



Lakewood Ranch Stewardship District

FINANCIAL STATEMENTS

September 30, 2021



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REPORT



INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Lakewood Ranch Stewardship District

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

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 Lakewood Ranch Stewardship District, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of Error

As described in Note 2 to the financial statements, the beginning net position was restated to correct the recording of a long-term liability. Our opinion is not modified with respect to this matter.

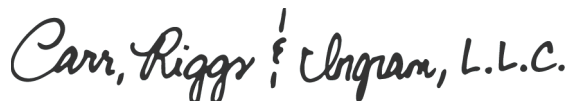
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and page 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 result of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Carr, Riggs, & Ingram, LLC

Bradenton, Florida
March 9, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a narrative overview and analysis of the financial activities of the Lakewood Ranch Stewardship District ("District") for the fiscal year ended September 30, 2021.

Financial Highlights and Analysis of Financial Statements

- As of September 30, 2021 and 2020, the total assets of the District were \$391,070,270, and \$425,362,343, respectively, a decrease of \$34,292,073. The primary factor for the change was the approximate increase in capitalized assets of \$36.7 million less approximately \$22.5 million in depreciation charges; a decrease in cash of \$48.7 and an increase in receivables of \$.2.
- As of September 30, 2021 and 2020, the total liabilities of the District were \$384,910,055 and \$403,670,879, respectively, a decrease of \$18,760,824. The primary factor for the change was the approximate \$33.1 million of debt from new bond issues less approximately \$46.5 million in bond principal repayments; an increase in the amortization of the discount of \$.7 million, and a decrease in accounts payable of \$6.0 million.
- In the government-wide financial statements (accrual basis), the District's assets exceeded liabilities by \$6,160,215 and \$21,691,464 as of September 30, 2021 and 2020, respectively.
- In the governmental funds (modified accrual basis), the District's fund balance totaled \$37,871,046 and \$80,377,539 as of September 30, 2021 and 2020, respectively. The primary factor for both of these variances was the change in assets and liabilities as discussed above.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic 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 and liabilities, with the difference between the two 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 District'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 District's governmental activities include general government, physical environment, and interest on long-term debt.

The government-wide financial statements can be found on pages 7 and 8 of this report.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District’s funds are 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 government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District’s near-term financing decisions. Both the governmental fund balance sheet and 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 three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund and the capital projects fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 9 to 11 of this report.

Notes to the 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. The notes to the financial statements can be found on pages 12 through 24 of this report.

Government-Wide Financial Analysis

Statement of Net Position	2021	2020
Current and other assets	\$ 42,290,817	\$ 90,808,069
Capital assets	348,779,453	334,554,274
Total assets	\$ 391,070,270	\$ 425,362,343
Current liabilities	\$ 8,422,771	\$ 51,586,530
Long-term liabilities	376,487,284	352,084,349
Total liabilities	\$ 384,910,055	\$ 403,670,879
Net investment in capital assets	\$ (16,217,718)	\$ (1,928,274)
Restricted	37,853,269	33,395,326
Unrestricted	(15,475,336)	(9,775,588)
Total net position	\$ 6,160,215	\$ 21,691,464

Current and other assets decreased by \$48,517,252 primarily due to investments of capital outlay for Indigo, Lakewood Centre, and Lorraine infrastructure projects.

The primary changes in the capital assets increase of approximately \$14.2 million were the infrastructure improvements on the Villages of Lakewood Ranch South, Lakewood Centre Northwest, Del Webb, Northeast Sector, Indigo, and the Lorraine Lakes projects of approximately \$36.7 million less approximately \$22.5 million of depreciation expense. The continued issuance of new bonds by the District is due to the continuing opening up of new residential development areas within the District with the bond proceeds being disbursed for master infrastructure in the appropriate assessment areas

Total liabilities decreased by approximately \$18.8 million, due primarily to the payoff of the Lakewood Center NW bond and the refinancing of the Central Park and Belle Isle bonds, and issuance of bonds for the NE Sector.

Statement of Activities	2021	2020
Program revenues		
Charges for services	\$ 28,135,081	\$ 22,719,542
Operating grants and contributions	12,468,727	33,326,616
General revenues		
Investment income	1,436,867	699,928
Non advalorem assessments	5,368,604	4,649,534
Total revenues	47,409,279	61,395,620
Expenses		
General government	1,987,123	856,343
Physical environment	27,756,565	21,842,310
Interest on long-term debt	21,019,637	19,870,997
Total expenses	50,763,325	42,569,650
Changes in net position	(3,354,046)	18,825,970
Net position - beginning (restated)	9,514,261	2,865,494
Net position - ending	\$ 6,160,215	\$ 21,691,464

Charges for services consist of lot sale proceeds and operating grants and contributions consists of Developer cash funding contributions. Charges for services increased by \$8,252,764, primarily due increased land sales. Physical environment increased by \$20,928,683 due to costs associated with new projects.

Capital Assets

During the year ended September 30, 2021, the District had a gross increase of infrastructure approximately \$36.7 million. Primary capital projects continuing were Villages of Lakewood Ranch South, Indigo and Northeast Sector projects. Additional information on the District's capital assets can be found in Note 4 of this report.

Debt Administration

During the year ended September 30, 2021, the District issued four new bonds for various projects netting to \$33.1 million. Approximately \$46.5 million was made in repayments of amounts due on the various issues of the District. Additional information on the District's long-term debt can be found in Notes 5 and 6 of this report.

Budgetary Highlights

The District set its annual budget for the District expecting to be operational for the entire year. Landowner funding came in lower than anticipated by \$1,626,509 and Assessment funding came in higher than anticipated by \$355,525. The variance of the budgeted expenditures compared with actual results was \$1,263,677 lower than anticipated. The reason for this variance is timing of completed infrastructure projects where needed landscape and related maintenance started later than budgeted. There were no budget amendments during the year.

Economic Factors and Year 2022 Budget

The District is anticipating increased interest in the various developments and projects currently underway. Next year's budget main components will be maintenance of the project areas, administration of the District, and continued infrastructure acquisition and improvements on capital projects begun in 2018, 2019, 2020, and 2021.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in them. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Lakewood Ranch Stewardship District, Attn: Supervisor, 14400 Covenant Way, Bradenton, Florida 34202.



