

**The Woodlands Community
Development District**

November 15, 2022

Agenda Package

The Woodlands Community Development District

Inframark, Community Management Services

210 North University Drive Suite 702, Coral Springs, Florida 33071 Phone: 954-603-0033 Fax: 954-345-1292

November 8, 2022

Board of Supervisors

The Woodlands Community Development District

Dear Board Members:

A meeting of the Board of Supervisors of The Woodlands Community Development District will be held Tuesday, **November 15, 2022 in the Cypress Falls Clubhouse, in the Internet Cafe, 2605 Arugula Drive, North Port, Florida.** Below is the agenda for the meeting beginning **at 10:30 a.m.**

1. Roll Call

2. Audience Comments

3. Consent Agenda

- A. Minutes of the May 17, 2022 Meeting [Page #5]
- B. Financial Report as at September 30, 2022 [Page #8]
- C. Acceptance of FY 2021 Financial Audit Report [Page #21]
- D. Approval of FY 2022 Audit Engagement Letter [Page #57]
- E. Resolution 2023-01, FY 2022 Budget Amendment [Page #65]
- F. Resolution 2023-02, Adoption of a Records Retention Policy [Page #69]
- G. Motion to Assign Fund Balance as at September 30, 2022 [Page #73]

4. Attorney's Report

5. Engineer's Report

6. Manager's Report

- A. Discussion of FY 2024 Proposed Budget [Page #76]
- B. Discussion of Cypress Falls 3 Recharge Well Submersible Pump [Page #92]

7. Supervisors' Requests

8. Adjournment

The next meeting is scheduled for Tuesday, January 17, 2023 at 10:30 a.m.

Enclosed for review are documents for the November 15, 2022 meeting. Items not included in this package will be presented at the meeting. I look forward to seeing you there, and if you have any questions, please contact me.

Sincerely,

Mark Vega

Mark Vega

District Manager

Third Order of Business

3A.

**MINUTES OF MEETING
THE WOODLANDS
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Woodlands Community Development District was held on Tuesday, May 17, 2022 at 10:30 a.m. in the Social Hall Back Room, Cypress Falls Clubhouse, 2605 Arugula Drive, North Port, Florida.

Present and constituting a quorum were:

Carl Impastato	Chairman
William Richardson	Vice Chairman
Robert Ripatrzone	Assistant Secretary
Lawrence Tinkham	Assistant Secretary
Elio Bucciero	Assistant Secretary (via telephone)

Also present were:

Mark Vega	District Manager
Vivek Babbar	District Counsel (via telephone)
Robert Dvorak	District Engineer
Residents	

The following is a summary of the discussion and actions taken.

FIRST ORDER OF BUSINESS

Roll Call

- Mr. Vega called the meeting to order. A quorum was established.

The Board authorized Mr. Bucciero to join the meeting by phone. 4-0

SECOND ORDER OF BUSINESS

Audience Comments

None.

THIRD ORDER OF BUSINESS

Consent Agenda

- A. Minutes of the April 19, 2022 Meeting
- B. Financial Report as of April 30, 2022
- C. FY 2023 Proposed Meeting Schedule
- D. Number of Registered Voters
- E. Acceptance of the Financial Audit for Fiscal Year 2021
- F. The Woodlands CDD 2004A – 2021 Arbitrage Report

- Item 3E was removed from the consent agenda.

On MOTION by Mr. Impastato seconded by Mr. Tinkham with all in favor, the consent agenda was approved as amended. 5-0

FOURTH ORDER OF BUSINESS

Attorney's Report

A. Update from MBS Capital Markets LLC

- Ms. Rhonda Mossing presented her update on the 2022 Bond Series. Discussion ensued by the Board.

B. Settlement Agreement for Parcels D & E with Owner and Trustee

- The settlement agreement for parcels D and E with owner and trustee was reviewed.

C. Resolution 2022-06, Approving Settlement Agreement for Parcels D & E

On MOTION by Mr. Impastato seconded by Mr. Ripatrazzone, with all in favor Resolution 2022-06, a resolution of The Woodlands Community Development District authorizing a settlement agreement relating to delinquent and outstanding assessments owed to the District on Parcels D and E; providing for conflicts and severability; and providing for an effective date was adopted. 5-0

FIFTH ORDER OF BUSINESS

Engineer's Report

- Mr. Dvorak updated the Board on well depths and the status on the SWFWMD permits.

SIXTH ORDER OF BUSINESS

Manager's Report

- Mr. Vega will notify the Board as MBS Capital Markets LLC proceeds with the process.

SEVENTH ORDER OF BUSINESS

Supervisors' Requests

None.

EIGHTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Impastato seconded by Mr. Tinkham with all in favor the meeting was adjourned at 11:16 a.m. 5-0

Secretary

3B.

THE WOODLANDS
Community Development District

Financial Report

September 30, 2022

Prepared by



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THE WOODLANDS
Community Development District

Financial Statements

(Unaudited)

September 30, 2022

Balance Sheet
September 30, 2022

ACCOUNT DESCRIPTION	GENERAL FUND	SERIES 2004A DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>			
Cash - Checking Account	\$ 495,713	\$ -	\$ 495,713
Assessments Receivable	-	12,708,233	12,708,233
Allow-Doubtful Collections	-	(12,708,233)	(12,708,233)
Due From Other Funds	-	5,074	5,074
Investments:			
Certificates of Deposit - 12 Months	501,530	-	501,530
Money Market Account	1,122,664	-	1,122,664
Prepayment Account A	-	57,804	57,804
Reserve Fund A	-	17,576	17,576
Revenue Fund A	-	9,114,483	9,114,483
Deposits	500	-	500
TOTAL ASSETS	\$ 2,120,407	\$ 9,194,937	\$ 11,315,344
<u>LIABILITIES</u>			
Accounts Payable	\$ 25,726	\$ 1,000	\$ 26,726
Mature Bonds Payable	-	5,917,908	5,917,908
Mature Interest Payable	-	5,077,728	5,077,728
Due To Other Funds	5,074	-	5,074
TOTAL LIABILITIES	30,800	10,996,636	11,027,436
<u>FUND BALANCES</u>			
Nonspendable:			
Deposits	500	-	500
Assigned to:			
Operating Reserves	55,201	-	55,201
Reserves - Lakes	60,000	-	60,000
Reserves - Pump Stations	250,000	-	250,000
Unassigned:	1,723,906	(1,801,699)	(77,793)
TOTAL FUND BALANCES	\$ 2,089,607	\$ (1,801,699)	\$ 287,908
TOTAL LIABILITIES & FUND BALANCES	\$ 2,120,407	\$ 9,194,937	\$ 11,315,344

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending September 30, 2022

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	SEP-22 ACTUAL
REVENUES				
Interest - Investments	\$ 10,000	\$ 5,360	53.60%	\$ 2,609
Special Assmnts- Tax Collector	243,024	228,481	94.02%	-
Special Assmnts- CDD Collected	-	13,671	0.00%	-
Special Assmnts- Discounts	(9,721)	(8,872)	91.27%	-
Other Miscellaneous Revenues	-	5,875	0.00%	-
TOTAL REVENUES	243,303	244,515	100.50%	2,609
EXPENDITURES				
Administration				
P/R-Board of Supervisors	5,000	4,000	80.00%	-
FICA Taxes	918	306	33.33%	-
ProfServ-Engineering	10,000	11,465	114.65%	-
ProfServ-Legal Services	10,000	15,600	156.00%	204
ProfServ-Mgmt Consulting	43,383	43,383	100.00%	3,615
ProfServ-Web Site Development	1,553	1,553	100.00%	-
Auditing Services	5,000	4,700	94.00%	-
Postage and Freight	700	339	48.43%	39
Insurance - General Liability	26,909	24,829	92.27%	-
Printing and Binding	250	2	0.80%	-
Legal Advertising	1,000	1,440	144.00%	-
Miscellaneous Services	650	100	15.38%	50
Misc-Assessment Collection Cost	3,645	2,621	71.91%	(673)
Office Supplies	1,500	1,110	74.00%	84
Annual District Filing Fee	175	175	100.00%	-
Total Administration	110,683	111,623	100.85%	3,319
Field				
ProfServ-Field Management	17,520	17,520	100.00%	1,460
Communication - Teleph - Field	7,000	6,912	98.74%	604
Electricity - Entrance	500	209	41.80%	27
Misc-Contingency	8,000	-	0.00%	-
Total Field	33,020	24,641	74.62%	2,091

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending September 30, 2022

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	SEP-22 ACTUAL
<u>Landscape Services</u>				
Contracts-Landscape	9,600	9,600	100.00%	800
Utility - Pump Station	42,000	57,658	137.28%	8,785
R&M-General	1,500	-	0.00%	-
R&M-Renewal and Replacement	2,000	-	0.00%	-
R&M-Irrigation	2,000	160	8.00%	-
R&M-Pump Station	-	45,388	0.00%	-
R&M-Pumps-Cypress Falls	8,000	34,203	427.54%	12,264
R&M-Pumps-Cedar Grove	8,000	12,655	158.19%	329
R&M-Pumps-Panacea	4,000	-	0.00%	-
Total Landscape Services	77,100	159,664	207.09%	22,178
<u>Reserves</u>				
Reserve - Lakes	2,500	-	0.00%	-
Pump Station Reserve	20,000	-	0.00%	-
Total Reserves	22,500	-	0.00%	-
TOTAL EXPENDITURES & RESERVES	243,303	295,928	121.63%	27,588
Excess (deficiency) of revenues				
Over (under) expenditures	-	(51,413)	0.00%	(24,979)
Net change in fund balance	\$ -	\$ (51,413)	0.00%	\$ (24,979)
FUND BALANCE, BEGINNING (OCT 1, 2021)	2,141,020	2,141,020		
FUND BALANCE, ENDING	\$ 2,141,020	\$ 2,089,607		

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending September 30, 2022

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	SEP-22 ACTUAL
REVENUES				
Interest - Investments	\$ -	\$ 28,890	0.00%	\$ 15,640
Special Assmnts- Tax Collector	990,503	971,820	98.11%	-
Special Assmnts- Prepayment	-	81,807	0.00%	12,804
Special Assmnts- CDD Collected	1,090,421	129,522	11.88%	-
Special Assmnts- Delinquent	-	9,015,141	0.00%	-
Special Assmnts- Discounts	(39,620)	(36,859)	93.03%	-
Other Miscellaneous Revenues	-	41,365	0.00%	-
TOTAL REVENUES	2,041,304	10,231,686	501.23%	28,444
EXPENDITURES				
Administration				
ProfServ-Arbitrage Rebate	600	600	100.00%	-
ProfServ-Dissemination Agent	1,000	1,000	100.00%	1,000
ProfServ-Legal Services	-	6,144	0.00%	-
ProfServ-Trustee Fees	9,000	5,000	55.56%	-
Misc-Assessment Collection Cost	14,858	8,950	60.24%	(5,074)
Total Administration	25,458	21,694	85.21%	(4,074)
Debt Service				
Principal Debt Retirement	895,000	1,020,000	113.97%	-
Interest Expense	1,035,690	1,492,711	144.13%	-
Total Debt Service	1,930,690	2,512,711	130.15%	-
TOTAL EXPENDITURES	1,956,148	2,534,405	129.56%	(4,074)
Excess (deficiency) of revenues				
Over (under) expenditures	85,156	7,697,281	0.00%	32,518
OTHER FINANCING SOURCES (USES)				
Contribution to (Use of) Fund Balance	85,156	-	0.00%	-
TOTAL FINANCING SOURCES (USES)	85,156	-	0.00%	-
Net change in fund balance	\$ 85,156	\$ 7,697,281	0.00%	\$ 32,518
FUND BALANCE, BEGINNING (OCT 1, 2021)	(9,498,980)	(9,498,980)		
FUND BALANCE, ENDING	\$ (9,413,824)	\$ (1,801,699)		

