

Poinciana
Community Development District

Agenda Package

March 15, 2023

AGENDA

Poinciana

Community Development District

219 E. Livingston Street, Orlando, Florida 32801

Phone: 407-841-5524 – Fax: 407-839-1526

March 8, 2023

**Board of Supervisors
Poinciana Community
Development District**

Dear Board Members:

The Board of Supervisors of Poinciana Community Development District will meet **Wednesday, March 15, 2022 at 11:00 a.m. at the Starlite Ballroom, 384 Village Drive, Poinciana, Florida.**

Zoom Information for Members of the Public:

Link: <https://zoom.us/j/93704992274>

Dial-in Number: (646) 876-9923

Meeting ID: 937 0499 2274

Following is the advance agenda for the meeting:

1. Roll Call
2. Pledge of Allegiance
3. Public Comment Period on Agenda Items
4. Approval of Minutes of the December 21, 2022 Meeting
5. Review and Acceptance of Draft Fiscal Year 2022 Audit Report
6. Discussion of Feasibility to Convey Reclaimed Water System to HOA
7. Discussion of CDD/HOA Workshop Date and Agenda Items
8. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. District Manager
 - i. Action Items List
 - ii. Approval of Check Register
 - iii. Balance Sheet and Income Statement
 - D. Field Manager's Report
 - i. Action Item Report
 - ii. Consideration of Quote from GMS for Repairs
 - iii. Consideration of Proposal from Solitude for Littoral Plantings
 - iv. Consideration of Proposal from Solitude for Fireflag Clean Up

v. Customer Complaint Log

9. Supervisor's Requests
10. Other Business
11. General Audience Comments
12. Next Meeting Date - April 19th, 2023
13. Adjournment

Sincerely,

Tricia L. Adams

Tricia L. Adams
District Manager

MINUTES

MINUTES OF MEETING
POINCIANA
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Poinciana Community Development District was held on Wednesday, December 21, 2022 at 11:00 a.m. via Zoom Communication Media Technology and in the Starlite Ballroom, 384 Village Drive, Poinciana, Florida.

Present and constituting a quorum were:

Lita Epstein	Chair
Tony Reed	Vice Chair
Robert Zimbardi (<i>joined late via Zoom</i>)	Assistant Secretary
Anita Nelson	Assistant Secretary
Jon Cameron	Assistant Secretary

Also present were:

Tricia Adams	District Manager
Jan Carpenter	District Counsel
Jay Lazarovich (<i>via Zoom</i>)	Lathan, Luna, Eden & Beaudine, LLP
Kathy Leo	District Engineer
Clayton Smith	Field Manager
Residents	

The following is a summary of the discussions and actions taken at the December 21, 2022 Poinciana Community Development District's Board of Supervisors Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Adams, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Tony Reed, Ms. Anita Nelson and Mr. Jon Cameron.

Ms. Adams called the meeting to order and called the roll at 11:00 a.m. All Supervisors were present with the exception of Mr. Zimbardi who was not present at roll call.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

The Pledge of Allegiance was recited.

THIRD ORDER OF BUSINESS

Public Comment Period on Agenda Items

There being none, the next item followed.

FOURTH ORDER OF BUSINESS

Organizational Matters

Ms. Adams stated that three Board Members were elected for four-year terms that started in November of 2022 and expired in November of 2026.

A. Administration of Oaths of Office to Newly Elected Board Members

The Oaths of Office for Ms. Anita Nelson, Mr. Tony Reed and Mr. Jon Cameron were administered prior to the start of the meeting for the purpose of establishing a quorum.

B. Election of Officers

Ms. Adams stated that Florida Statutes allowed for an election of officers following an election or an appointment to the Board. Currently, Ms. Lita Epstein served as Chairperson, Mr. Tony Reed as Vice Chair, the remaining Board Members as Assistant Secretaries, Mr. George Flint as Secretary, Ms. Jill Burns as Treasurer, Ms. Katie Costa as Assistant Treasurer and Ms. Adams as Assistant Secretary.

C. Consideration of Resolution 2023-01 Electing Officers

Ms. Adams presented Resolution 2023-01, electing the officers, which was included in the agenda package on Page 6 of the PDF. Mr. Cameron preferred to keep the existing slate of officers.

On MOTION by Mr. Cameron seconded by Ms. Nelson with all in favor electing the existing slate of offices as evidenced by Resolution 2023-01 Electing Officers was approved.

FIFTH ORDER OF BUSINESS

Approval of Minutes of the November 16, 2022 Meeting

Ms. Adams presented the minutes from the November 16, 2022 meeting, which were included in the agenda package. Board members had no comments.

On MOTION by Mr. Reed seconded by Ms. Nelson with all in favor the Minutes of the November 16, 2022 Meeting were approved as presented.

SIXTH ORDER OF BUSINESS

Discussion of Florida Retirement System – Opportunity to Join as Elected Officer Class

Ms. Adams presented introductory information from the State of Florida, which was included in the agenda package. The State of Florida offered the Florida Retirement System (FRS) to State employees and a special class to Special District elected officers. This item was requested by a Board member. There were some ramifications to joining the FRS as everyone was compelled to join; however, Board Members had the option to opt-out of participation. Ms. Adams contacted FRS staff as she had some follow-up questions and was waiting for a response. She would continue to pursue this if the Board wanted to move forward. The other ramification was that this would be a permanent decision for this Board and future Boards as there were no opt-out provisions. The only way to leave the FRS was through legislative relief, which only happened once since the establishment of the FRS in 1970.

Ms. Nelson asked if the contribution rate was 30%. Ms. Adams offered to provide a handout to the Board on the contribution rates, which included a Board Member contribution as well as an employer contribution but needed further clarification on the impact on the District relative to employer contribution and reporting requirements. Ms. Epstein questioned who brought up this item. Mr. Cameron acknowledged that he requested this item as he worked for the State of Florida 12 years ago and left 27 months shy of vesting in their system but did not join the Board for this reason. His concern was there was not a requirement for Board Members to opt-in. The agency must opt-in, but individual Board Members could opt out. Ms. Epstein pointed out that most of the Board Members were past the age of collecting retirement and would opt-out but questioned if there would be a major cost to the District. Ms. Adams did not know but could take all of the necessary steps to establish the District as an eligible agency; however, there could be an impact on the District management fees depending on the workload of accounting staff. Ms. Epstein wanted to know the full impact financially before making any decision. Ms. Carpenter questioned whether the District could make a contribution as there was a statutory maximum of \$200 per month and where the funds would come from. Mr. Cameron questioned whether there was still an obligation to the District if no future Board Members opted

in. There was Board consensus for Ms. Adams to obtain additional information and place this item on the next agenda.

SEVENTH ORDER OF BUSINESS

Consideration of Polk County Contract Agreement

Ms. Adams stated that the purpose of this agreement was for the District to place their annual assessments on the Polk County property tax bill, which was a benefit to the District. Polk County would charge a 1% fee to include the CDD fees, debt service and operation and maintenance (O&M), in non-ad valorem section. When property owners paid their tax bills, the CDD portion was remitted to the District. Ms. Nelson asked if the money was in the budget. Ms. Adams confirmed that it was accounted for in the budget as a gross assessment, when the Board set the assessment, which accounted for the fees going to the county as well as the early payment discount. Staff recommended approval as this was an annual agreement that was presented each year.

On MOTION by Ms. Nelson seconded by Mr. Reed with all in favor the Polk County Contract Agreement was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Data Sharing and Usage Agreement

Ms. Adams explained that Florida had a Public Records Law that counties and Special Districts abided by; however, some classifications of citizens, law enforcement officers or judges, could request an exemption. In the agreement, the District agreed to not release any information to those that were exempt from public record requests. Staff recommended approval as this was an annual agreement that was presented each year.

On MOTION by Mr. Reed seconded by Mr. Cameron with all in favor the Data Sharing and Usage Agreement was approved.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Carpenter provided an update on the Taylor Morrison conveyances. They sent additional information by email, but Ms. Kathy Leo did not receive her packet of information by hard copy. Mr. Jay Lazarovich of her office prepared a spreadsheet for tracking purposes, which

was provided to the Board, identifying the parcels that her office reviewed, which Taylor Morrison originally included, but ultimately deeded to the HOA. It included a tracking of comments made on the conveyance documents, prospective deeds, title work that was completed and contracts that were pending. Ms. Carpenter was not doing anything further until Ms. Leo and Mr. Reed reviewed the spreadsheet. Ms. Epstein questioned the parcels that were deeded to the HOA. Ms. Carpenter believed that the conservation areas were deeded to the HOA but would find out.

Mr. Zimbardi joined the meeting via Zoom.

Ms. Adams reported that there was electronic access to the documents associated with the property conveyance from Taylor Morrison, which Mr. Reed requested access to, but if any Board Member wanted to have access, Ms. Adams would provide access following the meeting. Ms. Epstein felt that only Mr. Reed needed to have access due to his engineering background. Ms. Nelson requested a copy. Ms. Leo reported that her review was on hold until she received the documentation. As of yesterday, Taylor Morrison was still pulling the documents together. She hoped to receive the documents in early January.

B. Engineer

There being none, the next item followed.

C. District Manager

i. Action Items List

Ms. Adams presented the Action Items List, which was included in the agenda package on Page 29 of the PDF. A paralegal for Taylor Morrison contacted District staff regarding the parcel conveyance from Taylor Morrison to the District. Regarding the aerators, no aerators were working, according to the Field Manager and this item would be removed from the next Action Item List. Originally, the aerators were installed to assist with midge control, but as the aerators went defunct, the Board decided not to replace them, due to extenuating technical reasons, expense and benefit. The Board directed staff to remove the aerators as needed and monitor the situation. There was no noticeable adverse impact from removing them.

Ms. Epstein reported that the Central Florida Expressway (CFX), Poinciana Parkway Project was delayed until the end of 2023. They were working with Gray Robinson and were included in their meetings, although they requested that it stay confidential. Some progress was

being made in getting Osceola County to take a serious look at the District's alternative of going down Poinciana Boulevard. However, Osceola County must create new reports as they are now finding out that the road was going to create more problems. CFX had not included it in its five-year plan and there was no money for the road for the next five years. Mr. Reed recommended asking Osceola County to provide alternate roadways to get around the construction because if construction were to take place in Poinciana, it would be impossible to get anywhere in any reasonable amount of time. It wouldn't be practical nor fair to the residents. Mr. Reed was still working on the drainage on behalf of the HOA. CFX did not want to discuss it, but it was part of the entire project and Poinciana residents needed to know what the impact was going to be.

