually. Debt Service Assessments are levied when bonds are issued and collected annually for the term of the bond. The District may collect assessments directly or utilize the uniform method of collection (Chapter 197.3632, Florida Statutes). Directly collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by the County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the Debt Service Assessments on their property subject to various provisions in the bond documents.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Stoneybrook South Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE E – 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, being depreciated:				
Infrastructure	\$ 45,645,737	\$ -	\$ -	\$ 45,645,737
Less accumulated depreciation for:				
Infrastructure	(11,883,769)	(2,250,307)	-	(14,134,076)
Governmental Activities Capital Assets	<u>\$ 33,761,968</u>	<u>\$ (2,250,307)</u>	<u>\$ -</u>	<u>\$ 31,511,661</u>

Depreciation of \$2,250,307 was charged to physical environment.

NOTE F – LONG-TERM DEBT

Governmental Activities

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

Long-term debt at October 1, 2022	\$ 20,435,000
Issuance of long-term refunding debt	6,394,000
Payments to refunding escrow agent	(7,465,000)
Principal payments	<u>(310,000)</u>
Long-term debt at September 30, 2023	\$ 19,054,000
Less: bond discount, net	<u>(143,995)</u>
Total Long-term Debt, Net at September 30, 2023	<u>\$ 18,910,005</u>

Stoneybrook South Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE F – LONG-TERM DEBT (CONTINUED)

Long-term debt for Governmental Activities is comprised of the following:

Special Assessment Bonds

\$14,785,000 Series 2014 Special Assessment Bonds due in annual principal installments maturing November 2044. Interest is due semi-annually on May 1 and November 1 with a various fixed interest rates between 4.75% and 5.5%. Current portion is \$325,000. \$ 12,660,000

Special Assessment Refunding Bonds

\$6,394,000 Series 2023 Special Assessment Refunding Bonds due in annual principal installments maturing May 2039. Interest is due semi-annually on May 1 and November 1, at a fixed rate of 4.95%. Current portion is \$272,000. 6,394,000

Bond payable 19,054,000

Bond discount, net (143,995)

Bonds Payable, Net \$ 18,910,005

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

Year Ending September 30,	Principal	Interest	Total
2024	\$ 597,000	\$ 983,297	\$ 1,580,297
2025	624,000	954,039	1,578,039
2026	651,000	922,809	1,573,809
2027	681,000	889,579	1,570,579
2028	719,000	854,710	1,573,710
2029-2033	4,184,000	3,683,235	7,867,235
2034-2038	5,370,000	2,486,642	7,856,642
2039-2043	4,388,000	1,082,356	5,470,356
2044-2045	1,840,000	102,575	1,942,575
Totals	<u>\$ 19,054,000</u>	<u>\$ 11,959,242</u>	<u>\$ 31,013,242</u>

In February 2023, the District issued \$6,394,000 of Series 2023 Special Assessment Refunding Bonds which retire the Series 2013 Special Assessment Refunding Bonds. As a result of this transaction, the District decreases its aggregate debt payment by \$1,205,395 over the next 16 years and realized an economic gain of approximately \$435,620.

Stoneybrook South Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE F – LONG-TERM DEBT (CONTINUED)

Summary of Significant Bond Resolution Terms and Covenants

The District levies special assessments pursuant to Section 190.022, Florida Statutes and the assessment rolls are approved by resolutions of the District Board. The collections are to be strictly accounted for and applied to the debt service of the bond series for which they were levied. The District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds. However, payment of principal and interest is dependent on the money available in the debt service fund and the District's ability to collect special assessments levied.

The bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date, or in part on an interest payment date, without premium, together with accrued interest to the redemption date if monies are available to retire the debt in accordance with the provisions of the indenture.

The bond resolution and the trust indenture provide for the establishment of certain accounts and an order in which revenues are to be deposited into these accounts. The accounts include a construction, revenue, redemption, reserve, interest and prepayment account and are maintained by a trustee.

The bond indenture provides for Debt Service Reserve Funds, which shall be held by the Trustee separate and apart from all other funds. The following is a schedule of reserve requirements and balances in the reserve accounts at September 30, 2023:

The following is a schedule of required reserve deposits as of September 30, 2023:

	Reserve Balance	Reserve Requirement
Series 2014 Special Assessment Bonds	\$ 602,712	\$ 600,000

NOTE G – ACQUISITION AGREEMENT

During the year ended September 30, 2014, the District agreed, in substantial form, to an acquisition agreement with the Developer. The acquisition agreement includes a promissory note for amounts necessary to complete the project that are in addition to the construction funds received relating to the issuance of the Series 2014 Bonds, in the event that the District issues additional bonds. The District Engineer estimated the construction costs of Assessment Area 2-A to be \$17,895,000 and the funds deposited in the construction account relating to the Series 2014 bond issue amount to be \$13,822,005, a difference of \$4,072,995. Accordingly, the promissory note is estimated to be valued at approximately \$4.1 million; however, the note is only payable from the issuance of additional bonds for Assessment Area 2, which the District is not obligated to issue. Accordingly, no liability has been recorded.

Stoneybrook South Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE H – 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. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.



**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
Stoneybrook South Community Development District
Osceola County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, as listed in the table of contents, of Stoneybrook South 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 December 9, 2024.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stoneybrook South 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*

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

December 9, 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
Stoneybrook South Community Development District
Osceola County, Florida

Report on the Financial Statements

We have audited the financial statements of the Stoneybrook South Community Development District as of and for the year ended September 30, 2023, and have issued our report thereon dated December 9, 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 December 9, 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 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 Stoneybrook South 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 Stoneybrook South Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.



To the Board of Supervisors
Stoneybrook South 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 Stoneybrook South Community Development District. It is management's responsibility to monitor the Stoneybrook South Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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

Specific Information

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, Stoneybrook South 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: 6
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$5,171.60
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$430,840.18
- 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: N/A
- 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 District did not amend the original budget.

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

- 1) The rate or rates of non-ad valorem special assessments imposed by the District. The General Fund assessment was \$11.50 – \$1,097.44 and the Debt Service assessment was \$150.00 - \$1,718.75.
- 2) Total special assessments collected was \$2,675,379.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds. The District had outstanding bonds at September 30, 2023 Series 2014 Bonds, \$12,600,000, maturing in November 2044 and \$6,394,000 of Series 2023 Bonds maturing in May 2039.



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

To the Board of Supervisors
Stoneybrook South 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

December 9, 2024



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

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

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

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

To the Board of Supervisors
Stoneybrook South Community Development District
Osceola County, Florida

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

In our opinion, Stoneybrook South 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

December 9, 2024