THE WOODLANDS
Community Development District

Supporting Schedules

September 30, 2022

THE WOODLANDS

Community Development District

Non-Ad Valorem Special Assessments (Sarasota County Tax Collector - Monthly Collection Distributions) For the Fiscal Year Ending September 30, 2022

					ALLOCATION BY FUND	
Date Rcv'd	Net Amount Received	Discount / (Penalties) Amount	Collection Costs	Gross Amount Received	General Assmnts	Debt Service Assmnts
Assmnts Levied				\$ 993,625	\$ 116,314	\$ 877,311
Allocation %				100%	12%	88%
11/23/21	\$ 76,002	\$ 3,303	\$ 1,157	\$ 80,462	\$ 9,419	\$ 71,043
11/30/21	157,014	6,642	2,391	166,046	19,438	146,609
12/22/21	618,503	26,160	9,419	654,081	76,567	577,514
12/30/21	21,438	898	326	22,663	2,653	20,010
01/31/22	20,080	622	306	21,008	2,459	18,548
02/28/22	13,317	327	203	13,847	1,621	12,226
03/31/22	8,991	(191)	137	8,937	1,046	7,891
04/29/22	17,017	14	259	17,291	2,024	15,267
05/31/22	5,187	(147)	79	5,119	599	4,520
06/30/22	4,270	(164)	65	4,171	488	3,683
09/01/22 (1)	-	-	(5,747)	-	-	-
Sub-Total	\$ 941,818	\$ 37,465	\$ 8,596	\$ 993,625	\$ 116,314	\$ 877,311

On Roll *Developer* Assessments Collected \$ 206,676 \$ 112,167 \$ 94,509

Total On-Roll Assessments Collected	\$ 1,200,301	\$ 228,481	\$ 971,820
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TOTAL On-Roll Assessments <i>Levied</i>	\$ 1,200,301	\$ 228,481	\$ 971,820
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% COLLECTED	100%	100%	100%
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TOTAL ON ROLL O/S	\$ -	\$ -	\$ -
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O&M budget variance is the result of removing 115 parcel G units to direct bill when they were sold to Centex after the FY22 budget was adopted.

(1) Excess Fee Refund

THE WOODLANDS
Community Development District

Cash and Investment Report
September 30, 2022

General Fund

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Maturity</u>	<u>Yield</u>	<u>Balance</u>
Operating Account	BankUnited	Public Funds Business Checking	n/a	0.00%	\$ 495,713
Certificate of Deposit	BankUnited	12 month CD - #4579	06/30/23	1.55%	\$ 250,971
Certificate of Deposit	BankUnited	12 month CD - #4651	08/08/23	1.55%	250,559
		CD Sub-total			<u>\$ 501,530</u>
Money Market Acct-Legal	BankUnited	Public Funds Money Market - #2685	n/a	2.10%	\$ 606,998
Money Market Acct-Operating	BankUnited	Public Funds Money Market - #3624	n/a	2.10%	515,666
		MMA Sub-total			<u>\$ 1,122,664</u>
		GF Subtotal			<u><u>\$ 2,119,907</u></u>

Debt Service and Capital Projects Funds

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Maturity</u>	<u>Yield</u>	<u>Balance</u>
Series 2004A Prepayment	Wells Fargo	Blackrock Institutional Funds T-Funds #30	n/a	2.79%	\$ 57,804
Series 2004A Reserve Acct	Wells Fargo	Blackrock Institutional Funds T-Funds #30	n/a	2.79%	17,576
Series 2004A Revenue Fund	Wells Fargo	Blackrock Institutional Funds T-Funds #30	n/a	2.79%	9,114,483
		DS Subtotal			<u>\$ 9,189,863</u>
		Total			<u><u>\$ 11,309,770</u></u>

THE WOODLANDS

Community Development District

Payment Register by Fund For the Period from 5/1/22 to 9/30/22 (Sorted by Check / ACH No.)

Fund No.	Check / ACH No.	Date	Payee	Invoice No.	Payment Description	Invoice / GL Description	G/L Account #	Amount Paid
GENERAL FUND - 001								
001	629	05/02/22	CA FLORIDA HOLDINGS LLC	0004479998	Notice of PH Meeting Ads 3/21 & 3/28 #528928	Legal Advertising	548002-51301	\$1,436.06
001	629	05/02/22	CA FLORIDA HOLDINGS LLC	0004479998	Notice of PH Meeting Ads 3/21 & 3/28 #528928	apply credit balance carryforward	548002-51301	(\$80.35)
001	630	05/02/22	FEDEX	7-729-28666	4/8/22 Postage (Wells Fargo Trustee)	Postage and Freight	541006-51301	\$17.54
001	631	05/02/22	HOOVER PUMPING SYSTEMS INC	165611	CF #2 Clbhse Pump ID 8264/Filter Discs Cleaning	R&M-Pumps-Cypress Falls	546251-53902	\$1,430.71
001	632	05/02/22	INFRAMARK, LLC	76536	APRIL 2022 MGMT FEES	ProfServ-Mgmt Consulting Serv	531027-51201	\$3,615.25
001	632	05/02/22	INFRAMARK, LLC	76536	APRIL 2022 MGMT FEES	ProfServ-Field Management	531016-53901	\$1,460.00
001	632	05/02/22	INFRAMARK, LLC	76536	APRIL 2022 MGMT FEES	Postage and Freight	541006-51301	\$4.24
001	634	05/12/22	BRIGHTVIEW LANDSCAPING	7859304	5/2022 EXTERIOR MAINT	Contracts-Landscape	534050-53902	\$800.00
001	635	05/12/22	HOOVER PUMPING SYSTEMS INC	165883	CG #1A ID8331/Filter Discs Cleaning, Calibrate	R&M-Pumps-Cedar Grove	546252-53902	\$973.47
001	636	05/12/22	PASKERT, DIVERS, THOMPSON	71731	APRIL COUNSEL BANYAN VS. WOODLANDS	ProfServ-Legal Services	531023-51401	\$325.00
001	637	05/19/22	COMPLETE I.T.	8705	GOOGLE FOR BUS EMAILS MTHLY FEE	Office Supplies	551002-51301	\$83.70
001	638	05/19/22	FEDEX	7-750-65459	4/28/22 FedEx (Wells Fargo)	Postage and Freight	541006-51301	\$17.39
001	639	05/19/22	JMT	24-191779	3/27 - 4/23/22 Eng Svcs (Stormwater needs)	ProfServ-Engineering	531013-51501	\$1,267.50
001	640	05/19/22	STRALEY ROBIN VERICKER	21447	03/16/22-04/15/22 Legal Svcs	ProfServ-Legal Services	531023-51401	\$85.00
001	646	05/27/22	INFRAMARK, LLC	77693	5/2022 MGMT SERVICES	ProfServ-Mgmt Consulting Serv	531027-51201	\$3,615.25
001	646	05/27/22	INFRAMARK, LLC	77693	5/2022 MGMT SERVICES	ProfServ-Field Management	531016-53901	\$1,460.00
001	646	05/27/22	INFRAMARK, LLC	77693	5/2022 MGMT SERVICES	Postage and Freight	541006-51301	\$6.89
001	647	06/02/22	HOOVER PUMPING SYSTEMS INC	166144	CG #1(East) #8331-Dive to re-sink suction screen	R&M-Pumps-Cedar Grove	546252-53902	\$2,535.67
001	648	06/07/22	BRIGHTVIEW LANDSCAPING	7906019	JUNE 2022 EXTERIOR MAINTENANCE	Contracts-Landscape	534050-53902	\$800.00
001	649	06/07/22	JMT	25-193200	4/24-5/21/22 ENG'G SVCS	ProfServ-Engineering	531013-51501	\$1,500.00
001	650	06/07/22	STRALEY ROBIN VERICKER	21583	04/16/22-05/15/22 Legal Svcs	ProfServ-Legal Services	531023-51401	\$1,161.50
001	650	06/07/22	STRALEY ROBIN VERICKER	21584	Parcels D & E Settlement 5/3-5/15/22	ProfServ-Legal Services	531023-51401	\$2,196.00
001	651	06/20/22	COMPLETE I.T.	8882	GOOGLE FOR BUSINESS EMAIL	Office Supplies	551002-51301	\$83.70
001	652	06/20/22	HOOVER PUMPING SYSTEMS INC	166287	CG#2 Pump (West), ID8799/Filter Discs Cleaning	R&M-Pumps-Cedar Grove	546252-53902	\$1,998.18
001	653	06/23/22	FEDEX	7-786-79516	6/3/22 FedEx (Wells Fargo Trustee)	Postage and Freight	541006-51301	\$17.39
001	654	06/23/22	McDIRMIT & DAVIS C.P.A.	52423	AUDIT SVCS FYE 9/30/21	Auditing Services	532002-51301	\$4,700.00
001	655	06/23/22	WOODLANDS CDD	CD061522-5987	OPEN CD FOR OPERATING FUNDS	Cash with Fiscal Agent	103000	\$250,000.00
001	657	07/15/22	BRIGHTVIEW LANDSCAPING	7955053	July 2022- EXTERIOR MAINT	Contracts-Landscape	534050-53902	\$800.00
001	658	07/15/22	CA FLORIDA HOLDINGS LLC	0004621799	Notice of Qualifying Period 5/18/22 #7280770	Legal Advertising	548002-51301	\$84.10
001	659	07/15/22	HOOVER PUMPING SYSTEMS INC	166612	CF Pump #1 Entrnce ID 8385/Filter Discs Cleaning	R&M-Pumps-Cypress Falls	546251-53902	\$1,133.01
001	660	07/15/22	INFRAMARK, LLC	79076	JUNE 2022 MGMT FEES	ProfServ-Field Management	531016-53901	\$1,460.00
001	660	07/15/22	INFRAMARK, LLC	79076	JUNE 2022 MGMT FEES	Postage and Freight	541006-51301	\$8.48
001	660	07/15/22	INFRAMARK, LLC	79076	JUNE 2022 MGMT FEES	ProfServ-Mgmt Consulting Serv	531027-51201	\$3,615.25
001	660	07/15/22	INFRAMARK, LLC	79076	JUNE 2022 MGMT FEES	Printing and Binding	547001-51301	\$1.25
001	660	07/15/22	INFRAMARK, LLC	79076	JUNE 2022 MGMT FEES	GO DADDY RENEWAL	551002-51301	\$14.00
001	661	07/15/22	STRALEY ROBIN VERICKER	21751	Parcels D & E Settlement 5/16-6/15/22	ProfServ-Legal Services	531023-51401	\$1,403.00
001	661	07/15/22	STRALEY ROBIN VERICKER	21750	05/16/22-06/15/22 Legal Svcs	ProfServ-Legal Services	531023-51401	\$1,151.50
001	662	08/02/22	WOODLANDS CDD	CD071922-5987	OPEN CD#2 FOR OPERATING FUNDS	Due to Other Funds	131000	\$250,000.00
001	663	08/02/22	BRIGHTVIEW LANDSCAPING	7996829	August 2022- EXTERIOR MAINT	Contracts-Landscape	534050-53902	\$800.00
001	664	08/02/22	COMPLETE I.T.	9043	GOOGLE FOR BUSINESS EMAIL	Office Supplies	551002-51301	\$83.70
001	665	08/02/22	FEDEX	7-815-73033	6/30/22 FEDEX (CTS PYMT Processing WF)	Postage and Freight	541006-51301	\$17.79
001	666	08/02/22	STRALEY ROBIN VERICKER	21889	06/17/22-07/15/22 Legal Svcs	ProfServ-Legal Services	531023-51401	\$734.50
001	667	08/04/22	FEDEX	7-831-30919	FedEx 7/15/22 (WFB Trustee)	Postage and Freight	541006-51301	\$17.64
001	668	08/04/22	INFRAMARK, LLC	80563	JULY 2022 MGMT FEES	ProfServ-Field Management	531016-53901	\$1,460.00
001	668	08/04/22	INFRAMARK, LLC	80563	JULY 2022 MGMT FEES	Postage and Freight	541006-51301	\$4.24
001	668	08/04/22	INFRAMARK, LLC	80563	JULY 2022 MGMT FEES	ProfServ-Mgmt Consulting Serv	531027-51201	\$3,615.25
001	668	08/04/22	INFRAMARK, LLC	80563	JULY 2022 MGMT FEES	GO DADDY	551002-51301	\$3.14
001	669	08/04/22	STRALEY ROBIN VERICKER	21890	Parcels D & E Settlement 7/13-7/15/22	ProfServ-Legal Services	531023-51401	\$732.00
001	670	08/15/22	HOOVER PUMPING SYSTEMS INC	167538	CF Pump #1 Entr ID 8385/Rplc 2 Amp fuses, rain buc	R&M-Pumps-Cypress Falls	546251-53902	\$651.97
001	671	09/01/22	COMPLETE I.T.	9203	GOOGLE FOR BUSINESS EMAIL	Office Supplies	551002-51301	\$83.70

