

**The Woodlands Community
Development District**

April 18, 2023

Agenda Package

The Woodlands Community Development District

Board of Supervisors

Carl Impastato, Chairman
William Richardson, Vice-Chairman
Robert Ripatrazzone, Assistant Secretary
Lawrence Tinkham, Assistant Secretary
Elio M. Bucciero, Assistant Secretary

Mark Vega, District Manager
Jacob Whitlock, Inframark
Vivek Babbar, District Counsel
Robert Dvorak, District Engineer

Meeting Agenda

April 18, 2023 – 10.30 A.M.

- 1. Roll Call**
- 2. Audience Comments**
- 3. Consent Agenda**
 - A. Minutes of the February 21, 2023 Meeting [Page 5]
 - B. Acceptance of March 2023 Financial Report [Page 8]
 - C. FY 2024 Proposed Meeting Schedule [Page 21]
 - D. Acceptance of the Financial Audit Report FY 2022 [Page 23]
- 4. Attorney's Report**
- 5. Engineer's Report**
 - A. Discussion on SWFWMD Permit Renewal Project
- 6. Public Hearing to Consider Adoption of the Budget for Fiscal Year 2024**
 - A. Resolution 2023-06, Adopting the Budget for Fiscal Year 2024 [Pages 66 and 69]
 - B. Resolution 2023-07, Levying Non-Ad Valorem Assessments [Page 85]
- 7. Manager's Report**
- 8. Supervisors' Requests**
- 9. Adjournment**

The next meeting is tentatively scheduled for Thursday, November 16, 2023 at 10:30 a.m.

District Office Location:

Inframark, Community Management Services
210 N. University Drive, Suite 702
Coral Springs, FL 33071
954-603-0033

Meeting Location

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

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, February 21, 2023 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 |
| Elio Bucciero | Assistant Secretary |
| Robert Ripatrazzone | Assistant Secretary |
| Lawrence Tinkham | Assistant Secretary |

Also present were:

| | |
|----------------|-------------------|
| Mark Vega | District Manager |
| Jacob Whitlock | Inframark |
| Robert Dvorak | District Engineer |

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.

SECOND ORDER OF BUSINESS

Audience Comments

None.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Oath of Office for Supervisor William Richardson (Seat 2)

- Mr. Vega administered the Oath of Office to Mr. William Richardson and the oath was notarized by Ms. Angie Morris, a Notary Public of the State of Florida.

FOURTH ORDER OF BUSINESS

Consent Agenda

- A. Minutes of the January 17, 2023 Meeting**
- B. Acceptance of January 2023 Financial Report**
- C. Ratification of Insight Monitoring Contract**

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

FIFTH ORDER OF BUSINESS

Attorney's Report

- No report.

SIXTH ORDER OF BUSINESS

Engineer's Report

- Mr. Dvorak updated the Board on the two SWFWMD permits to be renewed this year.

SEVENTH ORDER OF BUSINESS

Manager's Report

A. Discussion of the Fiscal Year 2024 Approved Budget

- The Board discussed the fiscal year 2024 approved budget.

EIGHTH ORDER OF BUSINESS

Supervisors' Requests

None.

NINTH ORDER OF BUISNESS

Adjournment

On MOTION by Mr. Impastato seconded by Mr. Tinkham with all
in favor the meeting was adjourned. 5-0

Secretary

3B.

THE WOODLANDS
Community Development District

Financial Report

March 31, 2023

Prepared by



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FINANCIAL STATEMENTS

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SUPPORTING SCHEDULES

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| Cash & Investment Report | Page 6 |
| Check Register Report | Page 7 - 8 |

THE WOODLANDS
Community Development District

Financial Statements

(Unaudited)

March 31, 2023

Balance Sheet
March 31, 2023

| ACCOUNT DESCRIPTION | GENERAL FUND | SERIES 2004A DEBT SERVICE FUND | TOTAL |
|--|---------------------|--------------------------------------|---------------------|
| <u>ASSETS</u> | | | |
| Cash - Checking Account | \$ 237,919 | \$ - | \$ 237,919 |
| Assessments Receivable | - | 3,223,329 | 3,223,329 |
| Allow-Doubtful Collections | - | (3,223,329) | (3,223,329) |
| Due From Other Funds | - | 24,141 | 24,141 |
| Investments: | | | |
| Certificates of Deposit - 12 Months | 503,478 | - | 503,478 |
| Money Market Account | 1,490,875 | - | 1,490,875 |
| Prepayment Account A | - | 113,808 | 113,808 |
| Reserve Fund A | - | 17,881 | 17,881 |
| Revenue Fund A | - | 2,326,766 | 2,326,766 |
| Deposits | 500 | - | 500 |
| TOTAL ASSETS | \$ 2,232,772 | \$ 2,482,596 | \$ 4,715,368 |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 5,536 | \$ - | \$ 5,536 |
| Accrued Expenses | 4,253 | - | 4,253 |
| Mature Bonds Payable | - | 1,917,908 | 1,917,908 |
| Due To Other Funds | 24,141 | - | 24,141 |
| TOTAL LIABILITIES | 33,930 | 1,917,908 | 1,951,838 |
| <u>FUND BALANCES</u> | | | |
| Nonspendable: | | | |
| Deposits | 500 | - | 500 |
| Restricted for: | | | |
| Debt Service | - | 564,688 | 564,688 |
| Assigned to: | | | |
| Operating Reserves | 55,201 | - | 55,201 |
| Reserves - Lakes | 60,000 | - | 60,000 |
| Reserves - Pump Stations | 250,000 | - | 250,000 |
| Unassigned: | 1,833,141 | - | 1,833,141 |
| TOTAL FUND BALANCES | \$ 2,198,842 | \$ 564,688 | \$ 2,763,530 |
| TOTAL LIABILITIES & FUND BALANCES | \$ 2,232,772 | \$ 2,482,596 | \$ 4,715,368 |

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending March 31, 2023

| ACCOUNT DESCRIPTION | ANNUAL ADOPTED BUDGET | YEAR TO DATE ACTUAL | YTD ACTUAL AS A % OF ADOPTED BUD | MAR-23 ACTUAL |
|--------------------------------|--------------------------------------|--------------------------------|---|--------------------------|
| <u>REVENUES</u> | | | | |
| Interest - Investments | \$ 10,000 | \$ 23,137 | 231.37% | \$ 4,034 |
| Special Assmnts- Tax Collector | 240,598 | 232,312 | 96.56% | 644 |
| Special Assmnts- Discounts | (9,630) | (9,219) | 95.73% | (6) |
| Other Miscellaneous Revenues | - | 6,707 | 0.00% | - |
| TOTAL REVENUES | 240,968 | 252,937 | 104.97% | 4,672 |

EXPENDITURES

Administration

| | | | | |
|---------------------------------|----------------|---------------|---------------|--------------|
| P/R-Board of Supervisors | 5,000 | 3,000 | 60.00% | - |
| FICA Taxes | 383 | 230 | 60.05% | - |
| ProfServ-Engineering | 10,000 | 10,910 | 109.10% | 173 |
| ProfServ-Legal Services | 10,000 | 2,221 | 22.21% | 563 |
| ProfServ-Mgmt Consulting | 44,684 | 22,342 | 50.00% | 3,724 |
| ProfServ-Web Site Development | 1,553 | 1,553 | 100.00% | - |
| Auditing Services | 5,000 | 4,700 | 94.00% | 4,700 |
| Postage and Freight | 300 | 252 | 84.00% | 98 |
| Insurance - General Liability | 29,795 | 26,822 | 90.02% | - |
| Printing and Binding | 250 | - | 0.00% | - |
| Legal Advertising | 1,000 | 94 | 9.40% | - |
| Miscellaneous Services | 500 | 90 | 18.00% | 90 |
| Misc-Assessment Collection Cost | 3,609 | 3,346 | 92.71% | 10 |
| Office Supplies | 1,193 | 502 | 42.08% | 84 |
| Annual District Filing Fee | 175 | 175 | 100.00% | - |
| Total Administration | 113,442 | 76,237 | 67.20% | 9,442 |

Field

| | | | | |
|--------------------------------|---------------|---------------|---------------|--------------|
| ProfServ-Field Management | 18,046 | 9,023 | 50.00% | 1,504 |
| Communication - Teleph - Field | 7,000 | 3,772 | 53.89% | 646 |
| Electricity - Entrance | 180 | 166 | 92.22% | 27 |
| Misc-Contingency | 1,000 | 3,703 | 370.30% | 3,397 |
| Total Field | 26,226 | 16,664 | 63.54% | 5,574 |

