

**Wynfield Lakes
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2021

Wynnfield Lakes Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2021

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Wynnfield Lakes Community Development District
City of Jacksonville, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Wynnfield Lakes Community Development District as of and for the year ended September 30, 2021, and the related notes to 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.

Auditor's Responsibility

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

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

Fort Pierce / Stuart

To the Board of Supervisors
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Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of Wynnfield Lakes Community Development District as of September 30, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Governmental accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *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 in accordance with governmental auditing standards generally accepted in the United States of America, which consisted principally of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 25, 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 and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Wynnfield Lakes Community Development District's internal control over financial reporting and compliance.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

April 25, 2022

Wynnfield Lakes Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

Management's discussion and analysis of Wynnfield Lakes Community Development District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government, physical environment, culture/recreation, and debt service.

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

Wynnfield Lakes Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including, capital assets, are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, a reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

Notes to financial statements provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2021.

- ◆ The District's total assets and deferred outflows of resources were exceeded by total liabilities \$(2,807,910) (net position). The District's net investment in capital assets was \$(2,464,886). Unrestricted net position was \$(369,413) and restricted net position was \$26,389.

- ◆ Governmental activities revenues totaled \$1,056,494 while governmental activities expenses totaled \$998,480.

**Wynnfield Lakes Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

The following schedule provides a summary of the assets, deferred outflows of resources, liabilities and net position of the District and is presented by category for comparison purposes.

Net Position

	Governmental Activities	
	2021	2020
Current assets	\$ 421,244	\$ 422,157
Restricted assets	382,997	394,162
Capital assets	1,885,452	2,080,616
Total Assets	<u>2,689,693</u>	<u>2,896,935</u>
 Deferred outflows of resources	 <u>229,008</u>	 <u>232,473</u>
 Current liabilities	 402,625	 394,158
Non-current liabilities	5,323,986	5,601,174
Total Liabilities	<u>5,726,611</u>	<u>5,995,332</u>
 Net investment in capital assets	 (2,464,886)	 (3,558,085)
Net position - restricted	26,389	291,829
Net position - unrestricted	(369,413)	400,332
Total Net Position	<u>\$ (2,807,910)</u>	<u>\$ (2,865,924)</u>

The decrease in capital assets is primarily due to current year depreciation.

The increase in total net position is the result of revenues exceeding expenses in the current year.

**Wynnfield Lakes Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

Change in Net Position

	Governmental Activities	
	2021	2020
Program Revenues		
Charges for services	\$ 1,049,716	\$ 1,049,808
General Revenues		
Investment earnings	312	7,778
Miscellaneous revenues	6,466	1,758
Total Revenues	<u>1,056,494</u>	<u>1,059,344</u>
Expenses		
General government	122,390	107,033
Physical environment	286,134	545,499
Culture/recreation	341,648	-
Interest and other charges	248,308	261,395
Total Expenses	<u>998,480</u>	<u>913,927</u>
Change in Net Position	58,014	145,417
Net Position - Beginning of Year	<u>(2,865,924)</u>	<u>(3,011,341)</u>
Net Position - End of Year	<u><u>\$ (2,807,910)</u></u>	<u><u>\$ (2,865,924)</u></u>

The increase in general government is related to the increase in legal expenses in the current year.

The increase in physical environment and culture/recreation is related to increased repairs and maintenance.

The decrease in interest and other charges is the result of current year principal payments.

**Wynnfield Lakes Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets activity as of September 30, 2021 and 2020:

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Land	\$ 400,000	\$ 400,000
Improvements other than buildings	68,597	68,597
Infrastructure	1,615,771	1,615,771
Buildings	2,424,677	2,424,677
Equipment	70,301	65,166
Less: accumulated depreciation	(2,693,894)	(2,493,595)
Total Capital Assets, Net	<u>\$ 1,885,452</u>	<u>\$ 2,080,616</u>

Capital asset activity consisted of \$200,299 in depreciation and \$5,135 in addition to equipment in the current year.

General Fund Budgetary Highlights

Budgeted expenditures exceeded actual expenditures primarily due to less utility and capital outlay expenditures than were anticipated.

The September 30, 2021 budget was amended for additional capital outlay expenditures.

