

**WOODLANDS
COMMUNITY DEVELOPMENT
DISTRICT**

NOVEMBER 18, 2025

AGENDA PACKAGE



2005 PAN AM CIRCLE, SUITE 300
TAMPA, FLORIDA 33607

The Woodlands Community Development District

Board of Supervisors

Carl Impastato, Chairperson
William Richardson, Vice Chairperson
Robert Ripatrzone, Assistant Secretary
Lawrence Tinkham, Assistant Secretary
Elio M. Bucciero, Assistant Secretary

Mark Vega, District Manager
Heather Jackson, District Manager
Vivek Babbar, District Counsel
Robert Dvorak, District Engineer
Mark Vega, Field Manager
Melinda Gallo, Administrative Assistant
Stephen Rudd, District Accountant

Regular Meeting Agenda

Tuesday, November 18, 2025 – 10:30 A.M.

1. Call to Order and Roll Call

2. Audience Comments – *Three (3) Minute Time Limit*

3. Staff Reports

- A. District Counsel
- B. District Engineer
- C. District Manager
- D. Inframark Accountant
 - i. Review of the September 2025 Financial ReportsPage 3

4. Business Items

- A. Consideration of Audit Engagement for FY 2025.....Page 14
- B. Consideration of Resolution 2026-01; FY 2025 Budget AmendmentPage 20

5. Business Administration

- A. Approval of the April 17, 2025, Meeting Minutes (*under separate cover*)
- B. Ratification of FY 2024 AuditPage 23

6. Supervisors' Requests

7. Adjournment

The next meeting is scheduled for Wednesday, February 18, 2026, at 10:30 a.m.

District Office Location:

Inframark, Community Management Services
2005 Pan Am Circle, Suite 300
Tampa, FL 33607
813-991-1140

Meeting Location

Cypress Falls Clubhouse
In the Internet Café
2605 Arugula Drive,
North Port, Florida.

THE WOODLANDS
Community Development District

Financial Report
September 30, 2025

Prepared by:



THE WOODLANDSCommunity Development District

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THE WOODLANDS
Community Development District

Financial Statements

(Unaudited)

September 30, 2025

Balance Sheet
September 30, 2025

ACCOUNT DESCRIPTION	GENERAL FUND	SERIES 2004A DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>			
Cash - Checking Account	\$ 46,583	\$ -	\$ 46,583
Investments:			
Money Market Account	2,045,951	-	2,045,951
Prepayment Account A	-	30,000	30,000
Reserve Fund A	-	1,142,831	1,142,831
Revenue Fund A	-	826,029	826,029
Prepaid Items	50,738	-	50,738
Prepaid Insurance	33,986	-	33,986
Deposits	500	-	500
TOTAL ASSETS	\$ 2,177,758	\$ 1,998,860	\$ 4,176,618
<u>LIABILITIES</u>			
Accounts Payable	\$ 88,896	\$ -	\$ 88,896
Accrued Expenses	4,850	-	4,850
TOTAL LIABILITIES	93,746	-	93,746
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	50,738	-	50,738
Prepaid Insurance	33,986	-	33,986
Deposits	500	-	500
Restricted for:			
Debt Service	-	1,998,860	1,998,860
Assigned to:			
Operating Reserves	54,617	-	54,617
Reserves - Lakes	60,000	-	60,000
Reserves - Legal	613,550	-	613,550
Reserves - Pump Stations	270,000	-	270,000
Unassigned:	1,000,621	-	1,000,621
TOTAL FUND BALANCES	\$ 2,084,012	\$ 1,998,860	\$ 4,082,872
TOTAL LIABILITIES & FUND BALANCES	\$ 2,177,758	\$ 1,998,860	\$ 4,176,618

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending September 30, 2025

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ 10,000	\$ 10,000	\$ 88,443	\$ 78,443
Special Assmnts- Tax Collector	213,741	213,741	213,779	38
Special Assmnts- Discounts	(8,550)	(8,550)	(10,655)	(2,105)
TOTAL REVENUES	215,191	215,191	291,567	76,376

EXPENDITURES
Administration

P/R-Board of Supervisors	5,000	5,000	2,800	2,200
FICA Taxes	383	383	214	169
ProfServ-Dissemination Agent	-	-	2,000	(2,000)
ProfServ-Engineering	10,000	10,000	3,150	6,850
ProfServ-Legal Services	10,000	10,000	3,436	6,564
ProfServ-Mgmt Consulting	47,406	47,406	47,406	-
ProfServ-Web Site Development	1,553	1,553	1,553	-
Auditing Services	5,000	5,000	4,700	300
Postage and Freight	300	300	69	231
Insurance - General Liability	32,775	32,775	31,884	891
Printing and Binding	250	250	-	250
Legal Advertising	1,000	1,000	158	842
Miscellaneous Services	500	500	1,330	(830)
Misc-Assessment Collection Cost	3,206	3,206	3,104	102
Office Supplies	1,193	1,193	1,484	(291)
Annual District Filing Fee	175	175	175	-
Total Administration	118,741	118,741	103,463	15,278