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending March 31, 2023

| ACCOUNT DESCRIPTION | ANNUAL ADOPTED BUDGET | YEAR TO DATE ACTUAL | YTD ACTUAL AS A % OF ADOPTED BUD | MAR-23 ACTUAL |
|--|-----------------------------|------------------------|--|------------------|
| <u>Landscape Services</u> | | | | |
| Contracts-Landscape | 9,600 | 4,800 | 50.00% | 800 |
| Utility - Pump Station | 46,000 | 24,027 | 52.23% | 4,576 |
| R&M-Pumps-Cypress Falls | 9,000 | 19,361 | 215.12% | 4,950 |
| R&M-Pumps-Cedar Grove | 9,000 | 2,612 | 29.02% | - |
| R&M-Pumps-Panacea | 5,200 | - | 0.00% | - |
| Total Landscape Services | 78,800 | 50,800 | 64.47% | 10,326 |
| <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 | 240,968 | 143,701 | 59.63% | 25,342 |
| Excess (deficiency) of revenues | | | | |
| Over (under) expenditures | - | 109,236 | 0.00% | (20,670) |
| Net change in fund balance | \$ - | \$ 109,236 | 0.00% | \$ (20,670) |
| FUND BALANCE, BEGINNING (OCT 1, 2022) | 2,089,606 | 2,089,606 | | |
| FUND BALANCE, ENDING | \$ 2,089,606 | \$ 2,198,842 | | |

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending March 31, 2023

| ACCOUNT DESCRIPTION | ANNUAL ADOPTED BUDGET | YEAR TO DATE ACTUAL | YTD ACTUAL AS A % OF ADOPTED BUD | MAR-23 ACTUAL |
|--|-----------------------------|------------------------|--|------------------|
| REVENUES | | | | |
| Interest - Investments | \$ - | \$ 40,741 | 0.00% | \$ 8,011 |
| Special Assmnts- Tax Collector | 1,109,609 | 1,070,616 | 96.49% | 5,213 |
| Special Assmnts- Prepayment | - | 99,908 | 0.00% | 40,910 |
| Special Assmnts- CDD Collected | 960,900 | 730,662 | 76.04% | - |
| Special Assmnts- Delinquent | - | 1,214,125 | 0.00% | - |
| Special Assmnts- Discounts | (44,385) | (42,233) | 95.15% | (52) |
| TOTAL REVENUES | 2,026,124 | 3,113,819 | 153.68% | 54,082 |
| EXPENDITURES | | | | |
| Administration | | | | |
| ProfServ-Arbitrage Rebate | 600 | 600 | 100.00% | - |
| ProfServ-Dissemination Agent | 1,000 | - | 0.00% | - |
| ProfServ-Trustee Fees | 9,000 | 5,000 | 55.56% | - |
| Misc-Assessment Collection Cost | 16,644 | 15,426 | 92.68% | 77 |
| Total Administration | 27,244 | 21,026 | 77.18% | 77 |
| Debt Service | | | | |
| Principal Debt Retirement | 945,000 | - | 0.00% | - |
| Interest Expense | 984,675 | 743,648 | 75.52% | - |
| Total Debt Service | 1,929,675 | 743,648 | 38.54% | - |
| TOTAL EXPENDITURES | 1,956,919 | 764,674 | 39.08% | 77 |
| Excess (deficiency) of revenues | | | | |
| Over (under) expenditures | 69,205 | 2,349,145 | 0.00% | 54,005 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Contribution to (Use of) Fund Balance | 69,205 | - | 0.00% | - |
| TOTAL FINANCING SOURCES (USES) | 69,205 | - | 0.00% | - |
| Net change in fund balance | \$ 69,205 | \$ 2,349,145 | 0.00% | \$ 54,005 |
| FUND BALANCE, BEGINNING (OCT 1, 2022) | (1,784,457) | (1,784,457) | | |
| FUND BALANCE, ENDING | \$ (1,715,252) | \$ 564,688 | | |

THE WOODLANDS
Community Development District

Supporting Schedules

March 31, 2023

THE WOODLANDS
Community Development District

Non-Ad Valorem Special Assessments
(Sarasota County Tax Collector - Monthly Collection Distributions)
For the Fiscal Year Ending September 30, 2023

| | | | | | ALLOCATION BY FUND | |
|------------------|---------------------|-------------------------------|------------------|-----------------------|--------------------|----------------------|
| Date Rcv'd | Net Amount Received | Discount / (Penalties) Amount | Collection Costs | Gross Amount Received | General Assmnts | Debt Service Assmnts |
| Assmnts Levied | | | | \$ 1,082,860 | \$ 123,579 | \$ 959,281 |
| Allocation % | | | | 100% | 11% | 89% |
| 11/25/22 | \$ 96,175 | \$ 4,137 | \$ 1,465 | \$ 101,777 | \$ 11,195 | \$ 90,581 |
| 11/30/22 | 132,212 | 5,593 | 2,013 | 139,818 | 15,380 | 124,438 |
| 12/30/22 | 685,882 | 29,013 | 10,445 | 725,340 | 79,787 | 645,553 |
| 12/30/22 | 30,808 | 1,290 | 469 | 32,567 | 3,582 | 28,985 |
| 01/31/23 | 18,883 | 610 | 288 | 19,780 | 2,176 | 17,604 |
| 02/28/23 | 22,087 | 559 | 336 | 22,982 | 2,528 | 20,454 |
| 03/31/23 | 5,711 | 59 | 87 | 5,857 | 644 | 5,213 |
| Sub-Total | \$ 991,758 | \$ 41,260 | \$ 15,103 | \$ 1,048,121 | \$ 115,293 | \$ 932,827 |

| | | | | | | |
|----------------------------------|-------------------|------------------|-----------------|-------------------|-------------------|-------------------|
| On Roll Developer Assmnts | | | | | | |
| Assmnts Levied | | | | \$ 254,808 | \$ 117,019 | \$ 137,789 |
| 12/30/22 | \$ 18,663 | \$ 789 | \$ 284 | \$ 19,737 | \$ 19,737 | - |
| 12/30/22 | 28,091 | 1,188 | 428 | 29,707 | 29,707 | - |
| 12/30/22 | 143,908 | 6,087 | 2,191 | 152,187 | 14,398 | 137,789 |
| 12/30/22 | 18,012 | 762 | 274 | 19,048 | 19,048 | - |
| 01/31/23 | 11,879 | 503 | 181 | 12,563 | 12,563 | - |
| 01/31/23 | 9,116 | 386 | 139 | 9,640 | 9,640 | - |
| 01/31/23 | 11,277 | 477 | 172 | 11,925 | 11,925 | - |
| Sub-Total | \$ 240,946 | \$ 10,192 | \$ 3,669 | \$ 254,808 | \$ 117,019 | \$ 137,789 |

Total On-Roll Assessments **\$ 1,337,668** **\$ 240,598** **\$ 1,097,070**

Total On-Roll Assessments Collected **1,302,929** **232,312** **1,070,616**

| | | | |
|--|------------------|-----------------|------------------|
| Total On-Roll Assessments Outstanding | \$ 34,739 | \$ 8,286 | \$ 26,454 |
|--|------------------|-----------------|------------------|

% COLLECTED **97%** **97%** **97%**

Debt Service assessment variance is the result of parcels being sold after the FY23 budget was adopted.

THE WOODLANDS
Community Development District

Cash and Investment Report
March 31, 2023

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% | \$ 237,919 |
| Certificate of Deposit | BankUnited | 12 month CD - #4579 | 06/30/23 | 1.55% | \$ 251,946 |
| Certificate of Deposit | BankUnited | 12 month CD - #4651 | 08/08/23 | 1.55% | 251,532 |
| CD Sub-total | | | | | <u>\$ 503,478</u> |
| Money Market Acct-Legal | BankUnited | Public Funds Money Market - #2685 | n/a | 3.20% | \$ 613,550 |
| Money Market Acct-Operating | BankUnited | Public Funds Money Market - #3624 | n/a | 3.10% | 877,325 |
| MMA Sub-total | | | | | <u>\$ 1,490,875</u> |
| GF Subtotal | | | | | <u>\$ 2,232,272</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 | 4.49% | \$ 113,808 |
| Series 2004A Reserve Acct | Wells Fargo | Blackrock Institutional Funds T-Funds #30 | n/a | 4.49% | 17,881 |
| Series 2004A Revenue Fund | Wells Fargo | Blackrock Institutional Funds T-Funds #30 | n/a | 4.49% | 2,326,766 |
| DS Subtotal | | | | | <u>\$ 2,458,455</u> |
| Total | | | | | <u>\$ 4,690,727</u> |