Debt Management

Governmental Activities debt includes the following:

- In August 2014, the District issued \$7,490,000 Special Assessment Refunding Bonds. These bonds were issued to refund of the Series 2005 Special Assessment Bonds. As of September 30, 2021, the balance outstanding for the Series 2014 Bonds was \$5,640,000.

Economic Factors and Next Year's Budget

Wynnfield Lakes Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2022.

Request for Information

The financial report is designed to provide a general overview of Wynnfield Lakes Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Wynnfield Lakes Community Development District, GMS-NF, LLC, 475 West Town Place, Suite 114, St. Augustine, Florida 32092.

Wynnfield Lakes Community Development District
STATEMENT OF NET POSITION
September 30, 2021

	Governmental Activities
ASSETS	
Current Assets	
Cash and equivalents	\$ 55,782
Investments	345,809
Prepaid expenses	19,653
Total Current Assets	421,244
Non-current Assets	
Restricted	
Investments, at fair value	382,997
Capital assets, not being depreciated	
Land	400,000
Capital assets, being depreciated	
Improvements other than buildings	68,597
Infrastructure	1,615,771
Buildings	2,424,677
Equipment	70,301
Less: accumulated depreciation	(2,693,894)
Total Non-Current Assets	2,268,449
Total Assets	2,689,693
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding, net	229,008
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	28,755
Accrued interest	98,870
Bonds payable	275,000
Total Current Liabilities	402,625
Non-current Liabilities	
Bonds payable	5,323,986
Total Liabilities	5,726,611
 NET POSITION	
Net investment in capital assets	(2,464,886)
Restricted for debt service	26,389
Unrestricted	(369,413)
Total Net Position	\$ (2,807,910)

See accompanying notes.

Wynnfield Lakes Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
Primary Government			
Governmental Activities			
General government	\$ (122,390)	\$ 118,056	\$ (4,334)
Physical environment	(286,134)	208,575	(77,559)
Culture/recreation	(341,648)	203,772	(137,876)
Interest and other charges	(248,308)	519,313	271,005
Total Governmental Activities	<u>\$ (998,480)</u>	<u>\$ 1,049,716</u>	<u>51,236</u>
General Revenues			
			312
			6,466
			<u>6,778</u>
			58,014
			(2,865,924)
			<u>\$ (2,807,910)</u>

See accompanying notes.

Wynnfield Lakes Community Development District
BALANCE SHEET – GOVERNMENTAL FUNDS
September 30, 2021

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 55,782	\$ -	\$ 55,782
Investments	345,809	-	345,809
Prepaid expenses	19,653	-	19,653
Restricted			
Investments, at fair value	-	382,997	382,997
Total Assets	\$ 421,244	\$ 382,997	\$ 804,241
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued expenses	\$ 28,755	\$ -	\$ 28,755
Fund Balances			
Nonspendable-prepaid expenses	19,563	-	19,563
Restricted			
Debt service	-	382,997	382,997
Assigned			
Capital reserve	181,334	-	181,334
Unassigned	191,592	-	191,592
Total Fund Balances	392,489	382,997	775,486
Total Liabilities and Fund Balances	\$ 421,244	\$ 382,997	\$ 804,241

See accompanying notes.

Wynnfield Lakes Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2021

Total Governmental Fund Balances	\$ 775,486
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, land, \$400,000, improvements other than building, \$68,597, infrastructure, \$1,615,771, buildings, \$2,424,677, equipment, \$70,301, net of accumulated depreciation, \$(2,693,894), used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	1,885,452
Long-term liabilities, including bonds payable, \$(5,640,000), net of bond discount, net \$41,014, are not due and payable in the current period and therefore, are not reported at the fund level.	(5,598,986)
Deferred outflows of resources are not current financial resources and therefore, are not reported at the governmental fund level.	229,008
Accrued interest expense is not a current financial use and therefore, is not reported at the governmental fund level.	<u>(98,870)</u>
Net Position of Governmental Activities	<u><u>\$ (2,807,910)</u></u>

See accompanying notes.

