

BROOKSTONE

COMMUNITY DEVELOPMENT DISTRICT

August 4, 2023

BOARD OF SUPERVISORS PUBLIC HEARING AND REGULAR MEETING AGENDA

BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT

AGENDA
LETTER

Brookstone Community Development District
OFFICE OF THE DISTRICT MANAGER
2300 Glades Road, Suite 410W•Boca Raton, Florida 33431
Phone: (561) 571-0010•Toll-free: (877) 276-0889•Fax: (561) 571-0013

July 28, 2023

<p>ATTENDEES: Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.</p>
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Board of Supervisors
Brookstone Community Development District

Dear Board Members:

The Board of Supervisors of the Brookstone Community Development District will hold a Public Hearing and Regular Meeting on August 4, 2023 at 11:00 a.m., at the Country Inn & Suites, Bradenton/Lakewood Ranch, 5610 Manor Hill Lane, Bradenton, Florida 34203. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Administration of Oath of Office to Supervisor, Nicolas Aparicio [Seat 2] *(the following to be provided in separate package)*
 - A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees
 - B. Membership, Obligations and Responsibilities
 - C. Chapter 190, Florida Statutes
 - D. Financial Disclosure Forms
 - I. Form 1: Statement of Financial Interests
 - II. Form 1X: Amendment to Form 1, Statement of Financial Interests
 - III. Form 1F: Final Statement of Financial Interests
 - E. Form 8B: Memorandum of Voting Conflict
4. Consider Appointment of Qualified Elector to Fill Vacant Seat 4; *Term Expires November 2026*
 - Administration of Oath of Office to Appointed Supervisor
5. Consider Appointment of Qualified Elector to Fill Vacant Seat 5; *Term Expires November 2026*
 - Administration of Oath of Office to Appointed Supervisor

6. Consideration of Resolution 2023-03, Designating Certain Officers of the District, and Providing for an Effective Date
7. Public Hearing on Adoption of Fiscal Year 2023/2024 Budget
 - A. Proof/Affidavit of Publication
 - B. Consideration of Resolution 2023-08, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2023 and Ending September 30, 2024; Authorizing Budget Amendments; and Providing an Effective Date
8. Consideration of Resolution 2023-09, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2023/2024; Providing for the Collection and Enforcement of Special Assessments, Including but Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date
9. Presentation of Audited Financial Report for Fiscal Year Ended September 30, 2022, Prepared by Carr, Riggs & Ingram, LLC
10. Consideration of Resolution 2023-10, Hereby Accepting the Audited Financial Statements for the Fiscal Year Ended September 30, 2022
11. Consent Agenda
 - A. Acceptance of Unaudited Financial Statements as of June 30, 2023
 - B. Approval of June 2, 2023 Regular Meeting Minutes
12. Staff Reports
 - A. District Counsel: *Kutak Rock LLP*
 - B. District Engineer: *ZNS Engineering, L.C.*
 - C. District Manager: *Wrathell, Hunt and Associates, LLC*
 - NEXT MEETING: September 1, 2023 at 11:00 AM

○ QUORUM CHECK

SEAT 1	RYAN ZOOK	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 2	NICOLAS APARICIO	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 3	HAL LUTZ	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT4		<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 5		<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO

13. Board Members' Comments/Requests
14. Public Comments
15. Adjournment

Should you have any questions or concerns, please do not hesitate to contact me directly at (561) 909-7930.

Sincerely,



Daniel Rom
District Manager

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE

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

PARTICIPANT PASSCODE: 528 064 2804

BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT

6

RESOLUTION 2023-03

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
BROOKSTONE COMMUNITY DEVELOPMENT DISTRICT
DESIGNATING CERTAIN OFFICERS OF THE DISTRICT, AND
PROVIDING FOR AN EFFECTIVE DATE**

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

WHEREAS, the Board of Supervisors of the District desires to designate certain Officers of the District.

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

SECTION 1. _____ is appointed Chair.

SECTION 2. _____ is appointed Vice Chair.

SECTION 3. _____ is appointed Assistant Secretary.

_____ is appointed Assistant Secretary.

_____ is appointed Assistant Secretary.

Daniel Rom _____ is appointed Assistant Secretary.

SECTION 4. This Resolution supersedes any prior appointments made by the Board for Chair, Vice Chair and Assistant Secretaries; however, prior appointments by the Board for Secretary, Treasurer and Assistant Treasurer(s) remain unaffected by this Resolution.

SECTION 5. This Resolution shall become effective immediately upon its adoption.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PASSED AND ADOPTED this 4th day of August, 2023.

ATTEST:

**BROOKSTONE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT

7A



Beaufort Gazette
 Belleville News-Democrat
 Bellingham Herald
 Bradenton Herald
 Centre Daily Times
 Charlotte Observer
 Columbus Ledger-Enquirer
 Fresno Bee

The Herald - Rock Hill
 Herald Sun - Durham
 Idaho Statesman
 Island Packet
 Kansas City Star
 Lexington Herald-Leader
 Merced Sun-Star
 Miami Herald

el Nuevo Herald - Miami
 Modesto Bee
 Raleigh News & Observer
 The Olympian
 Sacramento Bee
 Fort Worth Star-Telegram
 The State - Columbia
 Sun Herald - Biloxi

Sun News - Myrtle Beach
 The News Tribune Tacoma
 The Telegraph - Macon
 San Luis Obispo Tribune
 Tri-City Herald
 Wichita Eagle

AFFIDAVIT OF PUBLICATION

Account #	Order Number	Identification	Order PO	Amount	Cols	Depth
18787	444606	Print Legal Ad-IPL01315190 - IPL0131519		\$168.83	1	77L

Attention: Daphne Gillyard
 BROOKSTONE CDD
 2300 GLADES ROAD SUITE 410 W
 BOCA RATON, FL 33431

**BROOKSTONE COMMUNITY
 DEVELOPMENT DISTRICT**

**NOTICE OF PUBLIC HEARING
 TO CONSIDER THE ADOPTION
 OF THE FISCAL YEAR
 2023/2024 BUDGET; AND NOTICE
 OF REGULAR BOARD OF
 SUPERVISORS' MEETING.**

The Board of Supervisors ("**Board**") of the Brookstone Community Development District ("**District**") will hold a public hearing on August 4, 2023 at 11:00 a.m., at Country Inn & Suites, Bradenton/Lakewood Ranch, 5610 Manor Hill Lane, Bradenton, Florida 34203 for the purpose of hearing comments and objections on the adoption of the proposed budget ("**Proposed Budget**") of the District for the fiscal year beginning October 1, 2023 and ending September 30, 2024 ("**Fiscal Year 2023/2024**"). A regular board meeting of the District will also be held at that time where the Board may consider any other business that may properly come before it. A copy of the agenda and Proposed Budget may be obtained at the offices of the District Manager, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431, 1 (877) 276-0889 ("**District Manager's Office**"), during normal business hours, or by visiting the District's website at www.brookstonecdd.net.

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

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

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

District Manager
 IPL0131519
 Jul 18,25 2023

**THE STATE OF TEXAS
 COUNTY OF DALLAS**

Before the undersigned authority personally appeared Crystal Trunick, who, on oath, says that she is a Legal Advertising Representative of The Bradenton Herald, a daily newspaper published at Bradenton in Manatee County, Florida; that the attached copy of the advertisement, being a Legal Advertisement in the matter of Public Notice, was published in said newspaper in the issue(s) of:
 2 insertion(s) published on:
 07/18/23, 07/25/23

**THE STATE OF FLORIDA
 COUNTY OF MANATEE**

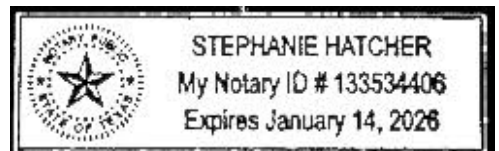
Affidavit further says that the said publication is a newspaper published at Bradenton, in said Manatee County, Florida, and that the said newspaper has heretofore been continuously published in said Manatee County, Florida, each day and has been entered as second-class mail matter at the post office in Bradenton, in said Manatee County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Crystal Trunick

Sworn to and subscribed before me this 31st day of July in the year of 2023

Stephanie Hatcher

Notary Public in and for the state of Texas, residing in Dallas County



Extra charge for lost or duplicate affidavits.
 Legal document please do not destroy!

BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT

7B

RESOLUTION 2023-08

THE ANNUAL APPROPRIATION RESOLUTION OF THE BROOKSTONE COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2023, submitted to the Board of Supervisors (“**Board**”) of the Brookstone Community Development District (“**District**”) proposed budget (“**Proposed Budget**”) for the fiscal year beginning October 1, 2023 and ending September 30, 2024 (“**Fiscal Year 2023/2024**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

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

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

WHEREAS, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing; and

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

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

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

SECTION 1. BUDGET

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Local Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.

- b. The Proposed Budget, attached hereto as **Exhibit A**, as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.
- c. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District’s Local Records Office and identified as “The Budget for the Brookstone Community Development District for the Fiscal Year Ending September 30, 2024.”
- d. The Adopted Budget shall be posted by the District Manager on the District’s official website within thirty (30) days after adoption and shall remain on the website for at least 2 years.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the District, for Fiscal Year 2023/2024, the sum of \$1,701,641 to be raised by the levy of assessments and/or otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$ 122,782
DEBT SERVICE FUND(S) – SERIES 2018	\$ 824,044
DEBT SERVICE FUND(S) – SERIES 2022	\$ 754,815
TOTAL ALL FUNDS	\$1,701,641

SECTION 3. BUDGET AMENDMENTS

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within Fiscal Year 2023/2024, or within 60 days following the end of the Fiscal Year 2023/2024, may amend its Adopted Budget for that fiscal year as follows:

- a. A line-item appropriation for expenditures within a fund may be decreased or increased by motion of the Board recorded in the minutes, and approving the expenditure, if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may approve an expenditure that would increase or decrease a line-item appropriation for expenditures within a fund if the total appropriations of the fund do not increase and if either (i) the aggregate

change in the original appropriation item does not exceed the greater of \$15,000 or 15% of the original appropriation, or (ii) such expenditure is authorized by separate disbursement or spending resolution.