THE WOODLANDS

Community Development District

Payment Register by Fund For the Period from 2/1/2023 to 3/31/2023 (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 | 730 | 02/01/23 | FEDEX | 8-017-22020 | 1/13/23 FedEx (Wells Fargo) | Postage and Freight | 541006-51301 | \$18.16 |
| 001 | 731 | 02/01/23 | INFRAMARK, LLC | 88611 | JAN 2023 MGMT FEES | ProfServ-Mgmt Consulting | 531027-51201 | \$3,723.67 |
| 001 | 731 | 02/01/23 | INFRAMARK, LLC | 88611 | JAN 2023 MGMT FEES | ProfServ-Field Management | 531016-53901 | \$1,503.83 |
| 001 | 731 | 02/01/23 | INFRAMARK, LLC | 88611 | JAN 2023 MGMT FEES | Postage and Freight | 541006-51301 | \$3.42 |
| 001 | 732 | 02/01/23 | JMT | 28-204730 | ENG'G SVCS THRU DEC 2022 | ProfServ-Engineering | 531013-51501 | \$3,155.00 |
| 001 | 734 | 02/08/23 | BRIGHTVIEW LANDSCAPING | 8255817 | FEB 2023- EXTERIOR MAINT | Contracts-Landscape | 534050-53902 | \$800.00 |
| 001 | 735 | 02/08/23 | INSIGHT IRRIGATION LLC | 1795 | IRR MONITORING | Utility - Pump Station | 543015-53902 | \$350.00 |
| 001 | 736 | 02/13/23 | STRALEY ROBIN VERICKER | 22691 | GEN COUNSEL THRU JAN 2023 | ProfServ-Legal Services | 531023-51401 | \$124.50 |
| 001 | 743 | 02/23/23 | BRLETIC DVORAK INC | 1022 | JAN 2023 ENG'G SVCS | ProfServ-Engineering | 531013-51501 | \$600.00 |
| 001 | 744 | 02/23/23 | COMPLETE I.T. | 10336 | GOOGLE FOR BUSINESS EMAIL | Office Supplies | 551002-51301 | \$83.70 |
| 001 | 745 | 02/23/23 | HOOVER PUMPING SYSTEMS | 167935 | CG #2 Shallow Refill Well/Visit #2of 2; Yr 2of 2 | R&M-Pumps-Cedar Grove | 546252-53902 | \$247.78 |
| 001 | 745 | 02/23/23 | HOOVER PUMPING SYSTEMS | 172224 | CEDAR GROVE PUMP 1 - FILTER DISC CLEANING | R&M-Pumps-Cedar Grove | 546252-53902 | \$1,132.98 |
| 001 | 746 | 03/01/23 | FEDEX | 8-045-91162 | FEB 2023 POSTAGE | Postage and Freight | 541006-51301 | \$17.96 |
| 001 | 747 | 03/02/23 | INFRAMARK, LLC | 90479 | FEB 2023 MGMT FEES | ProfServ-Mgmt Consulting | 531027-51201 | \$3,723.67 |
| 001 | 747 | 03/02/23 | INFRAMARK, LLC | 90479 | FEB 2023 MGMT FEES | ProfServ-Field Management | 531016-53901 | \$1,503.83 |
| 001 | 747 | 03/02/23 | INFRAMARK, LLC | 90479 | FEB 2023 MGMT FEES | Postage and Freight | 541006-51301 | \$12.99 |
| 001 | 748 | 03/24/23 | BRIGHTVIEW LANDSCAPING | 8300329 | MARCH 2023 - EXTERIOR MAINT | Contracts-Landscape | 534050-53902 | \$800.00 |
| 001 | 749 | 03/24/23 | BRLETIC DVORAK INC | 1029 | ENG'G SVCS THRU FEB 2023 | ProfServ-Engineering | 531013-51501 | \$2,607.50 |
| 001 | 750 | 03/24/23 | COMPLETE I.T. | 10545 | GOOGLE FOR BUSINESS EMAIL | Office Supplies | 551002-51301 | \$83.70 |
| 001 | 751 | 03/24/23 | HOOVER PUMPING SYSTEMS | 172912 | CF #2 Cihhse Site ID 8414/Svc Proposal 99680 | R&M-Pumps-Cypress Falls | 546251-53902 | \$4,949.96 |
| 001 | 752 | 03/24/23 | INSIGHT IRRIGATION LLC | 1834 | IRR MONITORING-MARCH 2023 | Utility - Pump Station | 543015-53902 | \$350.00 |
| 001 | 753 | 03/24/23 | JMT | 28-207366 | 1/1/23-2/10/23 ENG SVCS | ProfServ-Engineering | 531013-51501 | \$2,980.00 |
| 001 | 754 | 03/24/23 | STRALEY ROBIN VERICKER | 22821 | GEN COUSEL THRU 2/15/23 | ProfServ-Legal Services | 531023-51401 | \$472.50 |
| 001 | 755 | 03/29/23 | BRIGHTVIEW LANDSCAPING | 8337180 | REMOVAL OF PLANT MATERIAL | Misc-Contingency | 549900-53901 | \$3,397.46 |
| 001 | 756 | 03/29/23 | INFRAMARK, LLC | 91878 | MARCH 2023 MNGT SRVCS | ProfServ-Mgmt Consulting | 531027-51201 | \$3,723.67 |
| 001 | 756 | 03/29/23 | INFRAMARK, LLC | 91878 | MARCH 2023 MNGT SRVCS | ProfServ-Field Management | 531016-53901 | \$1,503.83 |
| 001 | 756 | 03/29/23 | INFRAMARK, LLC | 91878 | MARCH 2023 MNGT SRVCS | Postage and Freight | 541006-51301 | \$8.40 |
| 001 | 756 | 03/29/23 | INFRAMARK, LLC | 91878 | MARCH 2023 MNGT SRVCS | Misc-Contingency | 549900-51301 | \$90.00 |
| 001 | 757 | 03/29/23 | STRALEY ROBIN VERICKER | 22875 | GEN COUNSEL THRU 3/15/23 | ProfServ-Legal Services | 531023-51401 | \$562.50 |
| 001 | 758 | 03/29/23 | WATERGRASS CDD II | 8-030-67569 | REIMB FOR 1/27/23 FEDEX (WFB) | Postage and Freight | 541006-51301 | \$72.06 |
| 001 | DD250 | 02/17/23 | FPL - ACH | 012423 ACH | FPL BILL PRD 12/22/22-1/24/23 | Electricity - Entrance | 543008-53901 | \$27.71 |
| 001 | DD250 | 02/17/23 | FPL - ACH | 012423 ACH | FPL BILL PRD 12/22/22-1/24/23 | Utility - Pump Station | 543015-53902 | \$3,491.50 |
| 001 | DD251 | 02/17/23 | FRONTIER ACH | 011923-1075 ACH | 1/19-2/18/23 Acct 941-240-5997-013107-5 | Communication - Teleph | 541005-53901 | \$645.64 |
| 001 | DD252 | 03/15/23 | FRONTIER ACH | 021923-5997 ACH | BILL PRD 2/19-3/18/23 | Communication - Teleph | 541005-53901 | \$645.64 |
| 001 | DD253 | 03/06/23 | FPL - ACH | 022223 ACH | FPL BILL PRD 1/24/23 - 2/22/23 | Utility - Pump Station | 543015-53902 | \$4,225.73 |
| 001 | DD253 | 03/06/23 | FPL - ACH | 022223 ACH | FPL BILL PRD 1/24/23 - 2/22/23 | Electricity - Entrance | 543008-53901 | \$27.21 |
| 001 | 738 | 02/23/23 | CARL A. IMPASTATO | PAYROLL | February 23, 2023 Payroll Posting | | | \$184.70 |
| 001 | 739 | 02/23/23 | LAWRENCE H. TINKHAM | PAYROLL | February 23, 2023 Payroll Posting | | | \$184.70 |
| 001 | 740 | 02/23/23 | WILLIAM RICHARDSON | PAYROLL | February 23, 2023 Payroll Posting | | | \$184.70 |
| 001 | 741 | 02/23/23 | ELIO M. BUCCIERO | PAYROLL | February 23, 2023 Payroll Posting | | | \$184.70 |
| 001 | 742 | 02/23/23 | ROBERT M. RIPATRAZONE | PAYROLL | February 23, 2023 Payroll Posting | | | \$184.70 |

Fund Total **\$48,590.00**

THE WOODLANDS

Community Development District

**Payment Register by Fund
For the Period from 2/1/2023 to 3/31/2023
(Sorted by Check / ACH No.)**

| Fund No. | Check / ACH No. | Date | Payee | Invoice No. | Payment Description | Invoice / GL Description | G/L Account # | Amount Paid |
|----------|-----------------|------|-------|-------------|---------------------|--------------------------|---------------|-------------|
|----------|-----------------|------|-------|-------------|---------------------|--------------------------|---------------|-------------|