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending September 30, 2025

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
<u>Field</u>				
ProfServ-Field Management	19,145	19,145	19,145	-
Communication - Teleph - Field	7,300	7,300	9,394	(2,094)
Electricity - Entrance	350	350	317	33
Total Field	<u>26,795</u>	<u>26,795</u>	<u>28,856</u>	<u>(2,061)</u>
<u>Landscape Services</u>				
Contracts-Landscape	9,600	9,600	9,923	(323)
Utility - Pump Station	58,000	58,000	65,643	(7,643)
R&M-Pumps-Cypress Falls	34,202	34,202	52,489	(18,287)
R&M-Pumps-Cedar Grove	12,655	12,655	32,755	(20,100)
R&M-Pumps-Panacea	5,200	5,200	1,517	3,683
Total Landscape Services	<u>119,657</u>	<u>119,657</u>	<u>162,327</u>	<u>(42,670)</u>
TOTAL EXPENDITURES	265,193	265,193	294,646	(29,453)
Excess (deficiency) of revenues				
Over (under) expenditures	<u>(50,002)</u>	<u>(50,002)</u>	<u>(3,079)</u>	<u>46,923</u>
Net change in fund balance	<u>\$ (50,002)</u>	<u>\$ (50,002)</u>	<u>\$ (3,079)</u>	<u>\$ 46,923</u>
FUND BALANCE, BEGINNING (OCT 1, 2024)	2,087,091	2,087,091	2,087,091	
FUND BALANCE, ENDING	<u>\$ 2,037,089</u>	<u>\$ 2,037,089</u>	<u>\$ 2,084,012</u>	

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending September 30, 2025

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ -	\$ -	\$ 92,128	\$ 92,128
Special Assmnts- Tax Collector	1,782,112	1,782,112	1,755,681	(26,431)
Special Assmnts- CDD Collected	316,961	316,961	316,961	-
Special Assmnts- Discounts	(71,285)	(71,285)	(64,787)	6,498
TOTAL REVENUES	2,027,788	2,027,788	2,099,983	72,195
EXPENDITURES				
Administration				
ProfServ-Arbitrage Rebate	600	600	600	-
ProfServ-Dissemination Agent	1,000	1,000	(1,000)	2,000
ProfServ-Legal Services	-	-	1,032	(1,032)
ProfServ-Trustee Fees	9,000	9,000	8,150	850
Misc-Assessment Collection Cost	26,732	26,732	25,306	1,426
Total Administration	37,332	37,332	34,088	3,244
Debt Service				
Principal Debt Retirement	970,000	970,000	1,210,000	(240,000)
Principal Prepayments	-	-	30,000	(30,000)
Interest Expense	810,540	810,540	1,023,150	(212,610)
Total Debt Service	1,780,540	1,780,540	2,263,150	(482,610)
TOTAL EXPENDITURES	1,817,872	1,817,872	2,297,238	(479,366)
Excess (deficiency) of revenues Over (under) expenditures	209,916	209,916	(197,255)	(407,171)
Net change in fund balance	\$ 209,916	\$ 209,916	\$ (197,255)	\$ (407,171)
FUND BALANCE, BEGINNING (OCT 1, 2024)	2,196,115	2,196,115	2,196,115	
FUND BALANCE, ENDING	\$ 2,406,031	\$ 2,406,031	\$ 1,998,860	

THE WOODLANDS
Community Development District

Supporting Schedules

September 30, 2025

THE WOODLANDS

Community Development District

Non-Ad Valorem Special Assessments
(Sarasota County Tax Collector - Monthly Collection Distributions)
For the Fiscal Year Ending September 30, 2025

					ALLOCATION BY FUND		
Date Rcv'd	Net Amount Received	Discount / (Penalties) Amount	Collection Costs	Gross Amount Received	General Assmnts	Debt Service Assmnts	
Assmnts Levied (<i>excluding developers</i>)				\$ 1,969,459	\$ 213,777	\$ 1,755,682	
Allocation %				100%	11%	89%	
11/25/24	\$ 162,878	\$ 6,980	\$ 2,480	\$ 172,338	\$ 18,707	\$ 153,631	
11/27/24	\$ 91,356	\$ 3,862	\$ 1,391	\$ 96,609	\$ 10,487	\$ 86,123	
12/13/24	\$ 174,530	\$ 7,383	\$ 2,658	\$ 184,570	\$ 20,034	\$ 164,536	
12/20/24	\$ 521,266	\$ 22,051	\$ 7,938	\$ 551,254	\$ 59,836	\$ 491,418	
01/31/25	\$ 831,366	\$ 34,856	\$ 12,660	\$ 878,882	\$ 95,399	\$ 783,482	
02/28/25	\$ 30,253	\$ 902	\$ 461	\$ 31,616	\$ 3,432	\$ 28,184	
03/31/25	\$ 7,103	\$ 82	\$ 108	\$ 7,294	\$ 792	\$ 6,502	
04/30/25	\$ 24,443	\$ 14	\$ 372	\$ 24,830	\$ 2,695	\$ 22,134	
05/30/25	\$ 9,822	\$ (226)	\$ 150	\$ 9,746	\$ 1,058	\$ 8,688	
06/30/25	\$ 12,592	\$ (463)	\$ 192	\$ 12,321	\$ 1,339	\$ 10,983	
TOTAL	\$ 1,865,609	\$ 75,441	\$ 28,410	\$ 1,969,459	\$ 213,779	\$ 1,755,681	
% Collected				100%	100%	100%	
TOTAL O/S				\$ -	\$ -	\$ -	

Cash and Investment Report

September 30, 2025

General Fund

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Maturity</u>	<u>Yield</u>	<u>Balance</u>
Operating Account	BankUnited	Public Funds Business Checking	n/a	0.00%	\$ 46,583
Money Market Acct-Legal	BankUnited	Public Funds Money Market - #2685	n/a	4.75%	\$ 689,086
Money Market Acct-Operating	BankUnited	Public Funds Money Market - #3624	n/a	4.75%	1,356,864
MMA Sub-total					<u>\$ 2,045,951</u>
GF Subtotal					<u>\$ 2,092,534</u>

Debt Service and Capital Projects Funds

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Maturity</u>	<u>Yield</u>	<u>Balance</u>
Series 2004A Prepayment Acct	Wells Fargo	Blackrock Institutional Funds T-Funds #30	n/a	0.01%	30,000
Series 2004A Reserve Acct	Wells Fargo	Blackrock Institutional Funds T-Funds #30	n/a	4.73%	1,142,831
Series 2004A Revenue Fund	Wells Fargo	Blackrock Institutional Funds T-Funds #30	n/a	4.73%	826,029
DS Subtotal					<u>\$ 1,998,860</u>
Total					<u>\$ 4,091,394</u>

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

Payment Register by Fund

For the Period from 09/01/2025 to 09/30/2025

(Sorted by Check / ACH No.)