BASIC FINANCIAL STATEMENTS



Lakewood Ranch Stewardship District Statement of Net Position

<i>September 30,</i>	2021
	Governmental Activities
Assets	
Current Assets:	
Cash and cash equivalents	\$ 327,843
Total current assets	327,843
Other Assets:	
Cash and cash equivalents - restricted	41,312,878
Accrued interest receivable	163,513
Prepaid expenses	35,173
Due from land owner	451,410
Total other assets	41,962,974
Capital Assets:	
Depreciable assets:	
District infrastructure	450,008,211
Less accumulated depreciation	(113,378,158)
Net depreciable assets	336,630,053
Non-depreciable assets:	
Construction in progress	12,149,400
Total capital assets	348,779,453
Total assets	\$ 391,070,270
Liabilities	
Current Liabilities:	
Accounts payable	\$ 4,419,771
Bonds payable, current portion	4,003,000
Total current liabilities	8,422,771
Non-current Liabilities:	
Bonds payable, long-term portion	376,487,284
Total non-current liabilities	376,487,284
Total liabilities	384,910,055
Net Position	
Net investment in capital assets	(16,217,718)
Restricted for debt service	25,511,046
Restricted for capital projects	12,342,223
Unrestricted	(15,475,336)
Total net position	\$ 6,160,215

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District Statement of Activities

For the year ended September 30, 2021

Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Program Revenues	Net (Expense) Revenue and Changes in Net Position
Primary government:						
Governmental activities:						
General government	\$ 1,987,123	\$ 28,135,081	\$ 12,468,727	\$ -	\$ -	\$ 38,616,685
Physical environment	27,756,565	-	-	-	-	(27,756,565)
Interest on long-term debt	21,019,637	-	-	-	-	(21,019,637)
Total governmental activities	\$ 50,763,325	\$ 28,135,081	\$ 12,468,727	\$ -	\$ -	(10,159,517)
General revenues:						
Non ad valorem assessments						5,368,604
Investment income						1,436,867
Total general revenues						6,805,471
Change in net position						(3,354,046)
Net position - beginning (restated)						9,514,261
Net position - ending						\$ 6,160,215

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District Balance Sheet – Governmental Funds and Reconciliation of the Balance Sheet to the Statement of Net Position

September 30, 2021

	Major Funds			Total
	General	Debt Service	Capital Projects	Governmental Funds
Assets				
Cash and cash equivalents	\$ 327,843	\$ -	\$ -	\$ 327,843
Cash and cash equivalents - restricted	-	25,819,765	15,493,113	41,312,878
Accounts Receivable	163,513	-	-	163,513
Other receivables	-	-	-	-
Prepaid expenses	35,173	-	-	35,173
Due from land owner	197,189	-	254,221	451,410
Total assets	\$ 723,718	\$ 25,819,765	\$ 15,747,334	\$ 42,290,817
Liabilities				
Accounts payable	\$ 705,941	\$ 308,719	\$ 3,405,111	\$ 4,419,771
Total liabilities	705,941	308,719	3,405,111	4,419,771
Fund Balances				
Restricted	-	25,511,046	12,342,223	37,853,269
Unassigned	17,777	-	-	17,777
Total fund balances	17,777	25,511,046	12,342,223	37,871,046
Total liabilities and fund balances	\$ 723,718	\$ 25,819,765	\$ 15,747,334	\$ 42,290,817
Amounts reported for governmental activities in the statement of net position are different because:				
Fund balance - governmental funds				\$ 37,871,046
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds				348,779,453
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.				
Bonds payable, net				(380,490,284)
Net position - governmental activities				\$ 6,160,215

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

For the year ended September 30, 2021

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
Revenues				
Land owner funding contributions	\$ 1,434,476	\$ -	\$ 11,034,251	\$ 12,468,727
Assessments	5,368,604	-	-	5,368,604
Investment income	-	1,435,865	1,002	1,436,867
Homeowner debt service payments	-	28,126,774	-	28,126,774
Other revenues	8,307	-	-	8,307
Total revenues	6,811,387	29,562,639	11,035,253	47,409,279
Expenditures				
Current:				
General government	1,961,444	-	25,679	1,987,123
Physical environment operations	4,849,943	-	-	4,849,943
Debt service:				
Bond principal payments	-	46,526,000	-	46,526,000
Bond interest payments	-	19,686,276	-	19,686,276
Cost of issuance	-	-	617,426	617,426
Capital outlay	-	-	36,725,590	36,725,590
Total expenditures	6,811,387	66,212,276	37,368,695	110,392,358
Other Financial Sources (Uses)				
Transfers in	-	34,416,828	-	34,416,828
Transfers out	-	-	(34,416,828)	(34,416,828)
Bond anticipation note redemption	-	(15,014,428)	-	(15,014,428)
Bond anticipation note issued	-	2,837,225	-	2,837,225
Premium (Discount) on bonds	-	3,967	(410,178)	(406,211)
Debt and loan proceeds	-	6,521,765	26,538,235	33,060,000
Total other financing sources (uses)	-	28,765,357	(8,288,771)	20,476,586
Net change in fund balances	-	(7,884,280)	(34,622,213)	(42,506,493)
Fund balances - beginning	17,777	33,395,326	46,964,436	80,377,539
Fund balances - ending	\$ 17,777	\$ 25,511,046	\$ 12,342,223	\$ 37,871,046

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds to the Statement of Activities

For the year ended September 30,

2021

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

Net change in fund balances - total governmental funds	\$(42,506,493)
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is eliminated and capitalized as capital assets (\$36,725,590). The total reflects depreciation expense for the current period (\$22,500,411).	14,225,179
The issuance of debt is reported as an other financing source, however, in the statement of net position these are treated as liabilities	(33,060,000)
Bond anticipation note issued	(2,837,225)
Bond anticipation note redeemed	15,014,428
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	46,526,000
Amortization on discount/premium of bonds	(715,935)
<hr/>	
Change in net position of governmental activities	<u>\$ (3,354,046)</u>

The notes to the financial statements are an integral part of this statement

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting principles and policies used in the preparation of these basic financial statements.

REPORTING ENTITY

Lakewood Ranch Stewardship District is a local unit special purpose government created on June 17, 2005 under the "Lakewood Ranch Stewardship District Act," otherwise known as Chapter 2005-338, Florida Statutes. 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 ("Board") which is composed of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 2005-338, amended by Chapter 2009-263, Florida Statutes. The District encompasses 23,255 acres of land located in Manatee County and Sarasota County, Florida.

The Board has the final responsibility for contracting for the services of consultants; borrowing money; adopting and enforcing rules and orders pursuant to the provisions of Chapter 120; holding, controlling and acquiring by donation, purchase or condemnation or dispose of any public easements; lease as lessor or assess to or from any person, firm, corporation, association or body; borrow money and issue bonds, certificates, warrants, notes, or other evidence of indebtedness; raise, by user charges or fees authorized by resolution of the board, amounts of money necessary for the conduct of District activities; assess and impose ad valorem taxes; determine, order, levy, impose, collect, and enforce maintenance taxes.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement 34, and Statement 39, an amendment of GASB Statement 34. 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 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.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

The basic 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 the non-fiduciary activities of the primary government.

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 and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government 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 government 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.

The government reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Projects Fund

The Capital Projects fund is used to account for the cost of construction of the infrastructure of the District.

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.

Restricted Assets

These assets represent cash and cash equivalents set aside pursuant to bond covenants or other contractual restrictions.

Cash and Cash Equivalents

All deposits are placed in a bank that qualifies as a public depository, as required by law (Florida Security for Public Deposits Act). Accordingly, all deposits are insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes. The District considers investments with original maturities less than 3 months to be cash equivalents.

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of more than one year. These assets are recorded at historical cost. Pursuant to GASB 34, the District elected to report infrastructure prospectively. Construction in progress is not depreciated. Major outlays for capital assets and improvements are capitalized as projects are constructed. District infrastructure is being depreciated over twenty years.

Long-Term Obligations

In the government-wide financial statements long-term debt are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as insurance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of premiums or discounts.