SERIES 2004A DEBT SERVICE FUND - 201

| | | | | | | | | |
|-------------------|-----|----------|-----------------------|-------------|-------------------------------------|---------------------------|--------------|---------------------------|
| 201 | 733 | 02/01/23 | LLS TAX SOLUTIONS INC | 002923 | Series 2004A arbitrage P/E 12/16/22 | ProfServ-Arbitrage Rebate | 531002-51301 | \$600.00 |
| 201 | 737 | 02/13/23 | WELLS FARGO BANK | 020823-5987 | TRFR FY23 DS ASSMNTS | Due to Other Funds | 131000 | \$10,198.00 |
| Fund Total | | | | | | | | <u>\$10,798.00</u> |

| | |
|-----------------------|--------------------|
| Total Payments | \$59,388.00 |
|-----------------------|--------------------|

3C

**NOTICE OF MEETING SCHEDULE
WOODLANDS COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Woodlands Community Development District will hold their meetings for Fiscal Year 2024 on the third Thursday at **10:30 a.m.**, in the **Cypress Falls Clubhouse in the Internet Cafe, 2605 Arugula Drive, North Port, Florida** as follows:

November 16, 2023

January 18, 2024 (Budget Approval)

April 18, 2024 (Budget Adoption)

The meetings are open to the public and will be conducted in accordance with the provision of Florida law for community development districts. There may be occasions when one or more Supervisors may participate via telephone. Any interested person can attend the meeting at the above location and be fully informed of the discussions taking place. Meetings may be held continued to a date, time and location to be specified on the record at the meetings without additional publication of notice.

A copy of the agenda for these meetings may be obtained from the District Manager's Office, 210 N. University Drive, Suite 702, Coral Springs, FL 33071, (954) 603-0033, or by visiting the District's website at <https://www.woodlandscdd.org>. Additionally, interested parties may refer to the District's website for the latest District information.

Any person requiring special accommodations at these meetings because of a disability or physical impairment should contact the District Office at (954) 603-0033 at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Manager's Office.

Each person who decides to appeal any action taken at these meetings is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

Mark Vega
District Manager

3D.

To the Board of Supervisors
The Woodlands Community Development District

We have audited the financial statements of The Woodlands Community Development District (the "District") as of and for the year ended September 30, 2022, and have issued our report thereon dated April 3, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 22, 2022, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding compliance violations of laws, regulations and contractual provisions and condition of financial emergency in a separate letter to you dated April 3, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks

We have identified the following significant risks:

- Management override of internal controls
- Improper revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. There was no effect on beginning net position. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of depreciation is based on the estimated useful lives of the capital assets. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management estimated an allowance for uncollectible receivables to reserve for amounts that had not yet been collected. We evaluated this estimate and determined that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgement and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to fair value estimates, contingencies, and landowner transactions.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures.

Identified or Suspected Fraud

We have not identified or obtained information that indicates fraud may have occurred.

Significant Difficulties Encountered During the Audit

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated April 3, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Modification of the Auditor's Report

We noted in the Other Matters section of the Auditor's report that the District's financial conditions are deteriorating due to the failure of major landowners to pay their assessments.

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

A handwritten signature in black ink that reads "McDiarmid Davis". The signature is written in a cursive, slightly slanted style.

Orlando, Florida
April 3, 2023

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT
210 N University Ave, Suite 702
Coral Springs, Florida 33071

April 3, 2023

McDermitt Davis, LLC
934 North Magnolia Ave, Suite 100
Orlando, FL 32803

This representation letter is provided in connection with your audit of the governmental activities and each major fund 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, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, and results of operations of the various opinion units of The Woodlands Community Development District in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of April 3, 2023.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated September 22, 2022 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- There is no summary of unrecorded misstatements since all adjustments proposed by the auditor, material and immaterial, have been recorded.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- We have reviewed capital assets and infrastructure for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment, if necessary.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to nonattest services provided, drafting the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The Woodlands Community Development District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

- We have disclosed to you all guarantees, whether written or oral, under which The Woodlands Community Development District is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- The Woodlands Community Development District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Andre C
 McAden
 Digitally signed by Andre C
 McAden
 DN: CN = Andre C McAden
 email = andre.
 mcaden@infarmark.com, C =
 MO, O = Infarmark OU =
 Finance
 Date: 2023.04.04 17:09:45 -
 04'00'

Signed: _____

Title: Director of Accounting

Signed: _____

Title: _____

Financial Report

September 30, 2022

**The Woodlands Community
Development District**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
The Woodlands Community Development District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of *The Woodlands Community Development District* (the "District"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis starting on page 3, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 3, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

McDiarmid Davis

Orlando, Florida
April 3, 2023

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, 2022. 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, 2022 resulting in a net position deficit balance of \$(12,723,012), an increase in net position of \$8,660,189 in comparison with the prior year.
- At September 30, 2022, the District's governmental funds reported a fund balance of \$305,147 an increase in fund balance of \$7,663,106 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.

The Woodlands Community Development District
Management's Discussion and Analysis

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 \$(12,723,012) at September 30, 2022. The following analysis focuses on the net position of the District's governmental activities.

| | <u>2022</u> | <u>2021</u> |
|--|-------------------------------|-------------------------------|
| Assets, excluding capital assets | \$ 11,327,509 | \$ 4,034,275 |
| Capital assets, net of depreciation | <u>7,745,157</u> | <u>7,809,681</u> |
| Total assets | <u>19,072,666</u> | <u>11,843,956</u> |
| Liabilities, excluding long-term liabilities | 11,661,089 | 12,075,677 |
| Long-term liabilities | <u>20,134,589</u> | <u>21,151,480</u> |
| Total liabilities | <u>31,795,678</u> | <u>33,227,157</u> |
| Net Position: | | |
| Net investment in capital assets | (18,321,503) | (18,443,071) |
| Unrestricted | <u>5,598,491</u> | <u>(2,940,130)</u> |
| Total net position | <u><u>\$ (12,723,012)</u></u> | <u><u>\$ (21,383,201)</u></u> |

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

| | <u>2022</u> | <u>2021</u> |
|-------------------------------|------------------------|------------------------|
| Revenues: | | |
| Program revenues | \$ 10,394,709 | \$ 3,010,031 |
| General revenues | 98,728 | 14,564 |
| Total revenues | <u>10,493,437</u> | <u>3,024,595</u> |
| Expenses: | | |
| General government | 133,316 | 121,552 |
| Maintenance and operations | 248,828 | 162,257 |
| Interest on long-term debt | 1,451,104 | 1,495,993 |
| Total expenses | <u>1,833,248</u> | <u>1,779,802</u> |
| Change in net position | 8,660,189 | 1,244,793 |
| Net position, beginning | (21,383,201) | (22,627,994) |
| Net position, ending | <u>\$ (12,723,012)</u> | <u>\$ (21,383,201)</u> |

As noted above and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2022 was \$1,833,248. 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, 2022, the District's governmental funds reported a combined ending fund balance of \$305,147. Of this total, \$500 is nonspendable, \$365,201 is assigned and the remainder is a negative unassigned fund balance of \$(60,554).

The general fund balance decreased by \$51,415 in the current year because current year expenditures exceeded assessments. The debt service fund balance increased by \$7,714,521 because delinquent assessments that 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 was one amendment to the September 30, 2022 general fund budget. The legal level of budgetary control is at the fund level.

Capital Asset and Debt Administration

Capital Assets

At September 30, 2022, the District had \$7,745,157 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, 2022, the District had \$26,092,908 in bonds outstanding, including \$5,917,908 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, 2022

| | Governmental Activities |
|---------------------------------------|------------------------------------|
| Assets: | |
| Cash and cash equivalents | \$ 495,713 |
| Investments | 1,624,193 |
| Deposits | 500 |
| Interest receivable | 17,240 |
| Restricted Assets: | |
| Temporarily restricted investments | 9,189,863 |
| Capital Assets: | |
| Capital assets not being depreciated | 6,605,013 |
| Capital assets, net of depreciation | 1,140,144 |
| Total assets | 19,072,666 |
| Liabilities: | |
| Accounts payable and accrued expenses | 26,726 |
| Accrued interest payable | 624,564 |
| Matured bonds payable | 5,917,908 |
| Matured interest payable | 5,077,728 |
| Note payable to developer | 14,163 |
| Noncurrent liabilities: | |
| Due within one year | 1,045,000 |
| Due in more than one year | 19,089,589 |
| Total liabilities | 31,795,678 |
| Net Position: | |
| Net investment in capital assets | (18,321,503) |
| Unrestricted | 5,598,491 |
| Total net position | \$ (12,723,012) |