Wynnfield Lakes Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	General	Debt Service	Total Governmental Funds
Revenues			
Special assessments	\$ 530,403	\$ 519,313	\$ 1,049,716
Investment earnings	258	54	312
Miscellaneous	6,466	-	6,466
Total Revenues	<u>537,127</u>	<u>519,367</u>	<u>1,056,494</u>
Expenditures			
Current			
General government	122,390	-	122,390
Physical environment	216,231	-	216,231
Culture/recreation	211,252	-	211,252
Capital outlay	5,135	-	5,135
Debt service			
Principal	-	275,000	275,000
Interest	-	245,494	245,494
Total Expenditures	<u>555,008</u>	<u>520,494</u>	<u>1,075,502</u>
Excess of revenues over/(under) expenditures	<u>(17,881)</u>	<u>(1,127)</u>	<u>(19,008)</u>
Other Financing Sources/(Uses)			
Transfers in	10,038	-	10,038
Transfers out	-	(10,038)	(10,038)
Total other Financing Sources/(Uses)	<u>10,038</u>	<u>(10,038)</u>	<u>-</u>
Net Change in Fund Balances	(7,843)	(11,165)	(19,008)
Fund Balances - October 1, 2020	<u>400,332</u>	<u>394,162</u>	<u>794,494</u>
Fund Balances - September 30, 2021	<u>\$ 392,489</u>	<u>\$ 382,997</u>	<u>\$ 775,486</u>

See accompanying notes.

Wynnfield Lakes Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ (19,008)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount that depreciation \$(200,299), exceeds capital outlay, \$5,135, in the current period.	(195,164)
Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	275,000
Amortization of bond discount does not require the use of current resources and therefore is not reported at the fund level. This is the amount of amortization in the current period.	(2,812)
Deferred amount on refunding is recognized as a component of interest on long-term debt in the Statement of Activities, but in the governmental funds. This is the amount of interest in the current period.	(3,465)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net amount between the prior year and current year accruals.	<u>3,463</u>
Change in Net Position of Governmental Activities	<u><u>\$ 58,014</u></u>

See accompanying notes.

Wynnfield Lakes Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 528,955	\$ 528,955	\$ 530,403	\$ 1,448
Investment income	3,300	600	258	(342)
Miscellaneous revenues	2,000	2,000	6,466	4,466
Total Revenues	<u>534,255</u>	<u>531,555</u>	<u>537,127</u>	<u>5,572</u>
Expenditures				
Current				
General government	110,631	110,631	122,390	(11,759)
Physical environment	258,375	258,375	216,231	42,144
Culture/recreation	162,799	162,799	211,252	(48,453)
Capital outlay	15,000	100,000	5,135	94,865
Total Expenditures	<u>546,805</u>	<u>631,805</u>	<u>555,008</u>	<u>76,797</u>
Excess of revenues over/(under) expenditures	<u>(12,550)</u>	<u>(100,250)</u>	<u>(17,881)</u>	<u>82,369</u>
Other Financing Sources/(Uses)				
Transfers in	<u>-</u>	<u>-</u>	<u>10,038</u>	<u>10,038</u>
Net change in fund balances	(12,550)	(100,250)	(7,843)	92,407
Fund Balances - October 1, 2020	<u>214,632</u>	<u>202,334</u>	<u>400,332</u>	<u>197,998</u>
Fund Balances - September 30, 2021	<u>\$ 202,082</u>	<u>\$ 102,084</u>	<u>\$ 392,489</u>	<u>\$ 290,405</u>

See accompanying notes.

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

1. Reporting Entity

The District was established on August 1, 2005, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes the City of Jacksonville Ordinance 2005-580-E. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or without the boundaries of the Rolling Hills Community Development District. The District is governed by a five-member Board of Supervisors who were elected by the residents of the District. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Wynnfield Lakes Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards, the District has identified no component units.

2. Measurement Focus and Basis of Accounting

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments. Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as another financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

b. Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

When both restricted and unrestricted resources are combined in a fund, qualified expenses are considered to be paid first from restricted resources, and then from unrestricted resources. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as another financing source rather than as a fund liability. Debt service expenditures are recorded only when payment is due.

The District implemented the Governmental Accounting Standards Board Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications include non-spendable, restricted, committed, assigned and unassigned.

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

The District has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Assigned Fund Balance – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Fund Balance Spending Hierarchy – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

3. Basis of Presentation

a. Governmental Major Funds

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

Debt Service Fund – Accounts for debt service requirements to retire the outstanding bonds of the District

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds, be reported in the governmental activities column in the government-wide Statement of Net Position.