Fund No.	Date	Payee	Invoice No.	Payment Description	Invoice / GL Description	G/L Account #	Amount Paid
GENERAL FUND - 001							
CHECK # 100089							
001	09/09/25	INFRAMARK LLC	157228	Dissemination Services	ProfServ-Dissemination Agent	531012-51301	\$2,000.00
001	09/09/25	INFRAMARK LLC	157228	Dissemination Services	Postage and Freight	541006-51301	\$0.74
Check Total							\$2,000.74
CHECK # 100090							
001	09/09/25	INSIGHT IRRIGATION LLC	3255	Monthly Monitoring SEP 25	R&M-Pumps-Cedar Grove	546252-53902	\$116.67
001	09/09/25	INSIGHT IRRIGATION LLC	3255	Monthly Monitoring SEP 25	R&M-Pumps-Cypress Falls	546251-53902	\$116.67
001	09/09/25	INSIGHT IRRIGATION LLC	3255	Monthly Monitoring SEP 25	R&M-Pumps-Panacea	546253-53902	\$116.66
Check Total							\$350.00
CHECK # 100091							
001	09/09/25	HOOVER PUMPING SYSTEMS INC	191394	Install a New Disconnect Assembly	R&M-Pumps-Cypress Falls	546251-53902	\$830.69
001	09/09/25	HOOVER PUMPING SYSTEMS INC	184594	Cypress Falls Pump 1 Clean Out	R&M-Pumps-Cypress Falls	546251-53902	\$590.30
001	09/09/25	HOOVER PUMPING SYSTEMS INC	191503	Cypress Falls Pump 2 Rain Bucket	R&M-Pumps-Cypress Falls	546251-53902	\$213.00
001	09/09/25	HOOVER PUMPING SYSTEMS INC	191170	Cedar Grove Pump 2	R&M-Pumps-Cedar Grove	546252-53902	\$2,484.38
001	09/09/25	HOOVER PUMPING SYSTEMS INC	191192	Cedar Grove Pump 2	R&M-Pumps-Cedar Grove	546252-53902	\$523.38
Check Total							\$4,641.75
CHECK # 100092							
001	09/09/25	COMPLETE I.T.	17390	AUG25 GOOGLE E-MAIL ACCOUNTS (6 Users)	Office Supplies	551002-51301	\$99.00
Check Total							\$99.00
CHECK # 100093							
001	09/17/25	INFRAMARK LLC	158143	SEPT 25 MANAGMENT, FIELD DUES	ProfServ-Mgmt Consulting	531027-51201	\$3,950.50
001	09/17/25	INFRAMARK LLC	158143	SEPT 25 MANAGMENT, FIELD DUES	ProfServ-Field Management	531016-53901	\$1,595.42
001	09/17/25	INFRAMARK LLC	158143	SEPT 25 MANAGMENT, FIELD DUES	Miscellaneous Services	549001-51301	\$90.00
Check Total							\$5,635.92
CHECK # 100094							
001	09/17/25	TWIN PALM LANDSCAPE CARE	14885	SEPT 25 LANDSCAPE SERV	Contracts-Landscape	534050-53902	\$400.00
Check Total							\$400.00
CHECK # 100095							
001	09/19/25	COMPLETE I.T.	17696	SEPT25 GOOGLE E-MAIL ACCOUNTS (6USERS)	Office Supplies	551002-51301	\$99.00
Check Total							\$99.00
CHECK # 300012							
001	09/11/25	FRONTIER ACH	081925-1075-ACH	INTERNET/PHONE SVC 08/19 - 09/18/25	Communication - Teleph - Field	541005-53901	\$885.21
Check Total							\$885.21
CHECK # 300013							
001	09/12/25	FPL - ACH	82525 ACH	ELECTRIC Svcs 07/24 - 08/25/25	Utility - Pump Station	543015-53902	\$4,807.82
001	09/12/25	FPL - ACH	82525 ACH	ELECTRIC Svcs 07/24 - 08/25/25	Electricity - Entrance	543008-53901	\$28.92
Check Total							\$4,836.74
Fund Total							\$18,948.36
Total Checks Paid							\$18,948.36

October 31, 2025

Board of Supervisors
The Woodlands Community Development District
11555 Heron Bay Blvd., Suite 201
Coral Springs, FL 33076

The following represents our understanding of the services we will provide *The Woodlands Community Development District*.

You have requested that we audit the governmental activities, each major fund, and the aggregate remaining fund information of *The Woodlands Community Development District* (the "District"), as of September 30, 2025, and for the year then ended and the related notes, which collectively comprise the District's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit 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 auditing standards generally accepted in the United States of America (GAAS) and in accordance with Government Auditing Standards, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and in accordance with *Government Auditing Standards*, and Chapter 10.550, *Rules of the Auditor General*. As part of an audit in accordance with GAAS, Government Auditing Standards, and Chapter 10.550, *Rules of the Auditor General*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude, based on the audit evidence obtained, 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 a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and Government Auditing Standards.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
3. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence.
4. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
6. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole;
7. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
8. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
9. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
10. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon. The accompanying supplementary information will be presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, which is the responsibility of management, will be subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Our auditor's report will provide an opinion on the supplementary information in relation to the basic financial statements as a whole.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform, such as drafting the financial statements, we will not assume management responsibilities on behalf of the District. However, we will provide advice and recommendations to assist management of the District in performing its responsibilities.