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 received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances

Governmental funds report fund balances are classified either as nonspendable, or as spendable. Spendable fund balances are further classified based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable Fund Balance – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by laws through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that are constrained for specific purposes imposed by formal action of the highest level of decision making authority. The highest level of authority is the Board of Supervisors. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes those constraints by taking the same type of action.

Assigned Fund Balance – Amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Supervisors or (b) the Executive Director to whom the Board of Supervisors has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Represents the residual fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned.

The District considers restricted funds to be used first when an expenditure is incurred and both restricted and unrestricted funds are available, followed by committed, assigned, and then unassigned as applicable.

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 expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Budgetary Information

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects fund, which adopts a project-length budget.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

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

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) Unused appropriations for annually budgeted funds lapse at the end of the year.
- f) The legal level of budgetary control is the fund level.

Note 2: RESTATEMENT

In the prior fiscal year the District's Statement of Net Position reported total liabilities of \$403,670,879. This amount was understated by \$12,177,203 as the liabilities did not include the Series 2017 Bond Anticipation Note. This caused liabilities in governmental activities to be understated and net position to be overstated. The District corrected this error which resulted in the following restatement of net position.

	Governmental Activities
Net position, as previously reported	\$ 21,691,464
Effect of restatement	(12,177,203)
Net position, restated	9,514,261

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 3: CASH AND CASH EQUIVALENTS

The District's cash balances are 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.

The District has not formally adopted a written investment policy. According to Florida Statutes 218.415(17) the District is authorized to invest in the following:

- (a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in §163.01.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in §280.02.
- (d) Direct obligations of the U.S. Treasury.

The securities listed in (c) and (d) above must be invested such as to provide sufficient liquidity to pay obligations as they come due.

As of September 30, 2021, the District has the following balances in cash equivalents:

<u>Money market accounts</u>	<u>\$ 41,312,878</u>
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Note 4: 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. There have been no significant reductions in insurance coverage from the prior year. No settlements have exceeded the District's insurance coverage for each of the past three fiscal years.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 5: CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Capital Assets, not being depreciated:					
Construction in Progress					
Public Roads	\$ 8,866,216	\$ 6,923,058	\$ 13,228,797	\$ -	\$ 2,560,477
Signals / Intersections	(221,300)	1,927,220	-	(1,657,616)	3,363,536
Bridges/Tunnels	828,221	257,853	1,086,074	-	-
Lighting	1,896,163	1,244,057	2,981,565	-	158,655
Drainage	870,292	7,105,508	6,457,503	-	1,518,297
Irrigation	791,407	728,567	1,488,277	-	31,697
Other Utilities	984,709	407,976	1,392,685	-	-
Landscaping	1,643,786	1,647,663	3,283,614	-	7,835
Hardscape	619,359	801,509	1,303,174	-	117,694
Sanitary Sewer	1,228,354	3,896,907	4,748,086	-	377,175
Potable Water	784,675	2,675,251	3,386,452	-	73,474
Earthwork, Clearing & Fill	2,593,721	6,367,633	6,864,104	-	2,097,250
Engineering & Surveying	1,526,635	2,303,354	2,951,277	-	878,712
Mitigation/Littoral Plantings	175,615	-	175,615	-	-
Permit Fees & Bonding	(190,307)	200,625	10,318	-	-
Lake Dredging	-	(690,504)	-	(690,504)	-
Direct Bill and Stored Materials	-	710,117	-	(24,337)	734,454
Other Infrastructure	1,831,408	218,796	1,820,060	-	230,144
Total Construction in Progress	24,228,954	36,725,590	51,177,601	(2,372,457)	12,149,400
Capital Assets, being depreciated:					
District infrastructure	401,203,068	48,805,143	-	-	450,008,211
Total depreciable assets	401,203,068	48,805,143	-	-	450,008,211
Less accumulated depreciation for:					
District infrastructure	90,877,747	22,500,411	-	-	113,378,158
Total Capital Assets, being depreciated net	310,325,321	26,304,732	-	-	336,630,053
Total Capital Assets, net	\$ 334,554,275	\$ 63,030,322	\$ 51,177,601	\$ (2,372,457)	\$ 348,779,453

Depreciation expense was \$22,500,411 for the fiscal year ended September 30, 2021, reported under the Physical environment function in the statement of activities.

Note 6: LINE OF CREDIT

On September 8, 2017, the District entered into a Non-Bank Qualified Tax Exempt Revolving Line of Credit not to exceed \$45,000,000, with an interest rate of 4.0%. The line of credit was entered to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Northeast Sector, as well the set-up of a debt service reserve fund and to pay cost of issuance. On August 30, 2018, the line was amended to a maximum \$33,000,000 credit available and an interest rate of 4.25%. The line expires on September 8, 2022 and as of September 30, 2021, the balance on the line was \$0.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 7: LONG TERM DEBT

Unamortized discounts on governmental activities revenue bonds amounted to \$7,434,716 and \$8,150,651 as of September 30, 2021 and 2020, respectively.

	10/1/20	Additions	Decreases	9/30/21	Due within 1 year
2010 Central Park Series A Bonds	\$ 2,740,000	\$ -	\$ 2,740,000	\$ -	\$ -
2011 Lakewood Ctr NW Sector Bonds	30,945,000	-	30,945,000	-	-
2011 Belle Isle Series A Bonds	1,455,000	-	1,455,000	-	-
2013 Country Club East Series A Bonds	7,610,000	-	175,000	7,435,000	35,000
2013 Central Park Series A Bonds	6,450,000	-	155,000	6,295,000	-
2014 Country Club East Series A Bonds	10,965,000	-	230,000	10,735,000	205,000
2015 Lakewood Ctr North Bonds	31,280,000	-	820,000	30,460,000	-
2016 The Villages of LWR South Bonds	66,445,000	-	2,345,000	64,100,000	50,000
2017 Del Webb Bonds	13,995,000	-	285,000	13,710,000	15,000
2017 Lakewood National & Polo Run Bonds	47,125,000	-	870,000	46,255,000	25,000
2017 Lake Club Bonds	11,291,000	-	1,251,000	10,040,000	3,000
2018 Northeast Sector Bonds - Phase 1A	14,675,000	-	260,000	14,415,000	270,000
2018 Lakewood Centre & Northwest Sector	11,070,000	-	180,000	10,890,000	200,000
2018 NE Sector, Phase 1B	35,610,000	-	600,000	35,010,000	625,000
2019 The Isles at LWR	7,450,000	-	135,000	7,315,000	135,000
2019 Lake Club Phase 4	8,820,000	-	1,305,000	7,515,000	860,000
2019 Cresswind Project	4,920,000	-	90,000	4,830,000	95,000
2019 Indigo Expansion Area	4,685,000	-	95,000	4,590,000	100,000
2019 NE Sect PH2A	5,585,000	-	110,000	5,475,000	115,000
2019 Azario	12,670,000	-	235,000	12,435,000	245,000
2020 CCE	19,195,000	-	835,000	18,360,000	-
2020 LWCNWS	29,100,000	-	1,280,000	27,820,000	65,000
2020 Azario	6,655,000	-	130,000	6,525,000	135,000
2020 Lorraine Series	10,655,000	-	-	10,655,000	210,000
2020 NE Sector Phase 2B	-	17,755,000	-	17,755,000	365,000
2020 NE Sector Phase 2C	-	7,575,000	-	7,575,000	160,000
2021 The Isles at Lakewood Ranch Project Phase 2	-	4,120,000	-	4,120,000	85,000
2021 Belle Isle/Central Park	-	3,610,000	-	3,610,000	5,000
Bonds payable	\$ 401,391,000	\$ 33,060,000	\$ 46,526,000	\$ 387,925,000	\$ 4,003,000
<u>Less unamortized premiums (discounts)</u>	<u>(8,150,651)</u>	<u>-</u>	<u>(715,935)</u>	<u>(7,434,716)</u>	<u>(288,921)</u>
Bonds payable, less unamortized discounts	\$ 393,240,349	\$ 33,060,000	\$ 45,810,065	\$ 380,490,284	\$ 3,714,079