Ms. Adams confirmed that the Poinciana Parkway project was not a CDD project, but the Board delegated the Chairperson to serve as liaison for the purpose of monitoring this project on behalf of the Solivita community. The meeting would be between the HOA and Polk County, but not the CDD. Mr. Reed clarified that the CDD was not involved but was interested as a result of the stormwater system. Ms. Epstein agreed that they needed to monitor it as anything done to Cypress Parkway would impact the District's stormwater control system. Ms. Adams reported that the erosion repairs were on the Action Items List as a result of Hurricanes Ian and Nicole and wear and tear with the stormwater system. Erosion repairs and littoral plantings would be presented to the Board at a future meeting.

ii. Approval of Check Register

Ms. Adams presented the Check Register from November 9, 2022 to December 13, 2022 in the amount of \$47,959.63, which were included in the agenda package on Page 31 of the PDF. Mr. Cameron questioned a typo under the payroll. Ms. Adams confirmed that it was not a typo.

Mr. Reed MOVED to approve the November 9, 2022 to December 13, 2022 in the amount of \$47,959.63 and Mr. Cameron seconded the motion.

Mr. Reed questioned the mosquito maintenance, as there was discussion at the last meeting about any responsibility from Polk County for mosquitoes. Ms. Adams explained that the organization responsible for mosquito control was Polk County and they had a mosquito hotline for residents to call if they had an issue with mosquitoes. However, the District had an

agreement with Clarke Environmental (Clarke) for midge management and this was what the payment was actually for, not mosquito management.

On VOICE VOTE with all in favor the November 9, 2022 to December 13, 2022 in the amount of \$47,959.63 was approved.

iii. Balance Sheet and Income Statement

Ms. Adams presented the Unaudited Financial Statements through October 31, 2022, which were included in the agenda package on Page 37 of the PDF. They were provided for informational purposes and no action was required by the Board. The unassigned balance was very healthy and next month, staff will recommend that some funds be moved from the General Fund to the State Board Administration, a co-op account for Special Districts in Florida governments. The interest rate was better now than on the money markets. This was the first month of the new fiscal year and the District was doing a great job of controlling expenses. Ms. Adams asked if the Board wanted to approve the balance sheet and income statement. Ms. Epstein did not think it was necessary since they were not official. Ms. Adams confirmed that they were unaudited financials and the District would have an annual audit from an independent agency. Ms. Nelson questioned the status of direct deposit for the Supervisor checks. Ms. Adams would check with the accountant and update the Board. The District opened a Truist account to set up the electronic payments for the Board Members.

D. Field Manager

i. Field Manager's Report

Mr. Smith presented the Field Manager Report, which was included in the agenda package. The Pond A-8 grate clearing was completed after the storm, due to algae that accumulated on the top of it and dried out. The pond was inaccessible, but they were able to get the algae off with some waders. They were getting complaints regarding lights out in the tunnel, but by the time they went out to check them, they were working. Ms. Epstein questioned the status of the tunnel painting. Mr. Smith replied that pressure washing and painting would be completed after the holidays. It was delayed due to the two hurricanes. The tunnels would be painted a brighter white to lighten them up. Regarding tunnel lights that were out, Mr. Smith assumed that residents were complaining about the actual bollard lights approaching the Venezia

tunnel rather than the actual tunnel lights, which the HOA was informed about. Some wildlife warning signs that were either stolen or vandalized, were replaced and additional signs were purchased in case there were other situations. Mr. Cameron questioned whether the signs were stolen or damaged. Mr. Smith assumed that they were removed as the entire post and sign were missing. No amount of wind would have blown the signs away as they were bolted in with nylon nuts. They were continuing to monitor it. Ms. Nelson questioned the location of the signs. Mr. Smith indicated that two signs were missing on the Shorehaven Pond near Solivita Boulevard and by the bridge at the pool. Ms. Epstein reported that there were reports of vandalism.

Mr. Smith reported that the pond maintenance review was a tedious process as they had to drive around the bank of each pond to assess any maintenance needs. Most ponds were looking good, but there were some storm-related issues such as broken skimmers, which they could not access because they were out deep in the water. They would repair them in the Spring when water levels go down. There was a missing grate, but the dredgesox were holding up, which was good to see. One shifted during Hurricane Ian that would be repaired during the erosion repairs. Pond E3 would consume most of the budget to address some of the areas that were 3 feet or higher, which was quite drastic. He was obtaining quotes for these areas first, as the intention was to make the same dredgesox repairs as in the past. Once they received the quote, they would see if the scope needed to be shortened to get into an acceptable budget range for this year. Some ponds had erosion, but they have been like that for very long time and were actively getting worse whereas Pond E3 had some areas that were getting worse, which they were trying to prioritize. He was going to ask the contractor to look at Pond D2 as the repairs shifted slightly.

Mr. Smith was obtaining quotes for pond plantings on 10 ponds that had erosion issues, unsightly pond banks and chronic midge or algae issues. These included Ponds E3, A3, A4, A5 by the Amenity Center, which had erosion and Ponds B1, B16, C10 and E1, which had midge and erosion issues. Pond C10 had a chronic algae issue for years. Ponds and A12 and E13 already had pond plantings, due to algae issues, which was now clear. Anywhere they had plantings, there was wildlife activity at the edges such as small minnows, gambusia and birds. In his opinion, it would help with the overall midge management. The technician who treated ponds that had plantings had noted significant improvement.

ii. Discussion of Condition of Shorehaven Pond

Mr. Smith reported that the Shorehaven ponds had an issue with fire flag, which was a beneficial aquatic plant. They typically did not plant fire flag because it was a taller plant that was dormant during the winter. He did not want to handle it himself since it shed through fall and winter and was getting a quote from the aquatic vendor to thin it up and clear it out, since it was a delicate plant. During most of the year, they were big and beautiful and had an orange flower. They were great for the water and were a Florida natural plant. They currently looked unsightly because of shedding and being dormant. The Aquatic Monthly Treatment Report from Clarke was included in the agenda package. There were hardly any shoreline grasses or algae issues this time of year. The cooler weather helped to make the ponds clear.

iii. Customer Complaint Log

Mr. Smith presented the complaint log, which was included in the agenda package. The first complaint was regarding a light that was out in the Venezia tunnel, which maintenance was sent out to check. There was a complaint regarding midges, which was treated the following cycle. The three dead Evergreens turned out to be Cypress trees that shed, which were determined to be fine. The resident believed that the Evergreen trees behind his home had died and when Mr. Smith called him with an explanation, the resident was satisfied. Mr. Cameron questioned what the night trucks did. Mr. Smith explained that there were two different types of midge management treatment; one was to apply a larvicide by boat and the second was to have a night truck come out in the evening with a fogger. Mr. Cameron reported that he and Mr. Reed were approached by a resident asking if it was normal to have an open pipe in the overflow basin on Pond E1 as it made the pond lower. Mr. Smith confirmed that there was a corrugated drain pipe that ran under the dredgesox repair and around the control structure to correct an erosion issue occurring between the two tee boxes at the south end of the pond. It did not lower the level of the pond. Mr. Cameron wanted to know because a resident wanted to cap it off.

Mr. Reed noted that the Shorehaven pond plantings looked awful. The fertilizer that they put on the grass migrated to the pond plantings, causing them to grow large and questioned when the plants would be removed and replaced. Mr. Smith reported that fire flag could get 7 to 8 feet tall. Ms. Nelson voiced concern about the upcoming freeze harming the plants. Mr. Smith explained that it was a regenerative plant that was susceptible to freeze. It grows, sheds, dropped its seeds and then grows up again around itself. As long as it was healthy and growing, it would

work, but the pond tracts should not be fertilized. They were going to keep fertilizing the St. Augustine areas, but they would not put fertilizer on Bahia. Ms. Leo reported that these were stormwater ponds full of nutrients and with the cold, many of the plants would die back and be brown for several months. Frost damage should be minimal, but they would not be green all winter long.

Ms. Nelson lived on the Shorehaven pond and felt that it was a natural process. Mr. Smith stated that all landscaping in Florida looked worse during the winter and improved during the spring and summer. The purpose of the plants was to reduce the nutrient load so it did not feed the algae and other aquatic vegetation that did not belong there. Mr. Reed received complaints about the pond plantings and believed that they would continue to receive complaints until there was communication with the residents. Ms. Nelson thought that the presentation from Clarke on littoral plantings was excellent and should be presented to the community. Ms. Adams recalled that the Chair wanted this information to be sent electronically, informing residents about the presentation and urging their attendance, but it was during the summer months when most residents were probably traveling and suggested posting a video of the presentation on the website at the end of January and sending a link electronically to residents. Ms. Epstein requested that Ms. Adams also include the link from the last meeting where the stormwater was discussed.

TENTH ORDER OF BUSINESS

Supervisor's Requests

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TWELFTH ORDER OF BUSINESS

General Audience Comments

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Next Meeting Date – January 18th, 2023

Ms. Epstein stated that the next meeting was scheduled for January 18, 2023 at 11:00 a.m.

FOURTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Reed seconded by Mr. Cameron with all in favor the meeting was adjourned.

Secretary / Assistant Secretary

Chair/Vice Chairman

SECTION V

**POINCIANA
COMMUNITY DEVELOPMENT DISTRICT
POLK COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022**

DRAFT

**POINCIANA COMMUNITY DEVELOPMENT DISTRICT
POLK COUNTY, FLORIDA**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-6
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet – Governmental Funds	9
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Notes to Financial Statements	13-20
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	21
Notes to Required Supplementary Information	22
OTHER INFORMATION	
Data Elements required by FL Statute 218.39 (3) (c)	23
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 <i>GOVERNMENT AUDITING STANDARDS</i>	24-25
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	26
MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	27-28

DRAFT

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Poinciana Community Development District
Polk County, Florida

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

DRAFT

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Other Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c) but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated Xxxx, 2023, 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, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Xxxx, 2023

DRAFT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Poinciana Community Development District, Polk County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$5,543,823.
- The change in the District's total net position in comparison with the prior fiscal year was \$1,025,983, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2022, the District's governmental funds reported combined ending fund balances of \$1,692,618, a decrease of (\$117,162) in comparison with the prior fiscal year. The total fund balance is restricted for debt service, non-spendable for prepaid items, assigned for operating reserves and subsequent year's expenditures, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements include all governmental activities that are principally supported by assessments. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

Fund Financial Statements

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

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

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

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

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

Notes to 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities at the close of the fiscal year.