The District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards, including Government Auditing Standards
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of the preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

Reporting

We will issue a written report upon completion of our audit of the District's basic financial statements. Our report will be addressed to the governing body of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

We also will issue a written report on the District's compliance with the requirements of Section 218.415, Florida Statutes upon completion of our audit.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We expect to begin our audit in December 2025 and the audit reports and all corresponding reports will be issued no later than March 31, 2026.

Tamara Campbell is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising McDirmit Davis, LLC's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fee for these services described in this letter will be \$4,700 for the year ended September 30, 2025, unless the scope of the engagement is changed; the assistance that the District has agreed to furnish is not provided, or unexpected conditions are encountered, in which case we will discuss the situation with you before proceeding.

Our invoices for fees shall be rendered upon completion of the work, shall provide sufficient detail to demonstrate that fees charged are solely for the specified services as actually rendered and shall demonstrate compliance with the terms of this agreement.

This Agreement provides for the agreement period of one (1) year, unless terminated earlier in accordance with this Agreement. This agreement may be renewed for one additional year subject to the mutual agreement by both parties to the terms and fees for such renewal. The District agrees that Auditor may terminate this Agreement with or without cause by providing sixty (60) days' written notice of termination to the District; provided, however, that the District shall be provided a reasonable opportunity to cure any failure under this Agreement. Auditor agrees that the District may terminate this Agreement immediately with cause. Auditor further agrees that the District may terminate this Agreement by providing thirty (30) days' written notice of termination to Auditor. Upon any termination of this Agreement, Auditor shall be entitled to payment for all work and/or services rendered up until the effective termination date, subject to whatever claims or off-sets the District may have against Auditor.

Whenever possible, we will attempt to use the District's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Public Records

Auditor understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records, and. Accordingly, Auditor agrees to comply with all applicable provisions of Florida law in handling such records, including but not limited to Section 119.0701, *Florida Statutes*. Auditor acknowledges that the designated public records custodian for the District is INFRAMARK ("Public Records Custodian"). Among other requirements and to the extent applicable by law, Auditor shall 1) Keep and maintain public records required by the District to perform the service; 2) upon request by the Public Records Custodian, provide the District with the requested public records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, *Florida Statutes*; 3) ensure that public records which are exempt or confidential, and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the contract term and following the contract term if Auditor does not transfer the records to the Public Records Custodian of the District; and 4) upon completion of the contract, transfer to the District, at no cost, all public records in Auditor's possession or, alternatively, keep, maintain and meet all applicable requirements for retaining public records pursuant to Florida laws. When such public records are transferred by Auditor, Auditor shall destroy any duplicate public records that are exempt or

confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the District, in a format that is compatible with Microsoft Word or Adobe PDF formats.

IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE PUBLIC RECORDS CUSTODIAN AT 954-753-5841, SANDRA.DEMARCO@INFRAMARK.COM, OR AT 11555 HERON BAY BLVD., SUITE 201, CORAL SPRINGS, FL 33076.

The CONTRACTOR and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees. The CONTRACTOR agrees and acknowledges that the OWNER is a public employer subject to the E-Verify requirements as set forth in Section 448.095, Florida Statutes, and that the provisions of Section 448.095, Florida Statutes apply to this Agreement. If the OWNER has a good faith belief that the CONTRACTOR has knowingly hired, recruited or referred an alien who is not authorized to work by the immigration laws or the Attorney General of the United States for employment under this Agreement, the OWNER shall terminate this Agreement. If the OWNER has a good faith belief that a subcontractor performing work under this Agreement knowingly hired, recruited or referred an alien who is not duly authorized to work by the immigration laws or the Attorney General of the United States for employment under this Agreement, the OWNER shall promptly notify the CONTRACTOR and order the CONTRACTOR to immediately terminate the contract with the subcontractor. The CONTRACTOR shall be liable for any additional costs incurred by the OWNER as a result of the termination of a contract based on CONTRACTOR'S failure to comply with E-Verify requirements evidenced herein.

At the conclusion of our audit engagement, we will communicate to the board the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of McDirmit Davis, LLC and constitutes confidential information. However, we may be requested to make certain audit documentation available to a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities, pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of McDirmit Davis, LLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

McDermitt Davis

McDermitt Davis, LLC
Orlando, FL

RESPONSE:

This letter correctly sets forth our understanding.

The Woodlands Community Development District

Acknowledged and agreed on behalf of The Woodlands Community Development District by:

Title: _____

RESOLUTION 2026-01_

A BUDGET AMENDMENT AMENDING THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT GENERAL FUND BUDGET FOR FISCAL YEAR 2025

WHEREAS, the Board of Supervisors, hereinafter referred to as the “Board”, of The Woodlands Community Development District, hereinafter referred to as “District”, adopted a General Fund Budget for Fiscal Year 2025, and

WHEREAS, the Board desires to *reallocate* funds budgeted to reappropriate General Funds approved during the Fiscal Year.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT THE FOLLOWING:

1. The General Fund Budget is hereby amended in accordance with Exhibit “A” attached.
2. This resolution shall become effective this 18th day of November 2025 and be reflected in the monthly and Fiscal Year End 9/30/2025 Financial Statements and Audit Report of the District.