- c. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must ensure that any amendments to the budget under paragraph c. above are posted on the District’s website within 5 days after adoption and remain on the website for at least 2 years.

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

PASSED AND ADOPTED THIS 4TH DAY OF AUGUST, 2023.

ATTEST:

**BROOKSTONE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

Exhibit A: Fiscal Year 2023/2024 Budget

Exhibit A: Fiscal Year 2023/2024 Budget

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
PROPOSED BUDGET
FISCAL YEAR 2024**

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
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**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND BUDGET
FISCAL YEAR 2024**

	Fiscal Year 2023			Total Actual & Projected	Proposed Budget FY 2024
	Adopted Budget FY 2023	Actual through 3/31/2023	Projected through 9/30/2023		
REVENUES					
Assessment levy: on-roll - gross	\$ 82,647				\$ 127,898
Allowable discounts (4%)	(3,306)				(5,116)
Assessment levy: on-roll - net	79,341	\$ 76,901	\$ 2,440	\$ 79,341	122,782
Assessment levy: off-roll	40,773	30,253	10,520	40,773	-
Total revenues	<u>120,114</u>	<u>107,154</u>	<u>12,960</u>	<u>120,114</u>	<u>122,782</u>
EXPENDITURES					
Professional & administrative					
Supervisors	2,584	-	-	-	2,584
Management/accounting/recording	46,818	26,159	20,659	46,818	46,818
DSF accounting/assessment collections	5,500	-	5,500	5,500	5,500
Legal	12,000	736	3,500	4,236	12,000
Engineering	2,500	-	2,500	2,500	2,500
Audit	6,950	4,500	1,500	6,000	6,950
Arbitrage rebate calculation	1,500	500	1,000	1,500	1,500
Dissemination agent ¹	2,000	1,000	1,000	2,000	2,000
Trustee	10,000	4,331	5,000	9,331	10,000
Telephone	200	100	100	200	200
Postage	500	31	469	500	500
Printing & binding	500	250	250	500	500
Legal advertising	5,500	216	5,284	5,500	5,500
Annual special district fee	175	175	-	175	175
Insurance	6,300	5,988	-	5,988	6,600
Contingencies/bank charges	5,000	120	4,880	5,000	5,000
Website					
Hosting & maintenance	705	705	-	705	705
ADA compliance	210	210	-	210	210
Property appraiser & tax collector	2,480	1,671	809	2,480	3,836
Total professional & administrative	<u>111,422</u>	<u>46,692</u>	<u>52,451</u>	<u>99,143</u>	<u>113,078</u>
Total expenditures	<u>111,422</u>	<u>46,692</u>	<u>52,451</u>	<u>99,143</u>	<u>113,078</u>
Excess/(deficiency) of revenues over/(under) expenditures	8,692	60,462	(39,491)	20,971	9,704
Fund balance - beginning (unaudited)	48,466	48,504	108,966	48,504	69,475
Fund balance - ending					
Committed:					
3 months working capital	32,581	32,581	32,581	32,581	33,220
Unassigned	24,577	76,385	36,894	36,894	45,959
Fund balance - ending (projected)	<u>\$ 57,158</u>	<u>\$ 108,966</u>	<u>\$ 69,475</u>	<u>\$ 69,475</u>	<u>\$ 79,179</u>

¹ \$1,000 per bond issuance.

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
DEFINITIONS OF GENERAL FUND EXPENDITURES**

EXPENDITURES

Professional & administrative

Supervisors	\$ 2,584
Management/accounting/recording	46,818
<p>Wrathell, Hunt and Associates, LLC (WHA), specializes in managing community development districts by combining the knowledge, skills and experience of a team of professionals to ensure compliance with all of the District's governmental requirements. WHA develops financing programs, administers the issuance of tax exempt bond financings, operates and maintains the assets of the community.</p>	
DSF accounting/assessment collections Series 2018 and Series 2022 bonds	5,500
Legal	12,000
<p>General counsel and legal representation, which includes issues relating to public finance, public bidding, rulemaking, open meetings, public records, real property dedications, conveyances and contracts.</p>	
Engineering	2,500
<p>The District's Engineer will provide construction and consulting services, to assist the District in crafting sustainable solutions to address the long term interests of the community while recognizing the needs of government, the environment and maintenance of the District's facilities.</p>	
Audit	6,950
<p>Statutorily required for the District to undertake an independent examination of its books, records and accounting procedures.</p>	
Arbitrage rebate calculation	1,500
<p>To ensure the District's compliance with all tax regulations, annual computations are necessary to calculate the arbitrage rebate liability.</p>	
Dissemination agent	2,000
<p>The District must annually disseminate financial information in order to comply with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934. Wrathell, Hunt & Associates serves as dissemination agent.</p>	
Trustee	10,000
<p>Annual fee for the service provided by trustee, paying agent and registrar.</p>	
Telephone	200
<p>Telephone and fax machine.</p>	
Postage	500
<p>Mailing of agenda packages, overnight deliveries, correspondence, etc.</p>	
Printing & binding	500
<p>Letterhead, envelopes, copies, agenda packages, etc.</p>	
Legal advertising	5,500
<p>The District advertises for monthly meetings, special meetings, public hearings, public bids, etc.</p>	
Annual special district fee	175
<p>Annual fee paid to the Florida Department of Economic Opportunity.</p>	
Insurance	6,600
<p>The District will obtain public officials and general liability insurance.</p>	
Contingencies/bank charges	5,000
<p>Bank charges, automated AP routing, and other miscellaneous expenses incurred during the year.</p>	
Website	
Hosting & maintenance	705
ADA compliance	210
Property appraiser & tax collector	3,836
Total expenditures	<u><u>\$113,078</u></u>

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND BUDGET - SERIES 2018
FISCAL YEAR 2024**

	Fiscal Year 2023			Total Actual & Projected	Proposed Budget FY 2024
	Adopted Budget FY 2023	Actual through 3/31/2023	Projected through 9/30/2023		
REVENUES					
Assessment levy: on-roll	\$ 837,681				\$ 858,379
Allowable discounts (4%)	(33,507)				(34,335)
Net assessment levy - on-roll	804,174	\$ 779,437	\$ 24,737	\$ 804,174	824,044
Assessment levy: off-roll	-	372,841	(372,841)	-	-
Interest	-	22,935	-	22,935	-
Total revenues	804,174	1,175,213	(348,104)	827,109	824,044
EXPENDITURES					
Debt service					
Principal	215,000	215,000	-	215,000	225,000
Interest	579,209	291,688	287,521	579,209	570,684
Property appraiser & tax collector	25,130	16,935	8,195	25,130	25,752
Total expenditures	819,339	523,623	295,716	819,339	821,436
Excess/(deficiency) of revenues over/(under) expenditures	(15,165)	651,590	(643,820)	7,770	2,608
Fund balance:					
Beginning fund balance (unaudited)	1,450,644	1,456,809	2,108,399	1,456,809	1,464,579
Ending fund balance (projected)	<u>\$1,435,479</u>	<u>\$2,108,399</u>	<u>\$ 1,464,579</u>	<u>\$ 1,464,579</u>	<u>1,467,187</u>
Use of fund balance:					
Debt service reserve account balance (required)					(800,600)
Principal expense - November 1, 2024					(230,000)
Interest expense - November 1, 2024					(283,163)
Projected fund balance surplus/(deficit) as of September 30, 2024					<u>\$ 153,424</u>

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
SERIES 2018 AMORTIZATION SCHEDULE**

	Principal	Coupon Rate	Interest	Debt Service	Bond Balance
11/01/23	225,000.00	3.875%	287,521.88	512,521.88	11,025,000.00
05/01/24			283,162.50	283,162.50	11,025,000.00
11/01/24	230,000.00	4.625%	283,162.50	513,162.50	10,795,000.00
05/01/25			277,843.75	277,843.75	10,795,000.00
11/01/25	240,000.00	4.625%	277,843.75	517,843.75	10,555,000.00
05/01/26			272,293.75	272,293.75	10,555,000.00
11/01/26	255,000.00	4.625%	272,293.75	527,293.75	10,300,000.00
05/01/27			266,396.88	266,396.88	10,300,000.00
11/01/27	265,000.00	4.625%	266,396.88	531,396.88	10,035,000.00
05/01/28			260,268.75	260,268.75	10,035,000.00
11/01/28	275,000.00	4.625%	260,268.75	535,268.75	9,760,000.00
05/01/29			253,909.38	253,909.38	9,760,000.00
11/01/29	290,000.00	5.125%	253,909.38	543,909.38	9,470,000.00
05/01/30			246,478.13	246,478.13	9,470,000.00
11/01/30	305,000.00	5.125%	246,478.13	551,478.13	9,165,000.00
05/01/31			238,662.50	238,662.50	9,165,000.00
11/01/31	320,000.00	5.125%	238,662.50	558,662.50	8,845,000.00
05/01/32			230,462.50	230,462.50	8,845,000.00
11/01/32	335,000.00	5.125%	230,462.50	565,462.50	8,510,000.00
05/01/33			221,878.13	221,878.13	8,510,000.00
11/01/33	355,000.00	5.125%	221,878.13	576,878.13	8,155,000.00
05/01/34			212,781.25	212,781.25	8,155,000.00
11/01/34	370,000.00	5.125%	212,781.25	582,781.25	7,785,000.00
05/01/35			203,300.00	203,300.00	7,785,000.00
11/01/35	390,000.00	5.125%	203,300.00	593,300.00	7,395,000.00
05/01/36			193,306.25	193,306.25	7,395,000.00
11/01/36	410,000.00	5.125%	193,306.25	603,306.25	6,985,000.00
05/01/37			182,800.00	182,800.00	6,985,000.00
11/01/37	435,000.00	5.125%	182,800.00	617,800.00	6,550,000.00
05/01/38			171,653.13	171,653.13	6,550,000.00
11/01/38	455,000.00	5.125%	171,653.13	626,653.13	6,095,000.00
05/01/39			159,993.75	159,993.75	6,095,000.00
11/01/39	480,000.00	5.250%	159,993.75	639,993.75	5,615,000.00
05/01/40			147,393.75	147,393.75	5,615,000.00
11/01/40	505,000.00	5.250%	147,393.75	652,393.75	5,110,000.00
05/01/41			134,137.50	134,137.50	5,110,000.00