| | | <u>Program Revenue</u> | <u>Net (Expense) Revenue and Changes in Net Position</u> |
|--------------------------------------|---------------------|---------------------------------|--|
| Functions/Programs | <u>Expenses</u> | <u>Charges for Services</u> | <u>Governmental Activities</u> |
| Governmental Activities: | | | |
| General government | \$ 133,316 | \$ 81,383 | \$ (51,933) |
| Maintenance and operations | 248,828 | 151,897 | (96,931) |
| Interest on long-term debt | 1,451,104 | 10,161,429 | 8,710,325 |
| Total governmental activities | <u>\$ 1,833,248</u> | <u>\$ 10,394,709</u> | <u>8,561,461</u> |
| General Revenues: | | | |
| Investment and miscellaneous | | | <u>98,728</u> |
| Change in net position | | | 8,660,189 |
| Net position, beginning | | | <u>(21,383,201)</u> |
| Net position, ending | | | <u>\$ (12,723,012)</u> |

| | General | Debt Service | Total Governmental Funds |
|--|---------------------|---------------------|--------------------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ 495,713 | \$ - | \$ 495,713 |
| Investments | 1,624,193 | 9,189,863 | 10,814,056 |
| Due from other funds | - | 5,074 | 5,074 |
| Interest receivable | - | 17,240 | 17,240 |
| Deposits | 500 | - | 500 |
| Total assets | \$ 2,120,406 | \$ 9,212,177 | \$ 11,332,583 |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts payable and accrued expenses | \$ 25,726 | \$ 1,000 | \$ 26,726 |
| Due to other funds | 5,074 | - | 5,074 |
| Matured bonds payable | - | 5,917,908 | 5,917,908 |
| Matured interest payable | - | 5,077,728 | 5,077,728 |
| Total liabilities | 30,800 | 10,996,636 | 11,027,436 |
| Fund Balances: | | | |
| Nonspendable | 500 | - | 500 |
| Assigned - operating reserve | 55,201 | - | 55,201 |
| Assigned - lakes | 60,000 | - | 60,000 |
| Assigned - pump stations | 250,000 | - | 250,000 |
| Unassigned | 1,723,905 | (1,784,459) | (60,554) |
| Total fund balances | 2,089,606 | (1,784,459) | 305,147 |
| Total Liabilities and Fund Balances | \$ 2,120,406 | \$ 9,212,177 | \$ 11,332,583 |

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. 7,745,157

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 | (624,564) | |
| Bonds and note payable | (20,148,752) | (20,773,316) |
| Net Position of Governmental Activities | | \$ (12,723,012) |

The Woodlands Community Development District
Statement of Revenues, Expenditures and Changes in the Fund Balances
Governmental Funds
Year Ended September 30, 2022

| | General | Debt Service | Total Governmental Funds |
|---|---------------------|-------------------------|---|
| Revenues: | | | |
| Special assessments | \$ 233,280 | \$ 10,079,622 | \$ 10,312,902 |
| Special assessments - prepayments | - | 81,807 | 81,807 |
| Investment and miscellaneous income | 11,231 | 87,497 | 98,728 |
| Total revenues | 244,511 | 10,248,926 | 10,493,437 |
| Expenditures: | | | |
| Current: | | | |
| General government | 111,622 | 21,694 | 133,316 |
| Maintenance and operations | 184,304 | - | 184,304 |
| Debt Service: | | | |
| Interest | - | 1,492,711 | 1,492,711 |
| Principal | - | 1,020,000 | 1,020,000 |
| Total expenditures | 295,926 | 2,534,405 | 2,830,331 |
| Excess (Deficit) of Revenues Over Expenditures | (51,415) | 7,714,521 | 7,663,106 |
| Net change in fund balances | (51,415) | 7,714,521 | 7,663,106 |
| Fund balances, beginning of year | 2,141,021 | (9,498,980) | (7,357,959) |
| Fund balances, end of year | \$ 2,089,606 | \$ (1,784,459) | \$ 305,147 |

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, 2022

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

| | |
|--|--------------|
| Net change in fund balances - total governmental funds | \$ 7,663,106 |
|--|--------------|

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

| | | |
|----------------------|-----------------|----------|
| Depreciation expense | <u>(64,524)</u> | (64,524) |
|----------------------|-----------------|----------|

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

| | | |
|-----------------------------------|----------------|-----------|
| Matured bonds recorded as payable | 1,020,000 | |
| Reduction of note payable | 29,201 | |
| Amortization of bond discount | <u>(3,109)</u> | |
| | | 1,046,092 |

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>15,515</u> |
| Change in net position of governmental activities | <u>\$ 8,660,189</u> |

The Woodlands Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|---------------------|-----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Special assessments | \$ 233,303 | \$ 233,303 | \$ 233,280 | \$ (23) |
| Investment and miscellaneous income | 10,000 | 10,000 | 11,231 | 1,231 |
| Total revenues | 243,303 | 243,303 | 244,511 | 1,208 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 110,683 | 117,783 | 111,622 | 6,161 |
| Maintenance and operations | 110,120 | 221,120 | 184,304 | 36,816 |
| Capital Outlay | 22,500 | 22,500 | - | 22,500 |
| Total expenditures | 243,303 | 361,403 | 295,926 | 65,477 |
| Excess (Deficit) of Revenues Over Expenditures | - | (118,100) | (51,415) | 66,685 |
| Net change in fund balance | \$ - | \$ (118,100) | (51,415) | \$ 66,685 |
| Fund balance, beginning | | | 2,141,021 | |
| Fund balance, ending | | | \$ 2,089,606 | |

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, 2022.

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, 2022.

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 2022, 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, 2022.

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, 2022:

- Blackrock Institutional Funds Trust, T-Fund #30 of \$9,189,863 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, 2022 are summarized below.

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Credit Rating</u> | <u>Weighted Average Maturity</u> |
|-------------------------------|----------------------|----------------------|----------------------------------|
| Money Market Funds | \$ 1,122,663 | NA | NA |
| Certificates of Deposit | 501,530 | NA | 12 months |
| Federal Securities T-Fund #30 | 9,189,863 | AAAm | 8 days |
| | <u>\$ 10,814,056</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, 2022, 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, 2022, 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, 2022, included the applicable allowances for uncollectible accounts are as follows:

| | Debt Service Fund |
|--|------------------------------|
| Assessments Receivable | 4,437,453 |
| Less: allowance for uncollectible accounts | <u>(4,437,453)</u> |
| Net Receivable | <u>\$ -</u> |

NOTE 5 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At September 30, 2022, the general fund owes the debt service fund \$5,074 for assessments collected and due to the debt service fund.

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 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 | <u>6,605,013</u> | <u>-</u> | <u>-</u> | <u>6,605,013</u> |
| 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 | <u>1,637,469</u> | <u>-</u> | <u>-</u> | <u>1,637,469</u> |
| Less Accumulated Depreciation for: | | | | |
| Irrigation | (284,660) | (31,629) | - | (316,289) |
| Stormwater management systems | (24,390) | (4,878) | - | (29,268) |
| Hoover pump station | (48,449) | (12,614) | - | (61,063) |
| Irrigation pumps | (75,302) | (15,403) | - | (90,705) |
| Total accumulated depreciation | <u>(432,801)</u> | <u>(64,524)</u> | <u>-</u> | <u>(497,325)</u> |
| Total capital assets being depreciated, net | <u>1,204,668</u> | <u>(64,524)</u> | <u>-</u> | <u>1,140,144</u> |
| Governmental activities capital assets, net | <u>\$ 7,809,681</u> | <u>\$ (64,524)</u> | <u>\$ -</u> | <u>\$ 7,745,157</u> |

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, 2022.

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, 2022 is \$40,338,231, including \$10,995,636 which is accrued to matured bonds and matured interest payable. For the year ended September 30, 2022, principal due was \$1,020,000 which was not paid. Principal on matured bonds of \$160,000 was paid in the current year. Interest of \$1,492,711 was due in the current year. Matured interest of \$2,744,722 was paid. Total special assessment revenue pledged was \$10,161,429.

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

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--|------------------------------|------------------|-----------------------|-----------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Bonds Payable: | | | | | |
| Series 2004 | \$ 21,195,000 | \$ - | \$ (1,020,000) | \$ 20,175,000 | \$ 1,045,000 |
| Less issuance discount | (43,520) | - | 3,109 | (40,411) | - |
| Governmental activity long-term liabilities | <u>\$ 21,151,480</u> | <u>\$ -</u> | <u>\$ (1,016,891)</u> | <u>\$ 20,134,589</u> | <u>\$ 1,045,000</u> |

The beginning balance above excludes \$5,057,908 of matured bonds payable. The current year reduction includes \$1,020,000 which was not paid but was accrued to matured bonds payable. In addition, The District paid a total of \$160,000 of matured bonds payable during the current year.