On July 12, 2010, the District issued \$5,720,000 of Special Assessment Revenue Bonds, Series 2010A, due on May 1, 2040, with a fixed interest rate of 7.40%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Central Park Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On May 13, 2011, the District issued \$36,255,000 of Special Assessment Revenue Bonds, Series 2011, due on May 1, 2040, with interest rates ranging from 7.40% to 8.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Lakewood Centre & NW Sector Projects, as well as set up a debt service reserve fund and to pay costs of issuance.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 7: LONG TERM DEBT (Continued)

On May 13, 2011, the District issued \$1,765,000 of Special Assessment Revenue Bonds, Series 2011A, due on May 1, 2040, with a fixed interest rate of 8.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Belle Isle Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On August 5, 2013, the District issued \$8,500,000 of Special Assessment Revenue Bonds, Series 2013A, due on May 1, 2043, with two fixed interest rates of 6.70% and 7.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Country Club East Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On August 5, 2013, the District issued \$7,535,000 of Special Assessment Revenue Bonds, Series 2013, due on May 1, 2043, with interest rates ranging from 6.10% to 6.40%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Central Park Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On October 14, 2014, the District issued \$12,145,000 of Special Assessment Revenue Bonds, Series 2014, due of May 1, 2044, with interest rates ranging from 5.35% to 5.60%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Country Club East Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On February 9, 2015, the District issued \$37,360,000 of Special Assessment Revenue Bonds, Series 2015, due of May 1, 2045, with interest rates ranging from 4.25% to 4.875%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Lakewood Centre North Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On February 8, 2016, the District issued \$79,505,000 of Special Assessment Revenue Bonds, Series 2016, due of May 1, 2046, with interest rates ranging from 4.00% to 5.125%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Villages of Lakewood Ranch South Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On May 8, 2017, the District issued \$14,805,000 of Special Assessment Revenue Bonds, Series 2017, due as of May 1, 2047, with interest rates ranging from 3.65% to 5.125%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Del Webb Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On February 21, 2017, the District issued \$49,480,000 of Special Assessment Revenue Bonds, Series 2017, due of May 1, 2047, with interest rates ranging from 4.00% to 5.375%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the Lakewood National and Polo Run Project, as well as set-up of a debt service reserve fund and to pay cost of issuance.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 7: LONG TERM DEBT (Continued)

On September 29, 2017, the District issued \$14,548,000 of Special Assessment Revenue Refunding Bonds, Series 2017, due as of May 1, 2036 with a fixed interest rate of 4.00%. The bonds were issued to refund and redeem all of the outstanding principal amount of the District's Special Assessment Revenue Bonds, 2006 Series A (Lake Club Project), pay certain costs associated with the issuance of the 2017 Bond, make a deposit into the 2017 Reserve Account, and pay interest first coming due on the 2017 Bond.

On August 30, 2018, the District issued \$14,925,000 of Special Assessment Revenue Bonds, Series 2018, due as of May 1, 2048 with interest rates ranging from 3.90% to 5.10%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as the NE Sector Project Phase 1A, as well as set-up of a debt service reserve fund and to pay cost of issuance.

On December 10, 2018, the District issued \$11,790,000 of Special Assessment Revenue Bonds, Series 2018, due on May 1, 2048, with interest rates ranging from 4.55% to 5.65%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Lakewood Centre & Northwest Sector Projects, as well as set up a debt service reserve fund and to pay costs of issuance.

On December 10, 2018, the District issued \$36,185,000 of Special Assessment Revenue Bonds, Series 2018, due on May 1, 2048, with interest rates ranging from 4.35% to 5.45%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Northeast Sector Project – Phase 1B, as well as set up a debt service reserve fund and to pay costs of issuance.

On April 8, 2019, the District issued \$7,580,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 3.50% to 4.875%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as The Isles at Lakewood Ranch Project – Phase 1, as well as set up a debt service reserve fund and to pay costs of issuance.

On May 20, 2019, the District issued \$9,125,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 3.60% to 4.50%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Lake Club Phase 4 Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On May 20, 2019, the District issued \$5,005,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 3.60% to 4.50%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Cresswind Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On September 9, 2019, the District issued \$4,775,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 2.90% to 4.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Indigo Expansion Area Project, as well as set up a debt service reserve fund and to pay costs of issuance.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 7: LONG TERM DEBT (Continued)

On October 18, 2019, the District issued \$5,585,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2049, with interest rates ranging from 3.00% to 4.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Northeast Sector Project Phase 2, as well as set up a debt service reserve fund and to pay costs of issuance.

On November 22, 2019, the District issued \$12,670,000 of Special Assessment Revenue Bonds, Series 2019, due on May 1, 2050, with interest rates ranging from 3.125% to 4.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Azario Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On June 24, 2020, the District issued \$19,195,000 of Special Assessment Revenue Refunding Bonds, Series 2020, due on May 1, 2037, with interest rates ranging from 2.00% to 5.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Country Club East Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On August 21, 2020, the District issued \$29,100,000 of Special Assessment Revenue Bonds, Series 2020, due on May 1, 2040, with interest rates ranging from 0.941% to 2.401%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Lakewood Centre & Northwest Sector Expansion Area Projects, as well as set up a debt service reserve fund and to pay costs of issuance.

On September 3, 2020, the District issued \$6,655,000 of Special Assessment Revenue Bonds, Series 2020, due on May 1, 2050, with interest rates ranging from 2.625% to 3.90%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Azario Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On September 18, 2020, the District issued \$10,655,000 of Special Assessment Revenue Bonds, Series 2020, due on May 1, 2051, with interest rates ranging from 2.50% to 3.875%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Lorraine Lakes Project, as well as set up a debt service reserve fund and to pay costs of issuance.

On October 1, 2020 the District issued \$17,755,000 of Special Assessment Revenue Bonds, Series 2020, due on May 1, 2050 with interest rates ranging from 2.50% to 4.00%. The bonds were issued to redeem all of the outstanding principal amount of the District's Bond Anticipation Note, Series 2017 (Northeast Sector Project), to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as Northeast Sector Project Phase 2B, as well as set up a debt service reserve fund and to pay cost of issuance.