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
SERIES 2018 AMORTIZATION SCHEDULE**

	Principal	Coupon Rate	Interest	Debt Service	Bond Balance
11/01/41	530,000.00	5.250%	134,137.50	664,137.50	4,580,000.00
05/01/42			120,225.00	120,225.00	4,580,000.00
11/01/42	560,000.00	5.250%	120,225.00	680,225.00	4,020,000.00
05/01/43			105,525.00	105,525.00	4,020,000.00
11/01/43	585,000.00	5.250%	105,525.00	690,525.00	3,435,000.00
05/01/44			90,168.75	90,168.75	3,435,000.00
11/01/44	620,000.00	5.250%	90,168.75	710,168.75	2,815,000.00
05/01/45			73,893.75	73,893.75	2,815,000.00
11/01/45	650,000.00	5.250%	73,893.75	723,893.75	2,165,000.00
05/01/46			56,831.25	56,831.25	2,165,000.00
11/01/46	685,000.00	5.250%	56,831.25	741,831.25	1,480,000.00
05/01/47			38,850.00	38,850.00	1,480,000.00
11/01/47	720,000.00	5.250%	38,850.00	758,850.00	760,000.00
05/01/48			19,950.00	19,950.00	760,000.00
11/01/48	760,000.00	5.250%	19,950.00	779,950.00	-
Total	11,250,000.00		9,211,853.18	20,461,853.18	

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND BUDGET - SERIES 2018
FISCAL YEAR 2024**

	Fiscal Year 2023				Proposed Budget FY 2024
	Adopted Budget FY 2023	Actual through 3/31/2023	Projected through 9/30/2023	Total Actual & Projected	
REVENUES					
Assessment levy: on-roll	\$ 245,500				\$ 786,266
Allowable discounts (4%)	(9,820)				(31,451)
Net assessment levy - on-roll	235,680	\$ 228,726	\$ 6,954	\$ 235,680	754,815
Assessment levy: off-roll	502,913	-	502,913	502,913	-
Interest	-	6,241	-	6,241	-
Total revenues	738,593	234,967	509,867	744,834	754,815
EXPENDITURES					
Debt service					
Principal	155,000	-	155,000	155,000	160,000
Interest	340,326	51,370	288,956	340,326	571,131
Property appraiser & tax collector	7,366	4,969	2,397	7,366	23,588
Cost of issuance	-	5,725	-	5,725	-
Total expenditures	502,692	62,064	446,353	508,417	754,719
Excess/(deficiency) of revenues over/(under) expenditures	235,901	172,903	63,514	236,417	96
OTHER FINANCING SOURCES/(USES)					
Transfer out	-	(1,052)	-	(1,052)	-
Total other financing sources/(uses)	-	(1,052)	-	(1,052)	-
Net increase/(decrease) in fund balance	235,901	171,851	63,514	235,365	96
Fund balance:					
Beginning fund balance (unaudited)	417,456	423,981	595,832	423,981	659,346
Ending fund balance (projected)	<u>\$ 653,357</u>	<u>\$ 595,832</u>	<u>\$ 659,346</u>	<u>\$ 659,346</u>	<u>659,442</u>
Use of fund balance:					
Debt service reserve account balance (required)					(366,086)
Interest expense - November 1, 2024					(282,066)
Projected fund balance surplus/(deficit) as of September 30, 2024					<u>\$ 11,290</u>

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND BUDGET - SERIES 2022**

	Principal	Coupon Rate	Interest	Debt Service	Bond Balance
11/01/23			285,565.63	285,565.63	10,545,000.00
05/01/24	160,000.00	4.375%	285,565.63	445,565.63	10,385,000.00
11/01/24			282,065.63	282,065.63	10,385,000.00
05/01/25	170,000.00	4.375%	282,065.63	452,065.63	10,215,000.00
11/01/25			278,346.88	278,346.88	10,215,000.00
05/01/26	175,000.00	4.375%	278,346.88	453,346.88	10,040,000.00
11/01/26			274,518.75	274,518.75	10,040,000.00
05/01/27	185,000.00	4.375%	274,518.75	459,518.75	9,855,000.00
11/01/27			270,471.88	270,471.88	9,855,000.00
05/01/28	195,000.00	4.750%	270,471.88	465,471.88	9,660,000.00
11/01/28			265,840.63	265,840.63	9,660,000.00
05/01/29	205,000.00	4.750%	265,840.63	470,840.63	9,455,000.00
11/01/29			260,971.88	260,971.88	9,455,000.00
05/01/30	215,000.00	4.750%	260,971.88	475,971.88	9,240,000.00
11/01/30			255,865.63	255,865.63	9,240,000.00
05/01/31	225,000.00	4.750%	255,865.63	480,865.63	9,015,000.00
11/01/31			250,521.88	250,521.88	9,015,000.00
05/01/32	235,000.00	4.750%	250,521.88	485,521.88	8,780,000.00
11/01/32			244,940.63	244,940.63	8,780,000.00
05/01/33	245,000.00	5.500%	244,940.63	489,940.63	8,535,000.00
11/01/33			238,203.13	238,203.13	8,535,000.00
05/01/34	260,000.00	5.500%	238,203.13	498,203.13	8,275,000.00
11/01/34			231,053.13	231,053.13	8,275,000.00
05/01/35	275,000.00	5.500%	231,053.13	506,053.13	8,000,000.00
11/01/35			223,490.63	223,490.63	8,000,000.00
05/01/36	290,000.00	5.500%	223,490.63	513,490.63	7,710,000.00
11/01/36			215,515.63	215,515.63	7,710,000.00
05/01/37	305,000.00	5.500%	215,515.63	520,515.63	7,405,000.00
11/01/37			207,128.13	207,128.13	7,405,000.00
05/01/38	325,000.00	5.500%	207,128.13	532,128.13	7,080,000.00
11/01/38			198,190.63	198,190.63	7,080,000.00
05/01/39	345,000.00	5.500%	198,190.63	543,190.63	6,735,000.00
11/01/39			188,703.13	188,703.13	6,735,000.00
05/01/40	360,000.00	5.500%	188,703.13	548,703.13	6,375,000.00
11/01/40			178,803.13	178,803.13	6,375,000.00
05/01/41	385,000.00	5.500%	178,803.13	563,803.13	5,990,000.00
11/01/41			168,215.63	168,215.63	5,990,000.00
05/01/42	405,000.00	5.500%	168,215.63	573,215.63	5,585,000.00
11/01/42			157,078.13	157,078.13	5,585,000.00

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND BUDGET - SERIES 2022**

	Principal	Coupon Rate	Interest	Debt Service	Bond Balance
05/01/43	430,000.00	5.625%	157,078.13	587,078.13	5,155,000.00
11/01/43			144,984.38	144,984.38	5,155,000.00
05/01/44	455,000.00	5.625%	144,984.38	599,984.38	4,700,000.00
11/01/44			132,187.50	132,187.50	4,700,000.00
05/01/45	480,000.00	5.625%	132,187.50	612,187.50	4,220,000.00
11/01/45			118,687.50	118,687.50	4,220,000.00
05/01/46	505,000.00	5.625%	118,687.50	623,687.50	3,715,000.00
11/01/46			104,484.38	104,484.38	3,715,000.00
05/01/47	535,000.00	5.625%	104,484.38	639,484.38	3,180,000.00
11/01/47			89,437.50	89,437.50	3,180,000.00
05/01/48	565,000.00	5.625%	89,437.50	654,437.50	2,615,000.00
11/01/48			73,546.88	73,546.88	2,615,000.00
05/01/49	600,000.00	5.625%	73,546.88	673,546.88	2,015,000.00
11/01/49			56,671.88	56,671.88	2,015,000.00
05/01/50	635,000.00	5.625%	56,671.88	691,671.88	1,380,000.00
11/01/50			38,812.50	38,812.50	1,380,000.00
05/01/51	670,000.00	5.625%	38,812.50	708,812.50	710,000.00
11/01/51			19,968.75	19,968.75	710,000.00
05/01/52	710,000.00	5.625%	19,968.75	729,968.75	-
Total	10,545,000.00		10,908,543.98	21,453,543.98	

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
ASSESSMENT COMPARISON
PROJECTED FISCAL YEAR 2023 ASSESSMENTS**

On-Roll Assessments - Series 2018 Bond Units					
	Units	Fiscal Year 2024			Fiscal Year 2023
		O&M	DS	Total	Total
		Assessment per Unit	Assessment per Unit	Assessment per Unit	Assessment per Unit
SF 40'	88	\$ 117.23	\$ 1,290.32	\$ 1,407.55	\$ 1,407.55
SF 50'	209	117.23	1,559.14	1,676.37	1,676.37
SF 60'	2	117.23	1,639.78	1,757.01	1,757.01
Total	299				

Note: DS Assessment amounts are the result of partial prepayments

On-Roll Assessments - Series 2018 Bond Units					
	Units	Fiscal Year 2024			Fiscal Year 2023
		O&M	DS	Total	Total
		Assessment per Unit	Assessment per Unit	Assessment per Unit	Assessment per Unit
SF 40'	8	\$ 117.23	\$ 1,724.86	\$ 1,842.09	\$ 1,842.09
SF 50'	187	117.23	1,724.86	1,842.09	1,842.09
SF 60'	46	117.23	1,724.86	1,842.09	1,842.09
Total	241				

On-Roll Assessments - Future Series 2022 Units					
	Units	Fiscal Year 2024			Fiscal Year 2023
		O&M	DS	Total	Total
		Assessment per Unit	Assessment per Unit	Assessment per Unit	Assessment per Unit
SF 40'	281	\$ 117.23	\$ 1,288.43	\$ 1,405.66	\$ 1,405.66
SF 50'	222	117.23	1,556.86	1,674.09	1,674.09
SF 60'	48	117.23	1,637.39	1,754.62	1,754.62
Total	551				

BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT

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RESOLUTION 2023-09

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BROOKSTONE COMMUNITY DEVELOPMENT DISTRICT MAKING A DETERMINATION OF BENEFIT AND IMPOSING SPECIAL ASSESSMENTS FOR FISCAL YEAR 2023/2024; PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF SPECIAL ASSESSMENTS, INCLUDING BUT NOT LIMITED TO PENALTIES AND INTEREST THEREON; CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENTS TO THE ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, the District is located in Manatee County, Florida ("**County**"); and

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

WHEREAS, the Board of Supervisors ("**Board**") of the District hereby determines to undertake various operations and maintenance and other activities described in the District's budget ("**Adopted Budget**") for the fiscal year beginning October 1, 2023 and ending September 30, 2024 ("**Fiscal Year 2023/2024**"), attached hereto as **Exhibit "A,"** and

WHEREAS, the District must obtain sufficient funds to provide for the operation and maintenance of the services and facilities provided by the District as described in the Adopted Budget; and

WHEREAS, the provision of such services, facilities, and operations is a benefit to lands within the District; and

WHEREAS, Chapter 190, *Florida Statutes*, provides that the District may impose special assessments on benefitted lands within the District; and

WHEREAS, it is in the best interests of the District to proceed with the imposition of the special assessments for operations and maintenance in the amount set forth in the Adopted Budget; and

WHEREAS, the District has previously levied an assessment for debt service, which the District desires to collect for Fiscal Year 2023/2024; and

WHEREAS, Chapter 197, *Florida Statutes*, provides a mechanism pursuant to which such special assessments may be placed on the tax roll and collected by the local tax collector (“**Uniform Method**”), and the District has previously authorized the use of the Uniform Method by, among other things, entering into agreements with the Property Appraiser and Tax Collector of the County for that purpose; and

WHEREAS, it is in the best interests of the District to adopt the assessment roll (“**Assessment Roll**”) attached to this Resolution as **Exhibit “B,”** and to certify the portion of the Assessment Roll related to certain developed property (“**Tax Roll Property**”) to the County Tax Collector pursuant to the Uniform Method and to directly collect the portion of the Assessment Roll relating to the remaining property (“**Direct Collect Property**”), all as set forth in **Exhibit “B;”** and

WHEREAS, it is in the best interests of the District to permit the District Manager to amend the Assessment Roll adopted herein, including that portion certified to the County Tax Collector by this Resolution, as the Property Appraiser updates the property roll for the County, for such time as authorized by Florida law.

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

SECTION 1. BENEFIT & ALLOCATION FINDINGS. The provision of the services, facilities, and operations as described in **Exhibit “A”** confers a special and peculiar benefit to the lands within the District, which benefit exceeds or equals the cost of the assessments. The allocation of the assessments to the specially benefitted lands is shown in **Exhibits “A” and “B,”** and is hereby found to be fair and reasonable.

SECTION 2. ASSESSMENT IMPOSITION. Pursuant to Chapters 170, 190 and 197, *Florida Statutes*, and using the procedures authorized by Florida law for the levy and collection of special assessments, a special assessment for operation and maintenance is hereby imposed and levied on benefitted lands within the District and in accordance with **Exhibits “A” and “B.”** The lien of the special assessments for operations and maintenance imposed and levied by this Resolution shall be effective upon passage of this Resolution. Moreover, pursuant to Section 197.3632(4), *Florida Statutes*, the lien amount shall serve as the “maximum rate” authorized by law for operation and maintenance assessments.

SECTION 3. COLLECTION AND ENFORCEMENT; PENALTIES; INTEREST.

A. **Tax Roll Assessments.** The operations and maintenance special assessments and previously levied debt service special assessments imposed on the Tax Roll Property shall be collected at the same time and in the same manner as County taxes in accordance with the Uniform Method, as set forth in **Exhibits “A” and “B.”**

- B. Direct Bill Assessments.** The operations and maintenance special assessments and previously levied debt service special assessments imposed on the Direct Collect Property shall be collected directly by the District in accordance with Florida law, as set forth in **Exhibits "A" and "B."** Assessments directly collected by the District are due in full on December 1, 2023; provided, however, that, to the extent permitted by law, the assessments due may be paid in several partial, deferred payments and according to the following schedule: 50% due no later than December 1, 2023, 25% due no later than February 1, 2024 and 25% due no later than May 1, 2024. In the event that an assessment payment is not made in accordance with the schedule stated above, the whole assessment – including any remaining partial, deferred payments for Fiscal Year 2023/2024, shall immediately become due and payable; shall accrue interest, penalties in the amount of one percent (1%) per month, and all costs of collection and enforcement; and shall either be enforced pursuant to a foreclosure action, or, at the District's sole discretion, collected pursuant to the Uniform Method on a future tax bill, which amount may include penalties, interest, and costs of collection and enforcement. Any prejudgment interest on delinquent assessments shall accrue at the rate of any bonds secured by the assessments, or at the statutory prejudgment interest rate, as applicable. In the event an assessment subject to direct collection by the District shall be delinquent, the District Manager and District Counsel, without further authorization by the Board, may initiate foreclosure proceedings pursuant to Chapter 170, *Florida Statutes*, or other applicable law to collect and enforce the whole assessment, as set forth herein.
- C. Future Collection Methods.** The decision to collect special assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

SECTION 4. ASSESSMENT ROLL. The Assessment Roll, attached to this Resolution as **Exhibit "B,"** is hereby certified for collection. That portion of the Assessment Roll which includes the Tax Roll Property is hereby certified to the County Tax Collector and shall be collected by the County Tax Collector in the same manner and time as County taxes. The proceeds therefrom shall be paid to the District.

SECTION 5. ASSESSMENT ROLL AMENDMENT. The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution and shall amend the Assessment Roll in accordance with any such updates, for such time as authorized by Florida law, to the County property roll. After any amendment of the Assessment Roll, the District Manager shall file the updates in the District records.

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

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

PASSED AND ADOPTED this 4th day of August, 2023.

ATTEST:

**BROOKSTONE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

Exhibit A: Budget

Exhibit B: Assessment Roll (Uniform Method)
Assessment Roll (Direct Collect)

BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT

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Brookstone Community Development District

FINANCIAL STATEMENTS

September 30, 2022



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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Brookstone Community Development District
Manatee County, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Brookstone Community Development District (hereinafter referred to as "District"), as of and for the year ended September 30, 2022, 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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budget to actual comparison information on pages 4 - 8 and 25 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 June 27, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 27, 2023

Management's Discussion And Analysis

Brookstone Community Development District Management's Discussion and Analysis

Our discussion and analysis of the Brookstone Community Development District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- At September 30, 2022, the assets of the District exceeded its liabilities by approximately \$1 million.
- During the fiscal year ended September 30, 2022, the District issued \$10,700,000 in Series 2022 Special Assessment Revenue Bonds, incurred interest expenditures totaling approximately \$587,000, and repaid \$205,000 of outstanding long-term principal.
- During the fiscal year ended September 30, 2022, the District purchased infrastructure assets totaling approximately \$8.3 million, received infrastructure totaling approximately \$9.3 million from the Developer, and conveyed infrastructure totaling approximately \$8.8 million to Manatee County.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 9 – 10 provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 5. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and related changes during the current year. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors; however, such as changes in the

Brookstone Community Development District Management’s Discussion and Analysis

District’s assessment base and the condition of the District’s infrastructure, to assess the overall health of the District.

Reporting the District’s Most Significant Funds

Our analysis of the District’s major funds begins on page 6. The fund financial statements begin on page 11 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District’s funds are governmental fund-types.

- *Governmental funds* – All of the District’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs.

THE DISTRICT AS A WHOLE

The following table reflects the condensed Statement of Net Position and is compared to the prior year.

<i>September 30,</i>	2022	2021	Change
Assets			
Current and other assets	\$ 3,669,172	\$ 1,446,959	\$ 2,222,213
Capital assets, net	19,788,665	11,028,989	8,759,676
Total assets	\$ 23,457,837	\$ 12,475,948	\$ 10,981,889
Liabilities			
Current liabilities	\$ 646,223	\$ 456,702	\$ 189,521
Other liabilities	21,795,000	11,465,000	10,330,000
Total liabilities	22,441,223	11,921,702	10,519,521
Net position			
Net investment in capital assets	566,643	160,427	406,216
Restricted for:			
Debt service	401,466	350,494	50,972
Unrestricted	48,505	43,325	5,180
Total net position	1,016,614	554,246	462,368
Total liabilities and net position	\$ 23,457,837	\$ 12,475,948	\$ 10,981,889

For more detailed information, see the accompanying Statement of Net Position.

Brookstone Community Development District Management's Discussion and Analysis

During the fiscal year ended September 30, 2022, total assets and liabilities increased by approximately \$11 million and \$10.5 million, respectively, over the prior fiscal year. The increase in assets and liabilities is primarily due to the issuance of the Series 2022 bonds to fund the purchase of infrastructure.

The following schedule compares the Statement of Activities for the current and previous fiscal year.

<i>For the year ended September 30,</i>	2022	2021	Change
Revenue:			
Program revenue:			
Charges for services	\$ 950,881	\$ 813,079	\$ 137,802
Grants and contributions	9,324,183	74	9,324,109
Total revenue	10,275,064	813,153	9,461,911
Expenses:			
General government	98,133	94,544	3,589
Bond issuance costs	275,272	-	275,272
Conveyance of capital assets	8,837,060	-	8,837,060
Interest	602,231	591,929	10,302
Total expenses	9,812,696	686,473	9,126,223
Change in net position	462,368	126,680	335,688
Net position, beginning of year	554,246	427,566	126,680
Net position, end of year	\$ 1,016,614	\$ 554,246	\$ 462,368

For more detailed information, see the accompanying Statement of Activities.