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

At September 30, 2022, the scheduled debt service requirements on the bonds payable were as follows:

| <u>Year Ending September 30,</u> | <u>Governmental Activities</u> | |
|----------------------------------|--------------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2023 | \$ 1,045,000 | \$ 1,149,975 |
| 2024 | 1,105,000 | 1,090,410 |
| 2025 | 1,170,000 | 1,027,425 |
| 2026 | 1,240,000 | 960,735 |
| 2027 | 1,310,000 | 890,055 |
| 2028 - 2032 | 7,740,000 | 3,243,585 |
| 2033 - 2035 | 6,565,000 | 805,410 |
| | <u>\$ 20,175,000</u> | <u>\$ 9,167,595</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, 2022, 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 \$29,201 to reduce the loan balance to \$14,163. Additionally, accrued interest of \$12,164 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, 92% 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, 2022, delinquent debt assessments totaling \$9,015,141 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 paid \$9,821,376 of current and past due principal and interest on long-term debt.

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 3, 2023. Our Independent Auditor's Report includes an emphasis of matter for deteriorating financial conditions.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 April 3, 2023. 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
April 3, 2023

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, 2022, and have issued our report thereon dated April 3, 2023. 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 April 3, 2023, 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 # | 2021-22 FY Finding # | 2020-21 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 \$97,090.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as: none
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final budget under Section 189.016(6), Florida Statutes, as see page 12 of financial statements.

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

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

| Phase | Village | General Fund | Debt Service |
|-------|-----------------------------|--------------|--------------|
| A | Townhomes | \$ 33.40 | \$ 330.70 |
| B-C-1 | Cypress Falls Quad | 101.23 | 988.83 |
| B-C-1 | Cypress Falls Single Family | 121.52 | 1,187.06 |
| B-C-1 | Cypress Falls Villa | 101.23 | 988.83 |
| B-C-2 | Cypress Falls Quad | 121.52 | 1,350.13 |
| B-C-2 | Cypress Falls Single Family | 121.52 | 1,181.84 |
| D | Single Family | 101.76 | 1,007.58 |
| E | Single Family | 101.38 | 1,003.79 |
| F | Townhomes | 47.42 | 469.56 |
| G | Cedar Grove | 126.46 | 1,316.29 |

- b. The total amount of special assessments collected by or on behalf of the District as \$10,394,709.
- 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
April 3, 2023

The Woodlands Community Development District
Appendix A - Compliance Violations of Laws, Regulations and Contractual Provisions
 Year Ended September 30, 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, 2022, 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, 2022, 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, 2022. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants 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, 2022.

McDermitt Davis

Orlando, Florida
April 3, 2023

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

April 6, 2023

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.

The District previously executed a settlement agreement, effective as of May 23, 2022, with the Trustee and landowner relating to the proposed sale of 3 undeveloped parcels that were delinquent in paying debt assessments. Pursuant to the terms of the agreement, 2 of the parcels have paid their delinquent debt assessments and the District has paid off the corresponding Debt Service obligations. The remainder parcel is anticipated to be brought current upon its sale.

Only 2 undeveloped parcels (Parcels A and F) remain delinquent on the payment of the debt assessments attached to the properties and are not covered under any settlement agreement. As the community continues to get developed, it is anticipated that a similar settlement agreement will be executed for the remainder delinquent parcels and once those parcels get sold all remainder delinquent Debt Service payments will be paid and made current.

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.

Sixth Order of Business

6A

RESOLUTION 2023-06

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023, AND ENDING SEPTEMBER 30, 2024; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager submitted, prior to June 15th, to the Board of Supervisors (“**Board**”) of The Woodlands Community Development District (“**District**”) a proposed budget for the next ensuing budget year (“**Proposed Budget**”), along with an explanatory and complete financial plan for each fund, pursuant to the provisions of Sections 189.016(3) and 190.008(2)(a), Florida Statutes;

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

WHEREAS, the Board held a duly noticed public hearing pursuant to Section 190.008(2)(a), Florida Statutes;

WHEREAS, the District Manager posted the Proposed Budget on the District’s website at least 2 days before the public hearing pursuant to Section 189.016(4), Florida Statutes;

WHEREAS, the Board is required to adopt a resolution approving a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year pursuant to Section 190.008(2)(a), Florida Statutes; and

WHEREAS, the Proposed Budget projects the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD:

Section 1. Budget

- a. That the Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s records office, and hereby approves certain amendments thereto, as shown below.
- b. That the Proposed Budget as amended by the Board attached hereto as **Exhibit A**, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), Florida Statutes, and incorporated herein by reference; provided, however, that the comparative figures contained in the adopted budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures for fiscal year 2022-2023 and/or revised projections for fiscal year 2023-2024.
- c. That the adopted budget, as amended, shall be maintained in the office of the District Manager and at the District’s records office and identified as “The Budget for The

Woodlands Community Development District for the Fiscal Year Beginning October 1, 2023, and Ending September 30, 2024.”

- d. The final adopted budget shall be posted by the District Manager on the District’s website within 30 days after adoption pursuant to Section 189.016(4), Florida Statutes.

Section 2. Appropriations. There is hereby appropriated out of the revenues of the District (the sources of the revenues will be provided for in a separate resolution), for the fiscal year beginning October 1, 2023, and ending September 30, 2024, the sum of \$_____, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

| | |
|---|-----------------|
| Total General Fund | \$ _____ |
| <i>Total Reserve Fund [if Applicable]</i> | \$ _____ |
| Total Debt Service Funds | \$ _____ |
| Total All Funds* | \$ _____ |

*Not inclusive of any collection costs or early payment discounts.

Section 3. Budget Amendments. Pursuant to Section 189.016(6), Florida Statutes, the District at any time within the fiscal year or within 60 days following the end of the fiscal year may amend its budget for that fiscal year as follows:

- a. The Board may authorize an increase or decrease in line-item appropriations within a fund by motion recorded in the minutes if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may authorize an increase or decrease in line-item appropriations within a fund if the total appropriations of the fund do not increase and if the aggregate change in the original appropriation item does not exceed \$10,000 or 10% of the original appropriation.
- c. Any other budget amendments shall be adopted by resolution and be consistent with Florida law. This includes increasing any appropriation item and/or fund to reflect receipt of any additional unbudgeted monies and making the corresponding change to appropriations or the unappropriated balance.

The District Manager or Treasurer must establish administrative procedures to ensure that any budget amendments are in compliance with this section and Section 189.016, Florida Statutes, among other applicable laws. Among other procedures, the District Manager or Treasurer must ensure that any amendments to budget(s) under subparagraph c. above are posted on the District’s website within 5 days after adoption pursuant to Section 189.016(7), Florida Statutes.

Section 4. Effective Date. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board.

Passed and Adopted on April 18, 2023.

Attested By:

**The Woodlands
Community Development District**

Print Name: _____
Secretary/Assistant Secretary

Print Name: _____
Chair/Vice Chair of the Board of Supervisors

Exhibit A: FY 2023-2024 Adopted Budget

THE WOODLANDS
Community Development District

Annual Operating and Debt Service Budget
Fiscal Year 2024

Version 4 - Modified Tentative Budget
(4/18/23 Meeting)