On December 1, 2020 the District issued \$7,575,000 of Special Assessment Revenue Bonds, Series 2020, due on May 1, 2050 with interest rates ranging from 2.50% to 4.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District, known as the Northeast Sector Project Phase 2C, as well as set up a debt service reserve fund and to pay costs of issuance.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 7: LONG TERM DEBT (Continued)

On September 1, 2021 the District issued \$4,120,000 of Special Assessment Revenue Bonds, Series 2021, due May 1, 2051 with interest rates ranging from 2.125% to 4.00%. The bonds were issued to finance the acquisition and construction of certain infrastructure improvements for the benefit of the District known as The Isles at Lakewood Ranch Project Phase 2, as well as set up a debt service reserve fund and to pay costs of issuance.

On July 12, 2021 the District issued \$3,610,000 of Special Assessment Revenue Bonds Series 2021, due May 1, 2040 with an interest rate of 2.780%, for the purpose of refunding the Central Park Series 2010A and the Belle Isle Series 2011A bonds, with a par amount outstanding of \$2,655,000 and \$1,410,000 respectively and an average coupon of 7.40% and 8.00%, respectively. The District completed the current refunding to reduce its total debt service payments and created a net present value savings of \$1,727,308.

The District has unspent bond proceeds of \$20,945,218 consisting of unspent construction funds and unspent debt service reserves and debt service capitalized interest.

Lakewood Ranch Stewardship District Notes to Financial Statements

Note 7: LONG TERM DEBT (Continued)

Principal	Series 2013			Series 2014			Series 2015			Series 2016			Series 2017			Series 2018			Series 2019			Series 2020			Series 2021			Total
	Country Club East Series A Bonds	Central Park Series A Bonds	Country Club Series A Bonds	East Series A Bonds	Lakewood Ctr Bonds	The Villages of LWR South Bonds	Del Webb Bonds	National & Polo Run Bonds	Lake Club Bonds	Northwest Sector Bonds	NE Sector, Phase 1B	The Isles at LWR	Lake Club Phase 4	Crosswind Project	Indigo	NE Sect PH2A	Azario	CCE	LWCNWS	Azario	Lorraine Lakes	The Isles	NE Sect PH2C	NE Sect PH2B	Belleisle & Central Park			
2022	\$ 35,000	\$ -	\$ 205,000	\$ -	\$ 50,000	\$ 15,000	\$ 25,000	\$ 3,000	\$ 270,000	\$ 200,000	\$ 625,000	\$ 135,000	\$ 860,000	\$ 95,000	\$ 100,000	\$ 115,000	\$ 245,000	\$ -	\$ 65,000	\$ 135,000	\$ 210,000	\$ 85,000	\$ 160,000	\$ 365,000	\$ 5,000	\$ 4,003,000		
2023	150,000	140,000	255,000	700,000	1,380,000	270,000	880,000	498,000	280,000	205,000	655,000	140,000	130,000	95,000	100,000	120,000	250,000	870,000	1,165,000	140,000	215,000	90,000	165,000	375,000	145,000	9,413,000		
2024	160,000	145,000	270,000	730,000	1,440,000	285,000	920,000	519,000	295,000	210,000	680,000	145,000	135,000	100,000	105,000	125,000	260,000	915,000	1,185,000	140,000	220,000	90,000	170,000	385,000	150,000	9,779,000		
2025	175,000	155,000	285,000	760,000	1,505,000	295,000	965,000	540,000	305,000	225,000	715,000	150,000	140,000	105,000	105,000	125,000	270,000	965,000	1,205,000	145,000	225,000	95,000	170,000	395,000	155,000	10,175,000		
2026-2030	1,055,000	940,000	1,675,000	4,375,000	8,475,000	1,695,000	5,570,000	3,048,000	1,755,000	1,275,000	4,135,000	860,000	775,000	585,000	590,000	700,000	1,490,000	5,430,000	6,405,000	800,000	1,245,000	505,000	940,000	2,165,000	840,000	57,328,000		
2031-2035	1,480,000	1,280,000	2,190,000	5,585,000	10,805,000	2,160,000	7,200,000	3,722,000	2,235,000	1,660,000	5,335,000	1,075,000	955,000	725,000	700,000	835,000	1,790,000	6,115,000	7,345,000	950,000	1,475,000	580,000	1,105,000	2,575,000	965,000	70,842,000		
2036-2040	2,090,000	1,765,000	2,890,000	7,120,000	13,900,000	2,775,000	9,365,000	1,710,000	2,870,000	2,165,000	6,960,000	1,360,000	1,180,000	900,000	855,000	1,020,000	2,190,000	4,065,000	8,565,000	1,145,000	1,770,000	675,000	1,320,000	3,110,000	1,110,000	82,875,000		
2041-2045	2,290,000	1,870,000	2,965,000	9,090,000	17,965,000	3,580,000	12,240,000	-	3,690,000	2,885,000	9,120,000	1,730,000	1,485,000	1,125,000	1,035,000	1,250,000	2,680,000	-	1,885,000	1,385,000	2,130,000	805,000	1,595,000	3,775,000	240,000	86,815,000		
2046+	-	-	-	2,100,000	8,580,000	2,635,000	9,090,000	-	2,715,000	2,065,000	6,785,000	1,720,000	1,855,000	1,100,000	1,000,000	1,185,000	3,260,000	-	-	1,685,000	3,165,000	1,195,000	1,590,000	4,610,000	-	56,695,000		
Total	\$ 7,435,000	\$ 6,295,000	\$ 10,735,000	\$ 30,460,000	\$ 64,100,000	\$ 13,710,000	\$ 46,255,000	\$ 10,040,000	\$ 14,415,000	\$ 10,890,000	\$ 35,010,000	\$ 7,315,000	\$ 7,515,000	\$ 4,830,000	\$ 4,590,000	\$ 5,475,000	\$ 12,435,000	\$ 18,360,000	\$ 27,820,000	\$ 6,525,000	\$ 10,655,000	\$ 4,120,000	\$ 7,575,000	\$ 17,755,000	\$ 3,610,000	\$ 387,925,000		