During the fiscal year ended September 30, 2022, total revenue and expenses increased by approximately \$9.5 million and \$9.1 million, respectively, over the prior fiscal year. The increase in revenue is primarily due to contribution of certain completed infrastructure from the Developer. The increase in expenses is primarily due to conveyance of infrastructure to Manatee County and the costs of issuance associated with the Series 2022 bonds. The overall result was a \$462,368 increase in net position for fiscal year 2022.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 11) reported a combined fund balance of approximately \$3.7 million, which is an increase from last year's balance that totaled approximately \$1.4 million. Significant transactions are discussed below.

Brookstone Community Development District Management’s Discussion and Analysis

- During the fiscal year ended September 30, 2022, the District issued \$10,700,000 in Series 2022 Special Assessment Revenue Bonds, incurred interest expenditures totaling approximately \$587,000, and repaid \$205,000 of outstanding long-term principal.
- During the fiscal year ended September 30, 2022, the District purchased infrastructure assets totaling approximately \$8.3 million.

The overall increase in fund balance for the year ended September 30, 2022 totaled approximately \$2.2 million.

GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

An Operating budget was established by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown at page 25.

The District experienced a favorable variance in revenue and expenditures in the amount of \$53 and \$3,608, respectively, compared to the budget. The variance in expenditures occurred primarily because the District incurred fewer general government expenditures than anticipated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2022, the District had approximately \$19.8 million invested in capital assets. This amount represents an increase of approximately \$8.8 million over the fiscal year 2021 total. A listing of capital assets by major category for the current and prior year is as follows:

<i>September 30,</i>	2022	2021	Change
Capital assets not being depreciated	\$ 8,275,825	\$ 11,028,989	\$ (2,753,164)
Capital assets being depreciated	11,512,840	-	11,512,840
Net capital assets	\$ 19,788,665	\$ 11,028,989	\$ 8,759,676

More information about the District’s capital assets is presented in Note 4 to the financial statements.

Debt

At September 30, 2022, the District had approximately \$22.2 million of bonds outstanding. This amount represents an increase of \$10,495,000 from the fiscal year 2021 total.

Brookstone Community Development District Management's Discussion and Analysis

A listing of debt amounts outstanding for the current and prior year is as follows:

<i>September 30,</i>	2022	2021	Change
Special Assessment Revenue Bonds:			
Series 2018 bonds	\$ 11,465,000	\$ 11,670,000	\$ (205,000)
Series 2022 bonds	10,700,000	-	10,700,000
Total	\$ 22,165,000	\$ 11,670,000	\$ 10,495,000

More information about the District's long-term debt is presented in Note 5 to the financial statements.

FUTURE FINANCIAL FACTORS

Brookstone Community Development District is an independent special district that operates under the provisions of Chapter 190, Florida Statutes. The District operates under an elected Board of Supervisors, which establishes policy and sets assessment rates. Assessment rates for fiscal year 2023 were established to provide for the operations of the District as well as the necessary debt service requirements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the Brookstone Community Development District's management company, Wrathell, Hunt & Associates, LLC, at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

Basic Financial Statements

**Brookstone Community Development District
Statement of Net Position**

<i>September 30,</i>	2022
	Governmental Activities
Assets	
Cash and cash equivalents	\$ 12,067
Investments	3,145,144
Assessments receivable	48,436
Due from developer	457,537
Prepaid expenses	5,988
Capital assets:	
Not being depreciated	8,275,825
Depreciable, net	11,512,840
Total assets	23,457,837
Liabilities	
Accounts payable	2,091
Contracts payable	12,865
Accrued interest payable	261,267
Non-current liabilities:	
Due within one year	370,000
Due in more than one year	21,795,000
Total liabilities	22,441,223
Net position	
Net investment in capital assets	566,643
Restricted for:	
Debt service	401,466
Unrestricted	48,505
Total net position	\$ 1,016,614

The accompanying notes are an integral part of these financial statements.

**Brookstone Community Development District
Statement of Activities**

For the year ended September 30,

2022

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	<u>Net (Expense) Revenue and Changes in Net Position</u>
Primary government:					
Governmental activities:					
General government	\$ (98,133)	\$ 92,729	\$ -	\$ (5,404)	
Bond issuance costs	(275,272)	-	-	(275,272)	
Conveyance of capital assets	(8,837,060)	-	9,320,911	483,851	
Interest	(602,231)	858,152	3,272	259,193	
Total governmental activities	\$ (9,812,696)	\$ 950,881	\$ 9,324,183	462,368	
					554,246
					\$ 1,016,614

The accompanying notes are an integral part of these financial statements.

**Brookstone Community Development District
Balance Sheet – Governmental Funds**

September 30,

2022

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 12,067	\$ -	\$ -	\$ 12,067
Investments	-	1,445,675	1,699,469	3,145,144
Accounts receivable	262	2,174	46,000	48,436
Due from developer	32,279	432,940	-	465,219
Prepaid expenditures	5,988	-	-	5,988
Total assets	\$ 50,596	\$ 1,880,789	\$ 1,745,469	\$ 3,676,854
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 2,091	\$ -	\$ -	\$ 2,091
Contracts payable	-	-	12,865	12,865
Due to developer	-	-	7,682	7,682
Total liabilities	2,091	-	20,547	22,638
Fund balances				
Nonspendable	5,988	-	-	5,988
Restricted for debt service	-	1,880,789	-	1,880,789
Restricted for capital projects	-	-	1,724,922	1,724,922
Unassigned	42,517	-	-	42,517
Total fund balances	48,505	1,880,789	1,724,922	3,654,216
Total liabilities and fund balances	\$ 50,596	\$ 1,880,789	\$ 1,745,469	\$ 3,676,854

The accompanying notes are an integral part of these financial statements.

**Brookstone Community Development District
Reconciliation of the Balance Sheet of Governmental Funds to the Statement
of Net Position**

<i>September 30,</i>	2022
Total fund balances, governmental funds	\$ 3,654,216
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level statements.	19,788,665
Liabilities not due and payable from current resources, including accrued interest, are not reported in the fund level statements.	(22,426,267)
Total net position - governmental activities	\$ 1,016,614

The accompanying notes are an integral part of these financial statements.

Brookstone Community Development District
Statement of Revenue, Expenditures and Changes in Fund Balances –
Governmental Funds

For the year ended September 30,

2022

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenue				
Assessments	\$ 92,729	\$ 858,152	\$ -	\$ 950,881
Interest	-	3,272	-	3,272
Total revenue	92,729	861,424	-	954,153
Expenditures				
Current:				
General government	87,549	10,584	-	98,133
Debt service:				
Principal	-	205,000	-	205,000
Interest	-	587,347	-	587,347
Capital outlay	-	-	8,275,825	8,275,825
Cost of issuance	-	275,272	-	275,272
Total expenditures	87,549	1,078,203	8,275,825	9,441,577
Excess (deficit) of revenue over expenditures	5,180	(216,779)	(8,275,825)	(8,487,424)
Other Financing Sources (Uses)				
Bond proceeds	-	699,253	10,000,747	10,700,000
Total other financing sources (uses)	-	699,253	10,000,747	10,700,000
Net change in fund balances	5,180	482,474	1,724,922	2,212,576
Fund balances, beginning of year	43,325	1,398,315	-	1,441,640
Fund balances, end of year	\$ 48,505	\$ 1,880,789	\$ 1,724,922	\$ 3,654,216

The accompanying notes are an integral part of these financial statements.

Brookstone Community Development District
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities

<i>For the year ended September 30,</i>	2022
Net change in fund balances - governmental funds	\$ 2,212,576
Capital outlay, reported as expenditures in the governmental funds, is shown as capital assets on the Statement of Net Position.	8,275,825
Conveyances of capital assets from the District are shown as expenses on the Statement of Activities.	(8,837,060)
Contributed capital assets from the Developer are shown as revenue on the Statement of Activities.	9,320,911
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	205,000
Bond proceeds which are reported as other financing sources in the governmental funds are recognized as long-term liabilities in the Statement of Net Position.	(10,700,000)
The change in accrued interest between the current and prior year is recorded on the Statement of Activities but not on the fund financial statements.	(14,884)
Change in net position of governmental activities	\$ 462,368

The accompanying notes are an integral part of these financial statements.

Brookstone Community Development District Notes to Financial Statements

NOTE 1: NATURE OF ORGANIZATION

The Brookstone Community Development District (the “District”) was established on January 26, 2016 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by Manatee County Ordinance No. 16-04. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes 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 a Board of Supervisors (“Board”), which is comprised of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. All five of the Supervisors are currently affiliated with the Subsequent Developer of the community (see Note 9). The Board of Supervisors of the District exercises 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.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth by Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB). Based on the foregoing criteria, no potential component units were found.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to GAAP as applicable to governments in accordance with those promulgated by GASB. The following is a summary of the more significant policies:

Government-wide and Fund Financial Statements

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

Brookstone Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2022, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of 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 the related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and other similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are 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 generally 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 along with operation and maintenance assessments, are non-ad valorem special assessments imposed on all lands located within the District and benefited by the District's activities, operation and maintenance. Assessments are levied and certified for collection by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. Operation and maintenance special 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.

Brookstone Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund – The Capital Projects Fund is used to account for the financial resources to be used in the acquisition or construction of major infrastructure within the District.

For the year ended September 30, 2022, the District does not report any proprietary funds.

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 District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in the governmental fund financial statements, it is the government's policy to use committed resources first, followed by assigned resources, then unassigned resources as needed.

Cash, Deposits and Investments

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by GASB, Statement Number 40, *Deposits and Investment Disclosures (An Amendment of GASB, Statement Number 3)*.

Brookstone Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. The authorized investments include among others direct obligations of the U.S. Treasury; the Local Government Surplus Trust Funds as created by Section 218.405, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions.

Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets

Capital assets, which include primarily infrastructure assets (e.g., roads, sidewalks, water management systems and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial/individual cost of more than \$5,000 and an estimated useful life in excess of 2 years. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market 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 asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the primary government, once placed into service, will be depreciated using the straight-line method over the estimated useful lives.

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

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 or effective interest method. Bonds payable are reported net of these premiums or discounts. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current period expenses.

Brookstone Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while 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 debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet – Governmental Funds will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any of this type of item at September 30, 2022.

In addition to liabilities, the Statement of Net Position and Balance Sheet – Governmental Funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any of this type of item at September 30, 2022.