THE WOODLANDS

Community Development District

Payment Register by Fund
For the Period from 5/1/22 to 9/30/22
(Sorted by Check / ACH No.)

Fund No.	Check / ACH No.	Date	Payee	Invoice No.	Payment Description	Invoice / GL Description	G/L Account #	Amount Paid
001	672	09/01/22	INFRAMARK, LLC	81848	AUG 2022 MGMT FEES	ProfServ-Field Management	531016-53901	\$1,460.00
001	672	09/01/22	INFRAMARK, LLC	81848	AUG 2022 MGMT FEES	Postage and Freight	541006-51301	\$2.28
001	672	09/01/22	INFRAMARK, LLC	81848	AUG 2022 MGMT FEES	ProfServ-Mgmt Consulting Serv	531027-51201	\$3,615.25
001	673	09/12/22	BRIGHTVIEW LANDSCAPING	8043444	September 2022- EXTERIOR MAINT	Contracts-Landscape	534050-53902	\$800.00
001	674	09/12/22	STRALEY ROBIN VERICKER	22025	07/20/22-08/15/22 Legal Svcs	ProfServ-Legal Services	531023-51401	\$277.00
001	675	09/14/22	HOOVER PUMPING SYSTEMS INC	167951	CG#2 Pump (West), ID8799/Transducer Sensor	R&M-Pumps-Cedar Grove	546252-53902	\$329.05
001	676	09/20/22	COMPLETE I.T.	9402	GOOGLE FOR BUSINESS/6 email accts	Office Supplies	551002-51301	\$83.70
001	677	09/21/22	HOOVER PUMPING SYSTEMS INC	168233	CF #1 Entr Shallow Refill Well ID8420/J-box sweat	R&M-Pumps-Cypress Falls	546251-53902	\$140.00
001	677	09/21/22	HOOVER PUMPING SYSTEMS INC	168251	CF2 Clbhse Pump ID 8264/Filter disc cleaning	R&M-Pumps-Cypress Falls	546251-53902	\$1,132.97
001	DD231	05/13/22	FRONTIER ACH	041922-5997 ACH	4/19/22 -5/18/22 SRV 941-240-5997	Communication - Teleph - Field	541005-53901	\$569.57
001	DD232	05/07/22	FPL - ACH	042522 ACH	FPL SERVICE 3/24 - 4/25/22	Utility - Pump Station	543015-53902	\$6,051.15
001	DD232	05/07/22	FPL - ACH	042522 ACH	FPL SERVICE 3/24 - 4/25/22	Electricity - Entrance	543008-53901	\$12.96
001	DD233	06/13/22	FPL - ACH	052422 ACH	FPL SERVICE 4/25 - 5/24/22	Electricity - Entrance	543008-53901	\$12.96
001	DD233	06/13/22	FPL - ACH	052422 ACH	FPL SERVICE 4/25 - 5/24/22	Utility - Pump Station	543015-53902	\$5,411.11
001	DD234	06/13/22	FRONTIER ACH	051922-5997 ACH	5/19/22 - 6/18/22 SRV 941-240-5997	Communication - Teleph - Field	541005-53901	\$569.57
001	DD235	07/06/22	FPL - ACH	062322 ACH	FPL BILL PRD 5/24-6/23/22	Electricity - Entrance	543008-53901	\$11.96
001	DD235	07/06/22	FPL - ACH	062322 ACH	FPL BILL PRD 5/24-6/23/22	Utility - Pump Station	543015-53902	\$4,909.46
001	DD236	07/13/22	FRONTIER ACH	061922-5997 ACH	6/19/22 - 7/18/22 SRV 941-240-5997	Communication - Teleph - Field	541005-53901	\$569.57
001	DD237	08/12/22	FRONTIER ACH	31075-071922	7/19-8/18/22 SRV 941-240-5997	Communication - Teleph - Field	541005-53901	\$586.11
001	DD238	07/07/22	FPL - ACH	062322 ACH correction	TO CORRECT ACH TAKEN ON 7/6/22	Electricity - Entrance	543008-53901	\$15.25
001	DD238	07/07/22	FPL - ACH	062322 ACH correction	TO CORRECT ACH TAKEN ON 7/6/22	Utility - Pump Station	543015-53902	\$100.00
001	DD239	08/06/22	FPL - ACH	072522 ACH	FPL BILL PRD 6/23-7/25/22	Electricity - Entrance	543008-53901	\$27.21
001	DD239	08/06/22	FPL - ACH	072522 ACH	FPL BILL PRD 6/23-7/25/22	Utility - Pump Station	543015-53902	\$3,709.87
001	DD240	09/12/22	FPL - ACH	082422 ACH	FPL PRD 7/25-8/24/22	Utility - Pump Station	543015-53902	\$3,268.49
001	DD240	09/12/22	FPL - ACH	082422 ACH	FPL PRD 7/25-8/24/22	Electricity - Entrance	543008-53901	\$27.21
001	DD241	09/12/22	FRONTIER ACH	081922-1075 ACH	8/19-9/18/22 SRV 941-240-5997	Communication - Teleph - Field	541005-53901	\$586.11
001	641	05/24/22	CARL A. IMPASTATO	PAYROLL	May 24, 2022 Payroll Posting			\$184.70
001	642	05/24/22	LAWRENCE H. TINKHAM	PAYROLL	May 24, 2022 Payroll Posting			\$184.70
001	643	05/24/22	WILLIAM RICHARDSON	PAYROLL	May 24, 2022 Payroll Posting			\$184.70
001	644	05/24/22	ELIO M. BUCCIERO	PAYROLL	May 24, 2022 Payroll Posting			\$184.70
001	645	05/24/22	ROBERT M. RIPATRAZONE	PAYROLL	May 24, 2022 Payroll Posting			\$184.70
Fund Total								\$584,586.92

SERIES 2004A DEBT SERVICE FUND - 201

201	633	05/02/22	LLS TAX SOLUTIONS INC	002658	Series 2004A arbitrage P/E 12/16/21	ProfServ-Arbitrage Rebate	531002-51301	\$600.00
201	640	05/19/22	STRALEY ROBIN VERICKER	21448	DS Quiet Tax Deed Title Action (4/5/22)	ProfServ-Legal Services	531023-51401	\$82.50
201	656	07/14/22	WELLS FARGO BANK	070822-5987	TRFR FY22 DS ASSMNTS	Due to Other Funds	131000	\$22,692.25
Fund Total								\$23,374.75

Total Payments	\$607,961.67
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Financial Report

September 30, 2021

**The Woodlands Community
Development District**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
The Woodlands Community Development District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of *The Woodlands Community Development District* (the "District"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2021, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of Matter

As discussed in the Notes to the Financial Statements, the District's debt service fund financial conditions have deteriorated. Certain major landowners within the District have failed to pay their share of the prior years' assessments. The District is economically dependent on these major landowners. The District did not have sufficient funds to make certain scheduled debt service payments and as a result, only partial payments were made in the current and prior years. The District is in default on the Series 2004 Bonds.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis starting on page 3, be presented to supplement the basic financial statements. Such information, 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 a report dated June 17, 2022 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, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.



Orlando, Florida
June 17, 2022

The Woodlands Community Development District
Management's Discussion and Analysis

Our discussion and analysis of *The Woodlands Community Development District's* (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2021. Please read it in conjunction with the District's Independent Auditor's Report, financial statements and accompanying notes.

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

Financial Highlights

- The liabilities of the District exceeded its assets at September 30, 2021 resulting in a net position deficit balance of \$(21,383,201), an increase in net position of \$1,244,793 in comparison with the prior year.
- At September 30, 2021, the District's governmental funds reported a fund balance deficit of \$(7,357,959), an increase in fund balance of \$340,627 in comparison with the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Notes to Financial Statements

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

Government-Wide Financial Analysis

Statement of Net Position - The District's net position was \$(21,383,201) at September 30, 2021. The following analysis focuses on the net position of the District's governmental activities.