Key components of the District's net position are reflected in the following table:

	NET POSITION	
	SEPTEMBER 30,	
	2022	2021
Current and other assets	\$ 1,699,532	\$ 1,827,194
Capital assets, net of depreciation	14,583,145	14,933,169
Total assets	16,282,677	16,760,363
Deferred outflows of resources	191,378	-
Current liabilities	108,232	266,299
Long-term liabilities	10,822,000	11,976,224
Total liabilities	10,930,232	12,242,523
Net position		
Net investment in capital assets	3,952,523	2,956,945
Restricted	901,086	958,241
Unrestricted	690,214	602,654
Total net position	\$ 5,543,823	\$ 4,517,840

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

DRAFT

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing program revenues exceeded the cost of operations and depreciation.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION		
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
Revenues:	2022	2021
Program revenues		
Charges for services	\$ 2,846,988	\$ 2,352,758
Operating grants and contributions	3,113	81
General revenues		
Unrestricted investment earnings	121	1,827
Miscellaneous	7,250	-
Total revenues	<u>2,857,472</u>	<u>2,354,666</u>
Expenses:		
General government	170,587	166,269
Maintenance and operations	820,066	790,785
Interest	527,048	655,331
Bond issue costs	313,788	-
Total expenses	<u>1,831,489</u>	<u>1,612,385</u>
Change in net position	<u>1,025,983</u>	<u>742,281</u>
Net position - beginning	<u>4,517,840</u>	<u>3,775,559</u>
Net position - ending	<u>\$ 5,543,823</u>	<u>\$ 4,517,840</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2022 was \$1,831,489. The costs of the District's activities were partially funded by program revenues. Program revenues were comprised primarily of assessments. In total, expenses increased from the prior year mainly as a result of bond issue cost during the current year.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2022.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2022, the District had \$20,835,519 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$6,252,374 has been taken, which resulted in a net book value of \$14,583,145. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2022, the District had \$10,822,000 Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

DRAFT

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Poinciana Community Development District's Finance Department at 219 E. Livingston Street, Orlando, FL 32801.

**POINCIANA COMMUNITY DEVELOPMENT DISTRICT
POLK COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	Governmental Activities
ASSETS	
Cash	\$ 675,287
Assessments receivable	4,347
Prepays and other assets	20,754
Restricted assets:	
Investments	999,144
Capital assets:	
Nondepreciable	10,404,277
Depreciable, net	4,178,868
Total assets	16,282,677
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding (debit)	191,378
Total deferred outflows of resources	191,378
 LIABILITIES	
Accounts payable	6,914
Accrued interest payable	101,318
Non-current liabilities:	
Due within one year	1,103,000
Due in more than one year	9,719,000
Total liabilities	10,930,232
 NET POSITION	
Net investment in capital assets	3,952,523
Restricted for debt service	901,086
Unrestricted	690,214
Total net position	\$ 5,543,823

See notes to the financial statements

DRAFT

**POINCIANA COMMUNITY DEVELOPMENT DISTRICT
POLK COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Primary government:				
Governmental activities:				
General government	\$ 170,587	\$ 170,587	\$ -	\$ -
Maintenance and operations	820,066	531,619	-	(288,447)
Interest on long-term debt	527,048	2,144,782	3,113	1,620,847
Bond issue costs	313,788	-	-	(313,788)
Total governmental activities	1,831,489	2,846,988	3,113	1,018,612
General revenues:				
Unrestricted investment earnings				121
Miscellaneous				7,250
Total general revenues				7,371
Change in net position				1,025,983
Net position - beginning				4,517,840
Net position - ending				\$ 5,543,823

See notes to the financial statements

DRAFT

**POINCIANA COMMUNITY DEVELOPMENT DISTRICT
POLK COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	Major Funds		Total
	General	Debt Service	Governmental Funds
ASSETS			
Cash	\$ 675,287	\$ -	\$ 675,287
Investments	-	999,144	999,144
Due from other funds	-	3,260	3,260
Assessments receivable	4,347	-	4,347
Prepays and other assets	20,754	-	20,754
Total assets	\$ 700,388	\$ 1,002,404	\$ 1,702,792
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 6,914	\$ -	\$ 6,914
Due to other funds	3,260	-	3,260
Total liabilities	10,174	-	10,174
Fund balances:			
Nonspendable:			
Prepaid items	20,754	-	20,754
Restricted for:			
Debt service	-	1,002,404	1,002,404
Assigned for:			
Subsequent year's expenditures	57,962	-	57,962
Operating reserves	53,130	-	53,130
Unassigned	558,368	-	558,368
Total fund balances	690,214	1,002,404	1,692,618
Total liabilities and fund balances	\$ 700,388	\$ 1,002,404	\$ 1,702,792

See notes to the financial statements

DRAFT

**POINCIANA COMMUNITY DEVELOPMENT DISTRICT
POLK COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Fund balance - governmental funds	\$	1,692,618
-----------------------------------	----	-----------

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets in the net position of the government as a whole.

Cost of capital assets	20,835,519	
Accumulated depreciation	<u>(6,252,374)</u>	14,583,145

Deferred charges on refunding of long-term debt are shown as deferred outflows/inflows of resources in the government-wide financial statements; however, this amount is expensed in the governmental fund financial statements.	191,378
--	---------

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

Accrued interest payable	(101,318)	
Bonds payable	<u>(10,822,000)</u>	<u>(10,923,318)</u>

Net position of governmental activities	\$	<u>5,543,823</u>
---	----	------------------

See notes to the financial statements

DRAFT

**POINCIANA COMMUNITY DEVELOPMENT DISTRICT
POLK COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
REVENUES				
Assessments	\$ 702,206	\$ 2,144,782	\$ -	\$ 2,846,988
Miscellaneous revenue	7,250	-	-	7,250
Interest	121	3,113	-	3,234
Total revenues	<u>709,577</u>	<u>2,147,895</u>	<u>-</u>	<u>2,857,472</u>
EXPENDITURES				
Current:				
General government	157,158	13,429	-	170,587
Maintenance and operations	470,042	-	-	470,042
Debt service:				
Principal	-	12,208,000	-	12,208,000
Interest	-	657,217	-	657,217
Bond issue costs	-	-	313,788	313,788
Total expenditures	<u>627,200</u>	<u>12,878,646</u>	<u>313,788</u>	<u>13,819,634</u>
Excess (deficiency) of revenues over (under) expenditures	82,377	(10,730,751)	(313,788)	(10,962,162)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	5,183	(5,183)	-	-
Bond proceeds	-	10,531,212	313,788	10,845,000
Total other financing sources	<u>5,183</u>	<u>10,526,029</u>	<u>313,788</u>	<u>10,845,000</u>
Net change in fund balances	87,560	(204,722)	-	(117,162)
Fund balances - beginning	<u>602,654</u>	<u>1,207,126</u>	<u>-</u>	<u>1,809,780</u>
Fund balances - ending	<u>\$ 690,214</u>	<u>\$ 1,002,404</u>	<u>\$ -</u>	<u>\$ 1,692,618</u>

See notes to the financial statements

DRAFT

**POINCIANA COMMUNITY DEVELOPMENT DISTRICT
POLK COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Net change in fund balances - total governmental funds	\$ (117,162)
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation on capital assets is not recognized in the governmental fund statement but is reported as an expense in the statement of activities.	(350,024)
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.	147,567
Governmental funds report the face amount of Bonds issued as financial resources when debt is first issued, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.	(10,845,000)
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds. The details of the differences are as follows:	
Amortization of deferred amount on refunding	(17,398)
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.	<u>12,208,000</u>
Change in net position of governmental activities	<u>\$ 1,025,983</u>

See notes to the financial statements

DRAFT

**POINCIANA COMMUNITY DEVELOPMENT DISTRICT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Poinciana Community Development District ("District") was created on November 1, 1999 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. Chapter 190 provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure. Also, Chapter 190 provides that a Community Development District with a size of 1,000 acres or more may be established by rule adopted under Chapter 120 by the Florida Land and Water Adjudicatory Commission. The District was established by adopting Rule 42AA-1.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by 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. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the responsibility for:

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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.

Assessments

Assessments are non-ad valorem assessments on benefited property within the District. Operating and maintenance assessments are based upon the adopted budget and levied annually at a public hearing of the District. Debt service assessments are levied when Bonds are issued and assessed and collected on an annual basis. The District may collect assessments directly or utilize the uniform method of collection under 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 the 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 considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District 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 debt.

Capital Projects Fund

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within 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 for qualifying expenditures, then unrestricted resources as they are needed.

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- 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;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured and any unspent Bond proceeds are required to be held in investments as specified in the Bond Indenture.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Prepaid Items

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

Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

<u>Asset</u>	<u>Life</u>
Infrastructure	30
Improvements other than buildings	10

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

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as 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 issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Disclosures

Use of Estimates

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

NOTE 3 – 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. All annual appropriations lapse at fiscal year-end.

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 hearing(s) are conducted to obtain comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board, unless otherwise delegated by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

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

Investments

The District's investments were held as follows at September 30, 2022:

	Amortized Cost	Credit Risk	Maturities
Goldman Sachs Financial Square			
Gov't Fund - Class Admin (#466)	\$ 999,144	N/A	N/A
Total Investments	<u>\$ 999,144</u>		

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

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

Interest rate risk – The District does not have a formal policy as a part of its compliance with Sec. 218.415(17) F.S., that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

DRAFT

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

However, the Bond Indenture limits the type of investments held using unspent proceeds.