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

b. Non-current Governmental Assets/Liabilities (Continued)

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds, be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, Deferred Outflows of Resources, Liabilities, and Net Position or Equity

a. Cash and Investments

Chapter 280, Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

b. Restricted Assets

Certain net position of the District will be classified as restricted on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, Deferred Outflows of Resources, and Net Position or Equity (Continued)

c. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, infrastructure, and equipment are reported in governmental activities.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method over the assets' estimated useful lives: infrastructure 20-30 years, improvements other than buildings 15-20 years and equipment 10-15 years.

d. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred amount on refunding reported on the Statement of Net Position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

e. Net Position

Net position represents the difference between assets and liabilities and is reported in three categories. Net investment in capital assets, represent capital assets, net of accumulated depreciation and any outstanding debt related to those assets. Net position is reported as restricted when there are legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. Unrestricted net position is assets that do not meet definitions of the classifications previously described.

f. Unamortized Bond Discount

Bond discounts are presented on the government-wide financial statements. The costs are amortized over the life of the bonds using the straight-line method. For financial reporting, the unamortized bond discount is netted against the applicable long-term debt.

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, Deferred Outflows of Resources, and Net Position or Equity (Continued)

g. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year-end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

“Total fund balances” of the District’s governmental funds, \$775,486, differs from “net position” of governmental activities, \$(2,807,910), reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below.

Capital related items

When capital assets (improvements, infrastructure, and buildings that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Land	\$ 400,000
Improvements other than buildings	68,597
Infrastructure	1,615,771
Building	2,424,677
Equipment	70,301
Accumulated depreciation	<u>(2,693,894)</u>
Total	<u>\$ 1,885,452</u>

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Long-term debt transactions

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2021 were:

Bonds payable	\$ (5,640,000)
Bond discount	<u>41,014</u>
Net bonds payable	<u>\$ (5,598,986)</u>

Deferred outflows of resources

Deferred outflows of resources applicable to the District’s governmental activities are not financial resources, and therefore, are not recognized at the governmental fund level.

Deferred amount on refunding, net	<u>\$ 229,008</u>
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Accrued interest

Accrued liabilities in the Statement of Net Position differ from the accrued interest on bonds, which are not reported at the fund level because they do not use current resources.

Accrued interest	<u>\$ (98,870)</u>
------------------	--------------------

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds, \$(19,008), differs from the “change in net position” for governmental activities, \$58,014, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities (Continued)

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount that depreciation exceeds capital outlay.

Depreciation	\$ (200,299)
Capital outlay	<u>5,135</u>
Total	<u><u>\$ (195,164)</u></u>

Long-term debt transactions

Repayment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the Statement of Net Position and are eliminated in the Statement of Activities.

Debt principal payments	<u><u>\$ 275,000</u></u>
-------------------------	--------------------------

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

Net change in accrued interest payable	\$ 3,463
Decrease in bond discount	(2,812)
Decrease in deferred amount on refunding	<u>(3,465)</u>
Total	<u><u>\$ (2,814)</u></u>

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE C – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2021, the District's bank balance was \$61,924 and the carrying value was \$55,582. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2021, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Managed Money Market Accounts	N/A	\$ 243,367
Fidelity Government Portfolio	30 Days*	382,997
Florida PRIME	49 Days*	102,442
Total		<u>\$ 728,806</u>

*Weighted Average Maturity

The District categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

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

Based on the criteria in the preceding paragraph, the Fidelity Government Portfolio and the Managed Money Market Accounts are Level 1 assets.

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Investments

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. The investment in Florida PRIME is measured at amortized cost. Florida PRIME has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that would limit daily access to 100 percent of the account value.

Interest Rate Risk

The formal investment policy of the District conforms with State statutory requirements and bond indentures for investment maturities as a means of managing its exposure to increasing interest rates. Direct obligations of the United States Treasury are held in a money market fund that allows daily demand withdrawals at par in the event of a decrease in interest rates.