	2021	2020
Assets, excluding capital assets	\$ 4,034,275	\$ 5,133,407
Capital assets, net of depreciation	7,809,681	7,874,203
Total assets	11,843,956	13,007,610
Liabilities, excluding long-term liabilities	12,075,677	13,527,233
Long-term liabilities	21,151,480	22,108,371
Total liabilities	33,227,157	35,635,604
Net Position:		
Net investment in capital assets	(18,443,071)	(18,591,314)
Unrestricted	(2,940,130)	(4,036,680)
Total net position	\$ (21,383,201)	\$ (22,627,994)

The Woodlands Community Development District
Management's Discussion and Analysis

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

	2021	2020
Revenues:		
Program revenues	\$ 3,010,031	\$ 4,260,512
General revenues	14,564	50,601
Total revenues	3,024,595	4,311,113
Expenses:		
General government	121,552	163,978
Maintenance and operations	162,257	221,234
Interest on long-term debt	1,495,993	1,490,330
Total expenses	1,779,802	1,875,542
Change in net position	1,244,793	2,435,571
Net position, beginning	(22,627,994)	(25,063,565)
Net position, ending	\$ (21,383,201)	\$ (22,627,994)

As noted above and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2021 was \$1,779,802. The majority of these costs are comprised of interest on long-term debt.

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near - term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2021, the District's governmental funds reported a combined ending fund balance deficit of \$(7,357,959). Of this total, \$25,329 is nonspendable, \$134,756 is assigned and the remainder is a negative unassigned fund balance of \$(7,518,044).

The general fund balance increased by \$44,615 in the current year because current year assessments exceeded expenditures. The debt service fund balance increased by \$296,012 because prepayments of assessments and other miscellaneous income were collected.

General Fund Budgetary Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. There were no amendments to the September 30, 2021 general fund budget. The legal level of budgetary control is at the fund level.

Capital Asset and Debt Administration

Capital Assets

At September 30, 2021, the District had \$7,809,681 invested in assets, net of accumulated depreciation. More detailed information about the District's capital assets is presented in the notes to the financial statements.

The Woodlands Community Development District
Management's Discussion and Analysis

Capital Debt

At September 30, 2021, the District had \$26,252,908 in bonds outstanding, including \$5,057,908 of matured bonds payable. More detailed information about the District's capital debt is presented in the notes to the financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact *The Woodlands Community Development District's* Finance Department at 210 North University Drive, Suite 702, Coral Springs, Florida, 33071.

FINANCIAL STATEMENTS

The Woodlands Community Development District
Statement of Net Position
September 30, 2021

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 1,004,844
Investments	1,118,936
Deposits	500
Prepaid expenses	24,829
Restricted Assets:	
Temporarily restricted investments	1,885,166
Capital Assets:	
Capital assets not being depreciated	6,605,013
Capital assets, net of depreciation	1,204,668
Total assets	11,843,956
Liabilities:	
Accounts payable and accrued expenses	4,586
Accrued interest payable	640,079
Matured bonds payable	5,057,908
Matured interest payable	6,329,740
Note payable to developer	43,364
Noncurrent liabilities:	
Due within one year	1,005,000
Due in more than one year	20,146,480
Total liabilities	33,227,157
Net Position:	
Net investment in capital assets	(18,443,071)
Unrestricted	(2,940,130)
Total net position	\$ (21,383,201)

The Woodlands Community Development District
Statement of Activities
 Year Ended September 30, 2021

		<u>Program Revenue</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u>
Governmental Activities:			
General government	\$ 121,552	\$ 103,420	\$ (18,132)
Maintenance and operations	162,257	138,054	(24,203)
Interest on long-term debt	1,495,993	2,768,557	1,272,564
Total governmental activities	<u>\$ 1,779,802</u>	<u>\$ 3,010,031</u>	<u>1,230,229</u>
General Revenues:			
Investment and miscellaneous			<u>14,564</u>
Change in net position			1,244,793
Net position, beginning			<u>(22,627,994)</u>
Net position, ending			<u>\$ (21,383,201)</u>

	General	Debt Service	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 1,004,844	\$ -	\$ 1,004,844
Investments	1,118,936	1,885,166	3,004,102
Due from other funds	-	3,502	3,502
Deposits	500	-	500
Prepaid expenses	24,829	-	24,829
Total assets	\$ 2,149,109	\$ 1,888,668	\$ 4,037,777
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 4,586	\$ -	\$ 4,586
Due to other funds	3,502	-	3,502
Matured bonds payable	-	5,057,908	5,057,908
Matured interest payable	-	6,329,740	6,329,740
Total liabilities	8,088	11,387,648	11,395,736
Fund Balances:			
Nonspendable	25,329	-	25,329
Assigned - operating reserve	54,756	-	54,756
Assigned - lakes	30,000	-	30,000
Assigned - pump stations	50,000	-	50,000
Unassigned	1,980,936	(9,498,980)	(7,518,044)
Total fund balances	2,141,021	(9,498,980)	(7,357,959)
Total Liabilities and Fund Balances	\$ 2,149,109	\$ 1,888,668	\$ 4,037,777

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 7,809,681

Liabilities not due and payable from current available resources are not reported in governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.

Accrued interest payable	(640,079)	
Bonds and note payable	(21,194,844)	(21,834,923)
Net Position of Governmental Activities		\$ (21,383,201)

The Woodlands Community Development District
Statement of Revenues, Expenditures and Changes in the Fund Balances
Governmental Funds
Year Ended September 30, 2021

	General	Debt Service	Total Governmental Funds
Revenues:			
Special assessments	\$ 241,474	\$ 2,634,434	\$ 2,875,908
Special assessments - prepayments	-	134,123	134,123
Investment and miscellaneous income	5,146	9,418	14,564
Total revenues	246,620	2,777,975	3,024,595
Expenditures:			
Current:			
General government	104,270	17,282	121,552
Maintenance and operations	97,735	-	97,735
Debt Service:			
Interest	-	1,504,681	1,504,681
Principal	-	960,000	960,000
Total expenditures	202,005	2,481,963	2,683,968
Excess (Deficit) of Revenues Over Expenditures	44,615	296,012	340,627
Net change in fund balances	44,615	296,012	340,627
Fund balances, beginning of year	2,096,406	(9,794,992)	(7,698,586)
Fund balances, end of year	\$ 2,141,021	\$ (9,498,980)	\$ (7,357,959)

The Woodlands Community Development District
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities**
 Year Ended September 30, 2021

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

Net change in fund balances - total governmental funds	\$	340,627
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Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources; however, in the statement of net position the cost of those assets is recorded as capital assets. Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.

Assets capitalized	-	
Depreciation expense	<u>(64,522)</u>	(64,522)

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

Matured bonds recorded as payable	960,000	
Reduction of note payable	5,874	
Amortization of bond discount	<u>(3,109)</u>	962,765

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

Change in accrued interest	<u>5,923</u>	
Change in net position of governmental activities	<u><u>\$</u></u>	<u>1,244,793</u>

The Woodlands Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 241,526	\$ 241,526	\$ 241,474	\$ (52)
Investment and miscellaneous income	10,000	10,000	5,146	(4,854)
Total revenues	251,526	251,526	246,620	(4,906)
Expenditures:				
Current:				
General government	115,406	115,406	104,270	11,136
Maintenance and operations	103,620	103,620	97,735	5,885
Capital Outlay	32,500	32,500	-	32,500
Total expenditures	251,526	251,526	202,005	49,521
Excess (Deficit) of Revenues Over Expenditures	-	-	44,615	44,615
Net change in fund balance	\$ -	\$ -	44,615	\$ 44,615
Fund balance, beginning			2,096,406	
Fund balance, ending			\$ 2,141,021	

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Reporting Entity**

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

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

The Board has the final responsibility for:

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

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

General Fund

Is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund

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

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

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

Restricted Assets

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

Deposits and Investments

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

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

Prepaid Items

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

Assets	Years
Irrigation & pumps	25
Stormwater systems	30

Long Term Obligations

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net 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 item that qualifies for reporting in this category for the year ended September 30, 2021.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net 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 item that qualifies for reporting in this category for the year ended September 30, 2021.

Net Position Flow Assumption

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

Other Disclosures

Use of Estimates

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

New Accounting Standards

In fiscal year 2021, the District has not implemented any new accounting standards with a material effect on the District's financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

Deficit Fund Equity

The debt service fund has a deficit fund balance at September 30, 2021, causing a total deficit fund balance.

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits

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

Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Under GASB 72, assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted prices for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

The District has the following recurring fair value measurements as of September 30, 2021:

- Blackrock Institutional Funds Trust, T-Fund #60 of \$1,885,166 are valued using Level 2 inputs.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED):

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

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

Investments made by the District at September 30, 2021 are summarized below.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
Money Market Funds	\$ 1,118,936	NA	NA
Federal Securities T-Fund #60	1,885,166	AAAm	32 days
	<u>\$ 3,004,102</u>		

Credit Risk

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

Custodial Credit Risk:

In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2021, all of the District's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2021, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

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

Interest Rate Risk:

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

NOTE 4 ASSESSMENTS RECEIVABLE

Receivables at September 30, 2021, included the applicable allowances for uncollectible accounts are as follows:

	Debt Service Fund
Assessments Receivable	12,708,232
Less: allowance for uncollectible accounts	(12,708,232)
Net Receivable	\$ -

NOTE 5 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At September 30, 2021, the general fund owes the debt service fund \$3,502 for assessments collected and due to the debt service fund.

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in progress	\$ 3,677,847	\$ -	\$ -	\$ 3,677,847
Land	2,927,166	-	-	2,927,166
Total capital assets not being depreciated	6,605,013	-	-	6,605,013
Capital Assets Being Depreciated:				
Irrigation	790,723	-	-	790,723
Stormwater management systems	146,339	-	-	146,339
Hoover pump station	315,338	-	-	315,338
Irrigation pumps	385,069	-	-	385,069
Total capital assets being depreciated	1,637,469	-	-	1,637,469
Less Accumulated Depreciation for:				
Irrigation	(253,032)	(31,628)	-	(284,660)
Stormwater management systems	(19,512)	(4,878)	-	(24,390)
Hoover pump station	(35,836)	(12,613)	-	(48,449)
Irrigation pumps	(59,899)	(15,403)	-	(75,302)
Total accumulated depreciation	(368,279)	(64,522)	-	(432,801)
Total capital assets being depreciated, net	1,269,190	(64,522)	-	1,204,668
Governmental activities capital assets, net	\$ 7,874,203	\$ (64,522)	\$ -	\$ 7,809,681

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

NOTE 7 LONG-TERM LIABILITIES

Series 2004A Capital Improvement Revenue Bonds -Public Offering

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

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

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirement as defined in the indenture. The requirement was not met as of September 30, 2021.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. Payment of principal and interest on the 2004 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is not in compliance with the requirements of the Bond Indenture.