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and improvements	\$ 10,404,277	\$ -	\$ -	\$ 10,404,277
Total capital assets, not being depreciated	10,404,277	-	-	10,404,277
Capital assets, being depreciated				
Infrastructure	10,396,500	-	-	10,396,500
Improvements other than buildings	34,742	-	-	34,742
Total capital assets, being depreciated	10,431,242	-	-	10,431,242
Less accumulated depreciation for:				
Infrastructure	5,891,350	346,550	-	6,237,900
Improvements other than buildings	11,000	3,474	-	14,474
Total accumulated depreciation	5,902,350	350,024	-	6,252,374
Total capital assets, being depreciated, net	4,528,892	(350,024)	-	4,178,868
Governmental activities capital assets	\$ 14,933,169	\$ (350,024)	\$ -	\$ 14,583,145

Depreciation expense was charged to the maintenance and operations function.

NOTE 6 – LONG-TERM LIABILITIES

Series 2012

On April 12, 2012, the District issued \$21,285,000 of Special Assessment Refunding Bonds, the Series 2012 Bonds, consisting of multiple term Bonds with due dates ranging from May 1, 2013 to May 1, 2031 and fixed interest rates ranging from 1.60% to 6%. The Series 2012 Bonds were issued to currently refund and redeem the District's then Outstanding Special Assessments Bonds, Series 2000A. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2013 through May 1, 2031. The Series 2012 Bonds were refunded with the issuance of Special Assessment Refunding Bonds, Series 2022.

Series 2022

On February 1, 2022, the District issued \$10,845,000 of Special Assessment Refunding Bonds, Series 2022 due on May 1, 2031 which bear interest at a rate which increases each year starting at 1.69% and finishing at 2.57% in the year the Bonds are due. The Bonds were issued to refund District's outstanding Special Assessment Refunding Bonds, Series 2012 (the "Refunded Bonds"), pay certain costs associated with the issuance of the Bonds. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2023 through May 1, 2031.

The Series 2022 Bonds are subject to redemption at the option of the District prior to their maturity. The Series 2022 Bonds are subject to optional redemption. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. See Note – 12 Subsequent Events for extraordinary redemption amounts subsequent to fiscal year end.

The Bond Indenture established a debt service reserve requirement as well as other 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. The District was in compliance with the requirements at September 30, 2022.

Refunded Bonds

The District currently refunded the Series 2012 Special Assessment Refunding Bonds, which had an outstanding balance of \$12,170,000 at the time of the current refunding with the proceeds from the Series 2022 Bonds. The refunding was a current refunding and resulted in a difference in cash flows required to pay the respective debt service of \$1,268,163. The refunding resulted in an economic gain of \$1,039,551. The refunded Bonds have been paid off as of September 30, 2022.

Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2022 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Series 2012	\$ 12,185,000	\$ -	\$ 12,185,000	\$ -	\$ -
Less original issue discount	208,776	-	208,776	-	-
Series 2022	-	10,845,000	23,000	10,822,000	1,103,000
Total	<u>\$ 11,976,224</u>	<u>\$ 10,845,000</u>	<u>\$ 11,999,224</u>	<u>\$ 10,822,000</u>	<u>\$ 1,103,000</u>

NOTE 6 – LONG-TERM LIABILITIES (Continued)

Long-term Debt Activity (Continued)

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

Year ending September 30:	Principal	Interest	Total
2023	\$ 1,103,000	\$ 243,165	\$ 1,346,165
2024	1,123,000	224,573	1,347,573
2025	1,148,000	202,820	1,350,820
2026	1,173,000	178,896	1,351,896
2027	1,197,000	153,231	1,350,231
2028-2031	5,078,000	322,964	5,400,964
Total	<u>\$ 10,822,000</u>	<u>\$ 1,325,649</u>	<u>\$ 12,147,649</u>

NOTE 7 – DEVELOPER TRANSACTIONS

The Developer owns a portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots and undeveloped lands owned by the Developer.

NOTE 8 – CONCENTRATION

The District’s activity is dependent upon the continued involvement of the Developer the loss of which could have a material adverse effect on the District’s operations.

NOTE 9 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims over the past three years.

NOTE 11 – CLAIMS

In August 2022 the District was in receipt of a Notice to Terminate the Reclaimed Infrastructure Agreement from Solivita Community Association, which District Counsel responded that the termination was ineffective.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent to fiscal year end, the District prepaid a total of \$448,000 of the Series 2022 Bonds. The prepayments were considered extraordinary mandatory redemptions as outlined in the Bond Indenture.

**POINCIANA COMMUNITY DEVELOPMENT DISTRICT
POLK COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual		Variance with Final Budget - Positive (Negative)
	Original & Final		Amounts		
REVENUES					
Assessments	\$ 695,752	\$	702,206	\$	6,454
Interest	2,000		121		(1,879)
Miscellaneous revenue	-		7,250		7,250
Total revenues	697,752		709,577		11,825
EXPENDITURES					
Current:					
General government	159,701		157,158		2,543
Maintenance and operations	538,051		470,042		68,009
Total expenditures	697,752		627,200		70,552
Excess (deficiency) of revenues over (under) expenditures	-		82,377		82,377
OTHER FINANCING SOURCES (USES)					
Transfer in (out)	-		5,183		5,183
Total other financing sources (uses)	-		5,183		5,183
Net change in fund balances	\$ -		87,560	\$	87,560
Fund balance - beginning			602,654		
Fund balance - ending			\$ 690,214		

See notes to required supplementary information

DRAFT

**POINCIANA COMMUNITY DEVELOPMENT DISTRICT
POLK COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2022.

**POINCIANA COMMUNITY DEVELOPMENT DISTRICT
POLK COUNTY, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
UNAUDITED**

Element	Comments
Number of district employees compensated at 9/30/2022	5
Number of independent contractors compensated in September 2022	8
Employee compensation for FYE 9/30/2022 (paid/accrued)	\$9,000
Independent contractor compensation for FYE 9/30/2022	\$617,603
Construction projects to begin on or after October 1; (>\$65K)	Not applicable
Budget variance report	See page 21 of annual financial report
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rate FYE 9/30/2022	Operations and maintenance - \$184.04
	Debt service - \$438.05 - \$457.66
Special assessments collected FYE 9/30/2022	\$2,846,988
Outstanding Bonds:	
Series 2022 Refunding Bonds, due May 1, 2031,	see Note 6 for details

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

To the Board of Supervisors
Poinciana Community Development District
Polk County, Florida

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

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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.

Xxxx, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors
Poinciana Community Development District
Polk County, Florida

We have examined Poinciana Community Development District, Polk County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2022. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. 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, 2022.

This report 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, management, and the Board of Supervisors of Poinciana Community Development District, Polk County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Xxxx, 2023

**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors
Poinciana Community Development District
Polk County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Poinciana Community Development District, Polk County, Florida ("District") as of and for the fiscal year ended September 30, 2022 and have issued our report thereon dated Xxxx, 2023.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor'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 Xxxx, 2023, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Supervisors of Poinciana Community Development District, Polk County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Poinciana Community Development District, Polk County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Xxxx, 2023

DRAFT

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2021.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2022.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2022.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2022. It is management's responsibility to monitor 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.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 23.

SECTION VI

From: Monica Virgen mvirgen@gmscfl.com
Subject:
Date: March 8, 2023 at 5:43 PM
To:

MV

From: Tricia Adams <tadams@gmscfl.com>
Subject: Re: Solivita's Reclaimed Water System - Poinciana CDD and Poinciana West CDD
Date: February 20, 2023 at 11:46:29 AM EST
To: "solivitahoapresident" <solivitahoa.com> <solivitahoapresident@solivitahoa.com>
Cc: "solivitasecretary" <solivitahoa.com> <solivitasecretary@solivitahoa.com>, Rudy Bautista <RBautista@evergreen-lm.com>, Web Melton <wmelton@bushross.com>, Tricia Adams <tadams@gmscfl.com>, Monica Virgen <mvirgen@gmscfl.com>

Good morning Mr. Anson,

The below message has been received. Please allow some time for the message to be distributed to the Poinciana Community Development District Board of Supervisors (PCDD), Poinciana West Community Development District Board of Supervisors (PWCCDD) as well as staff for review.

Please understand that the reclaimed water/irrigation system was constructed using funds raised from tax exempt bonds. There is still outstanding debt associated with the construction of the reclaimed water/irrigation system. There are financial, regulatory, and legal restrictions that will need to be considered when determining the feasibility of conveying the utility system to the HOA.

The next PCDD and PWCCDD Board meetings are scheduled March 15 and this item will be added as a new business/discussion item to the respective agendas.

In the meantime, please keep me posted if I can be helpful with any other CDD matters.

All the best,

Tricia L. Adams

District Manager
Governmental Management Services
219 E. Livingston Street
Orlando, FL 32801

Office 407.841.5524 ext 138
Cell 863.241.8050

"It is not the mountain we conquer but ourselves."
—Edmund Hillary

On Feb 16, 2023, at 9:10 AM, solivitahoapresident <solivitahoa.com> <solivitahoapresident@solivitahoa.com> wrote:

Tricia my name is Larry Anson, I am the President of the Solivita Community Association (HOA) Board of Directors. I am writing this email in reference to the Reclaimed Water System (System) that exists within Solivita.

Reference is made to the two Agreements between the HOA and Poinciana CDD and Poinciana West CDD, dated April 18, 2012 and March 20, 2013 respectively.

These documents only came to light to the Owner controlled HOA Board last Fall. In late 2022 a repair to the System was required to the main supply line. The repair costs was approximately \$23,000 which was borne by the HOA in accordance to the above stated agreements.

As you are well aware CDD Bond funds were utilized to fund the initial

construction of the System. The existence of the System has no direct or even indirect benefit to the CDD's, however the System benefits the HOA in the supply of reclaimed water to the HOA for irrigation of common areas and individual Owners lots.

In my opinion, the agreements require the HOA to provide complete maintenance of the System as well as other stipulations.

Similar to many association volunteer Board Directors, my background is from the corporate world. When presented with similar situations in almost all circumstances the obligated party would consider the complete acquisition of the assets.

It is for this reason that I am writing this email. On behalf of the HOA, I am requesting an open dialog, through your company, to both CDD Boards for the HOA to acquire the complete Reclaimed Water System of each entity. As stated above the CDD's have no direct value of the System and as such, I propose the acquisition's value at Ten (\$10.00) Dollars for each CDD.