Interest	2013 Country Club East Series A Bonds			2014 Country Club East Series A Bonds			2015 Villages of LWR South Bonds			2016 The Villages of LWR South Bonds			2017 Del Webb Bonds			2018 National & Polo Run Bonds			2019 NE Sector, Phase 1B			2019 NE Sect PH2A			2020 LWCNWS			2021 Belleisle & Central Park			Total
	Club East Series A Bonds	Central Park Series A Bonds	Country Club Series A Bonds	Lakewood Ctr Bonds	North Bonds	South Bonds	Webb Bonds	Club Bonds	Northwest Sector Bonds	NE Sector, Phase 1B	The Isles at LWR	Lake Club Phase 4	Crosswind Project	Indigo	PH2A 2019	Azario 2019	CCE 2020	LWCNWS 2020	Azario 2020	Lorraine Lakes Series 2020	The Isles NE Sect PH2C Series 2020	NE Sect PH2B Series 2020	Belleisle & Central Park Series 2021								
2022	\$ -	\$ -	\$ 585,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 705,038	\$ 618,755	\$ 1,827,821	\$ 336,159	\$ -	\$ 207,520	\$ 170,497	\$ 205,935	\$ 475,663	\$ 279,206	\$ -	\$ 236,821	\$ 380,844	\$ 136,884	\$ 269,500	\$ 651,305	\$ -	\$ 7,087,573					
2023	504,920	391,500	572,384	1,451,394	3,161,056	674,590	2,398,544	391,520	694,313	609,541	1,799,981	331,346	285,930	204,100	167,598	202,410	4,679,289	536,663	753,529	233,211	375,531	135,025	265,438	642,055	98,204	21,560,072					
2024	494,535	382,808	558,340	1,421,006	3,101,131	663,535	2,359,669	371,180	682,584	600,100	1,770,945	326,359	281,160	200,590	164,625	198,735	4,599,960	492,038	736,770	229,536	370,094	133,113	261,250	632,555	94,103	16,986,721					
2025	483,313	373,658	548,494	1,389,344	3,038,550	651,065	2,316,078	350,000	669,834	590,204	1,739,174	320,915	276,210	196,795	161,423	194,829	4,511,679	445,038	716,959	225,796	364,531	131,147	257,000	622,805	89,864	16,599,705					
2026-2030	2,219,919	1,708,316	2,464,949	6,375,356	16,105,087	3,042,829	10,834,775	1,400,880	3,131,545	2,773,584	8,136,429	1,508,487	1,296,725	919,380	752,291	908,388	2,114,220	1,609,490	3,195,634	1,057,065	1,715,672	620,340	1,205,825	2,920,460	381,139	76,396,685					
2031-2035	1,798,154	1,372,076	1,949,806	5,170,548	11,736,780	2,574,565	9,200,700	726,120	2,647,075	2,391,789	6,927,199	1,294,175	1,120,110	782,430	637,127	767,872	1,810,400	927,661	2,298,750	905,024	1,484,016	545,194	1,039,314	2,509,031	256,526	62,872,442					
2036-2040	1,187,900	895,200	1,253,000	3,628,706	8,649,106	1,559,717	7,034,413	69,080	2,011,233	1,869,701	5,305,963	1,009,446	880,140	604,023	491,487	589,547	1,414,000	161,897	1,070,671	709,370	1,190,845	447,734	827,652	1,977,377	112,313	45,356,521					
2041-2045	334,600	248,960	343,700	1,663,106	4,594,434	1,152,358	4,158,638	-	1,181,927	1,167,997	3,146,014	637,894	590,514	378,565	306,900	366,000	928,400	-	32,385	468,099	825,762	321,244	554,500	1,311,500	3,336	24,716,833					
2046+	-	-	-	51,188	445,363	207,178	751,350	-	212,288	292,106	568,027	172,576	215,889	101,926	82,000	97,100	336,600	-	-	135,136	370,547	149,100	201,000	475,600	-	4,864,974					
Total	\$ 7,023,341	\$ 5,372,518	\$ 8,271,298	\$ 21,150,648	\$ 48,831,507	\$ 10,925,837	\$ 39,054,167	\$ 3,308,780	\$ 11,935,837	\$ 10,913,777	\$ 31,221,553	\$ 5,937,357	\$ 4,952,678	\$ 3,595,329	\$ 2,933,948	\$ 3,530,716	\$ 12,670,211	\$ 4,451,993	\$ 8,804,698	\$ 4,200,058	\$ 7,075,842	\$ 2,619,781	\$ 4,881,479	\$ 11,742,688	\$ 1,035,485	\$ 276,441,526					

Total	2013 Country Club East Series A Bonds			2014 Country Club East Series A Bonds			2015 Villages of LWR South Bonds			2016 The Villages of LWR South Bonds			2017 Del Webb Bonds			2018 National & Polo Run Bonds			2019 NE Sector, Phase 1B			2019 NE Sect PH2A			2020 LWCNWS			2021 Belleisle & Central Park			Total
	Club East Series A Bonds	Central Park Series A Bonds	Country Club Series A Bonds	Lakewood Ctr Bonds	North Bonds	South Bonds	Webb Bonds	Club Bonds	Northwest Sector Bonds	NE Sector, Phase 1B	The Isles at LWR	Lake Club Phase 4	Crosswind Project	Indigo	PH2A 2019	Azario 2019	CCE 2020	LWCNWS 2020	Azario 2020	Lorraine Lakes Series 2020	The Isles NE Sect PH2C Series 2020	NE Sect PH2B Series 2020	Belleisle & Central Park Series 2021								
2022	\$ 35,000	\$ -	\$ 790,625	\$ -	\$ 50,000	\$ 15,000	\$ 25,000	\$ 3,000	\$ 975,038	\$ 818,755	\$ 2,452,821	\$ 471,159	\$ 860,000	\$ 302,520	\$ 270,497	\$ 320,935	\$ 720,663	\$ 279,206	\$ 65,000	\$ 371,821	\$ 590,844	\$ 221,884	\$ 429,500	\$ 1,016,305	\$ 5,000	\$ 11,090,573					
2023	654,920	521,500	827,384	2,151,394	4,541,056	944,590	3,278,544	889,520	974,313	814,541	2,454,981	471,346	415,930	299,100	267,598	322,410	4,929,289	1,406,663	1,918,529	373,211	590,531	225,025	430,438	1,017,055	243,204	30,973,072					
2024	654,535	527,808	828,340	2,151,006	4,541,131	948,535	3,279,669	890,180	977,584	810,100	2,450,945	471,359	416,160	300,590	269,625	323,735	719,960	1,407,038	1,921,770	369,536	590,094	232,113	431,250	1,017,555	244,103	26,765,721					
2025	658,313	528,658	828,494	2,149,344	4,543,550	946,065	3,281,078	890,000	974,834	815,204	2,454,174	470,915	416,210	301,795	266,423	319,829	721,679	1,410,038	1,921,959	370,796	588,531	226,147	427,000	1,017,805	244,864	26,774,705					
2026-2030	3,274,919	2,648,316	4,139,949	10,750,356	22,580,087	4,737,829	16,404,775	4,448,880	4,886,545	4,048,584	12,271,429	2,368,487	2,071,725	1,504,380	1,342,291	1,608,288	3,604,220	7,039,490	9,600,634	1,857,065	2,958,672	1,125,340	2,145,825	5,085,460	1,221,139	133,724,685					
2031-2035	3,278,154	2,652,076	4,139,806	10,755,548	22,541,780	4,734,565	16,400,700	4,448,120	4,882,075	4,051,789	12,262,199	2,369,175	2,075,110	1,507,430	1,337,127	1,602,872	3,600,400	7,042,661	9,643,750	1,855,024	2,959,016	1,125,194	2,144,314	5,084,031	1,221,526	133,714,442					
2036-2040	3,277,900	2,660,200	4,143,000	10,749,706	22,549,106	4,734,717	16,399,413	1,779,080	4,881,233	4,034,701	12,265,963	2,369,446	2,066,140	1,504,023	1,346,487	1,609,547	3,604,000	4,226,897	9,635,671	1,854,370	2,960,845	1,122,734	2,147,652	5,087,377	1,222,313	128,231,521					
2041-2045	2,624,600	2,118,960	3,308,700	10,753,106	22,559,434	4,732,358	16,398,638	-	4,871,927	4,052,997	12,266,014	2,367,894	2,075,514	1,503,565	1,341,900	1,616,000	3,608,400	-	1,917,385	1,853,099	2,955,762	1,126,244	2,149,500	5,086,500	243,336	111,531,833					
2046+	-	-	-	2,151,188	9,025,363	2,842,178	9,841,350	-</																							