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. The Florida PRIME Fund is an authorized investment under Section 218.415, Florida Statutes. As of September 30, 2021, the District's investment in Florida PRIME and Fidelity Government Portfolio was rated AAAM by Standard & Poor's. The managed money market account was not rated at September 30, 2021.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one issuer. The investment in Florida PRIME represents 14% of the District's total investments. The investment in the Managed Money Market is 33% of the District's total investments and the investment in the Fidelity Government Portfolio is 53% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2021 were typical of these items during the fiscal year then ended. The District considers any decline in fair value to be temporary.

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE D – SPECIAL ASSESSMENT REVENUES

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted budget and levied annually. Debt Service Assessments are levied when bonds are issued and collected annually. The District may collect assessments directly or utilize the uniform method of collection (Chapter 197.3632, Florida Statutes). Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the Debt Service Assessments on their property subject to various provisions in the bond documents.

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

NOTE E – CAPITAL ASSETS

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

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021
<u>Governmental Activities:</u>				
Capital assets, not being depreciated				
Land	\$ 400,000	\$ -	\$ -	\$ 400,000
Capital Assets, Being Depreciated:				
Improvements other than buildings	68,597	-	-	68,597
Buildings	2,424,677	-	-	2,424,677
Infrastructure	1,615,771	-	-	1,615,771
Equipment	65,166	5,135	-	70,301
Total Capital Assets, Being Depreciated	<u>4,174,211</u>	<u>5,135</u>	<u>-</u>	<u>4,179,346</u>
Less accumulated depreciation for:				
Improvements other than buildings	(1,524)	(4,573)	-	(6,097)
Buildings	(1,569,676)	(121,234)	-	(1,690,910)
Infrastructure	(900,797)	(69,292)	-	(970,089)
Equipment	(21,596)	(5,200)	-	(26,796)
Total Accumulated Depreciation	<u>(2,493,593)</u>	<u>(200,299)</u>	<u>-</u>	<u>(2,693,892)</u>
Total Capital Assets Depreciated, Net	<u>1,680,618</u>	<u>(195,164)</u>	<u>-</u>	<u>1,485,454</u>
Governmental Activities Capital Assets	<u>\$ 2,080,618</u>	<u>\$ (195,164)</u>	<u>\$ -</u>	<u>\$ 1,885,454</u>

Depreciation of \$200,299 was allocated to the physical environment, \$69,902 and culture/recreation, \$130,396.

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE F – LONG-TERM DEBT

The following is a summary of activity for long-term debt of Governmental Activities for the year ended September 30, 2021:

Long-term debt at October 1, 2020	\$	5,915,000
Principal payments		<u>(275,000)</u>
Long-term debt at September 30, 2021	\$	5,640,000
Less: bond discount, net		<u>(41,014)</u>
Bonds Payable, Net at September 30, 2021	\$	<u><u>5,598,986</u></u>

District debt is comprised of the following at September 30, 2021:

Special Assessment Revenue Refunding Bonds

\$7,490,000 Series 2014 Special Assessment Refunding Bonds are due in annual principal installments beginning May 2015 maturing May 2036. Interest at various rates between 3% and 4.5% is due May and November beginning November 2015. Current portion is \$275,000.

Bond payable	\$	5,640,000
Less: bond discount, net		<u>(41,014)</u>
Bonds Payable, Net at September 30, 2021	\$	<u><u>5,598,986</u></u>

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE F – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2021 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 275,000	\$ 237,288	\$ 512,288
2023	290,000	228,350	518,350
2024	300,000	218,200	518,200
2025	310,000	207,325	517,325
2026	325,000	195,700	520,700
2027-2031	1,840,000	763,688	2,603,688
2032-2036	<u>2,300,000</u>	<u>319,499</u>	<u>2,619,499</u>
Totals	<u>\$ 5,640,000</u>	<u>\$ 2,170,050</u>	<u>\$ 7,810,050</u>

Significant Bond Provisions

The Series 2014 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2024, at a redemption price equal to the principal amount of the Series 2014 Bonds to be redeemed, together with accrued interest to the date of redemption. The Series 2014 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Trust Indenture established certain amounts be maintained in a reserve account. In addition, the Trust Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements.