It is my understanding from Lita Epstein that such dialog would be initiated via your company, and as their Management Company you would relay this request to the Board of each CDD.

Please consider this email as the HOA's formal request to acquire the System.

Thank you,
Larry Anson
BOD President
Email: SolivitaHOAPresident@solivitahoa.com

SECTION VIII

SECTION C

SECTION 1

Poinciana Community Development District
Action Items December 2022

Meeting Assigned	Action Item	Assigned To:	Status	Comments
Ongoing	Parcel Conveyance from TM to CDD	Staff	In Process	Application and fee received 01.11.2022 and initial document review by staff completed. Initial inspection to develop punchlist took place 02.15.2023.
Ongoing	Monitor Central Florida Expressway - Poinciana Parkway Project: Parkway Connector	Chairman	In Process	CFXWay.com Project #599-233;
8/17/22	Erosion Repairs	District Engineer and Field Manager	In Process	Staff to identify needed repairs, develop scope and gather proposals to present to BOS.
8/17/22	Shoreline/Littoral Plantings	Field Manager	In Process	Proposals scheduled to be presented 03.15.2023.

SECTION 2

Poinciana Community Development District

Summary of Check Register

December 13, 2022 to February 28, 2023

Fund	Date	Check No.'s	Amount
General Fund			
	12/13/22	51	\$ 1,711.89
	12/21/22	52-53	\$ 5,237.65
	12/29/22	54-56	\$ 22,399.69
	1/5/23	57-59	\$ 14,816.66
	1/17/23	60-61	\$ 6,376.52
	1/23/23	62-64	\$ 23,281.69
	2/2/23	65-67	\$ 3,013.34
	2/10/23	68	\$ 12,514.48
	2/17/23	69-71	\$ 7,027.13
	2/21/23	72-74	\$ 22,844.19
			\$ 119,223.24
Payroll			
	Anita Nelson	50193	\$ 184.70
	Anthony Reed	50194	\$ 84.70
	Jon R Cameron	50197	\$ 184.70
	Lita Epstein	50195	\$ 184.70
	Robert Zimbardi	50196	\$ 184.70
			\$ 823.50
			\$ 120,046.74

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT ACCT#	SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
12/13/22	00027	12/09/22	107296	202211	310-51300-31500		GENERAL COUNSEL NOV 22	*	1,685.39		
		12/09/22	107299	202211	310-51300-31500		CONVEYANCE DEC 22	*	26.50		
										1,711.89	000051
12/21/22	00042	11/30/22	00050958	202211	310-51300-48000		NOT BOS MEETING 11/9/22	*	392.78		
										392.78	000052
12/21/22	00001	12/01/22	218	202212	310-51300-34000		MANAGEMENT FEES DEC 22	*	3,500.00		
		12/01/22	218	202212	310-51300-35200		WEBSITE ADMIN DEC 22	*	68.75		
		12/01/22	218	202212	310-51300-35100		INFORMATION TECH DEC 22	*	103.17		
		12/01/22	218	202212	310-51300-31300		DISSEMINATION SVC DEC 22	*	291.67		
		12/01/22	218	202212	310-51300-51000		OFFICE SUPPLIES DEC 22	*	15.12		
		12/01/22	218	202212	310-51300-42000		POSTAGE DEC 22	*	2.28		
		12/01/22	218	202212	310-51300-42500		COPIES DEC 22	*	5.55		
		12/01/22	219	202212	320-53800-12000		FIELD MANAGEMENT DEC 22	*	858.33		
										4,844.87	000053
12/29/22	00009	12/15/22	00001440	202212	320-53800-47000		AQUATIC MAINT DEC 22	*	9,054.64		
										9,054.64	000054
12/29/22	00011	12/15/22	00102757	202212	320-53800-47100		MOSQUITO MAINT DEC 22	*	13,220.05		
										13,220.05	000055
12/29/22	00041	12/21/22	1010	202212	310-51300-49000		BALLROOM CHARGE	*	125.00		
										125.00	000056
1/05/23	00004	1/01/23	8782	202301	320-53800-46200		LANDSCAPE MAINT JAN 23	*	12,514.48		
										12,514.48	000057
1/05/23	00040	1/03/23	23425	202212	310-51300-32200		AUDIT FYE 09/30/22	*	2,000.00		
										2,000.00	000058
<p style="text-align: center;">POIN POIN CDD NRUIZ</p>											

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
1/05/23	00016	1/02/23	01022023	202212	310-51300-42000			TAX BILL POSTAGE 2022	*	302.18		
								JOE G. TEDDER, TAX COLLECTOR			302.18	000059
1/17/23	00001	1/01/23	220	202201	310-51300-34000			MANAGEMENT FEES JAN 23	*	3,500.00		
		1/01/23	220	202201	310-51300-35200			WEBSITE ADMIN JAN 23	*	68.75		
		1/01/23	220	202201	310-51300-35100			INFORMATION TECH JAN 23	*	103.17		
		1/01/23	220	202201	310-51300-31300			DISSEMINATION SVCS JAN 23	*	291.67		
		1/01/23	220	202201	310-51300-51000			OFFICE SUPPLIES JAN 23	*	.45		
		1/01/23	220	202201	310-51300-42000			POSTAGE JAN 23	*	8.55		
		1/01/23	220	202201	310-51300-42500			COPIES JAN 23	*	4.35		
		1/01/23	221	202201	320-53800-12000			FIELD MANAGEMENT JAN 23	*	858.33		
								GOVERNMENTAL MANAGEMENT SERVICES			4,835.27	000060
1/17/23	00017	1/04/23	2183167	202212	310-51300-31500			GENERAL COUNSEL DEC 22	*	1,541.25		
								GAI CONSULTANTS, INC			1,541.25	000061
1/23/23	00009	1/16/23	14478	202301	320-53800-47000			AQUATIC MAINT JAN 23	*	9,054.64		
								CLARKE AQUATIC SERVICES, INC.			9,054.64	000062
1/23/23	00011	1/16/23	1027613	202301	320-53800-47100			MOSQUITO MAINT JAN 23	*	13,220.05		
								CLARKE ENVIRONMENTAL MOSQUITO			13,220.05	000063
1/23/23	00027	1/12/23	107401	202212	310-51300-31500			CONVEYANCE SVCS DEC 22	*	1,007.00		
								LATHAM, LUNA, EDEN & BEAUDINE			1,007.00	000064
2/02/23	00042	12/31/22	00051781	202212	310-51300-48000			NOT BOS MEETING 12/14/22	*	397.57		
								CA FLORIDA HOLDINGS, LLC			397.57	000065
2/02/23	00001	12/31/22	222	202212	320-53800-49000			GENERAL MAINTENACE DEC 22	*	2,442.74		
								GOVERNMENTAL MANAGEMENT SERVICES			2,442.74	000066

POIN POIN CDD NRUIZ

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
2/02/23	00054	8/17/22 08172022	202208 300-20700-10100	GONZALEZ CK#6150 REIMBURS	*	173.03		
							JONATHAN & JEANNE GONZALEZ	173.03 000067
2/10/23	00004	2/01/23 8880	202302 320-53800-46200	LANDSCAPE MAINT FEB 23	*	12,514.48		
							FLORALAWN 2, LLC	12,514.48 000068
2/17/23	00040	2/02/23 23580	202302 310-51300-32200	AUDIT FYE 9/30/22	*	1,500.00		
							GRAU & ASSOCIATE	1,500.00 000069
2/17/23	00001	2/01/23 223	202302 310-51300-34000	MANAGEMENT FEES FEB 23	*	3,500.00		
		2/01/23 223	202302 310-51300-35200	WEBSITE ADMIN FEB 23	*	68.75		
		2/01/23 223	202302 310-51300-35100	INFORMATIN TECH FEB 23	*	103.17		
		2/01/23 223	202302 310-51300-31300	DISSEMINATION SVC FEB 23	*	291.67		
		2/01/23 223	202302 310-51300-51000	OFFICE SUPPLIES FEB 23	*	.66		
		2/01/23 223	202302 310-51300-42000	POSTAGE FEB 23	*	44.55		
		2/01/23 224	202302 320-53800-12000	FIELD MANAGEMENT FEB 23	*	858.33		
							GOVERNMENTAL MANAGEMENT SERVICES	4,867.13 000070
2/17/23	00017	2/03/23 2184359	202301 310-51300-31100	GEN ENGINEER SVC JAN 23	*	660.00		
							GAI CONSULTANTS, INC	660.00 000071
2/21/23	00009	2/15/23 00001457	202302 320-53800-47000	AQUATIC MAINT FEB 23	*	9,054.64		
							CLARKE AQUATIC SERVICES, INC.	9,054.64 000072
2/21/23	00011	2/15/23 00102766	202302 320-53800-47100	MOSSQUITO MAINT FEB 23	*	13,220.05		
							CLARKE ENVIRONMENTAL MOSQUITO	13,220.05 000073
2/21/23	00027	2/03/23 109528	202301 310-51300-31500	GENERAL COUNSEL JAN 23	*	206.50		
		2/03/23 109529	202301 310-51300-31500	CONVEYANCE JAN 23	*	363.00		
							LATHAM, LUNA, EDEN & BEAUDINE	569.50 000074
						TOTAL FOR BANK C	119,223.24	
				POIN POIN CDD	NRUIZ			

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
TOTAL FOR REGISTER						119,223.24	

POIN POIN CDD NRUIZ

SECTION 3

Poinciana
Community Development District

Unaudited Financial Reporting
February 28, 2023



Table of Contents

1	<hr/>	<u>Balance Sheet</u>
2-3	<hr/>	<u>General Fund</u>
4	<hr/>	<u>Debt Service Fund - Series 2022</u>
5-6	<hr/>	<u>Month to Month</u>
7	<hr/>	<u>Assessment Receipt Schedule</u>

Poinciana
Community Development District
Combined Balance Sheet
February 28, 2023