Fund Equity

Net position in the government-wide financial statements represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to infrastructure and property, plant and equipment, net of any related debt. Restricted net position represents the assets restricted by the District's bond covenants.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the District board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Brookstone Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets

The District is required to establish a budgetary system and an approved annual budget. Annual budgets are legally adopted on a basis consistent with GAAP for the General Fund. Any revision to the budget must be approved by the District Board. The budgets are compared to actual expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorization amounts.

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

- A. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- B. A public hearing is conducted to obtain comments.
- C. Prior to October 1, the budget is legally adopted by the District Board.
- D. All budget changes must be approved by the District Board.
- E. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Subsequent Events

Management has evaluated subsequent events through the date the financial statement were available to be issued, June 27, 2023, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 3: INVESTMENTS

All investments held at September 30, 2022 consist of money market funds in which shares are owned in the fund rather than the underlying investments. In accordance with GASB 72, *Fair Value Measurement and Application*, these amounts are reported at amortized cost.

The following is a summary of the District's investments:

<u>September 30,</u>	<u>2022</u>	<u>Credit Risk</u>	<u>Maturities</u>
Short-term Money Market Funds	\$ 3,145,144	S&P AAAM	17 days

Concentration risk – The District's investment policy requires diversification, but does not specify limits on types of investments.

Brookstone Community Development District Notes to Financial Statements

NOTE 3: INVESTMENTS (Continued)

Custodial credit risk – For an investment, custodial credit risk is the risk that the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. At September 30, 2022, none of the investments listed above are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest rate risk – The District does not have a formal policy for addressing interest rate risk; however, investments are made with discretion, to seek reasonable returns, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values from interest rate changes by reviewing the portfolio on an ongoing basis for changes in effective yield amounts.

NOTE 4: CAPITAL ASSETS

The District issued the Series 2018 Bonds during fiscal year 2018 to fund a portion of the 2018 Project. The 2018 Project (Phase I) is estimated to cost approximately \$23.1 million, of which approximately \$12.4 million will be funded by the Series 2018 Bonds. The Developer will fund the remaining portion of the 2018 Project. The District issued the Series 2022 bonds during the current fiscal year to finance the acquisition of infrastructure associated with the remaining land in the District (Phase II).

The following is a summary of changes in the capital assets for the year ended September 30, 2022.

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities:				
<i>Capital assets not being depreciated</i>				
Infrastructure under construction	\$ 11,028,989	\$ 8,275,825	\$ (11,028,989)	\$ 8,275,825
Total capital assets, not being depreciated	11,028,989	8,275,825	(11,028,989)	8,275,825
<i>Capital assets being depreciated</i>				
Infrastructure	-	20,349,900	(8,837,060)	11,512,840
Total capital assets, being depreciated	-	20,349,900	(8,837,060)	11,512,840
Governmental activities capital assets, net	\$ 11,028,989	\$ 28,625,725	\$ (19,866,049)	\$ 19,788,665

During the year ended September 30, 2022, certain completed infrastructure was contributed to the District from the Developer. In addition, the District conveyed infrastructure totaling approximately \$8.8 million to Manatee County.

Brookstone Community Development District Notes to Financial Statements

NOTE 5: BONDS PAYABLE

On February 8, 2018, the District issued \$14,300,000 of Special Assessment Revenue Bonds, Series 2018 consisting of \$1,225,000 2018 Term Bonds due November 1, 2023 with a fixed interest rate of 3.875%, \$1,505,000 2018 Term Bonds due November 1, 2028 with a fixed interest rate of 4.625%, \$4,355,000 2018 Term Bonds due May 1, 2038 with a fixed interest rate of 5.125%, and \$7,215,000 2018 Term Bonds due May 1, 2048 with a fixed interest rate of 5.25%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Series 2018 Bonds is to be paid serially commencing November 1, 2019 through November 1, 2048. The Series 2018 Bonds are subject to optional redemption beginning November 1, 2031 and to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occur as outlined in the Bond Indenture.

On September 13, 2022, the District issued \$10,700,000 of Special Assessment Revenue Bonds, Series 2022 consisting of \$845,000 2022 Term Bonds due May 1, 2027 with a fixed interest rate of 4.375%, \$1,075,000 2022 Term Bonds due May 1, 2032 with a fixed interest rate of 4.75%, \$3,195,000 2022 Term Bonds due May 1, 2042 with a fixed interest rate of 5.5%, and \$5,585,000 2022 Term Bonds due May 1, 2052 with a fixed interest rate of 5.625%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Series 2022 Bonds is to be paid serially commencing May 1, 2023 through May 1, 2052. The Series 2022 Bonds are subject to optional redemption beginning May 1, 2032 and to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occur as outlined in the Bond Indenture.

The Bond Indentures have certain restrictions and requirements relating principally to the use of proceeds to pay for infrastructure improvements and the procedure to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the debt service reserve requirements. The District is in compliance with the requirements of the Bond Indentures.

The Bond Indentures require that the District maintain adequate funds in the reserve accounts to meet the debt service reserve requirements as defined in the Indentures. These requirements have been met for the fiscal year ended September 30, 2022.

**Brookstone Community Development District
Notes to Financial Statements**

NOTE 5: BONDS PAYABLE (Continued)

Long-term liability activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
Bonds Payable:					
Series 2018	\$ 11,670,000	\$ -	\$ (205,000)	\$ 11,465,000	\$ 215,000
Series 2022	-	10,700,000	-	10,700,000	155,000
	<u>\$ 11,670,000</u>	<u>\$ 10,700,000</u>	<u>\$ (205,000)</u>	<u>\$ 22,165,000</u>	<u>\$ 370,000</u>

At September 30, 2022, the scheduled debt service requirements on long-term debt were as follows:

<i>For the year ending September 30,</i>	Principal	Interest	Total Debt Service
2023	\$ 370,000	\$ 919,535	\$ 1,289,535
2024	385,000	1,141,815	1,526,815
2025	400,000	1,125,137	1,525,137
2026	415,000	1,106,832	1,521,832
2027	440,000	1,087,729	1,527,729
2028 - 2032	2,530,000	5,102,841	7,632,841
2033 - 2037	3,235,000	4,382,200	7,617,200
2038 - 2042	4,225,000	3,411,462	7,636,462
2043 - 2047	5,505,000	2,126,757	7,631,757
2048 - 2052	4,660,000	635,625	5,295,625
	<u>\$ 22,165,000</u>	<u>\$ 21,039,933</u>	<u>\$ 43,204,933</u>

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There have been no settled claims since the District was established.

Brookstone Community Development District Notes to Financial Statements

NOTE 7: MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

NOTE 8: RELATED PARTY TRANSACTIONS

A significant portion of the District's activity is dependent upon the continued involvement of the Subsequent Developer, DR Horton, the loss of significant involvement could have a material adverse effect on the District's operations.

For the year ended September 30, 2022, the Developer was assessed \$41,566 and \$432,940 for operations and maintenance and debt service, respectively. At September 30, 2022, these off-roll assessments had not been collected and were included in Due from developer on the accompanying Statement of Net Position and Balance Sheet - Governmental Funds. These outstanding amounts were collected in October 2022. In addition, the District owed the previous Developer \$5,649 as of fiscal year end related to an overpayment of fiscal year 2019 expenditures and DR Horton \$11,320 for overpayment of current year expenditures, which is netted against Due from developer on the accompanying Statement of Net Position and Balance Sheet – Governmental Funds.

NOTE 9: COMMITMENTS

In November 2017, the District entered into an interlocal agreement with Fieldstone Community Development District ("Fieldstone"), an adjoining district, related to roadway and utility improvements that will benefit both districts. In January 2018, the agreement was amended to clarify that the District's proportionate share of these improvement costs will not exceed \$2.5 million.

**Required Supplemental Information
(Other Than MD&A)**

**Brookstone Community Development District
Budget to Actual Comparison Schedule – General Fund**

For the year ended September 30,

	2022		
	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenue			
Assessments	\$ 92,676	\$ 92,729	\$ 53
Total revenue	92,676	92,729	53
Expenditures			
General government	91,157	87,549	3,608
Total expenditures	91,157	87,549	3,608
Excess of revenue over expenditures	\$ 1,519	\$ 5,180	\$ 3,661

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

To the Board of Supervisors
Brookstone Community Development District
Manatee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Brookstone Community Development District (hereinafter referred to as the "District"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 27, 2023.

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 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 may exist that have not been identified.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

June 27, 2023



Carr, Riggs & Ingram, LLC
Certified Public Accountants
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Suite 210
Miramar Beach, Florida 32550

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MANAGEMENT LETTER

To the Board of Supervisors
Brookstone Community Development District
Manatee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Brookstone Community Development District ("District") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 27, 2023.

Auditors' 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 Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' 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 report, which are dated June 27, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual 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. The information required is 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 any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

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

- a. The total number of district employees compensated in the last pay period of the District's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. The District does not have any construction projects with a total cost of at least \$65,000 that are scheduled to begin on or after October 1 of the fiscal year being reported.
- f. The District did not amend its final adopted budget under Section 189.016(6), Florida Statutes.

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

- a. The rate or rates of non-ad valorem special assessments imposed by the District range from \$1,468 to \$1,890 per residential unit.

- b. The total amount of special assessments collected by or on behalf of the District as \$950,881.
- c. The total amount of outstanding bonds issued by the district as \$22,165,000.

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 have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 27, 2023



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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Supervisors
Brookstone Community Development District
Manatee County, Florida

We have examined Brookstone Community Development District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 27, 2023

BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT

10

RESOLUTION 2023-10

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
BROOKSTONE COMMUNITY DEVELOPMENT DISTRICT HEREBY
ACCEPTING THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL
YEAR ENDED SEPTEMBER 30, 2022**

WHEREAS, the District’s Auditor, Carr, Riggs & Ingram, LLC, has heretofore prepared and submitted to the Board, for accepting, the District’s Audited Financial Statements for Fiscal Year 2022;

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

1. The Audited Financial Statements for Fiscal Year 2022, heretofore submitted to the Board, is hereby accepted for Fiscal Year 2022, for the period ending September 30, 2022; and

2. A verified copy of said Audited Financial Statements for Fiscal Year 2022 shall be attached hereto as an exhibit to this Resolution, in the District’s “Official Record of Proceedings”.