REQUIRED SUPPLEMENTARY INFORMATION



Lakewood Ranch Stewardship District Budgetary Comparison Schedule – General Fund

For the year ended September 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Landowner funding	\$ 3,060,985	\$ 1,434,476	\$ (1,626,509)
Assessments	5,013,079	5,368,604	355,525
Miscellaneous	1,000	8,307	7,307
Total revenues	8,075,064	6,811,387	(1,263,677)
Expenditures			
Current:			
General government	866,560	1,961,444	(1,094,884)
Physical environment:			
Operations	7,208,504	4,849,943	2,358,561
Total expenditures	8,075,064	6,811,387	1,263,677
 NET CHANGE IN FUND BALANCES	-	-	-
 FUND BALANCES - BEGINNING OF YEAR	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -

OTHER NON-FINANCIAL INFORMATION

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

Board of Supervisors
Lakewood Ranch Stewardship District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Lakewood Ranch Stewardship District, ("the District"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 9, 2022.

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 auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

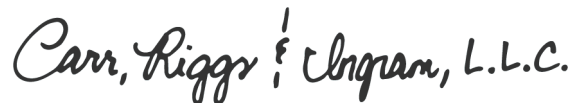
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

The District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

Carr, Riggs, & Ingram, LLC

Bradenton, Florida
March 9, 2022

**Lakewood Ranch Stewardship District
Schedule of Findings and Questioned Costs
For the year ended September 30, 2021**

Section I - Financial Statement Findings

2021-001 Financial Reporting

Criteria

Proper internal controls over financial reporting are essential with regards to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition

During our audit procedures, we noted that in the prior year the District did not account for a Bond Anticipation Note in error, which caused liabilities to be understated.

Cause

In the prior year construction draws on the Bond Anticipation Note were accounted for incorrectly under the assumption that funds received were not a liability to the District. The result of this incorrect recording was that the liability was mistakenly unaccounted for and not disclosed in the financial statements.

Effect or potential effect

Inaccurate recording of transactions could materially misstate the overall financial statements.

Recommendation

We recommend that management put controls in place to ensure that in regards to the recording of bond fund transactions, that Accounting Department personnel have reviewed and have working knowledge of the terms of the bond so proper recording of the transactions can occur.

Views of responsible officials

We agree with the auditor's comments, and improvements in controls have been taken. Management will perform additional reviews of the monthly internal financial statements and ensure the correct recording and reporting.

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH FLORIDA STATUTES 218.415 –
INVESTMENT OF PUBLIC FUNDS**

Board of Supervisors
Lakewood Ranch Stewardship District

We have examined the Lakewood Ranch Stewardship District (“District”) compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2021. Management is responsible for the District’s compliance with those requirements. Our responsibility is to express an opinion on the District’s compliance with the specified requirements based on our examination.

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

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 fiscal year ended September 30, 2021.

This report is intended solely for the information and use of Lakewood Ranch Stewardship District and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

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

Carr, Riggs, & Ingram, LLC

Bradenton, Florida
March 9, 2022

MANAGEMENT LETTER

Board of Supervisors
Lakewood Ranch Stewardship District

Report on the Financial Statements

We have audited the financial statements of Lakewood Ranch Stewardship District ("District"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 9, 2022

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 9, 2022 should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. There were no component units related to the District.

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 the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Additional Matters

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

Purpose of this Letter

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

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

Carr, Riggs, & Ingram, LLC

Bradenton, Florida
March 9, 2022



REQUIRED COMMUNICATIONS



March 9, 2022

To the Board of Lakewood Ranch Stewardship District

We are pleased to present the results of our audit of the 2021 financial statements of Lakewood Ranch Stewardship District (the "District").

The document also contains the communications required by our professional standards.

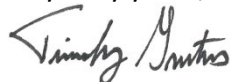
Our audit was designed, primarily to express an opinion on the District's 2021 financial statements. We considered the District's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the District's personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

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

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 941-281-7242 or tgruters@cricpa.com.

Very truly yours,



Timothy Gruters, CPA
Partner



As discussed with the District and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the District. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board and management, 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, in order to express an opinion on the District's financial statements for the year ending September 30, 2021.
- 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*.



We have audited the District’s financial statements for the year ended September 30, 2021, and have issued our report thereon dated March 9, 2022. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS’ RESPONSE
<p>Auditors’ responsibility under Generally Accepted Auditing Standards and <i>Government Auditing Standards</i></p>	<p>As stated in our engagement letter dated August 18, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p>Client’s responsibility</p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud. Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p>Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the Auditors’ conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled “Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality.”</p>



MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the District and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the Auditors' judgment about the quality of accounting principles</p> <ul style="list-style-type: none"> • <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i> • <i>The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of the Company's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures.</i> <i>Critical accounting policies and practices applied by the Company in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i> • <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i> 	<p>Significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>The financial statement disclosures are neutral, consistent, and clear.</p>



MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p>Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or Auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p>Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>None noted.</p>
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	<p>None noted.</p>
<p>Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by the District, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	<p>See "Summary of Audit Adjustments" section.</p>
<p>Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>



MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>To our knowledge, there were no such consultations with other accountants.</p>
<p>Written representations <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	<p>See "Management Representation Letter" section.</p>
<p>Internal control deficiencies <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the Auditors' attention during the audit.</i></p>	<p>See "Internal Control Findings" section.</p>
<p>Fraud and illegal acts <i>Fraud involving the District's Board of Directors or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the Auditors' attention involving senior management and any other illegal acts, unless clearly inconsequential.</i></p>	<p>We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.</p>
<p>Other information in documents containing audited financial statements <i>The external Auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <p>Such information is materially inconsistent with the financial statements; and We believe such information represents a material misstatement of fact.</p> <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>

Accounting Policies, Judgments, & Sensitive Estimates & CRI Comments on Quality



We are required to communicate our judgments about the quality, not just the acceptability, of the District's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The Board of Supervisors may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Fixed Assets	Useful lives of depreciable assets are at twenty years and are depreciated at straight line.	X	A sensitive estimate for the District is the useful lives of fixed assets.	The District's policies are in accordance with accounting principles generally accepted in the United States of America (GAAP).