	<i>General Fund</i>	<i>Debt Service Fund</i>	<i>Totals Governmental Funds</i>
Assets:			
<u>Cash</u>			
Operating - Hancock Whitney	\$ 836,793	\$ -	\$ 836,793
Operating - Truist	\$ 345,853	\$ -	\$ 345,853
Money Market - Bank United	\$ 53,152	\$ -	\$ 53,152
<u>Investments</u>			
<u>Series 2022</u>			
Reserve	\$ -	\$ 135,953	\$ 135,953
Revenue	\$ -	\$ 1,385,612	\$ 1,385,612
Interest	\$ -	\$ 9	\$ 9
Prepayment	\$ -	\$ 4,354	\$ 4,354
Assessment Receivable	\$ 4,347	\$ -	\$ 4,347
Due from General Fund	\$ -	\$ 147,458	\$ 147,458
Due from Other	\$ 4,792	\$ -	\$ 4,792
Total Assets	\$ 1,244,937	\$ 1,673,387	\$ 2,918,324
Liabilities:			
Accounts Payable	\$ 1,849	\$ -	\$ 1,849
Due to Debt Service	\$ 147,458	\$ -	\$ 147,458
Total Liabilities	\$ 149,306	\$ -	\$ 149,306
Fund Balance:			
Restricted for:			
Debt Service	\$ -	\$ 1,673,387	\$ 1,673,387
Unassigned	\$ 1,095,631	\$ -	\$ 1,095,631
Total Fund Balances	\$ 1,095,631	\$ 1,673,387	\$ 2,769,018
Total Liabilities & Fund Balance	\$ 1,244,937	\$ 1,673,387	\$ 2,918,324

Poinciana
Community Development District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending February 28, 2023

	Adopted Budget	Prorated Budget Thru 02/28/23	Actual Thru 02/28/23	Variance
Revenues:				
Assessments - Tax Roll	\$ 649,840	\$ 625,250	\$ 625,250	\$ -
Assessments - Direct Bill	\$ 17,458	\$ 17,458	\$ 17,458	\$ -
Interest	\$ 2,000	\$ 833	\$ 23	\$ (810)
Miscellaneous Revenue	\$ -	\$ -	\$ 3,559	\$ 3,559
Total Revenues	\$ 669,298	\$ 643,541	\$ 646,290	\$ 2,749
Expenditures:				
<u>General & Administrative:</u>				
Supervisors Fees	\$ 12,000	\$ 5,000	\$ 1,800	\$ 3,200
FICA Expense	\$ 918	\$ 383	\$ 138	\$ 245
Engineering	\$ 20,000	\$ 8,333	\$ 3,026	\$ 5,307
Attorney	\$ 30,000	\$ 12,500	\$ 8,129	\$ 4,371
Arbitrage	\$ 450	\$ -	\$ -	\$ -
Dissemination	\$ 3,500	\$ 1,458	\$ 500	\$ 958
Annual Audit	\$ 3,500	\$ 3,500	\$ 3,500	\$ -
Trustee Fees	\$ 4,000	\$ -	\$ -	\$ -
Assessment Administration	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Management Fees	\$ 42,000	\$ 17,500	\$ 17,500	\$ -
Information Technology	\$ 1,238	\$ 516	\$ 516	\$ (0)
Website Maintenance	\$ 825	\$ 344	\$ 344	\$ -
Telephone	\$ 100	\$ 42	\$ -	\$ 42
Postage	\$ 2,600	\$ 1,083	\$ 370	\$ 714
Printing & Binding	\$ 1,000	\$ 417	\$ 10	\$ 407
Insurance	\$ 7,825	\$ 7,825	\$ 7,010	\$ 815
Legal Advertising	\$ 5,500	\$ 2,292	\$ 790	\$ 1,501
Other Current Charges	\$ 2,400	\$ 1,845	\$ 1,845	\$ -
Office Supplies	\$ 400	\$ 167	\$ 17	\$ 150
Property Appraiser	\$ 7,000	\$ -	\$ -	\$ -
Dues, Licenses & Subscriptions	\$ 175	\$ 175	\$ 175	\$ -
Total General & Administrative:	\$ 150,431	\$ 68,378	\$ 50,669	\$ 17,709

Poinciana
Community Development District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending February 28, 2023

	Adopted Budget	Prorated Budget Thru 02/28/23	Actual Thru 02/28/23	Variance
<i>Operations & Maintenance</i>				
Field Services	\$ 10,300	\$ 4,292	\$ 4,292	\$ 0
Property Insurance	\$ 10,038	\$ 10,038	\$ 8,744	\$ 1,294
Electric	\$ 2,640	\$ 1,100	\$ 577	\$ 523
Landscape Maintenance	\$ 170,352	\$ 70,980	\$ 62,573	\$ 8,408
Aquatic Control Maintenance	\$ 127,403	\$ 53,085	\$ 45,473	\$ 7,611
Aquatic Midge Management	\$ 176,721	\$ 73,634	\$ 66,100	\$ 7,534
R&M - Mulch	\$ 3,500	\$ 1,458	\$ -	\$ 1,458
R&M - Plant Replacement	\$ 3,500	\$ 1,458	\$ -	\$ 1,458
R&M - Aerators	\$ 3,500	\$ 1,458	\$ -	\$ 1,458
Storm Structure Repairs	\$ 50,000	\$ 20,833	\$ -	\$ 20,833
Contingency	\$ 18,876	\$ 7,865	\$ 2,443	\$ 5,422
Total Operations & Maintenance:	\$ 576,830	\$ 246,201	\$ 190,202	\$ 56,000
Total Expenditures	\$ 727,261	\$ 314,580	\$ 240,871	\$ 73,709
Excess (Deficiency) of Revenues over Expenditures	\$ (57,962)		\$ 405,419	
Fund Balance - Beginning	\$ 57,962		\$ 690,211	
Fund Balance - Ending	\$ (0)		\$ 1,095,631	

Poinciana
Community Development District
Debt Service Fund - Series 2012/2022
Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending February 28, 2023

	Adopted Budget	Prorated Budget Thru 02/28/23	Actual Thru 02/28/23	Variance
Revenues:				
Assessments - Tax Roll	\$ 1,250,679	\$ 1,196,898	\$ 1,196,898	\$ -
Assessments - Direct Bill	\$ 35,474	\$ 35,474	\$ 35,474	\$ -
Interest	\$ -	\$ -	\$ 8,192	\$ 8,192
Total Revenues	\$ 1,286,153	\$ 1,232,372	\$ 1,240,564	\$ 8,192
Expenditures:				
Property Appraiser	\$ 15,500	\$ -	\$ -	\$ -
Series 2022				
Interest - 11/1	\$ 121,844	\$ 121,844	\$ 121,582	\$ 262
Special Call -11/1	\$ 410,000	\$ 410,000	\$ 448,000	\$ (38,000)
Principal - 5/1	\$ 1,065,000	\$ -	\$ -	\$ -
Interest - 5/1	\$ 117,240	\$ -	\$ -	\$ -
Total Expenditures	\$ 1,729,584	\$ 531,844	\$ 569,582	\$ (37,738)
Excess (Deficiency) of Revenues over Expenditures	\$ (443,431)		\$ 670,982	
Fund Balance - Beginning	\$ 827,848		\$ 1,002,405	
Fund Balance - Ending	\$ 384,417		\$ 1,673,387	

Poinciana
Community Development District
Month to Month

	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Total
Revenues:													
Assessments - Tax Roll	\$ -	\$ 130,398	\$ 420,899	\$ 56,276	\$ 17,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 625,250
Assessments - Direct	\$ -	\$ -	\$ 17,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,458
Interest	\$ 5	\$ 5	\$ 5	\$ 5	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23
Miscellaneous Revenue	\$ -	\$ 151	\$ 75	\$ -	\$ 3,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,559
Total Revenues	\$ 5	\$ 130,554	\$ 438,437	\$ 56,281	\$ 21,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 646,290
Expenditures:													
General & Administrative:													
Supervisors Fees	\$ -	\$ -	\$ 1,600	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,800
FICA Expense	\$ -	\$ -	\$ 122	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138
Engineering	\$ 495	\$ 1,871	\$ -	\$ 660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,026
Attorney	\$ 1,451	\$ 1,712	\$ 4,397	\$ 570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,129
Arbitrage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dissemination	\$ 292	\$ 792	\$ 292	\$ 292	\$ (1,167)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Annual Audit	\$ -	\$ -	\$ 2,000	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500
Trustee Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessment Administration	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Management Fees	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,500
Information Technology	\$ 103	\$ 103	\$ 103	\$ 103	\$ 103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 516
Website Maintenance	\$ 69	\$ 69	\$ 69	\$ 69	\$ 69	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 344
Telephone	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Postage	\$ 5	\$ 7	\$ 304	\$ 9	\$ 45	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 370
Printing & Binding	\$ -	\$ -	\$ 6	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10
Insurance	\$ 7,010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,010
Legal Advertising	\$ -	\$ 393	\$ 398	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 790
Other Current Charges	\$ 336	\$ 594	\$ 541	\$ 374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,845
Office Supplies	\$ 0	\$ 0	\$ 15	\$ 0	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17
Property Appraiser	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues, Licenses & Subscriptions	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175
Total General & Administrative:	\$ 18,436	\$ 9,041	\$ 13,346	\$ 5,580	\$ 4,266	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,669

Poinciana
Community Development District
Month to Month

	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Total
<i>Operation and Maintenance</i>													
Field Services	\$ 858	\$ 858	\$ 858	\$ 858	\$ 858	- \$	- \$	- \$	- \$	- \$	- \$	- \$	4,292
Property Insurance	\$ 8,744	\$ -	\$ -	\$ -	\$ -	- \$	- \$	- \$	- \$	- \$	- \$	- \$	8,744
Electric	\$ 154	\$ 115	\$ 95	\$ 109	\$ 104	- \$	- \$	- \$	- \$	- \$	- \$	- \$	577
Landscape Maintenance	\$ 12,514	\$ 12,514	\$ 12,515	\$ 12,514	\$ 12,514	- \$	- \$	- \$	- \$	- \$	- \$	- \$	62,573
Aquatic Control Maintenance	\$ 9,255	\$ 9,055	\$ 9,055	\$ 9,055	\$ 9,055	- \$	- \$	- \$	- \$	- \$	- \$	- \$	45,473
Aquatic Midge Management	\$ 13,220	\$ 13,220	\$ 13,220	\$ 13,220	\$ 13,220	- \$	- \$	- \$	- \$	- \$	- \$	- \$	66,100
R&M - Mulch	\$ -	\$ -	\$ -	\$ -	\$ -	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
R&M - Plant Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
R&M - Aerators	\$ -	\$ -	\$ -	\$ -	\$ -	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Storm Structure Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Contingency	\$ -	\$ -	\$ 2,443	\$ -	\$ -	- \$	- \$	- \$	- \$	- \$	- \$	- \$	2,443
Total Operations & Maintenance:	\$ 44,746	\$ 35,762	\$ 38,185	\$ 35,757	\$ 35,751	- \$	- \$	- \$	- \$	- \$	- \$	- \$	190,202
Total Expenditures	\$ 63,182	\$ 44,803	\$ 51,532	\$ 41,337	\$ 40,017	- \$	- \$	- \$	- \$	- \$	- \$	- \$	240,871
Excess (Deficiency) of Revenues over Expenditures	\$ (63,178)	\$ 85,751	\$ 386,906	\$ 14,944	\$ (19,004)	- \$	- \$	- \$	- \$	- \$	- \$	- \$	405,419