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 Modified Tentative Budget

| ACCOUNT DESCRIPTION | ACTUAL FY 2022 | ADOPTED BUDGET FY 2023 | ACTUAL THRU MAR-23 | PROJECTED APR- SEPT-23 | TOTAL PROJECTED FY 2023 | ANNUAL BUDGET FY 2024 |
|----------------------------------|-------------------|------------------------------|--------------------------|------------------------------|-------------------------------|-----------------------------|
| REVENUES | | | | | | |
| Interest - Investments | \$ 5,357 | \$ 10,000 | \$ 23,137 | \$ 7,200 | \$ 30,337 | \$ 10,000 |
| Special Assmnts- Tax Collector | 228,481 | 240,598 | 232,312 | 8,286 | 240,598 | 211,691 |
| Special Assmnts- CDD Collected | 13,671 | - | - | - | - | - |
| Special Assmnts- Discounts | (8,872) | (9,630) | (9,219) | - | (9,219) | (8,468) |
| Other Miscellaneous Revenues | 5,875 | - | 6,707 | - | 6,707 | - |
| TOTAL REVENUES | 244,512 | 240,968 | 252,937 | 15,486 | 268,423 | 213,223 |
| EXPENDITURES | | | | | | |
| <i>Administrative</i> | | | | | | |
| P/R-Board of Supervisors | 4,000 | 5,000 | 3,000 | 2,000 | 5,000 | 5,000 |
| FICA Taxes | 306 | 383 | 230 | 153 | 383 | 383 |
| ProfServ-Engineering | 11,465 | 10,000 | 10,910 | 10,910 | 21,820 | 10,000 |
| ProfServ-Legal Services | 15,600 | 10,000 | 2,221 | 7,779 | 10,000 | 10,000 |
| ProfServ-Mgmt Consulting Serv | 43,383 | 44,684 | 22,342 | 22,342 | 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 | 252 | 252 | 504 | 300 |
| Insurance - General Liability | 24,829 | 29,795 | 26,822 | - | 26,822 | 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 | 90 | 410 | 500 | 500 |
| Misc-Assessmnt Collection Cost | 2,621 | 3,609 | 3,346 | 124 | 3,470 | 3,175 |
| Office Supplies | 1,110 | 1,193 | 502 | 502 | 1,004 | 1,193 |
| Annual District Filing Fee | 175 | 175 | 175 | - | 175 | 175 |
| Total Administrative | 111,623 | 113,442 | 76,237 | 45,628 | 121,865 | 117,329 |
| <i>Field</i> | | | | | | |
| ProfServ-Field Management | 17,520 | 18,046 | 9,023 | 9,023 | 18,046 | 18,587 |
| Communication - Teleph - Field | 6,912 | 7,000 | 3,772 | 3,876 | 7,648 | 7,300 |
| Electricity - Entrance | 209 | 180 | 166 | 165 | 331 | 350 |
| Misc-Contingency | - | 1,000 | 3,703 | - | 3,703 | - |
| Total Field | 24,641 | 26,226 | 16,664 | 13,064 | 29,728 | 26,237 |
| <i>Landscape Services</i> | | | | | | |
| Contracts-Landscape | 9,600 | 9,600 | 4,800 | 4,800 | 9,600 | 9,600 |
| Utility - Pump Station | 57,658 | 46,000 | 24,027 | 28,830 | 52,857 | 58,000 |
| R&M-Irrigation | 160 | - | - | - | - | - |
| R&M-Pump Station | 45,388 | - | - | - | - | - |
| R&M-Pumps - Cypress Falls | 34,203 | 9,000 | 19,361 | 14,842 | 34,203 | 34,202 |
| R&M-Pumps - Cedar Grove | 12,655 | 9,000 | 2,612 | 10,043 | 12,655 | 12,655 |
| R&M-Pumps - Panacea | - | 5,200 | - | 5,200 | 5,200 | 5,200 |
| Total Landscape Services | 159,664 | 78,800 | 50,800 | 63,715 | 114,515 | 119,657 |

Summary of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year 2024 Modified Tentative Budget

| ACCOUNT DESCRIPTION | ACTUAL FY 2022 | ADOPTED BUDGET FY 2023 | ACTUAL THRU MAR-23 | PROJECTED APR- 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 | 143,701 | 122,407 | 266,108 | 263,223 |
| Excess (deficiency) of revenues | | | | | | |
| Over (under) expenditures | (51,416) | - | 109,236 | (106,921) | 2,315 | (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) | - | 109,236 | (106,921) | 2,315 | (50,000) |
| FUND BALANCE, BEGINNING | 2,141,022 | 2,089,604 | 2,089,606 | - | 2,089,606 | 2,091,921 |
| FUND BALANCE, ENDING | \$ 2,089,606 | \$ 2,089,606 | \$ 2,198,842 | \$ (106,921) | \$ 2,091,921 | \$ 2,041,921 |

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> |
|--|

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 | \$ 2,091,921 |
| Net Change in Fund Balance - Fiscal Year 2024 | (50,000) |
| Reserves - Fiscal Year 2024 Additions | - |
| Total Funds Available (Estimated) - 9/30/2024 | 2,041,921 |

ALLOCATION OF AVAILABLE FUNDS***Nonspendable Fund Balance***

| | |
|-----------------------|--------|
| Deposits | 500 |
| Nonspendable Subtotal | \$ 500 |

Assigned Fund Balance

| | |
|---|--------------------------|
| Operating Reserve - First Quarter Operating Capital | \$ 65,806 ⁽¹⁾ |
| Reserves - Attorney | \$ 613,550 |
| 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 |

| | |
|-------------------|--------------|
| Reserves Subtotal | \$ 1,011,856 |
|-------------------|--------------|

| | |
|--|---------------------|
| Total Allocation of Available Funds | \$ 1,012,356 |
|--|---------------------|

| | |
|---|---------------------|
| Total Unassigned (undesigned) Cash | \$ 1,029,565 |
|---|---------------------|

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 Modified Tentative Budget

| ACCOUNT DESCRIPTION | ACTUAL FY 2022 | ADOPTED BUDGET FY 2023 | ACTUAL THRU MAR-23 | PROJECTED APR- SEPT-23 | TOTAL PROJECTED FY 2023 | ANNUAL BUDGET FY 2024 |
|---------------------------------------|-----------------------|------------------------------|--------------------------|------------------------------|-------------------------------|-----------------------------|
| REVENUES | | | | | | |
| Interest - Investments | \$ 46,132 | \$ - | \$ 40,741 | \$ 15,000 | \$ 55,741 | \$ - |
| Special Assmnts- Tax Collector | 971,820 | 1,109,609 | 1,070,616 | 38,993 | 1,109,609 | 1,782,112 |
| Special Assmnts- Prepayment | 81,807 | - | 99,908 | - | 99,908 | - |
| Special Assmnts- CDD Collected | 129,522 | 960,900 | 730,662 | - | 730,662 | 316,961 |
| Special Assmnts- Delinquent | 9,015,141 | - | 1,214,125 | - | 1,214,125 | - |
| Special Assmnts- Discounts | (36,859) | (44,385) | (42,233) | - | (42,233) | (71,284) |
| Other Miscellaneous Revenues | 41,365 | - | - | - | - | - |
| TOTAL REVENUES | 10,248,928 | 2,026,124 | 3,113,819 | 53,993 | 3,167,812 | 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 | 15,426 | 585 | 16,011 | 26,732 |
| Total Administrative | 21,694 | 27,244 | 21,026 | 1,585 | 22,611 | 37,332 |
| <i>Debt Service</i> | | | | | | |
| Principal Debt Retirement | 1,020,000 | 945,000 | - | 1,080,000 | 1,080,000 | 905,000 |
| Interest Expense | 1,492,711 | 984,675 | 743,648 | 629,648 | 1,373,296 | 862,125 |
| Total Debt Service | 2,512,711 | 1,929,675 | 743,648 | 1,709,648 | 2,453,296 | 1,767,125 |
| TOTAL EXPENDITURES | 2,534,405 | 1,956,919 | 764,674 | 1,711,233 | 2,475,907 | 1,804,457 |
| Excess (deficiency) of revenues | | | | | | |
| Over (under) expenditures | 7,714,523 | 69,205 | 2,349,145 | (1,657,240) | 691,905 | 223,331 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Contribution to (Use of) Fund Balance | - | 69,205 | - | - | - | 223,331 |
| TOTAL OTHER SOURCES (USES) | - | 69,205 | - | - | - | 223,331 |
| Net change in fund balance | 7,714,523 | 69,205 | 2,349,145 | (1,657,240) | 691,905 | 223,331 |
| FUND BALANCE, BEGINNING | (9,498,980) | (1,784,457) | (1,784,457) | - | (1,784,457) | (1,092,552) |
| FUND BALANCE, ENDING | \$ (1,784,457) | \$ (1,715,252) | \$ 564,688 | \$ (1,657,240) | \$ (1,092,552) | \$ (869,220) |

The Woodlands
Community Development District
SERIES 2004A CAPITAL IMPROVEMENT REVENUE BONDS
DEBT SERVICE SCHEDULE
AMORTIZATION SCHEDULE