**Woodlands Community
Development District**

By: _____

Chairman

Attest:

By: _____
Secretary/Assistant Secretary

Proposed Budget Amendment
For the Period Ending September 30, 2025

ACCOUNT DESCRIPTION	CURRENT BUDGET	PROPOSED AMENDMENT	FINAL BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
<u>REVENUES</u>					
Interest - Investments	\$ 10,000	\$ -	\$ 10,000	\$ 81,947	\$ 71,947
Special Assmnts- Tax Collector	213,741	-	213,741	213,779	38
Special Assmnts- Discounts	(8,550)	-	(8,550)	(8,240)	310
TOTAL REVENUES	215,191	-	215,191	287,486	72,295
<u>EXPENDITURES</u>					
<u>Administration</u>					
P/R-Board of Supervisors	5,000	-	5,000	2,800	2,200
FICA Taxes	383	-	383	214	169
ProfServ-Dissemination Agent	-	-	-	2,000	(2,000)
ProfServ-Engineering	10,000	-	10,000	3,150	6,850
ProfServ-Legal Services	10,000	-	10,000	3,436	6,564
ProfServ-Mgmt Consulting	47,406	-	47,406	47,406	-
ProfServ-Web Site Development	1,553	-	1,553	1,553	-
Auditing Services	5,000	-	5,000	4,700	300
Postage and Freight	300	-	300	69	231
Insurance - General Liability	32,775	-	32,775	31,884	891
Printing and Binding	250	-	250	-	250
Legal Advertising	1,000	-	1,000	158	842
Miscellaneous Services	500	-	500	1,330	(830)
Misc-Assessment Collection Cost	3,206	-	3,206	3,104	102
Office Supplies	1,193	-	1,193	1,484	(291)
Annual District Filing Fee	175	-	175	175	-
Total Administration	118,741	-	118,741	103,463	15,278
<u>Field</u>					
ProfServ-Field Management	19,145	-	19,145	19,145	-
Communication - Teleph - Field	7,300	-	7,300	9,394	(2,094)
Electricity - Entrance	350	-	350	317	33
Total Field	26,795	-	26,795	28,856	(2,061)
<u>Landscape Services</u>					
Contracts-Landscape	9,600	-	9,600	9,923	(323)
Utility - Pump Station	58,000	-	58,000	60,793	(2,793)
R&M-Pumps-Cypress Falls	34,202	-	34,202	52,489	(18,287)
R&M-Pumps-Cedar Grove	12,655	-	12,655	32,755	(20,100)
R&M-Pumps-Panacea	5,200	-	5,200	1,517	3,683
Total Landscape Services	119,657	-	119,657	157,477	(37,820)
TOTAL EXPENDITURES	265,193	-	265,193	289,796	(24,603)

Proposed Budget Amendment
For the Period Ending September 30, 2025

ACCOUNT DESCRIPTION	CURRENT BUDGET	PROPOSED AMENDMENT	FINAL BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
Excess (deficiency) of revenues					
Over (under) expenditures	(50,002)	-	(50,002)	(2,310)	47,692
Net change in fund balance	(50,002)	-	(50,002)	(2,310)	47,692
FUND BALANCE, BEGINNING (OCT 1, 2024)	2,087,091	-	2,087,091	2,087,091	-
FUND BALANCE, ENDING	\$ 2,037,089	\$ -	\$ 2,037,089	\$ 2,084,781	\$ 47,692

Financial Report

September 30, 2024

**The Woodlands Community
Development District**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
The Woodlands Community Development District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2024, and the respective changes in financial position thereof and the respective 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 Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis starting on page 3, 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 we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 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, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

McDiarmid Davis

Orlando, Florida
March 28, 2025

The Woodlands Community Development District
Management's Discussion and Analysis

Our discussion and analysis of *The Woodlands Community Development District's* (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2024. Please read it in conjunction with the District's Independent Auditor's Report, financial statements and accompanying notes.

This information is being presented to provide additional information regarding the activities of the District and to meet the disclosure requirements of Government Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999.

Financial Highlights

- The liabilities of the District exceeded its assets at September 30, 2024 resulting in a net position deficit balance of \$(6,442,804), an increase in net position of \$4,374,668 in comparison with the prior year.
- At September 30, 2024, the District's governmental funds reported a fund balance of \$4,283,206 an increase in fund balance of \$3,228,377 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to *The Woodlands Community Development District's* financial statements. The District's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include general government and maintenance and operations functions.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: Governmental Funds.

Governmental Funds

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

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

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and debt service fund, which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to Financial Statements

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

Government-Wide Financial Analysis

Statement of Net Position - The District's net position was \$(6,442,804) at September 30, 2024. The following analysis focuses on the net position of the District's governmental activities.

	<u>2024</u>	<u>2023</u>
Assets, excluding capital assets	\$ 4,291,321	\$ 2,249,511
Capital assets, net of depreciation	<u>7,616,110</u>	<u>7,680,634</u>
Total assets	<u>11,907,431</u>	<u>9,930,145</u>
Liabilities, excluding long-term liabilities	434,428	1,689,919
Long-term liabilities	<u>17,915,807</u>	<u>19,057,698</u>
Total liabilities	<u>18,350,235</u>	<u>20,747,617</u>
Net Position:		
Net investment in capital assets	(10,299,697)	(12,570,203)
Restricted for debt service	1,769,802	-
Unrestricted	<u>2,087,091</u>	<u>1,752,731</u>
Total net position	<u>\$ (6,442,804)</u>	<u>\$ (10,817,472)</u>

The following is a summary of the District's governmental activities for the fiscal years ended September 30:

	2024	2023
Revenues:		
Program revenues	\$ 5,665,839	\$ 3,391,795
General revenues	207,045	137,164
Total revenues	5,872,884	3,528,959
Expenses:		
General government	133,592	134,093
Maintenance and operations	277,163	256,411
Interest on long-term debt	1,087,461	1,232,915
Total expenses	1,498,216	1,623,419
Change in net position	4,374,668	1,905,540
Net position, beginning	(10,817,472)	(12,723,012)
Net position, ending	\$ (6,442,804)	\$ (10,817,472)

As noted above and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2024 was \$1,498,216. The majority of these costs are comprised of interest on long-term debt.

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near - term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2024, the District's governmental funds reported a combined ending fund balance of \$4,283,206. Of this total, \$55,078 is nonspendable, \$2,196,115 is restricted, \$1,009,356 is assigned and the remainder is an unassigned fund balance of \$1,022,657.