Total principal and interest remaining on the Series 2004 Revenue Bonds at September 30, 2021 is \$42,969,473, including \$11,387,648 which is accrued to matured bonds and matured interest payable. For the year ended September 30, 2021, principal due was \$960,000 which was not paid. Principal on matured bonds of \$210,000 was paid in the current year. Interest of \$1,504,681 was due in the current year. Matured interest of \$3,681,118 was paid. Total special assessment revenue pledged was \$2,768,557.

Long-term debt activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Series 2004	\$ 22,155,000	\$ -	\$ (960,000)	\$ 21,195,000	\$ 1,005,000
Less issuance discount	(46,629)	-	3,109	(43,520)	-
Governmental activity long-term liabilities	\$ 22,108,371	\$ -	\$ (956,891)	\$ 21,151,480	\$ 1,005,000

The beginning balance above excludes \$4,307,908 of matured bonds payable. The current year reduction includes \$960,000 which was not paid but was accrued to matured bonds payable. In addition, The District paid a total of \$210,000 of matured bonds payable during the current year.

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

At September 30, 2021, the scheduled debt service requirements on the bonds payable were as follows:

<u>Year Ending September 30,</u>	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,005,000	\$ 1,208,115
2023	1,045,000	1,150,830
2024	1,105,000	1,091,265
2025	1,170,000	1,028,280
2026	1,240,000	961,590
2027 - 2031	7,325,000	3,665,385
2032 - 2035	8,305,000	1,281,360
	<u>\$ 21,195,000</u>	<u>\$ 10,386,825</u>

NOTE 8 RELATED PARTY PAYABLES

Note Payable

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

Interest accrues on amounts from the first date of draws and is payable on the payment date. At September 30, 2021, total draws on the loan were \$71,082. This amount is reported as a current liability on the government-wide statement of net position and not the fund financial balance sheet. During the year, the District received payment of \$5,874 to reduce the loan balance to \$43,364. Additionally, accrued interest of \$2,311 was paid. Interest due on the unpaid portion of the note is accrued at year end.

NOTE 9 LANDOWNER ASSESSMENTS AND FORBEARANCE AGREEMENT

The District is economically dependent on certain major landowners. A significant portion of the current year assessments was received from the major landowners. Of the total assessments collected in the current year, 68% was received from the major landowners. Additionally, significant assessments are due from certain landowners that have not been collected. The assessments receivable from these landowners have been fully reserved for due to the uncertainty as to the timing of collection.

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

NOTE 9 LANDOWNER ASSESSMENTS AND FORBEARANCE AGREEMENT (CONTINUED)

On June 26, 2018, the District was served with a lawsuit in connection with a Quiet Title Action filed by tax deed holders related to 4 undeveloped parcels in the District. The lawsuit names the District, among other parties, and specifically seeks a judicial determination that the parcels are free and clear of any liens or assessments, including the District's lien and debt assessments securing the Series 2004 Bonds. The District and the Trustee entered into a joint defense agreement, pursuant to which the Trustee is defending against the tax deed holders' claim. On May 28, 2019 the court entered an amended order, incorporating a final judgment against the District and other defendants, declaring that the District is barred by the statute of limitations from enforcing the debt assessments on certain parcels for failure to enforce the debt assessments in a timely manner; the District's lack of enforcement of the debt assessments was done in accordance with the express direction of the bondholders. The order further precludes the District from enforcing or collecting any portion of the delinquent debt assessments on those parcels. The District appealed the amended order, however, on November 12, 2019 the Second District of the State of Florida dismissed the appeal on grounds it was based on a non-final order. The case has been inactive since the dismissal but is still pending.

In September 2018 and July 2019, the District was served with two additional lawsuits in connection with O&M Assessments. These O&M Assessment cases seek to invalidate the District's O&M Assessments on three parcels which were originally intended to be direct collected and were subsequently placed on the tax roll. The Plaintiff's claims could result in disgorgement of O&M assessments collected by the District. The cases are being vigorously defended by the District. Subsequent to year end, the cases have been settled, and as part of the settlement agreement all claims against the District have been released.

On March 7, 2019 the Board of Supervisors of the District adopted Resolution 2019-04 which approved the form of a settlement agreement with the Trustee and landowner relating to a proposed sale of 2 other parcels (not affiliated with the lawsuit), that may bring the delinquent debt assessments current for those 2 parcels. The agreement was executed in August 2020. Under the terms of the agreement, as the underlying properties are sold to a homebuilder, the landowner is required to pay all delinquent assessments to the District. During the year ended September 30, 2021, delinquent debt assessments totaling \$1,683,776 were paid to the District in connection with this agreement.

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage since inception of the District.

NOTE 11 DETERIORATING FINANCIAL CONDITION

The District's financial conditions have deteriorated due to the non-collection of assessments owed by major landowners. The debt service fund has a deficit fund balance and the District is in default on the Series 2004A Bonds and the Note Payable to the Bondholders due to non-payment of debt service amounts.

NOTE 12 SUBSEQUENT EVENTS

Subsequent to year end, the District approved refinancing the Series 2004 Bonds.

Subsequent to year end the District made principal payments of \$160,000 and interest payments of \$2,744,722 on the Series 2004 Bonds.

As disclosed in Note 9, subsequent to year end, the debt assessment case and the O&M cases have been settled. As part of the settlement agreement, both cases have been dismissed and all claims against the District have been released.

COMPLIANCE SECTION

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

To the Board of Supervisors
The Woodlands Community Development District

We have audited, in accordance with 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 *The Woodlands Community Development District* (the "District") as of and for the year ended September 30, 2021, 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 17, 2022. Our Independent Auditor's Report includes an emphasis of matter for deteriorating financial conditions.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in Appendix A to this report.

We noted certain other matters that we reported to management of the District in a separate letter dated June 17, 2022. The District's response to our findings identified in our audit is included in this report. We did not audit the District's response, and accordingly, we express no opinion on it.

Purpose of this Report

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

McDiarmid Davis

Orlando, FL
June 17, 2022

MANAGEMENT LETTER

Board of Supervisors
The Woodlands Community Development District

Report on the Financial Statements

We have audited the financial statements of *The Woodlands Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 17, 2022. Our report includes an emphasis of matter for deteriorating financial conditions.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 17, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2020-21 FY Finding #	2019-20 FY Finding #
13-01	13-01	13-01
13-02	13-02	13-02

Official Title and Legal Authority

Section 10.554(1)(i)4. And 10.556(7), Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that District met one of the conditions described in Section 218.503(1), Florida Statutes. This condition is described in Appendix B.

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

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

Specific Information

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

- a. The total number of District employees compensated in the last pay period of the District's fiscal year as zero.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as 9.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$94,281.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as: none
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final budget under Section 189.016(6), Florida Statutes, as see page 21 of financial statements.

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

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

Phase	Village	General Fund	Debt Service
A	Townhomes	\$34.57	\$330.70
B-C-1	Cypress Falls Quad	103.16	998.83
B-C-1	Cypress Falls Single Family	123.84	1,187.06
B-C-1	Cypress Falls Villa	103.16	988.83
B-C-2	Cypress Falls Quad	103.16	984.47
B-C-2	Cypress Falls Single Family	123.84	1,181.84
D	Single Family	105.34	1,007.58
E	Single Family	104.95	1,003.79
F	Townhomes	49.09	469.56
G	Cedar Grove	137.62	1,316.29

- b. The total amount of special assessments collected by or on behalf of the District as \$1,042,847.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as see notes to financial statements.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McDiarmid Davis

Orlando, Florida
June 17, 2022

13-01 - Failure to Make Debt Service Payments When Due**Criteria**

The Capital Improvement Revenue Bonds Series 2004A require interest and principal payments as per the Bond Indenture.

Condition

In the current and prior years, the District did not pay all of the principal and interest due on the Series 2004A Bonds.

Cause

The District did not receive special assessments from certain landowners.

Effect

At September 30, 2021, the District was not in compliance with the requirements of the Bond Indenture and has met a financial emergency condition as described in Florida Statute Section 218.503(1).

Recommendation

We recommend the District utilize all remedies available to bring debt service payments current.

13-02- Failure to Meet Debt Service Reserve Account Requirement**Criteria**

The Trust Indenture requires the District to maintain a minimum balance in the Series 2004A Debt Service Reserve Account.

Condition

At September 30, 2021, the Series 2004A Debt Service Reserve Account was deficient.

Cause

The balance in the Series 2004A Debt Service Reserve Account was used to pay debt service payments.

Effect

The District is not in compliance with the Trust Indenture.

Recommendation

We recommend the District utilize all remedies available to replenish the Debt Service Reserve Accounts.

13-01 - Failure to Make Debt Service Payments When Due

In the current year, the District did not pay all of the principal and interest due on the Series 2004A Bonds as a result of lack of funds; therefore the District meets Section 218.503(1)(a) as a financial emergency condition.

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

Board of Supervisors
The Woodlands Community Development District

We have examined *The Woodlands Community Development District's* (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2021. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

McDermitt Davis

Orlando, Florida
June 17, 2022

The Woodlands Community Development District
210 N. University Drive, Suite 702
Coral Springs, Florida 33071

May 18, 2022

McDermitt Davis, LLC

Response to the Auditor's Management Comments and Prior Audit Findings
for the fiscal year ended September 30, 2021

Finding 13-01: Failure to Make Debt Service Payments When Due

Finding 13-02: Failure to Meet Debt Service Account Requirement

In 2013 the District entered into a Forbearance Agreement with the Trustee and landowners, pursuant to direction received from the Trustee, and agreed not to engage in enforcement or collection activity on the delinquent debt assessments until the Forbearance Agreement terminates on October 31, 2017 or upon the direction of the Trustee. The District never received such direction from the Trustee. See Note 9 to the Financial Statements in the Audit. The Forbearance Agreement terminated on October 31, 2017 and was not further modified or extended. During the term of the Forbearance Agreement there was no action that could be taken by the District to enforce or collect the delinquent debt assessments, including efforts to collect the funds required to replenish the Debt Service Reserve Requirement.

There was a Quiet Title Action filed by tax deed holders in 2018 related to 4 undeveloped parcels in the District challenging a portion of the District's delinquent debt assessments securing the Series 2004 Bonds on such parcels. This lawsuit has been settled by the Plaintiffs and the current landowner (as of April 18, 2022) and the lawsuit has been dismissed and all claims against the District have been released.

On May 17, 2022 the Board of Supervisors of the District adopted Resolution 2022-06 which approved the form of a settlement agreement with the Trustee and landowner relating to a proposed sale of 3 undeveloped parcels that were involved in the lawsuit, that may bring the delinquent debt assessments current for those parcels. The agreement is expected to be executed in May 2022. Under the terms of the agreement, as the underlying properties are sold to a homebuilder, the landowner is required to pay all delinquent assessments to the District.

Accordingly, the Auditor's findings are duly noted and the Auditor's recommendations for the District to utilize all remedies available to it have been attempted in good faith as evidenced by the District's actions. The District is diligently working with its legal counsel and the Trustee to find remedies to avoid such findings in the future.

3D.