Poinciana
Community Development District
Special Assessment Receipts
Fiscal Year 2023

MAINTENANCE ASSESSMENTS

Gross Assessments \$ 698,715.22
 Certified Net Assessments \$ 649,805.15
 100.00%

Date	Distribution	Gross Assessments				Net Assessments	
		Received	Discounts/Penalties	Commissions Paid	Interest Income	Received	General Fund
11/10/22	10/21/22	\$10,738.26	(\$559.94)	(\$203.57)	\$0.00	\$9,974.75	\$9,974.75
11/16/22	10/1/22-10/31/22	\$7,177.56	(\$287.04)	(\$137.81)	\$0.00	\$6,752.71	\$6,752.71
11/21/22	11/1/22-11/6/22	\$65,975.77	(\$2,636.22)	(\$1,266.79)	\$0.00	\$62,072.76	\$62,072.76
11/25/22	11/7/22-11/13/22	\$54,843.92	(\$2,193.28)	(\$1,053.01)	\$0.00	\$51,597.63	\$51,597.63
12/12/22	11/14/22-11/23/22	\$162,228.77	(\$6,485.50)	(\$3,114.87)	\$0.00	\$152,628.40	\$152,628.40
12/21/22	11/24/22-11/30/22	\$261,110.48	(\$10,437.97)	(\$5,013.45)	\$0.00	\$245,659.06	\$245,659.06
12/23/22	12/1/22-12/15/22	\$23,935.19	(\$861.86)	(\$461.46)	\$0.00	\$22,611.87	\$22,611.87
1/13/23	12/16/22-12/31/22	\$59,202.97	(\$1,778.12)	(\$1,148.50)	\$0.00	\$56,276.35	\$56,276.35
2/16/23	01/01/23-01/31/23	\$18,651.97	(\$615.27)	(\$360.73)	\$0.00	\$17,675.97	\$17,675.97
Total Collected		\$ 663,864.89	\$ (25,855.20)	\$ (12,760.19)	\$ -	\$ 625,249.50	\$ 625,249.50
Percentage Collected							96%

DEBT SERVICE ASSESSMENTS

Gross Assessments \$ 1,344,068.34
 Certified Net Assessments \$ 1,249,983.56
 100%

Date	Distribution	Gross Assessments				Net Assessments	
		Received	Discounts/Penalties	Commissions Paid	Interest Income	Received	Debt Service Fund
11/10/22	10/21/22	\$21,416.54	(\$1,116.61)	(\$406.00)	\$0.00	\$19,893.93	\$19,893.93
11/16/22	10/1/22-10/31/22	\$12,714.64	(\$508.64)	(\$244.12)	\$0.00	\$11,961.88	\$11,961.88
11/21/22	11/1/22-11/6/22	\$120,970.83	(\$4,834.83)	(\$2,322.72)	\$0.00	\$113,813.28	\$113,813.28
11/25/22	11/7/22-11/13/22	\$101,717.12	(\$4,069.16)	(\$1,952.96)	\$0.00	\$95,695.00	\$95,695.00
12/12/22	11/14/22-11/23/22	\$305,333.27	(\$12,210.15)	(\$5,862.46)	\$0.00	\$287,260.66	\$287,260.66
12/21/22	11/24/22-11/30/22	\$508,125.73	(\$20,318.57)	(\$9,756.14)	\$0.00	\$478,051.02	\$478,051.02
12/23/22	12/1/22-12/15/22	\$45,269.44	(\$1,632.03)	(\$872.75)	\$0.00	\$42,764.66	\$42,764.66
1/13/23	12/16/22-12/31/22	\$118,079.53	(\$3,546.86)	(\$2,290.65)	\$0.00	\$112,242.02	\$112,242.02
2/16/23	01/01/23-01/31/23	\$37,170.45	(\$1,235.97)	(\$718.69)	\$0.00	\$35,215.79	\$35,215.79
Total Collected		\$ 1,270,797.55	\$ (49,472.82)	\$ (24,426.49)	\$ -	\$ 1,196,898.24	\$ 1,196,898.24
Percentage Collected							96%

DIRECT BILL ASSESSMENTS

Taylor Morrison 2023-01		Net Assessments		\$ 52,931.88	\$ 17,458.03	\$ 35,473.85
Date Received	Due Date	Check Number	Net Assessed	Amount Received	General Fund	Debt Service Fund
12/27/22	11/1/22	16000-00085242	\$26,465.94	\$26,465.94	\$8,729.02	\$17,736.93
12/27/22	2/1/23	16000-00085242	\$13,232.97	\$13,232.97	\$4,364.51	\$8,868.46
12/27/22	5/1/23	16000-00085242	\$13,232.97	\$13,232.97	\$4,364.51	\$8,868.46
			\$ 52,931.88	\$ 52,931.88	\$ 17,458.04	\$ 35,473.85

SECTION D

Poinciana Community Development District



March 15th, 2023

Clayton Smith - Field Services Manager

GMS

Site Items

Pond Maintenance



- + Overall ponds in good condition and well maintained.
- + C-10 and C-11 experiencing some hydrilla issues that are being treated.
- + In order to prevent future and further erosion in many cases some consideration to change up maintenance approach.
- + This will likely require some changes in method and scopes for both contractors.
- + Top picture is current maintenance, bottom is potential alternative.

Site Review

Pond Plantings



- + Plantings to be considered at several ponds.
- + Plantings have been successful at other ponds in reducing algae and erosion.
- + Pickerelweed and Spike rush plantings recommended.



In Progress

Site Action Items



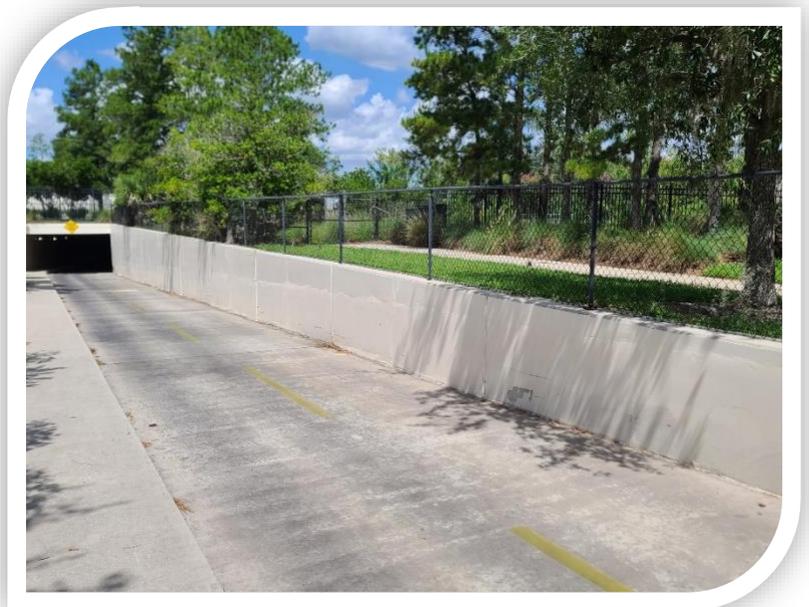
- + Water Levels are lower and action items can be addressed.
- + Several items identified needing attention.
- + A report was created to show the action items to be addressed currently.
- + A few minor items mainly from the storm.



In Progress

Tunnel Maintenance and Painting

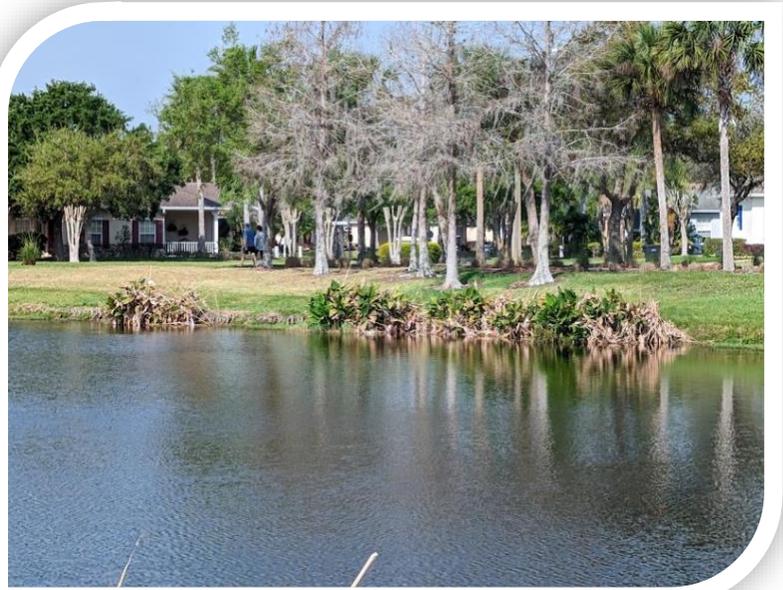
- + With Dry season the tunnels have dried out more and are ready for painting.
- + Pressure washing and cleaning to begin week of 3/13/23.
- + Tunnels will be painted immediately after with bright white paint.
- + There are also plans to make adjustments to the lights and fixtures in place.



Site Items

Fire Flag Maintenance

- + Fireflag around various ponds goes dormant and sheds in the winter.
- + Staff explored options for the fireflag and the vendor recommended a full reset.
- + A quote is included.