The general fund balance decreased by \$1,313 in the current year because current year expenditures exceeded assessments. The debt service fund balance increased by \$3,229,690 due to collections of delinquent assessments.

General Fund Budgetary Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. There was one amendment to the September 30, 2024 general fund budget. The legal level of budgetary control is at the fund level.

Capital Asset and Debt Administration

Capital Assets

At September 30, 2024, the District had \$7,616,110 invested in assets, net of accumulated depreciation. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Capital Debt

At September 30, 2024, the District had \$17,950,000 in bonds outstanding. More detailed information about the District's capital debt is presented in the notes to the financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact *The Woodlands Community Development District's* Finance Department at 2005 Pan Am Circle, Suite 300, Tampa, Florida, 33607.

FINANCIAL STATEMENTS

The Woodlands Community Development District
Statement of Net Position
September 30, 2024

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 78,019
Investments	1,967,762
Deposits	500
Prepaid	54,578
Restricted Assets:	
Temporarily restricted investments	2,190,462
Capital Assets:	
Capital assets not being depreciated	6,605,013
Capital assets, net of depreciation	1,011,097
Total assets	11,907,431
Liabilities:	
Accounts payable and accrued expenses	8,115
Accrued interest payable	426,313
Noncurrent liabilities:	
Due within one year	1,210,000
Due in more than one year	16,705,807
Total liabilities	18,350,235
Net Position:	
Net investment in capital assets	(10,299,697)
Restricted for debt service	1,769,802
Unrestricted	2,087,091
Total net position	\$ (6,442,804)

		<u>Program Revenue</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u>
Governmental Activities:			
General government	\$ 133,592	\$ 66,236	\$ (67,356)
Maintenance and operations	277,163	137,419	(139,744)
Interest on long-term debt	1,087,461	5,462,184	4,374,723
Total governmental activities	<u>\$ 1,498,216</u>	<u>\$ 5,665,839</u>	<u>4,167,623</u>
General Revenues:			
Investment and miscellaneous			<u>207,045</u>
Change in net position			4,374,668
Net position, beginning			<u>(10,817,472)</u>
Net position, ending			<u>\$ (6,442,804)</u>

The Woodlands Community Development District
Balance Sheet - Governmental Funds
September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 78,019	\$ -	\$ 78,019
Investments	1,967,762	2,190,462	4,158,224
Due from other funds	-	7,353	7,353
Prepaid	54,578	-	54,578
Deposits	500	-	500
Total assets	<u>\$ 2,100,859</u>	<u>\$ 2,197,815</u>	<u>\$ 4,298,674</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 6,415	\$ 1,700	\$ 8,115
Due to other funds	7,353	-	7,353
Total liabilities	<u>13,768</u>	<u>1,700</u>	<u>15,468</u>
Fund Balances:			
Nonspendable	55,078	-	55,078
Restricted for debt service	-	2,196,115	2,196,115
Assigned - operating reserve	65,806	-	65,806
Assigned - lakes	60,000	-	60,000
Assigned - Attorney	613,550	-	613,550
Assigned - pump stations	270,000	-	270,000
Unassigned	1,022,657	-	1,022,657
Total fund balances	<u>2,087,091</u>	<u>2,196,115</u>	<u>4,283,206</u>
Total Liabilities and Fund Balances	<u>\$ 2,100,859</u>	<u>\$ 2,197,815</u>	<u>\$ 4,298,674</u>
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			7,616,110
Liabilities not due and payable from current available resources are not reported in governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.			
Accrued interest payable		(426,313)	
Bonds and note payable		<u>(17,915,807)</u>	<u>(18,342,120)</u>
Net Position of Governmental Activities			<u>\$ (6,442,804)</u>

The Woodlands Community Development District
Statement of Revenues, Expenditures and Changes in the Fund Balances
Governmental Funds
Year Ended September 30, 2024

	General	Debt Service	Total Governmental Funds
Revenues:			
Special assessments	\$ 203,655	\$ 5,458,288	\$ 5,661,943
Special assessments - prepayments	-	3,896	3,896
Investment and miscellaneous income	110,135	96,910	207,045
Total revenues	313,790	5,559,094	5,872,884
Expenditures:			
Current:			
General government	102,464	31,128	133,592
Maintenance and operations	212,639	-	212,639
Debt Service:			
Interest	-	1,153,276	1,153,276
Principal	-	1,145,000	1,145,000
Total expenditures	315,103	2,329,404	2,644,507
Excess (Deficit) of Revenues Over Expenditures	(1,313)	3,229,690	3,228,377
Net change in fund balances	(1,313)	3,229,690	3,228,377
Fund balances, beginning of year	2,088,404	(1,033,575)	1,054,829
Fund balances, end of year	\$ 2,087,091	\$ 2,196,115	\$ 4,283,206

The Woodlands Community Development District
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities**
 Year Ended September 30, 2024

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

Net change in fund balances - total governmental funds	\$ 3,228,377
--	--------------

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources; however, in the statement of net position the cost of those assets is recorded as capital assets. Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.

Depreciation expense	(64,524)	
		(64,524)

Repayments of bond principal are expenditures in governmental funds while repayments reduce liabilities in the statement of net position. Also, governmental funds report the effect premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Repayment of bonds payable	1,145,000	
Reduction of note payable	10,231	
Amortization of bond discount	(3,109)	
		1,152,122

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

Change in accrued interest	58,693	
Change in net position of governmental activities	\$ 4,374,668	

The Woodlands Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 203,223	\$ 203,223	\$ 203,655	\$ 432
Investment and miscellaneous income	10,000	10,000	110,135	100,135
Total revenues	213,223	213,223	313,790	100,567
Expenditures:				
Current:				
General government	117,329	117,329	102,464	14,865
Maintenance and operations	145,894	290,394	212,639	77,755
Total expenditures	263,223	407,723	315,103	92,620
Excess (Deficit) of Revenues Over Expenditures	(50,000)	(194,500)	(1,313)	193,187
Net change in fund balance	\$ (50,000)	\$ (194,500)	(1,313)	\$ 193,187
Fund balance, beginning			2,088,404	
Fund balance, ending			\$ 2,087,091	

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Woodlands Community Development District, (the "District") was established on July 26, 2004 by the City of North Port, Florida, Ordinance 04-32 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190 Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and the power to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure. The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors (the Board), which is composed of five members. The Supervisors are elected on an at large basis by qualified electors residing within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements 14, 39 and 61. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

Government-Wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants, contributions and investment income that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) operating-type special assessments that are treated as charges for services (including assessments for maintenance and debt service). Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified *accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures are recorded only when payment is due.