Wynnfield Lakes Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE F – LONG-TERM DEBT (CONTINUED)

Depository Funds

The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

Reserve Funds – The Series 2014 Reserve Accounts were funded from the proceeds of the Series 2014 Bonds in amounts equal to 50 percent of the maximum annual debt service on the outstanding Series 2014 Bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

The following is a schedule of required reserve balances as of September 30, 2021:

	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Senior Special Assessment Refunding Bonds, Series 2015A-1	\$ 256,352	\$ 257,738

NOTE G – 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 for which the District carries commercial insurance. There were no claims or settled claims from these risks that exceeded commercial insurance coverage in the last three years.



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

To the Board of Supervisors
Wynnfield Lakes Community Development District
City of Jacksonville, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of Wynnfield Lakes Community Development District (the "District") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Wynnfield Lakes Community Development District's basic financial statements, and have issued our report thereon dated April 25, 2022.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Wynnfield Lakes Community Development District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wynnfield Lakes Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Wynnfield Lakes Community Development District's internal control.

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

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

To the Board of Supervisors
Wynnfield Lakes Community Development District

Compliance and Other Matters

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

Purpose of this Report

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



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants, PL
Fort Pierce, Florida

April 25, 2022



Berger, Toombs, Elam, Gaines & Frank

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MANAGEMENT LETTER

To the Board of Supervisors
Wynnfield Lakes Community Development District
City of Jacksonville, Florida

Report on the Financial Statements

We have audited the financial statements of the Wynnfield Lakes Community Development District as of and for the year ended September 30, 2021, and have issued our report thereon dated April 25, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 25, 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 financial audit report. There were no findings or recommendations in the preceding audit.

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

To the Board of Supervisors
Wynnfield Lakes Community Development District

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 Wynnfield Lakes Community Development District. It is management's responsibility to monitor the Wynnfield Lakes Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2021.

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

Specific Information

The information below was provided by management and has not been audited by us; therefore, we do not express an opinion or provide any assurance on the information.

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

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 5
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 23.
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$7,942
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: The District paid \$466,342 to nonemployee independent contractors.
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2020, together with the total expenditures for such project: The District has no construction projects at this time.
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The District did amend the original budget, see below.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Wynnfield Lakes Community Development District reported:

- 7) The rate or rates of non-ad valorem special assessments imposed by the District. The General Fund assessment was \$753.21 - \$1,124.16 and the Debt Service assessment was \$1,084.32 - 1,518.48.
- 8) Total Special Assessments collected was \$1,049,716.
- 9) The total amount of outstanding bonds issued by the District and the terms of such bonds. The District had outstanding bonds at September 30, 2021 of \$5,640,000 of Series 2014 Bonds maturing May 2036.

To the Board of Supervisors
Wynnfield Lakes Community Development District

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance with Original Budget Positive (Negative)</u>
Revenues			
Special assessments	\$ 528,955	\$ 530,403	\$ 1,448
Interest earning	3,300	258	(3,042)
Miscellaneous revenues	2,000	6,466	4,466
Total Revenues	<u>534,255</u>	<u>537,127</u>	<u>2,872</u>
Expenditures			
Current			
General government	110,081	121,895	(11,814)
Physical environment	43,190	29,717	13,473
Culture and recreation	378,534	394,559	(16,025)
Capital outlay	<u>15,000</u>	<u>5,135</u>	<u>9,865</u>
Total Expenditures	<u>546,805</u>	<u>551,306</u>	<u>(4,501)</u>
Excess of revenues over/(under) expenditures	<u>(12,550)</u>	<u>(14,179)</u>	<u>(1,629)</u>
Other Financing Sources/(Uses)			
Transfers in	<u>-</u>	<u>10,038</u>	<u>10,038</u>
Net changes in fund balance	(12,550)	(4,141)	8,409
Fund Balances - October 1, 2020	<u>214,632</u>	<u>400,332</u>	<u>185,700</u>
Fund Balances - September 30, 2021	<u>\$ 202,082</u>	<u>\$ 396,191</u>	<u>\$ 194,109</u>

Additional Matters

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

To the Board of Supervisors
Wynnfield Lakes Community Development District

Purpose of this Letter

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

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

April 25, 2022



**Berger, Toombs, Elam,
Gaines & Frank**

Certified Public Accountants PL

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**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Wynnfield Lakes Community Development District
City of Jacksonville, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Wynnfield Lakes Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Wynnfield Lakes Community Development District's compliance with the specified requirements.

In our opinion, Wynnfield Lakes Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2021.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

April 25, 2022