September 22, 2022

Board of Supervisors
The Woodlands Community Development District
210 N. University Drive, Suite 702
Coral Springs, FL 33071

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

You have requested that we audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of *The Woodlands Community Development District*, as of September 30, 2022, and for the year then ended and the related notes to the financial statements, which collectively comprise *The Woodlands Community Development District's* basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with Government Auditing Standards, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

1. Management's Discussion and Analysis

Auditor Responsibilities

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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

Compliance with Laws and Regulations

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

Management Responsibilities

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

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

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

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

Nonattest Services

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

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

Our responsibilities and limitations of the engagement are as follows:

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

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

Reporting

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

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

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

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

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

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

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

Provisions of Engagement Administration, Timing and Fees

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

We expect to begin our audit in January 2023 and the audit reports and all corresponding reports will be issued no later than June 30, 2023.

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

Our fee for these services described in this letter will be \$4,700 for the year ended September 30, 2022, unless the scope of the engagement is changed; the assistance that *The Woodlands Community Development District* has agreed to furnish is not provided, or unexpected conditions are encountered, in which case we will discuss the situation with you before proceeding.

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

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

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

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

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

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

Public Records

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

IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE PUBLIC RECORDS CUSTODIAN AT 954-753-5841, SANDRA.DEMARCO@INFRAMARK.COM, OR AT 210 N. UNIVERSITY DRIVE, SUITE 702, CORAL SPRINGS, FL 33071.

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

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

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

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

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

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

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

Respectfully,

McDermitt Davis

McDermitt Davis, LLC
Orlando, FL

RESPONSE:

This letter correctly sets forth our understanding.

The Woodlands Community Development District

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

Title: _____



PRIDA, GUIDA & PEREZ, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
 1106 N. FRANKLIN STREET
 TAMPA, FLORIDA 33602
 TELEPHONE: (813) 226-6091
 FAX: (813) 229-7754

Report on the Firm's System of Quality Control

August 21, 2020

To the Owners of McDirmit Davis, LLC
 And the Peer Review Committee of the
 Florida Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of McDirmit Davis, LLC (the firm), in effect for the year ended June 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of McDirmit Davis, LLC in effect for the year ended June 30, 2020 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. McDirmit Davis, LLC has received a peer review rating of *pass*.

Prida Guida & Perez, P.A.

3E.

THE WOODLANDS
Community Development District
210 N. University Drive, Suite 702
Coral Springs, Florida 33071
(954) 603-0033

RESOLUTION 2023-01

WHEREAS, the Board of Supervisors, hereinafter referred to as the "Board", of The Woodlands Community Development District, hereinafter referred to as "District", adopted a General Fund Budget for fiscal year 2022 and

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

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

1. The General Fund is hereby amended in accordance with Exhibit "A" attached.
2. This resolution shall become effective this 15th day of November, 2022 and be reflected in the monthly and fiscal Year End 9/30/22 Financial Statements and Audit Report of the District.

By: _____

Chairman
The Woodlands CDD

Attest:

By: _____
Secretary

Proposed Budget Amendment
For the Period Ending September 30, 2022

ACCOUNT DESCRIPTION	CURRENT BUDGET	PROPOSED AMENDMENT	FINAL BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
<u>REVENUES</u>					
Interest - Investments	\$ 10,000	\$ -	\$ 10,000	\$ 5,360	\$ (4,640)
Special Assmnts- Tax Collector	243,024	-	243,024	228,481	(14,543)
Special Assmnts- CDD Collected	-	-	-	13,671	13,671
Special Assmnts- Discounts	(9,721)	-	(9,721)	(8,872)	849
Other Miscellaneous Revenues	-	-	-	5,875	5,875
TOTAL REVENUES	243,303	-	243,303	244,515	1,212
<u>EXPENDITURES</u>					
<u>Administration</u>					
P/R-Board of Supervisors	5,000	-	5,000	4,000	1,000
FICA Taxes	918	-	918	306	612
ProfServ-Engineering	10,000	1,500	11,500	11,465	35
ProfServ-Legal Services	10,000	5,600	15,600	15,600	-
ProfServ-Mgmt Consulting	43,383	-	43,383	43,383	-
ProfServ-Web Site Development	1,553	-	1,553	1,553	-
Auditing Services	5,000	-	5,000	4,700	300
Postage and Freight	700	-	700	339	361
Insurance - General Liability	26,909	-	26,909	24,829	2,080
Printing and Binding	250	-	250	2	248
Legal Advertising	1,000	-	1,000	1,440	(440)
Miscellaneous Services	650	-	650	100	550
Misc-Assessment Collection Cost	3,645	-	3,645	2,621	1,024
Office Supplies	1,500	-	1,500	1,110	390
Annual District Filing Fee	175	-	175	175	-
Total Administration	110,683	7,100	117,783	111,623	6,160
<u>Field</u>					
ProfServ-Field Management	17,520	-	17,520	17,520	-
Communication - Teleph - Field	7,000	-	7,000	6,912	88
Electricity - Entrance	500	-	500	209	291
Misc-Contingency	8,000	-	8,000	-	8,000
Total Field	33,020	-	33,020	24,641	8,379
<u>Landscape Services</u>					
Contracts-Landscape	9,600	-	9,600	9,600	-
Utility - Pump Station	42,000	16,000	58,000	57,658	342
R&M-General	1,500	-	1,500	-	1,500
R&M-Renewal and Replacement	2,000	-	2,000	-	2,000
R&M-Irrigation	2,000	-	2,000	160	1,840
R&M-Pump Station	-	46,000	46,000	45,388	612
R&M-Pumps-Cypress Falls	8,000	35,000	43,000	34,203	8,797
R&M-Pumps-Cedar Grove	8,000	14,000	22,000	12,655	9,345
R&M-Pumps-Panacea	4,000	-	4,000	-	4,000
Total Landscape Services	77,100	111,000	188,100	159,664	28,436

Proposed Budget Amendment
For the Period Ending September 30, 2022

ACCOUNT DESCRIPTION	CURRENT BUDGET	PROPOSED AMENDMENT	FINAL BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
<u>Reserves</u>					
Reserve - Lakes	2,500	-	2,500	-	2,500
Pump Station Reserve	20,000	-	20,000	-	20,000
Total Reserves	22,500	-	22,500	-	22,500
TOTAL EXPENDITURES & RESERVES	243,303	118,100	361,403	295,928	65,475
Excess (deficiency) of revenues					
Over (under) expenditures	-	(118,100)	(118,100)	(51,413)	66,687
Net change in fund balance	-	(118,100)	(118,100)	(51,413)	66,687
FUND BALANCE, BEGINNING (OCT 1, 2021)	2,141,020	-	2,141,020	2,141,020	-
FUND BALANCE, ENDING	\$ 2,141,020	\$ (118,100)	\$ 2,022,920	\$ 2,089,607	\$ 66,687

3F.

RESOLUTION 2023-02

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT PROVIDING FOR THE APPOINTMENT OF A RECORDS MANAGEMENT LIAISON OFFICER; PROVIDING THE DUTIES OF THE RECORDS MANAGEMENT LIAISON OFFICER; ADOPTING A RECORDS RETENTION POLICY; AND PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE.

WHEREAS, the Woodlands Community Development District (the “District”) created and existing pursuant to Chapter 190, Florida Statutes, being situated in Sarasota County, Florida; and

WHEREAS, Chapter 190, Florida Statutes, authorizes the District to adopt rules to govern the administration of the District and to adopt resolutions as may be necessary for the conduct of district business; and

WHEREAS, Section 257.36(5), Florida Statutes, requires the District to establish and maintain an active and continuing program for the economical and efficient management of records and to provide for the appointment of a records management liaison officer (“Records Management Liaison Officer”); and

WHEREAS, the District desires for the Records Management Liaison Officer to be an employee of the District or an employee of the District Manager; and

WHEREAS, the District desires to authorize the District’s records custodian to appoint a Records Management Liaison Officer, which may or may not be the District’s records custodian; and

WHEREAS, the District desires to prescribe duties of the Records Management Liaison Officer and provide for the assignment of additional duties; and

WHEREAS, the District’s Board of Supervisors (“Board”) finds that it is in the best interests of the District to adopt by resolution a Records Retention Policy (the “Policy”) for immediate use and application; and

WHEREAS, the District desires to provide for future amendment of the Records Retention Policy; and

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

Section 1. The District hereby authorizes the District's records custodian to appoint a Records Management Liaison Officer and report such appointment to the appropriate State of Florida agencies. A Records Management Liaison Officer shall be an employee of the District or the District Manager. The Board, and the District's records custodian, shall each have the individual power to remove the Records Management Liaison Officer at any time for any reason. Immediately following the removal or resignation of a Records Management Liaison Officer, the District's records custodian shall appoint a replacement Records Management Liaison Officer.

Section 2. The duties of the Records Management Liaison Officer shall include the following:

- A. serve as the District's contact with the Florida Department of State, State Library and Archives of Florida; and
- B. coordinate the District's records inventory; and
- C. maintain records retention and disposition forms; and
- D. coordinate District records management training; and
- E. develop records management procedures consistent with the attached Records Retention Policy, as amended; and
- F. participate in the development of the District's development of electronic record keeping systems; and
- G. submit annual compliance statements; and
- H. work with the Florida Department of State, State Library and Archives of Florida to establish individual retention schedules for the District, from time to time and as may be necessary; and
- I. such other duties as may be assigned by the Board or the District's records custodian in the future.

Section 3. The District hereby adopts as its Records Retention Policy the applicable provisions of Section 257.36(5); however, the Board hereby extends the minimum retention guidelines contained in the State of Florida General Records Schedule GS1-SL, so as to retain all public records relating to District business until the Board amends the Records Retention Policy to address the disposition of the same.

Section 4. The District agrees to pay Inframark a monthly fee of \$15 per box for the storage of records for all boxes retained as part of the requirements for the Records Retention Act. If the Board desires to retain more records than required by the Records Retention Act the District will be charged \$15 per box per month for all records that are retained.

Section 5. If any provision of this resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

Section 6. This resolution shall become effective upon its passage and shall remain in effect unless rescinded or repealed. Furthermore, upon its passage this resolution supersedes any Records Retention Policy previously adopted by the District.

PASSED AND ADOPTED THIS 15th DAY OF NOVEMBER 2022.

ATTEST:

**WOODLANDS COMMUNITY
DEVELOPMENT DISTRICT**

Print Name: _____
Secretary/ Assistant Secretary

Print Name: _____
Chair/ Vice Chair

3G.

**THE WOODLANDS
COMMUNITY DEVELOPMENT DISTRICT**

Motion: Assigning Fund Balance as of 9/30/22

The Board hereby assigns the FY 2022 Reserves per the September 2022 Balance Sheet.