Assessments, including debt service assessments and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. Operation and maintenance special assessments are levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. These assessments are imposed upon all benefited lands located in the District. Debt service special assessments are imposed upon certain lots and lands as described in each resolution imposing the special assessment for each series of bonds issued by the District.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 District.

The District reports the following governmental funds, which are considered to be major funds:

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 - Accounts for the accumulation of resources for the annual payment of principal and interest on long-term debt.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Restricted Assets

These assets represent cash and investments set aside pursuant to bond covenants.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

Investments of the District are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The District's investments consist of investments authorized in accordance with Section 218.415, Florida Statutes.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Irrigation & pumps	25
Stormwater systems	30

Long Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of premiums or discounts. Issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2024.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2024.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted-net position is applied.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes fund balance amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the government that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has authorized the District Manager to assign amounts for specific purposes. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above an additional action is essential to either remove or revise a commitment.

Other Disclosures

Use of Estimates

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

New Accounting Standards

In fiscal year 2024, the District has not implemented any new accounting standards with a material effect on the District's financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District is required to establish a budgetary system and an approved annual budget for the General Fund. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at the fiscal year end. The legal level of budgetary control is at the fund level. Any budget amendments that increase the aggregate budgeted appropriations, at the fund level, must be approved by the Board of Supervisors.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted by the District Board.
4. All budget changes must be approved by the District Board.
5. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The District categorizes its fair value measurements within the fair value hierarchy 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.

Under GASB 72, assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted prices 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 uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

The District has the following recurring fair value measurements as of September 30, 2024:

- Blackrock Institutional Funds Trust, T-Fund #30 of \$2,190,462 are valued using Level 2 inputs.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED):

Instead of establishing a written investment policy, the District elected to limit investments to those approved by Florida Statutes and the District Trust Indenture. Authorized District investments include:

1. The Local Government Surplus Funds Trust Fund (SBA);
2. Securities and Exchange Commission Registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency;
3. Interest-bearing time deposits or savings accounts in qualified public depositories;
4. Direct obligations of the U.S. Treasury.

Investments made by the District at September 30, 2024 are summarized below.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
Money Market Funds	\$ 1,967,762	NA	NA
Federal Securities T-Fund #30	2,190,462	AAAm	30 days
	<u>\$ 4,158,224</u>		

Credit Risk

The District's investment policy limits credit risk by restricting authorized investments to those described. Investments in U.S. Government securities and agencies must be backed by the full faith and credit of the United States Government. Short term bond funds shall be rated by a nationally recognized ratings agency and shall maintain the highest credit quality rating. Investment ratings by investment type are included in the preceding summary of investments.

Custodial Credit Risk:

In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2024, all of the District's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2024, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

The District places no limit on the amount the District may invest in any one issuer.

Interest Rate Risk:

The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of less than three months.

NOTE 4 INTERFUND BALANCES

At September 30, 2024, the General Fund owed the Debt Service Fund \$7,353 for assessments not yet transferred.

NOTE 5 CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in progress	\$ 3,677,847	\$ -	\$ -	\$ 3,677,847
Land	2,927,166	-	-	2,927,166
Total capital assets not being depreciated	6,605,013	-	-	6,605,013
Capital Assets Being Depreciated:				
Irrigation	790,723	-	-	790,723
Stormwater management systems	146,339	-	-	146,339
Hoover pump station	315,338	-	-	315,338
Irrigation pumps	385,069	-	-	385,069
Total capital assets being depreciated	1,637,469	-	-	1,637,469
Less Accumulated Depreciation for:				
Irrigation	(347,918)	(31,629)	-	(379,547)
Stormwater management systems	(34,146)	(4,878)	-	(39,024)
Hoover pump station	(73,676)	(12,613)	-	(86,289)
Irrigation pumps	(106,108)	(15,404)	-	(121,512)
Total accumulated depreciation	(561,848)	(64,524)	-	(626,372)
Total capital assets being depreciated, net	1,075,621	(64,524)	-	1,011,097
Governmental activities capital assets, net	\$ 7,680,634	\$ (64,524)	\$ -	\$ 7,616,110

Depreciation was charged to maintenance and operations for the current year.

NOTE 6 LONG-TERM LIABILITIES

Series 2004A Capital Improvement Revenue Bonds -Public Offering

On December 1, 2004, the District issued \$31,615,000 of Series 2004A Capital Improvement Revenue Bonds to finance the acquisition and construction of certain improvements for the benefit of the property within the District. The Bonds are due May 1, 2035, with a fixed interest rate of 5.7%. Interest is due semiannually on each May 1 and November 1, commencing May 1, 2005. Principal is due annually on each May 1.

The Bonds are subject to optional redemption prior to their scheduled maturity in the manner outlined in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to their scheduled maturity in the manner determined by the Bond Registrar if certain events occur as outlined in the Bond Indenture. In the event of default, all principal and interest of the Bond may become immediately due and payable.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirement as defined in the indenture. The requirement was met as of September 30, 2024.