PASSED AND ADOPTED this 4th day of August, 2023.

ATTEST:

**BROOKSTONE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT

CONSENT
AGENDA

BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT

UNAUDITED
FINANCIAL
STATEMENTS

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
UNAUDITED
JUNE 30, 2023**

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Debt Service Fund Series 2018	Debt Service Fund Series 2022	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash	\$ 116,959	\$ -	\$ -	\$ -	\$ 116,959
Investments					
Revenue	-	690,199	297,428	-	987,627
Reserve	-	800,600	366,086	-	1,166,686
Construction - general	-	-	-	1,730,943	1,730,943
Due from general fund	-	14,022	4,115	-	18,137
Due from debt service fund 2018	17,375	-	-	-	17,375
Due from other	-	-	-	46,000	46,000
Total assets	<u>\$ 134,334</u>	<u>\$1,504,821</u>	<u>\$ 667,629</u>	<u>\$ 1,776,943</u>	<u>\$ 4,083,727</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Contracts payable	\$ -	\$ -	\$ -	\$ 13,314	\$ 13,314
Due to developer	9,985	-	-	7,682	17,667
Due to general fund	-	17,375	-	-	17,375
Due to debt service fund 2018	14,022	-	-	-	14,022
Due to debt service fund 2022	4,115	-	-	-	4,115
Total liabilities	<u>28,122</u>	<u>17,375</u>	<u>-</u>	<u>20,996</u>	<u>66,493</u>
Fund balances:					
Restricted for:					
Debt service	-	1,487,446	667,629	-	2,155,075
Capital projects	-	-	-	1,755,947	1,755,947
Committed:					
3 months working capital	32,581	-	-	-	32,581
Unassigned	73,631	-	-	-	73,631
Total fund balances	<u>106,212</u>	<u>1,487,446</u>	<u>667,629</u>	<u>1,755,947</u>	<u>4,017,234</u>
Total liabilities and fund balances	<u>\$ 134,334</u>	<u>\$1,504,821</u>	<u>\$ 667,629</u>	<u>\$ 1,776,943</u>	<u>\$ 4,083,727</u>

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDED JUNE 30, 2023**

	Current Month	Year To Date	Budget	% of Budget
REVENUES				
Assessment levy: on-roll	\$ 470	\$ 78,748	\$ 79,341	99%
Assessment levy: off-roll	-	40,773	40,773	100%
Total revenues	<u>470</u>	<u>119,521</u>	<u>120,114</u>	100%
EXPENDITURES				
Professional & administrative				
Supervisors	-	-	2,584	0%
Management/accounting/recording	3,901	35,114	46,818	75%
DSF accounting/assessment collections	458	4,125	5,500	75%
Legal	700	1,966	12,000	16%
Engineering	-	-	2,500	0%
Audit	-	4,500	6,950	65%
Arbitrage rebate calculation	-	500	1,500	33%
Dissemination agent	167	1,500	2,000	75%
Trustee	-	4,331	10,000	43%
Telephone	17	150	200	75%
Postage	10	52	500	10%
Printing & binding	42	375	500	75%
Legal advertising	-	216	5,500	4%
Annual special district fee	-	175	175	100%
Insurance	-	5,988	6,300	95%
Contingencies/bank charges	20	180	5,000	4%
Website				
Hosting	-	705	705	100%
ADA compliance	-	210	210	100%
Total professional & administrative	<u>5,315</u>	<u>60,087</u>	<u>108,942</u>	55%
Other fees & charges				
Property appraiser & tax collector	14	1,726	2,480	70%
Total other fees & charges	<u>14</u>	<u>1,726</u>	<u>2,480</u>	70%
Total expenditures	<u>5,329</u>	<u>61,813</u>	<u>111,422</u>	55%
Excess/(deficiency) of revenues over/(under) expenditures	(4,859)	57,708	8,692	
Fund balances - beginning	111,071	48,504	48,466	
Assigned:				
Committed:				
3 months working capital	32,581	32,581	32,581	
Unassigned	73,631	73,631	24,577	
Fund balances - ending	<u>\$ 106,212</u>	<u>\$ 106,212</u>	<u>\$ 57,158</u>	

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND SERIES 2018
FOR THE PERIOD ENDED JUNE 30, 2023**

	Current Month	Year To Date	Budget	% of Budget
REVENUES				
Assessment levy: on-roll	\$ 4,762	\$ 798,163	\$ 804,174	99%
Assessment levy: off-roll	-	502,913	-	N/A
Interest	5,812	44,181	-	N/A
Total revenues	<u>10,574</u>	<u>1,345,257</u>	<u>804,174</u>	167%
EXPENDITURES				
Debt service				
Principal	-	215,000	215,000	100%
Interest	-	579,209	579,209	100%
Total debt service	<u>-</u>	<u>794,209</u>	<u>794,209</u>	100%
Other fees & charges				
Property appraiser & tax collector	143	17,498	25,130	70%
Total other fees and charges	<u>143</u>	<u>17,498</u>	<u>25,130</u>	70%
Total expenditures	<u>143</u>	<u>811,707</u>	<u>819,339</u>	99%
Excess/(deficiency) of revenues over/(under) expenditures	10,431	533,550	(15,165)	
OTHER FINANCING SOURCES/(USES)				
Transfer out	-	(502,913)	-	N/A
Total other financing sources	<u>-</u>	<u>(502,913)</u>	<u>-</u>	N/A
Net change in fund balances	10,431	30,637	(15,165)	
Fund balances - beginning	1,477,015	1,456,809	1,450,644	
Fund balances - ending	<u>\$ 1,487,446</u>	<u>\$ 1,487,446</u>	<u>\$ 1,435,479</u>	

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND SERIES 2022
FOR THE PERIOD ENDED JUNE 30, 2023**

	Current Month	Year To Date	Budget	% of Budget
REVENUES				
Assessment levy: on-roll	\$ 1,397	\$ 234,221	\$ 235,680	99%
Assessment levy: off-roll	-	-	502,913	0%
Interest	2,588	13,751	-	N/A
Total revenues	<u>3,985</u>	<u>247,972</u>	<u>738,593</u>	34%
EXPENDITURES				
Debt service				
Principal	-	155,000	155,000	100%
Interest	-	340,326	340,326	100%
Cost of issuance	-	5,725	-	N/A
Total debt service	<u>-</u>	<u>501,051</u>	<u>495,326</u>	101%
Other fees & charges				
Property appraiser & tax collector	41	5,134	7,366	70%
Total other fees and charges	<u>41</u>	<u>5,134</u>	<u>7,366</u>	70%
Total expenditures	<u>41</u>	<u>506,185</u>	<u>502,692</u>	101%
Excess/(deficiency) of revenues over/(under) expenditures	3,944	(258,213)	235,901	
OTHER FINANCING SOURCES/(USES)				
Transfers in	-	502,913	-	N/A
Transfer out	-	(1,052)	-	N/A
Total other financing sources	<u>-</u>	<u>501,861</u>	<u>-</u>	N/A
Net change in fund balances	3,944	243,648	235,901	
Fund balances - beginning	663,685	423,981	417,456	
Fund balances - ending	<u>\$ 667,629</u>	<u>\$ 667,629</u>	<u>\$ 653,357</u>	

**BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
FOR THE PERIOD ENDED JUNE 30, 2023**

	<u>Current Month</u>	<u>Year To Date</u>
REVENUES		
Interest	\$ 6,759	\$ 43,736
Total revenues	<u>6,759</u>	<u>43,736</u>
EXPENDITURES		
Capital outlay	-	13,763
Total expenditures	<u>-</u>	<u>13,763</u>
Excess/(deficiency) of revenues over/(under) expenditures	6,759	29,973
OTHER FINANCING SOURCES/(USES)		
Transfers in	-	1,052
Total other financing sources/(uses)	<u>-</u>	<u>1,052</u>
Net change in fund balances	6,759	31,025
Fund balances - beginning	1,749,188	1,724,922
Fund balances - ending	<u>\$ 1,755,947</u>	<u>\$ 1,755,947</u>

BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT

MINUTES

DRAFT

**MINUTES OF MEETING
BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Brookstone Community Development District will hold a Regular Meeting on June 2, 2023 at 11:00 a.m., at the Country Inn & Suites, Bradenton/Lakewood Ranch, 5610 Manor Hill Lane, Bradenton, Florida 34203.

Present were:

Ryan Zook	Chair
Hal Lutz	Assistant Secretary
Brian Janek	Assistant Secretary

Also present were:

Daniel Rom	District Manager
Tucker Mackie (via telephone)	District Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Rom called the meeting to order at 11:02 a.m. Supervisors Zook, Lutz and Janek were present. Supervisors Aparicio and Mundell were not present.

SECOND ORDER OF BUSINESS

Public Comments

There were no public comments.

THIRD ORDER OF BUSINESS

Administration of Oath of Office to Supervisor, Nicolas Aparicio [Seat 2] (the following to be provided in separate package)

This item was deferred.