Summary of Audit Adjustments



During the course of our audit, we accumulate differences between amounts recorded by the Company and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the Company or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditors' judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

We recorded the following entries as part of our non-attest services for the District:

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To correct funding double counted in error			
300-43121-000	Construction Funding:The Isles	1,183,447	
300-15521-000	Capital Outlay: The Isles Series 2019		1,183,447
Total		1,183,447	1,183,447
Adjusting Journal Entries JE # 2			
To properly record the Rev for LWCN Project - PBC (funds received that should have been recorded for construction funding)			
300-43113-000	Construction Funding: LWR South	166,293	
300-43113-000	Construction Funding: LWR South	419,446	
300-43003-000	Construction Funding: N70		166,293
300-43003-000	Construction Funding: N70		419,446
Total		585,738	585,738
Adjusting Journal Entries JE # 3			
To properly record debt service funds received - PBC			
200-38100-000	Transfer In From Capital Projects Fund	1,134,345	
300-43115-000	Construction Funding: LWNPR	1,134,345	
200-41115-000	Debt Service Pmt:LWNPR Series 2017		1,134,345
300-58100-000	Transfer Out From Debt Service From		1,134,345
Total		2,268,690	2,268,690
Adjusting Journal Entries JE # 4			
Transfer entry to allocate beginning fund balance			
200-32100-000	RETAINED EARNINGS	46,964,436	
300-58101-000	Transfer Out	46,964,436	
200-38101-000	Transfer In		46,964,436
300-32100-000	Retained Earnings		46,964,436
Total		93,928,872	93,928,872
Adjusting Journal Entries JE # 5			
To adjust the recording of debt principal, which was recorded as debt interest in error.			
200-20107-000	Principal Payments:Belleisle Series 2011	1,410,000	
200-50234-000	Debt Interest: CP and BI		1,410,000
Total		1,410,000	1,410,000
Adjusting Journal Entries JE # 6			
To adjust interest payments which were recorded as principal payments in error.			
200-50228-000	Debt Interest:LWCNWS Series 2020A1	1,208,505	
200-20128-000	Principal Payments: LWCNWS A1 Series2020		1,208,505
Total		1,208,505	1,208,505



The corrected adjustments as a result of our audit procedures are as follows:

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 7			
To adjust the recording of bond proceeds to PAR value and allocate the premium/discount to a separate account.			
200-20035-000	Bond Proceeds: The Isles Ph2 2021	3,967	
300-20035-000	Bond Proceeds: The Isles Ph2 2021	74,782	
200-50135-000	Bond Issue Discount: The Isles Ph2 2021		3,967
300-50135-000	Bond Issue Discount: The Isles Ph2 2021		74,782
Total		78,749	78,749
Adjusting Journal Entries JE # 8			
To correct an entry made to the incorrect bond account			
200-38100-000	Transfer In From Capital Projects Fund	177,633	
300-20033-000	Bond Proceeds: NES 2C Series 2020	177,633	
200-20034-000	Bond Proceeds: BI & CP 2021		177,633
300-58100-000	Transfer Out From Debt Service From		177,633
Total		355,266	355,266
Adjusting Journal Entries JE # 9			
To adjust the posting of bond proceeds and cost of issuance per the debt agreement.			
200-11534-000	COI: BI and CP Series 2021	7,219	
200-20034-000	Bond Proceeds: BI & CP 2021		7,219
Total		7,219	7,219
Adjusting Journal Entries JE # 10			
To reclassify the recording of the bond anticipation note repayment to Other Financing Sources.			
200-73004-000	Other Financing Uses	15,014,428	
200-20116-000	Principal Payments: NES Ph 1A Series 2018		15,014,428
Total		15,014,428	15,014,428
Adjusting Journal Entries JE # 11			
To adjust the recording for a draw on the Series 2017 Bond Anticipation Note			
200-41116-000	Debt Service Pmt: NES Ph 1A Series 2018	2,837,225	
200-20216-000	Bond Anticipation Note Issued		2,837,225
Total		2,837,225	2,837,225
Total Adjusting Journal Entries		118,878,139	118,878,139

Listed below are passed (uncorrected) adjustments.

None.



QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate;
- Whether the difference masks a change in earnings or other trends;
- Whether the difference changes a net decrease in assets to addition, or vice versa;
- Whether the difference concerns an area of the District's operating environment that has been identified as playing a significant role in the District's operations or viability;
- Whether the difference affects compliance with regulatory requirements;
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation;
- Whether the difference involves concealment of an unlawful transaction.



Lakewood Ranch Stewardship District
14400 Covenant Way, Lakewood Ranch Florida 34202

March 9, 2022

Carr, Riggs, & Ingram, LLC
1001 3rd Avenue West, Suite 500
Bradenton, FL 34205

This representation letter is provided in connection with your audit(s) of the financial statements of Lakewood Ranch Stewardship District, which comprise the respective financial position of the governmental activities and each major fund as of September 30, 2021, and the respective changes in financial position, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted 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 that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 9, 2022, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 18, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.



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Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Supervisors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) 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.
- 14) We have no knowledge of any fraud or suspected fraud that affects the District 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.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91.
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax



- or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
 - 28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
 - 29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
 - 30) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
 - 31) The financial statements include all fiduciary activities required by GASBS No. 84 .
 - 32) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended.
 - 33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
 - 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
 - 35) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
 - 36) Provisions for uncollectible receivables have been properly identified and recorded.
 - 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
 - 38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
 - 39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
 - 40) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
 - 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
 - 42) We have appropriately disclosed the District's 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 is available and have determined that net position is properly recognized under the policy.
 - 43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
 - 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: *[Handwritten Signature]* 3/9/2022
 Title: *Vice Chairman / Treasurer*
Lakewood Ranch Stewardship District



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Examination Services

In connection with your examination of the investments, for the year ended September 30, 2021, for the purpose of expressing an opinion that the investments, are in compliance with the requirements of Section 218.415, Florida Statute; we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We are responsible for the investments and for compliance with the requirements of Section 218.415, Florida Statutes.

2. For the year ended September 30, 2021, the investments are in compliance with the requirements of Section 218.415, Florida Statutes.

3. We have disclosed to you all known matters contradicting, or that may contradict, the investments, and we have disclosed to you all communications from regulatory agencies affecting the investments.

4. There have been no communications from regulatory agencies, internal auditors, and other independent practitioners or consultants relating to the investments, including communications received between September 30, 2021, and the date of this letter.

5. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

6. We have made available to you all information and records that we believe are relevant to the investments.

7. There are no material transactions that have not been properly recorded in the accounting records underlying the investments.

8. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.

9. We have no knowledge of any fraud, allegations of fraud, or suspected fraud involving management, or others where the fraud could have an effect on the investments, including any communications from analysts, regulators, or others.

10. We have responded fully to all inquiries made to us by you during the engagement.

11. No events have occurred subsequent to September 30, 2021 that would require adjustment to or modification of the investments.

12. Your report is intended solely for the information and use of management, those charged with governance, and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than those specified parties.

Signature:

Title:

by Charles 3/9/2022
Vice Chairman/Treasurer
Ballwood Ranch Stewardship District



INTERNAL CONTROL FINDINGS





March 9, 2022

To the Board of Lakewood Ranch Stewardship District

In planning and performing our audit of the financial statements of Lakewood Ranch Stewardship District (“the District”) as of and for the year ended September 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a material weakness.

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. We consider the deficiency in internal control presented in the Schedule of Findings and Questioned Costs to this letter to be a material weakness.

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.

This communication is intended solely for the information and use of management, The Board of Supervisors, others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

CARR, RIGGS & INGRAM, LLC

Bradenton, FL