| DATE | BALANCE | RATE | PRINCIPAL | INTEREST | TOTAL |
|-----------------|-----------------|-------|-----------------|-----------------|-----------------|
| 11/1/2023 | \$15,125,000.00 | 5.70% | \$0.00 | \$431,062.50 | |
| 5/1/2024 | \$15,125,000.00 | 5.70% | \$905,000.00 | \$431,062.50 | \$1,767,125.00 |
| 11/1/2024 | \$14,220,000.00 | 5.70% | \$0.00 | \$405,270.00 | |
| 5/1/2025 | \$14,220,000.00 | 5.70% | \$970,000.00 | \$405,270.00 | \$1,780,540.00 |
| 11/1/2025 | \$13,250,000.00 | 5.70% | \$0.00 | \$377,625.00 | |
| 5/1/2026 | \$13,250,000.00 | 5.70% | \$1,015,000.00 | \$377,625.00 | \$1,770,250.00 |
| 11/1/2026 | \$12,235,000.00 | 5.70% | \$0.00 | \$348,697.50 | |
| 5/1/2027 | \$12,235,000.00 | 5.70% | \$1,075,000.00 | \$348,697.50 | \$1,772,395.00 |
| 11/1/2027 | \$11,160,000.00 | 5.70% | \$0.00 | \$318,060.00 | |
| 5/1/2028 | \$11,160,000.00 | 5.70% | \$1,135,000.00 | \$318,060.00 | \$1,771,120.00 |
| 11/1/2028 | \$10,025,000.00 | 5.70% | \$0.00 | \$285,712.50 | |
| 5/1/2029 | \$10,025,000.00 | 5.70% | \$1,200,000.00 | \$285,712.50 | \$1,771,425.00 |
| 11/1/2029 | \$8,825,000.00 | 5.70% | \$0.00 | \$251,512.50 | |
| 5/1/2030 | \$8,825,000.00 | 5.70% | \$1,275,000.00 | \$251,512.50 | \$1,778,025.00 |
| 11/1/2030 | \$7,550,000.00 | 5.70% | \$0.00 | \$215,175.00 | |
| 5/1/2031 | \$7,550,000.00 | 5.70% | \$1,350,000.00 | \$215,175.00 | \$1,780,350.00 |
| 11/1/2031 | \$6,200,000.00 | 5.70% | \$0.00 | \$176,700.00 | |
| 5/1/2032 | \$6,200,000.00 | 5.70% | \$1,420,000.00 | \$176,700.00 | \$1,773,400.00 |
| 11/1/2032 | \$4,780,000.00 | 5.70% | \$0.00 | \$136,230.00 | |
| 5/1/2033 | \$4,780,000.00 | 5.70% | \$1,510,000.00 | \$136,230.00 | \$1,782,460.00 |
| 11/1/2033 | \$3,270,000.00 | 5.70% | \$0.00 | \$93,195.00 | |
| 5/1/2034 | \$3,270,000.00 | 5.70% | \$1,590,000.00 | \$93,195.00 | \$1,776,390.00 |
| 11/1/2034 | \$1,680,000.00 | 5.70% | \$0.00 | \$47,880.00 | |
| 5/1/2035 | \$1,680,000.00 | 5.70% | \$1,680,000.00 | \$47,880.00 | \$1,775,760.00 |
| | | | \$27,620,000.00 | \$33,012,143.75 | \$64,627,143.75 |

The Woodlands

Community Development District

Debt Service Fund

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.

RESOLUTION 2023-07

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT IMPOSING ANNUALLY RECURRING OPERATIONS AND MAINTENANCE NON-AD VALOREM SPECIAL ASSESSMENTS; PROVIDING FOR COLLECTION AND ENFORCEMENT OF ALL DISTRICT SPECIAL ASSESSMENTS; CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENT OF THE ASSESSMENT ROLL; PROVIDING FOR CHALLENGES AND PROCEDURAL IRREGULARITIES; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

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

WHEREAS, the District is located in Sarasota County, Florida (“**County**”);

WHEREAS, the Board of Supervisors of the District (“**Board**”) hereby determines to undertake various activities described in the District’s adopted budget for fiscal year 2023-2024 attached hereto as **Exhibit A (“FY 2023-2024 Budget”)** and incorporated as a material part of this Resolution by this reference;

WHEREAS, the District must obtain sufficient funds to provide for the activities described in the FY 2023-2024 Budget;

WHEREAS, the provision of the activities described in the FY 2023-2024 Budget is a benefit to lands within the District;

WHEREAS, the District may impose non-ad valorem special assessments on benefited lands within the District pursuant to Chapter 190, Florida Statutes;

WHEREAS, such special assessments may be placed on the County tax roll and collected by the local Tax Collector (“**Uniform Method**”) pursuant to Chapters 190 and 197, Florida Statutes;

WHEREAS, the District has, by resolution and public notice, previously evidenced its intention to utilize the Uniform Method;

WHEREAS, the District has approved an agreement with the County Property Appraiser (“**Property Appraiser**”) and County Tax Collector (“**Tax Collector**”) to provide for the collection of special assessments under the Uniform Method;

WHEREAS, it is in the best interests of the District to proceed with the imposition, levy, and collection of the annually recurring operations and maintenance non-ad valorem special assessments on all assessable lands in the amount contained for each parcel’s portion of the FY 2023-2024 Budget (“**O&M Assessments**”);

WHEREAS, the Board desires to collect the annual installment for the previously levied debt service non-ad valorem special assessments (“**Debt Assessments**”) in the amounts shown in the FY 2023-2024 Budget;

WHEREAS, the District adopted an assessment roll as maintained in the office of the District Manager, available for review, and incorporated as a material part of this Resolution by this reference (“**Assessment Roll**”);

WHEREAS, it is in the best interests of the District to certify a portion of the Assessment Roll on the parcels designated in the Assessment Roll to the County Tax Collector pursuant to the Uniform Method and to directly collect a portion of the Debt Assessments on the parcels designated in the Assessment Roll through the direct collection method pursuant to Chapter 190, Florida Statutes; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD:

Section 1. Benefit from Activities and O&M Assessments. The provision of the activities described in the FY 2023-2024 Budget confer a special and peculiar benefit to the lands within the District, which benefits exceed or equal the O&M Assessments allocated to such lands. The allocation of the expenses of the activities to the specially benefited lands is shown in the FY 2023-2024 Budget and in the Assessment Roll.

Section 2. O&M Assessments Imposition. Pursuant to Chapter 190, Florida Statutes and procedures authorized by Florida law for the levy and collection of special assessments, the O&M Assessments are hereby imposed and levied on benefited lands within the District in accordance with the FY 2023-2024 Budget and Assessment Roll. The lien of the O&M Assessments imposed and levied by this Resolution shall be effective upon passage of this Resolution.

Section 3. Collection and Enforcement of District Assessments.

- a. Uniform Method for Certain Debt Assessments and all O/M Assessments.** The collection of (i) the Debt Assessments on the platted lots and developed lands and (ii) O/M Assessments for all lands within the District, shall be at the same time and in the same manner as County taxes in accordance with the Uniform Method, as set forth in the Assessment Roll. All assessments collected by the County Tax Collector shall be due and payable as provided in Chapter 197, Florida Statutes.
- b. Direct Bill for Certain Debt Assessments.** The Debt Assessments on a portion of the undeveloped and unplatted lands will be collected directly by the District in accordance with Florida law, as set forth in the Assessment Roll. Debt Assessments directly collected by the District are due in full on December 1, 2023; provided, however, that, to the extent permitted by law, the Debt Assessments due may be paid in several partial, deferred payments and according to the following schedule: 50% due no later than December 1, 2023, 25% due no later than February 1, 2024 and 25% due no later than

May 1, 2024. In the event that an Debt Assessment payment is not made in accordance with the schedule stated above, the whole Debt Assessment – including any remaining partial, deferred payments for Fiscal Year 2023-2024, as well as any future installments of special assessments securing debt service – shall immediately become due and payable; shall accrue interest, statutory penalties in the amount of 1% per month, and all costs of collection and enforcement; and shall either be enforced pursuant to a foreclosure action, or, at the District’s sole discretion, collected pursuant to the Uniform Method on a future tax bill, which amount may include penalties, interest, and costs of collection and enforcement. Any prejudgment interest on delinquent Debt Assessments shall accrue at the applicable rate of any bonds or other debt instruments secured by the Debt Assessments. In the event a Debt Assessment subject to direct collection by the District shall be delinquent, the District Manager and District Counsel, without further authorization by the Board, may initiate foreclosure proceedings pursuant to Chapter 170, Florida Statutes or other applicable law to collect and enforce the whole assessment, as set forth herein.

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

Section 4. Certification of Assessment Roll. The Assessment Roll is hereby certified and authorized to be transmitted to the Tax Collector.

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

Section 6. Assessment Challenges. The adoption of this Resolution shall be the final determination of all issues related to the O&M Assessments as it relates to property owners whose benefited property is subject to the O&M Assessments (including, but not limited to, the determination of special benefit and fair apportionment to the assessed property, the method of apportionment, the maximum rate of the O&M Assessments, and the levy, collection, and lien of the O&M Assessments), unless proper steps shall be initiated in a court of competent jurisdiction to secure relief within 30 days from adoption date of this Resolution.

Section 7. Procedural Irregularities. Any informality or irregularity in the proceedings in connection with the levy of the O&M Assessments shall not affect the validity of the same after the adoption of this Resolution, and any O&M Assessments as finally approved shall be competent and sufficient evidence that such O&M Assessment was duly levied, that the O&M Assessment was duly made and adopted, and that all other proceedings adequate to such O&M Assessment were duly had, taken, and performed as required.

Section 8. Severability. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

Section 9. Effective Date. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board.

Passed and Adopted on April 18, 2023.

Attested By:

**The Woodlands
Community Development District**

Print Name: _____
Secretary/Assistant Secretary

Print Name: _____
Chair/Vice Chair of the Board of Supervisors

Exhibit A: FY 2023-2024 Budget