Operating Reserves/1st Qtr	\$ 55,201
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Reserves – Lakes	\$ 60,000
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Reserves – Pump Stations	\$250,000
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****To be approved at 11/15/22 meeting.**

Sixth Order of Business

6A

THE WOODLANDS
Community Development District

Annual Operating and Debt Service Budget
Fiscal Year 2024

Version 1 - Proposed Budget
(11.02.22)

Prepared by:



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The Woodlands
Community Development District

Operating Budget
Fiscal Year 2024

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2024 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2022	ADOPTED BUDGET FY 2023	ACTUAL THRU OCT-22	PROJECTED NOV- SEPT-23	TOTAL PROJECTED FY 2023	ANNUAL BUDGET FY 2024
REVENUES						
Interest - Investments	\$ 5,357	\$ 10,000	\$ 800	\$ 8,800	\$ 9,600	\$ 10,000
Special Assmnts- Tax Collector	228,481	240,592	-	240,592	240,592	211,691
Special Assmnts- CDD Collected	13,671	-	-	-	-	-
Special Assmnts- Discounts	(8,872)	(9,624)	-	(9,624)	(9,624)	(8,468)
Other Miscellaneous Revenues	5,875	-	-	-	-	-
TOTAL REVENUES	244,512	240,968	800	239,768	240,568	213,223
EXPENDITURES						
<i>Administrative</i>						
P/R-Board of Supervisors	4,000	5,000	-	5,000	5,000	5,000
FICA Taxes	306	383	-	383	383	383
ProfServ-Engineering	11,465	10,000	-	10,000	10,000	10,000
ProfServ-Legal Services	15,600	10,000	-	10,000	10,000	10,000
ProfServ-Mgmt Consulting Serv	43,383	44,684	3,724	40,960	44,684	46,025
ProfServ-Web Site Development	1,553	1,553	1,553	-	1,553	1,553
Auditing Services	4,700	5,000	-	4,700	4,700	5,000
Postage and Freight	339	300	-	300	300	300
Insurance - General Liability	24,829	29,795	26,822	2,973	29,795	32,775
Printing and Binding	2	250	-	250	250	250
Legal Advertising	1,440	1,000	94	906	1,000	1,000
Miscellaneous Services	100	500	-	500	500	500
Misc-Assessmnt Collection Cost	2,621	3,609	-	3,609	3,609	3,175
Office Supplies	1,110	1,193	84	924	1,008	1,193
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	111,623	113,442	32,452	80,505	112,956	117,328
<i>Field</i>						
ProfServ-Field Management	17,520	18,046	1,504	16,542	18,046	18,587
Communication - Teleph - Field	6,912	7,000	604	6,643	7,246	7,300
Electricity - Entrance	209	180	28	303	330	350
Misc-Contingency	-	1,000	-	1,000	1,000	-
Total Field	24,641	26,226	2,135	24,487	26,622	26,237
<i>Landscape Services</i>						
Contracts-Landscape	9,600	9,600	800	8,800	9,600	9,600
Utility - Pump Station	57,658	46,000	4,805	52,855	57,660	58,000
R&M-Irrigation	160	-	-	-	-	-
R&M-Pump Station	45,388	-	-	-	-	-
R&M-Pumps - Cypress Falls	34,203	9,000	9,000	25,203	34,203	34,203
R&M-Pumps - Cedar Grove	12,655	9,000	447	12,208	12,655	12,655
R&M-Pumps - Panacea	-	5,200	-	5,200	5,200	5,200
Total Landscape Services	159,664	78,800	15,052	104,266	119,318	119,658

Summary of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year 2024 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2022	ADOPTED BUDGET FY 2023	ACTUAL THRU OCT-22	PROJECTED NOV- SEPT-23	TOTAL PROJECTED FY 2023	ANNUAL BUDGET FY 2024
Reserves						
Reserve - Lakes	-	2,500	-	-	-	-
Pump Station Reserve	-	20,000	-	-	-	-
Total Reserves	-	22,500	-	-	-	-
TOTAL EXPENDITURES & RESERVES	295,928	240,968	49,639	209,258	258,897	263,223
Excess (deficiency) of revenues						
Over (under) expenditures	(51,416)	-	(48,839)	30,510	(18,329)	(50,000)
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	-	-	-	-	(50,000)
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	(50,000)
Net change in fund balance	(51,416)	-	(48,839)	30,510	(18,329)	(50,000)
FUND BALANCE, BEGINNING	2,141,020	2,089,604	2,089,604	-	2,089,604	2,071,275
FUND BALANCE, ENDING	\$ 2,089,604	\$ 2,089,604	\$ 2,040,765	\$ 30,510	\$ 2,071,275	\$ 2,021,275

Budget Narrative
Fiscal Year 2024

Revenue

Interest - Investments

The District earns interest on their money market accounts and certificates of deposit.

Special Assessment – Tax Collector

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District in order to pay for the operating expenditures during the Fiscal Year.

Special Assessment - Discounts

Per Section 197.162, Florida Statutes, discounts are allowed for early payment of CDD assessments. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

Expenditures

Expenditures – Administrative

P/R Board of Supervisors

Chapter 190 of the Florida Statutes allows for a member of the Board of Supervisors to be compensated for a meeting attendance and to receive \$200 per meeting. The amount for the Fiscal Year is based upon all supervisors attending the meetings.

FICA Taxes

Payroll taxes for supervisor salaries are calculated as 7.65% payroll.

Professional Services-Engineering

The District's engineer will be providing general engineering services to the District, i.e. attendance and preparation for monthly board meetings, review invoices, etc. Fees are based on prior year activity.

Professional Services-Legal Services

The District's legal counsel will be providing general legal services to the District, i.e. attendance and preparation for monthly meetings, review operating and maintenance contracts, etc. Fees are based on prior year legal expenses.

Professional Services-Management Consulting Service

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Inframark. These services are further outlined in Exhibit "A" of the Management Agreement. The fees are related to the current contracted fees in the Management Agreement with a projected 3% increase.

Professional Services-Web Site Development

The District has contracted with Campus Suites and Complete I.T to maintain the website www.woodlandscdd.org and email services.

Auditing Services

The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting Firm. Fee is based on the existing year's Engagement Letter.

Postage & Freight

The cost of overnight deliveries, correspondence, etc.

Insurance-General Liability

The District's General Liability & Public Officials Liability Insurance policy is with The Florida League of Cities, Inc. The Florida League of Cities, Inc. specializes in providing insurance coverage to governmental agencies through the *Florida Municipal Insurance Trust*. The amount is based upon actual amount plus 10% increase.

Budget Narrative
Fiscal Year 2024

Expenditures – Administrative (continued)

Printing and Binding

Printing of computerized checks, stationary, envelopes etc.

Legal Advertising

The District is required to advertise various notices for monthly Board meetings, public hearings etc in a newspaper of general circulation.

Miscellaneous-Services

Expense items that don't fall under any of the other administrative expense categories.

Miscellaneous-Assessment Collection Fees

The District reimburses the Tax Collector for necessary administrative costs. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The District also compensates the Tax Collector for the actual cost of collection or 1.5% on the amount of special assessments collected and remitted, whichever is greater. The budget for collection costs was based on a maximum of 1.5% of the anticipated assessment collections.

Office Supplies

The district pays a monthly fee to Google for BOS email support. Also, miscellaneous office supplies are required to prepare agenda packages and administer district meetings.

Annual District Filing Fee

The District is required to pay an annual fee of \$175 to the Department of Economic Opportunity Division of Community Development.

Expenditures –Field Management

Professional Services-Field Management

The District receives Field Management services as part of a Management Agreement with Inframark. The fees are related to the current contracted fees in the Management Agreement with a projected 3% increase.

Communication – Telephone-Field

The District pays Frontier for online pump monitoring access.

Electricity – Entrance

The District pays FPL for the electricity to 6227 Toledo Blade Blvd Monument.

Miscellaneous-Contingency

This expense represents miscellaneous costs that may arise during the year relating to the normal operations and maintenance of the District.

Expenditures – Landscape Services

Contracts - Landscape

The District has a contract with Brightview for monthly exterior maintenance services.

Utility - Pump Station

The District pays FPL for monthly electric usage at the numerous pumps & wells.

Budget Narrative
Fiscal Year 2024

<i>Expenditures – Landscape Services (continued)</i>
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R&M – Pump Station

Preventive Maintenance Agreement covering the irrigation system for a period of 2 years commencing 10/01/23 and ending 9/30/25.

R&M – Pumps – Cypress Falls

Repairs to & maintenance of the Cypress Falls pump stations that are necessary to sustain the common area landscape not covered by the Preventive Maintenance Agreement.

R&M – Pumps – Cedar Grove

Repairs to & maintenance of the Cedar Grove pump stations that are necessary to sustain the common area landscape not covered by the Preventive Maintenance Agreement.

R&M – Pumps – Panacea

Repairs to & maintenance of the Panacea pump stations that are necessary to sustain the common area landscape not covered by the Preventive Maintenance Agreement.

Exhibit "A"
Allocation of Fund Balances

AVAILABLE FUNDS

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2024	\$ 2,071,275
Net Change in Fund Balance - Fiscal Year 2024	(50,000)
Reserves - Fiscal Year 2024 Additions	-
Total Funds Available (Estimated) - 9/30/2024	2,021,275

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

Operating Reserve - First Quarter Operating Capital	\$ 65,806 ⁽¹⁾
Reserves - Attorney	\$ 606,998
Reserves - Lakes @ 9/30/22	\$ 60,000
Reserves - Lakes (FY23 Proposed)	2,500
Subtotal	62,500
Reserves - Pump Stations @ 9/30/22	\$ 250,000
Reserves - Pump Stations (FY23 Proposed)	20,000
Subtotal	270,000
Subtotal Reserves	939,498
Total Allocation of Available Funds	\$ 1,005,304

Total Unassigned (undesignated) Cash	\$ 1,015,971
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Notes

(1) Represents approximately 3 months of operating expenditures less Reserves.