The Bond Indenture has 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 agreed to levy special assessments in annual amounts adequate to provide payment of debt service. Payment of principal and interest on the 2004 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is not in compliance with the requirements of the Bond Indenture.

Total principal and interest remaining on the Series 2004 Revenue Bonds at September 30, 2024 is \$24,660,895. For the year ended September 30, 2024, principal and interest paid was \$2,298,276. Additionally, \$1,182,908 of matured principal was paid. Total special assessment revenue pledged was \$5,462,184.

Long-term debt activity for the year ended September 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
Series 2004	\$ 19,095,000	\$ -	\$ (1,145,000)	\$ 17,950,000	\$ 1,210,000
Less issuance discount	(37,302)	-	3,109	(34,193)	-
Governmental activity long-term liabilities	<u>\$ 19,057,698</u>	<u>\$ -</u>	<u>\$ (1,141,891)</u>	<u>\$ 17,915,807</u>	<u>\$ 1,210,000</u>

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

At September 30, 2024, the scheduled debt service requirements on the bonds payable were as follows:

<u>Year Ending September 30,</u>	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,210,000	\$ 1,023,150
2026	1,280,000	954,180
2027	1,355,000	881,220
2028	1,435,000	803,985
2029	1,520,000	722,190
2030 - 2034	9,040,000	2,205,900
2035	2,110,000	120,270
	<u>\$ 17,950,000</u>	<u>\$ 6,710,895</u>

NOTE 8 RELATED PARTY PAYABLES

Note Payable

On April 9, 2009, the District entered into an agreement with the Bondholders for a special assessment note. The note is for a maximum amount of \$100,000 which may be drawn upon. The Note is considered non-recourse and is secured solely by future special assessments collected by the District. Amounts drawn are to be utilized to fund the pursuit of collection remedies as a result of the default of the landowners. The loan bears interest at 3.17%. The Note was originally due on March 1, 2013; however, the maturity date was extended to March 1, 2015. Principal is payable in equal annual installments commencing on the payment date and ending on the maturity date. The payment date is each July 1 commencing in the fiscal year after title to the land is no longer in the name of the District, and Special Purpose Entity, original landowner, etc.

Interest accrues on amounts from the first date of draws and is payable on the payment date. At September 30, 2024, total draws on the loan were \$71,082. This amount is reported as a current liability on the government-wide statement of net position and not the fund financial balance sheet. During the year, the District received payment of \$10,231 to pay off the loan balance. Additionally, accrued interest of \$4,976 was paid.

NOTE 9 LANDOWNER ASSESSMENTS AND FORBEARANCE AGREEMENT

The District is economically dependent on certain major landowners. A significant portion of the current year assessments was received from the major landowners. Of the total assessments collected in the current year, 87% was received from the major landowners.

The Trustee, acting on behalf of the Bondholders and the delinquent landowners entered into a forbearance agreement whereby the Trustee agrees to "stand-still" and instruct the District not to foreclose upon or otherwise seek to enforce collection of the debt assessments levied against the land owned by the delinquent landowners until the Termination Date. The Termination Date was October 31, 2017, and has not been modified or extended. The District has not received a request to institute foreclosure proceedings within the time provided by the Forbearance Agreement.

NOTE 9 LANDOWNER ASSESSMENTS AND FORBEARANCE AGREEMENT (CONTINUED)

On April 18, 2023, the Board of Supervisors of the District adopted Resolution 2023-08 which approved the form of a settlement agreement with the Trustee and landowner relating to a proposed sale of the final 2 parcels that were delinquent, that was expected to bring the delinquent debt assessments current for those 2 parcels. The agreement was executed in January 2024. Under the terms of the agreement, as the underlying properties are sold to a homebuilder, the landowner is required to pay all delinquent assessments to the District. During the year ended September 30, 2024, delinquent debt assessments totaling \$3,453,566 were paid to the District in connection with this agreement. As of September 30, 2024, all delinquent assessments have been collected.

NOTE 10 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. These risks are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage since inception of the District.

COMPLIANCE SECTION

**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**

To the Board of Supervisors
The Woodlands Community Development District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the governmental activities, and each major fund of *The Woodlands Community Development District* (the "District") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

McDermitt Davis

Orlando, Florida
March 28, 2025

MANAGEMENT LETTER

Board of Supervisors
The Woodlands Community Development District

Report on the Financial Statements

We have audited the financial statements of *The Woodlands Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 28, 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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Specific Information (Unaudited)

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

- a. The total number of District employees compensated in the last pay period of the District's fiscal year as zero.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as 5.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$82,998.
- e. 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 of the fiscal year being reported, together with the total expenditures for such project as: none
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final budget under Section 189.016(6), Florida Statutes, as see page 12 of financial statements.

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

- a. The rate or rates of non-ad valorem special assessments imposed by the District as:

Phase	Village	General Fund	Debt Service
A	Townhomes	\$ 29.09	\$ 330.70
B-C-1	Cypress Falls Quad	88.18	988.83
B-C-1	Cypress Falls Single Family	105.86	1,187.06
B-C-1	Cypress Falls Villa	88.18	988.83
B-C-2	Cypress Falls Single Family	105.86	1,350.13
B-C-2	Cypress Falls Single Family	105.86	1,181.84
D	Single Family	100.08	1,137.59
E	Single Family	107.12	1,217.71
F	Townhomes	41.31	469.56
G	Cedar Grove 1A & 1B	110.16	1,316.29
G	Cedar Grove 2A, 2B & 2C	110.16	1,198.17

- b. The total amount of special assessments collected by or on behalf of the District as \$5,665,839.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as see notes to financial statements.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we 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.

McDiarmid Davis

Orlando, Florida
March 28, 2025

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

Board of Supervisors
The Woodlands Community Development District

We have examined *The Woodlands Community Development District's* (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2024. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the 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 the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

McDermitt Davis

Orlando, Florida
March 28, 2025