- A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. Membership, Obligations and Responsibilities**
- C. Chapter 190, Florida Statutes**
- D. Financial Disclosure Forms**

- 39 I. Form 1: Statement of Financial Interests
- 40 II. Form 1X: Amendment to Form 1, Statement of Financial Interests
- 41 III. Form 1F: Final Statement of Financial Interests
- 42 E. Form 8B: Memorandum of Voting Conflict

43

44 **FOURTH ORDER OF BUSINESS** **Consideration of Resolution 2023-01,**
 45 **Canvassing and Certifying the Results of**
 46 **the Landowners’ Election of Supervisors**
 47 **Held Pursuant to Section 190.006(2),**
 48 **Florida Statutes, and Providing for an**
 49 **Effective Date**

50
 51 Mr. Rom presented Resolution 2023-01 and recapped the results of the Landowners’
 52 Election, as follows:

53 Seat 2 Nicolas Aparicio 413 votes 4-year term

54

55 **On MOTION by Mr. Zook and seconded by Mr. Lutz, with all in favor,**
 56 **Resolution 2023-01, Canvassing and Certifying the Results of the Landowners’**
 57 **Election of Supervisors Held Pursuant to Section 190.006(2), Florida Statutes,**
 58 **and Providing for an Effective Date, was adopted.**

59

60

61 **FIFTH ORDER OF BUSINESS** **Consideration of Resolution 2023-02,**
 62 **Declaring Vacancies in Certain Seats on the**
 63 **Board of Supervisors Pursuant to Section**
 64 **190.006(3)(b), Florida Statutes; and**
 65 **Providing for Severability and an Effective**
 66 **Date**

67

68 Mr. Rom presented Resolution 2023-02. He noted that, since no candidates qualified to
 69 run for Seats 4 and 5 in the General Election, it is necessary to declare those seats vacant and
 70 then the remaining Board Members can consider appointments. Mr. Brian Janek and Mr. Greg
 71 Mundell currently hold Seats 4 and 5, respectively, as holdover Supervisors until appointments
 72 are made to fill Seats 4 and 5.

73

74 On MOTION by Mr. Zook and seconded by Mr. Lutz, with all in favor,
 75 Resolution 2023-02, Declaring Vacancies in Certain Seats on the Board of
 76 Supervisors Pursuant to Section 190.006(3)(b), Florida Statutes; and Providing
 77 for Severability and an Effective Date, was adopted.

78
79

80 **SIXTH ORDER OF BUSINESS**

Consider Appointment of Qualified Electors to Fill Vacancies in Seat 4 and Seat 5; Terms Expire November 2026

81
82
83

84 The Board Members did not know of any qualified electors interested in filling the Seats
85 4 and 5 vacancies, Mr. Janek and Mr. Mundell will continue in their respective seats until
86 qualified candidates are found.

87 Mr. Rom will work with the HOA to seek qualified candidates interested in being
88 appointed to the CDD Board.

89 • **Administration of Oath of Office to Appointed Qualified Electors**

90 This item was deferred.

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92 **SEVENTH ORDER OF BUSINESS**

Consideration of Resolution 2023-03, Designating Certain Officers of the District, and Providing for an Effective Date

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96 This item was deferred.

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98 **EIGHTH ORDER OF BUSINESS**

Consideration of Resolution 2023-04, Approving a Proposed Budget for Fiscal Year 2023/2024 and Setting a Public Hearing Thereon Pursuant to Florida Law; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date

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107 Mr. Rom presented Resolution 2023-04. He reviewed the proposed Fiscal Year 2024
108 budget, highlighting any line item increases, decreases and adjustments, compared to the Fiscal
109 Year 2023 budget, and explained the reasons for any changes.

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On MOTION by Mr. Zook and seconded by Mr. Lutz, with all in favor, Resolution 2023-04, Approving a Proposed Budget for Fiscal Year 2023/2024 and Setting a Public Hearing Thereon Pursuant to Florida Law for August 4, 2023 at 11:00 a.m., at the Country Inn & Suites, Bradenton/Lakewood Ranch, 5610 Manor Hill Lane, Bradenton, Florida 34203; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date, was adopted.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2023-05, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2022 and Ending September 30, 2023; and Providing for an Effective Date

Mr. Rom presented Resolution 2023-05. This is necessary due to the bond issuance, which necessitated the addition of a Debt Service budget.

On MOTION by Mr. Zook and seconded by Mr. Lutz, with all in favor, Resolution 2023-05, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2022 and Ending September 30, 2023; and Providing for an Effective Date, was adopted.

TENTH ORDER OF BUSINESS

Consideration of Resolution 2023-06, Ratifying, Confirming, and Approving the Sale of the Brookstone Community Development District Special Assessment Revenue Bonds, Series 2022 (Assessment Area Two); Ratifying, Confirming and Approving the Actions of the Chairman, Vice Chairman, Treasurer, Secretary, Assistant Secretaries, and All District Staff Regarding the Sale and Closing of the Brookstone Community Development District Special Assessment Revenue Bonds, Series 2022 (Assessment Area Two); and Determining Such Actions as Being in Accordance with the Authorization Granted by the Board; Providing a Severability Clause; and Providing an Effective Date

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Mr. Rom presented Resolution 2023-06 and read the title.

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On MOTION by Mr. Zook and seconded by Mr. Lutz, with all in favor, Resolution 2023-06, Ratifying, Confirming, and Approving the Sale of the Brookstone Community Development District Special Assessment Revenue Bonds, Series 2022 (Assessment Area Two); Ratifying, Confirming and Approving the Actions of the Chairman, Vice Chairman, Treasurer, Secretary, Assistant Secretaries, and All District Staff Regarding the Sale and Closing of the Brookstone Community Development District Special Assessment Revenue Bonds, Series 2022 (Assessment Area Two); and Determining Such Actions as Being in Accordance with the Authorization Granted by the Board; Providing a Severability Clause; and Providing an Effective Date, was adopted.

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ELEVENTH ORDER OF BUSINESS

Consideration of Resolution 2023-07, Designating Dates, Times and Locations for Regular Meetings of the Board of Supervisors of the District for Fiscal Year 2023/2024 and Providing for an Effective Date

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Mr. Rom presented Resolution 2023-07.

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On MOTION by Mr. Zook and seconded by Mr. Lutz, with all in favor, Resolution 2023-07, Designating Dates, Times and Locations for Regular Meetings of the Board of Supervisors of the District for Fiscal Year 2023/2024 and Providing for an Effective Date, was adopted.

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TWELFTH ORDER OF BUSINESS

Consideration of Amended and Restated Disclosure of Public Financing and Maintenance of Improvements to Real Property

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Mr. Rom presented the Amended and Restated Disclosure of Public Financing and Maintenance of Improvements to Real Property. This is necessary to include the financing and maintenance obligations to include the Series 2022 bond assessment areas.

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On MOTION by Mr. Zook and seconded by Mr. Lutz, with all in favor, the Amended and Restated Disclosure of Public Financing and Maintenance of Improvements to Real Property, was approved.

THIRTEENTH ORDER OF BUSINESS

Ratification Items

A. Bill of Sale

Mr. Rom stated that this Bill of Sale is for the sale of improvements from D.R. Horton, Inc., to the CDD of improvements, such as capital infrastructure, related to the Series 2022 bond areas.

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On MOTION by Mr. Zook and seconded by Mr. Lutz, with all in favor, the Bill of Sale of improvements from D.R. Horton, Inc., to the Brookstone CDD, was ratified.

FOURTEENTH ORDER OF BUSINESS

Consent Agenda

B. Acceptance of Unaudited Financial Statements as of April 30, 2023

C. Approval of Minutes

I. September 27, 2022 Regular Meeting

II. November 1, 2022 Landowners' Meeting

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On MOTION by Mr. Zook and seconded by Mr. Lutz, with all in favor, the Consent Agenda Items, as presented, were accepted and approved.

FIFTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: Kutak Rock LLP

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Ms. Mackie stated that the Agreement between the HOA and the CDD regarding maintenance of the CDD-owned improvements needs to be amended and restated to ensure it provides for reporting requirements from the HOA to the CDD related to the maintenance obligations with respect to the stormwater system, etc. The goal is for the CDD to have

227 advance notice of any maintenance issues associated wit the improvements so that the CDD
228 can take necessary actions in advance.

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230 **On MOTION by Mr. Zook and seconded by Mr. Lutz, with all in favor, the**
231 **Amended and Restated Maintenance Agreement between the HOA and CDD,**
232 **in substantial form, and authorizing CDD Staff and the District Engineer to**
233 **review and enhance the descriptions for the work that the HOA will do on**
234 **behalf of the CDD, was approved.**

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237 **B. District Engineer: ZNS Engineering, L.C.**

238 There was no report.

239 **C. District Manager: Wrathell, Hunt and Associates, LLC**

240 • **583 Registered Voters in District as of April 15, 2023**

241 • **NEXT MEETING: July 7, 2023 at 11:00 a.m.**

242 ○ **QUORUM CHECK**

243 The next meeting will be on July 7, 2023, unless cancelled.

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245 **SIXTEENTH ORDER OF BUSINESS** **Board Members' Comments/Requests**

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247 There were no Board Members' comments or requests.

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249 **SEVENTEENTH ORDER OF BUSINESS** **Public Comments**

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251 There were no public comments.

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253 **EIGHTEENTH ORDER OF BUSINESS** **Adjournment**

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256 **On MOTION by Mr. Lutz and seconded by Mr. Zook, with all in favor, the**
257 **meeting adjourned at 11:16 a.m.**

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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Secretary/Assistant Secretary

Chair/Vice Chair

BROOKSTONE
COMMUNITY DEVELOPMENT DISTRICT

STAFF
REPORTS

BROOKSTONE COMMUNITY DEVELOPMENT DISTRICT**BOARD OF SUPERVISORS FISCAL YEAR 2022/2023 MEETING SCHEDULE****LOCATION***Country Inn & Suites, Bradenton/Lakewood Ranch, 5610 Manor Hill Lane, Bradenton, Florida 34203*

DATE	POTENTIAL DISCUSSION/FOCUS	TIME
October 7, 2022 CANCELED	Regular Meeting	11:00 AM
November 1, 2022	Landowners' Meeting	11:00 AM
November 4, 2022 CANCELED	Regular Meeting	11:00 AM
December 2, 2022 CANCELED	Regular Meeting	11:00 AM
January 6, 2023 CANCELED	Regular Meeting	11:00 AM
February 3, 2023 CANCELED	Regular Meeting	11:00 AM
March 3, 2023 CANCELED	Regular Meeting	11:00 AM
April 7, 2023 CANCELED	Regular Meeting	11:00 AM
May 5, 2023 CANCELED	Regular Meeting	11:00 AM
June 2, 2023	Regular Meeting	11:00 AM
July 7, 2023 CANCELED	Regular Meeting	11:00 AM
August 4, 2023	Public Hearing & Regular Meeting	11:00 AM
September 1, 2023	Regular Meeting	11:00 AM