The Woodlands
Community Development District

Debt Service Budget
Fiscal Year 2024

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2024 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2022	ADOPTED BUDGET FY 2023	ACTUAL THRU OCT-22	PROJECTED NOV- SEPT-23	TOTAL PROJECTED FY 2023	ANNUAL BUDGET FY 2024
REVENUES						
Interest - Investments	\$ 28,892	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assmnts- Tax Collector	971,820	1,109,609	-	1,109,609	1,109,609	1,782,112
Special Assmnts- Prepayment	81,807	-	-	-	-	-
Special Assmnts- CDD Collected	129,522	960,900	-	960,900	960,900	316,961
Special Assmnts- Debt Service	9,015,141	-	-	-	-	-
Special Assmnts- Discounts	(36,859)	(44,385)	-	(44,385)	(44,385)	(71,284)
Other Miscellaneous Revenues	41,365	-	-	-	-	-
TOTAL REVENUES	10,231,688	2,026,124	-	2,026,124	2,026,124	2,027,788
EXPENDITURES						
<i>Administrative</i>						
ProfServ-Arbitrage Rebate	600	600	-	600	600	600
ProfServ-Dissemination Agent	1,000	1,000	-	1,000	1,000	1,000
ProfServ-Legal Services	6,144	-	-	-	-	-
ProfServ-Trustee Fees	5,000	9,000	5,000	-	5,000	9,000
Misc-Assessmnt Collection Cost	8,950	16,644	-	16,644	16,644	26,732
Total Administrative	21,694	27,244	5,000	18,244	23,244	37,332
<i>Debt Service</i>						
Principal Debt Retirement	1,020,000	945,000	-	1,080,000	1,080,000	1,140,000
Interest Expense	1,492,711	984,675	-	923,685	923,685	862,125
Total Debt Service	2,512,711	1,929,675	-	2,003,685	2,003,685	2,002,125
TOTAL EXPENDITURES	2,534,405	1,956,919	5,000	2,021,929	2,026,929	2,039,457
Excess (deficiency) of revenues Over (under) expenditures	7,697,283	69,205	(5,000)	4,195	(805)	(11,669)
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	69,205	-	-	-	(11,669)
TOTAL OTHER SOURCES (USES)	-	69,205	-	-	-	(11,669)
Net change in fund balance	7,697,283	69,205	(5,000)	4,195	(805)	(11,669)
FUND BALANCE, BEGINNING	(9,498,980)	(1,801,697)	(1,801,697)	-	(1,801,697)	(1,802,502)
FUND BALANCE, ENDING	\$ (1,801,697)	\$ (1,732,492)	\$ (1,806,697)	\$ 4,195	\$ (1,802,502)	\$ (1,814,171)

Community Development District

SERIES 2004A CAPITAL IMPROVEMENT REVENUE BONDS

AMORTIZATION SCHEDULE

DATE	BALANCE	RATE	PRINCIPAL	INTEREST	TOTAL
11/01/22	\$17,275,000	5.70%	\$0	\$492,338	
05/01/23	\$17,275,000	5.70%	\$945,000	\$492,338	\$1,929,675
11/01/23	\$16,330,000	5.70%	\$0	\$465,405	
05/01/24	\$16,330,000	5.70%	\$1,000,000	\$465,405	\$1,930,810
11/01/24	\$15,330,000	5.70%	\$0	\$436,905	
05/01/25	\$15,330,000	5.70%	\$1,055,000	\$436,905	\$1,928,810
11/01/25	\$14,275,000	5.70%	\$0	\$406,838	
05/01/26	\$14,275,000	5.70%	\$1,115,000	\$406,838	\$1,928,675
11/01/26	\$13,160,000	5.70%	\$0	\$375,060	
05/01/27	\$13,160,000	5.70%	\$1,180,000	\$375,060	\$1,930,120
11/01/27	\$11,980,000	5.70%	\$0	\$341,430	
05/01/28	\$11,980,000	5.70%	\$1,245,000	\$341,430	\$1,927,860
11/01/28	\$10,735,000	5.70%	\$0	\$305,948	
05/01/29	\$10,735,000	5.70%	\$1,320,000	\$305,948	\$1,931,895
11/01/29	\$9,415,000	5.70%	\$0	\$268,328	
05/01/30	\$9,415,000	5.70%	\$1,395,000	\$268,328	\$1,931,655
11/01/30	\$8,020,000	5.70%	\$0	\$228,570	
05/01/31	\$8,020,000	5.70%	\$1,470,000	\$228,570	\$1,927,140
11/01/31	\$6,550,000	5.70%	\$0	\$186,675	
05/01/32	\$6,550,000	5.70%	\$1,555,000	\$186,675	\$1,928,350
11/01/32	\$4,995,000	5.70%	\$0	\$142,358	
05/01/33	\$4,995,000	5.70%	\$1,645,000	\$142,358	\$1,929,715
11/01/33	\$3,350,000	5.70%	\$0	\$95,475	
05/01/34	\$3,350,000	5.70%	\$1,735,000	\$95,475	\$1,925,950
11/01/34	\$1,615,000	5.70%	\$0	\$46,028	
05/01/35	\$1,615,000	5.70%	\$1,615,000	\$46,028	\$1,707,055
			\$17,275,000	\$7,582,710	\$24,857,710

Budget Narrative
Fiscal Year 2024

Revenue

Special Assessment - Tax Collector

The District will levy a Non-Ad Valorem assessment on all sold and platted parcels within the District in order to pay for the debt service expenditures during the Fiscal Year.

Special Assessment – CDD Collected

The District entered into a Funding Agreement with the Developers to fund all debt service expenditures for the Fiscal Year.

Special Assessment - Discounts

Per Section 197.3632 and Section 197.162 of the Florida Statutes, discounts are allowed for early payment of assessments collected by the Tax Collector and only when the Tax Collector is using the uniform methodology. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

Expenditures

Expenditures –Administrative

Professional Services-Arbitrage Rebate

The District has a proposal with a company who specializes in calculating the District's Arbitrage Rebate Liability on the Series of Benefit Special Assessment Bonds. The budgeted amount for the fiscal year is based on standard fees charged for this service.

Professional Services-Dissemination Agent

The District is required by the Securities and Exchange Commission to comply with Rule 15c2-12(b)-(5), which relates to additional reporting requirements for unrelated bond issues. The budgeted amount for the fiscal year is based on standard fees charged for this service.

Professional Services-Trustee

The District will pay annual trustee fees for the Series 2004 Capital Improvement Revenue Bonds that are deposited with a Trustee. The annual trustee fee is based on standard fees charged plus any out-of-pocket expenses.

Misc-Assessment Collection Costs

The District reimburses the Tax Collector for necessary administrative costs. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The District also compensates the Tax Collector for the actual cost of collection or 1.5% on the amount of special assessments collected and remitted, whichever is greater. The budget for collection costs was based on a maximum of 1.5% of the anticipated assessment collections.

Expenditures –Debt Service

Principal Debt Retirement

See amortization schedule.

Interest Expense

See amortization schedule.

The Woodlands
Community Development District

Supporting Budget Schedules
Fiscal Year 2024

**Comparison of Assessment Rates
Fiscal Year 2024 vs. Fiscal Year 2023**

Parcel	Phase	Village	General Fund			Debt Service			Total			O&M	DS	DS
			FY 2024	FY 2023	Percent Change	FY 2024	FY 2023	Percent Change	FY 2024	FY 2023	Percent Change	On-Roll Units	On-Roll Units	Off-Roll Units
A		Townhomes	\$29.09	\$33.06	-12%	\$330.70	\$330.70	0%	\$359.79	\$363.76	-1%	171	-	171
		Townhomes	\$29.09	\$33.06	-12%	\$330.70	\$330.70	0%	\$359.79	\$363.76	-1%	209	-	209
B-C-1	Phase 1	Cypress Falls Quad	\$88.18	\$100.22	-12%	\$988.83	\$988.83	0%	\$1,077.00	\$1,089.05	-1%	112	112	-
	Phase 1	Cypress Falls Single Family	\$105.86	\$120.31	-12%	\$1,187.06	\$1,187.06	0%	\$1,292.92	\$1,307.37	-1%	125	125	-
	Phase 1	Cypress Falls Villa	\$88.18	\$100.22	-12%	\$988.83	\$988.83	0%	\$1,077.00	\$1,089.05	-1%	130	130	-
B-C-2	Cypress Falls PHh2E Parcel B	Cypress Falls Single Family	\$105.86	\$120.31	-12%	\$1,350.13	\$1,350.13	0%	\$1,455.99	\$1,470.44	-1%	70	70	
	Cypress Falls Ph2 Parcel C	Cypress Falls Single Family	\$105.86	\$120.31	-12%	\$1,181.84	\$1,181.84	0%	\$1,287.69	\$1,302.15	-1%	232	232	
D		Single Family	\$100.08	\$113.74	-12%	\$1,137.59	\$1,137.59	0%	\$1,237.67	\$1,251.33	-1%	341	341	-
E		Single Family	\$107.12	\$121.75	-12%	\$1,217.71	\$1,217.71	0%	\$1,324.84	\$1,339.46	-1%	244	244	-
F		Townhomes	\$41.31	\$46.95	-12%	\$469.56	\$469.56	0%	\$510.87	\$516.51	-1%	254	-	254
G	Cedar Grove Phase 1A&1B	Cedar Grove	\$110.16	\$125.20	-12%	\$1,316.29	\$1,316.29	0%	\$1,426.45	\$1,441.49	-1%	263	263	-
	Cedar Grove Phase 2A	Cedar Grove	\$110.16	\$125.20	-12%	\$1,198.17	\$1,198.17	0%	\$1,308.32	\$1,323.37	-1%	120	120	
	Cedar Grove 2B	Cedar Grove	\$110.16	\$125.20	-12%	\$1,198.17	\$1,198.17	0%	\$1,308.32	\$1,323.37	-1%	115	115	
	Cedar Grove 2C	Cedar Grove	\$110.16	\$125.20	-12%	\$1,198.17	\$1,198.17	0%	\$1,308.32	\$1,323.37	-1%	77		77
												2,463	1,752	711

6B.



Proposal

Proposal# SPN98893
 Proposal Date: 10/4/2022
 Valid Until: 11/3/2022

2801 N. Powerline Road
 Pompano Beach, FL 33069
 Tel 954-971-7350 Fax 954-975-0791

Customer # 7883
 Woodlands CDD
 c/o Inframark Management Services
 210 N. University Dr. Ste. 702
 Coral Springs, FL 33071
 Tel: 954-753-5841 Fax: <NA>

Job Site: 8418
 Cypress Falls #3 Plantation Blvd. Shallow Refill Well
 1583 Plantation Blvd
 North Port, FL 34289
 Tel: Contact:<NA>
 Model# HS-7.5CS-460/3-MR3W-Z

Nature of Service:

S/O -- 7.5 HP Submersible Motor & Pump Replacement

During the service visit our technician found that the systems motor has damage which is preventing operation. Replacement of the motor and pump assembly is necessary for proper system operation and to prevent lost landscaping.

Hoover proposes the following:

- Remove faulty motor.
- Install new Submersible Motor and Pump Assembly complete.
- Check condition of submersible wiring and replace as an extra if required.
- Reconnect new motor and panel wiring leads with stainless steel wire connectors, hardware and terminal splice boots.
- Reassemble pump on discharge piping and reinstall
- Startup, calibration and test operation.

Note **There may be additional charges if the technicians find the intake line or well seal damaged once the original pump is pulled.

Sub Total: \$8,790.05

Grand Total: \$8,790.05

TERMS: Full payment is due upon receipt of invoice. Interest will be due and shall accrue at the rate of 1-1/2% per month compounded on any overdue amount. Collection costs, including attorney's fees, will be due in the event of nonpayment. Warranty of parts and workmanship for one year from date of installation in accordance with Hoover standard Warranty Terms and Conditions. Hoover will use care, but is not responsible for the repair of hardscape, non-located customer owned utilities, or landscape damaged in the course of performing work and accessing work areas.

Accepted By:
 Hoover Pumping Systems, Corp.

Accepted By:
 Woodlands CDD

Lauren Hoover

Signature/ Printed Name/ Date