Conclusion

For any questions or comments regarding the above information, please contact me by phone at 407-201-1514, or by email at csmith@gmscfl.com Thank you.

Respectfully,
Clayton Smith



PCDD Monthly Treatment Report

Date between : 1/01/2023 and 1/31/2023

Customer Site ID	Treatment Date	Condition/Weeds Treated
A-1	1/18/23	Shoreline Grasses
A-2	1/18/23	Shoreline Grasses
A-3	1/5/23	Clean
A-4	1/5/23	Clean
A-5	1/5/23	Clean
A-6	1/5/23	Clean
A-7	1/5/23	Clean
A-8	1/31/23	Clean
A-9	1/31/23	Clean
A-10A	1/31/23	Clean
A-10B	1/31/23	Clean
A-11	1/31/23	Clean
A-12	1/31/23	Clean
A-13	1/31/23	Clean
A-20	1/31/23	Clean
A-21	1/31/23	Clean
A-22	1/31/23	Clean
B-1	1/31/23	Clean
B-5	1/18/23	Clean
B-6	1/18/23	Clean
B-11	1/31/23	Clean
B-15	1/31/23	Clean
B-16	1/17/23	Clean
C-1	1/31/23	Clean
C-2	1/31/23	Clean
C-3	1/18/23	Shoreline Grasses
C-6A	1/31/23	Clean
C-6B	1/31/23	Clean
C-8	1/12/23	Clean
C-9	1/31/23	Clean
C-10	1/31/23	Clean
C-11	1/12/23	Clean
C-12	1/12/23	Clean
C-13	1/12/23	Clean
C-14	1/12/23	Clean
C-15	1/12/23	Clean
C-16	1/12/23	Clean
C-17	1/12/23	Clean
C-18	1/12/23	Clean
C-19	1/31/23	Clean
C-20	1/31/23	Clean
D-1	1/12/23	Clean
D-2	1/31/23	Clean
D-3	1/12/23	Clean

D-4	1/31/23	Clean
D-5	1/31/23	Clean
D-6	1/12/23	Clean
D-7	1/12/23	Clean
D-8	1/12/23	Clean
D-9	1/12/23	Clean
D-10	1/12/23	Clean
D-11	1/12/23	Clean
E-1	1/18/23	Clean
E-2	1/18/23	Clean
E-3	1/31/23	Shoreline Grasses
E-5	1/18/23	Shoreline Grasses
E-6	1/31/23	Clean
E-8	1/31/23	Clean
E-11	1/31/23	Clean
E-18	1/31/23	Clean
E-19	1/18/23	Clean
E-21	1/31/23	Clean
E-31	1/18/23	Clean
F-7	1/18/23	Shoreline Grasses



PCDD Monthly Treatment Report

Date between : 2/01/2023 and 2/28/2023

Customer Site ID	Treatment Date	Condition/Weeds Treated
A-1	2/27/23	Clean
A-2	2/9/23	Clean
A-3	2/1/23	Clean
A-4	2/1/23	Clean
A-5	2/1/23	Clean
A-6	2/1/23	Clean
A-7	2/8/23	Clean
A-8	2/8/23	Filamentous
A-8	2/8/23	Spike Rush
A-9	2/27/23	Clean
A-10A	2/27/23	Clean
A-10B	2/27/23	Clean
A-11	2/27/23	Clean
A-12	2/27/23	Clean
A-13	2/22/23	Crested Floating Heart
A-13	2/22/23	Shoreline Grasses
A-20	2/9/23	Filamentous
A-20	2/9/23	Hydrilla
A-21	2/22/23	Clean
A-22	2/22/23	Clean
B-1	2/27/23	Filamentous
B-1	2/27/23	Hydrilla
B-5	2/9/23	Clean
B-6	2/9/23	Clean
B-11	2/8/23	Filamentous
B-11	2/8/23	Hydrilla
B-15	2/8/23	Filamentous
B-15	2/8/23	Hydrilla
B-16	2/8/23	Clean
C-1	2/22/23	Clean
C-2	2/22/23	Clean
C-3	2/9/23	Clean
C-6A	2/8/23	Duckweed
C-6A	2/8/23	Filamentous
C-6A	2/8/23	Spike Rush
C-6B	2/1/23	Clean
C-8	2/8/23	Filamentous
C-8	2/8/23	Hydrilla
C-9	2/8/23	Alligator Weed
C-9	2/8/23	Filamentous
C-9	2/8/23	Naiad
C-9	2/8/23	Spike Rush
C-10	2/1/23	Shoreline Grasses
C-11	2/8/23	Filamentous

C-11	2/8/23	Hydrilla
C-12	2/9/23	Clean
C-13	2/1/23	Clean
C-14	2/1/23	Clean
C-15	2/1/23	Clean
C-16	2/1/23	Clean
C-17	2/1/23	Clean
C-18	2/14/23	Clean
C-19	2/8/23	Filamentous
C-19	2/8/23	Hydrilla
C-19	2/8/23	Spike Rush
C-20	2/9/23	Duckweed
C-20	2/9/23	Filamentous
C-20	2/9/23	Hydrilla
D-1	2/14/23	Clean
D-2	2/14/23	Shoreline Grasses
D-3	2/14/23	Shoreline Grasses
D-4	2/9/23	Baby Tears
D-4	2/9/23	Duckweed
D-4	2/9/23	Spike Rush
D-5	2/14/23	Clean
D-6	2/14/23	Clean
D-7	2/14/23	Clean
D-8	2/14/23	Clean
D-9	2/14/23	Clean
D-10	2/9/23	Clean
D-11	2/14/23	Shoreline Grasses
E-1	2/21/23	Shoreline Grasses
E-2	2/21/23	Shoreline Grasses
E-3	2/27/23	Clean
E-5	2/21/23	Clean
E-6	2/21/23	Duckweed
E-6	2/21/23	Shoreline Grasses
E-8	2/21/23	Duckweed
E-8	2/21/23	Shoreline Grasses
E-11	2/21/23	Duckweed
E-11	2/21/23	Shoreline Grasses
E-18	2/27/23	Clean
E-19	2/21/23	Duckweed
E-19	2/21/23	Shoreline Grasses
E-21	2/21/23	Shoreline Grasses
E-31	2/21/23	Shoreline Grasses
F-7	2/9/23	Clean



Run By: cchallacombe

PCDD All Services By Customer Summary

Page 1 of 1
Friday, February 17, 2023
7:07:05 AM

Poinciana Community Development Dist (S07800)

Filter Date between 01/01/2023 and 01/31/2023

Customer	Work Type	Service Item	Start Date	End Date	Used Quantity	Unit Of Measure
S07800 - Poinciana Community Development Dist	Municipal Back Pack	KIS1768 - Nat G30 12 lbs per acre	01/26/2023	01/26/2023	9.10	acr



All Services By Customer Summary

Poinciana Community Development Dist (S07800)

Filter Date between 02/01/2023 and 02/28/2023

Customer	Work Type	Service Item	Start Date	End Date	Used Quantity	Unit Of Measure
S07800 - Poinciana Community Development Dist	Municipal Back Park	KIS1768 - Nat G30 12 lbs per acre	02/16/2023	02/16/2023	9.80	acr

SECTION 1



Site Report

18296905217

Reference Number:
20230308-18296905217

Submitter Name:
Clayton Smith (csmith@gmscfl.com) | csmith@gmscfl.com

Location:
558 San Raphael St, Kissimmee, FL 34759, USA
Mar 8, 2023 11:11:14 AM EST [[View Map](#)]

Form Name:
Site Report

Submission Date:
Mar 8, 2023 11:11:17 AM EST

NEW PAGE

District Status Review

District	Poinciana CDD
Site Inspected By	Clayton Smith - Field Manager

Issue Details

ISSUE DETAILS

1 OF 7

Issue Details

Date / Time	Pond - B-1	Mar 8, 2023 9:41:00 AM EST
Assignment		CF Maintenance
GeoLocation		262 Hamrick Dr, Kissimmee, FL 34759, USA latitude: 28.139589151827856 altitude: 0.0 longitude: -81.47662103176117 [viewMap]

Action Item Picture



Action Item Description

Secure skimmer to structure. use anchors and brackets as needed.

Request Vendor Proposal

No

ISSUE DETAILS

2 OF 7

Issue Details

Date / Time

Mar 8, 2023 9:41:00 AM EST

Assignment

Pond - B-15

CF Maintenance

GeoLocation

231 Largo Dr, Kissimmee, FL 34759, USA
latitude: 28.126625138283796 altitude: 0.0
longitude: -81.4782464504242 [[viewMap](#)]

Action Item Picture



Action Item Description

repair skimmer.

Request Vendor Proposal

No

ISSUE DETAILS

3 OF 7

Issue Details

Date / Time Pond - B-16
GeoLocation

Mar 8, 2023 9:41:00 AM EST
370 New River Dr, Kissimmee, FL 34759, USA
latitude: 28.123951542304503 altitude: 0.0
longitude: -81.47863872349262 [[viewMap](#)]

Action Item Picture



Action Item Description
Request Vendor Proposal

repair skimmer. broken portions.
No

ISSUE DETAILS

4 OF 7

Issue Details

Date / Time Mar 8, 2023 9:41:00 AM EST
Assignment Pond - A-7
GeoLocation

CF Maintenance
381 Lake Butler Dr, Kissimmee, FL 34759, USA
latitude: 28.1229556536313 altitude: 0.0
longitude: -81.47428549826145 [[viewMap](#)]

Action Item Picture



Action Item Description
Request Vendor Proposal

measure grate for replacement.
No

ISSUE DETAILS

5 OF 7

Issue Details

Date / Time
Assignment

Mar 8, 2023 9:41:00 AM EST
CF Maintenance

GeoLocation

Pond - D-1

226 Indian Wells Ave, Kissimmee, FL 34759, USA
latitude: 28.117887950915037 altitude: 0.0
longitude: -81.49715334177017 [[viewMap](#)]

Action Item Picture



Action Item Description

straighten skimmer.

Request Vendor Proposal

No

ISSUE DETAILS

6 OF 7

Issue Details

Date / Time

Pond - D-4

Mar 8, 2023 9:41:00 AM EST

GeoLocation

130 Verona Dr, Kissimmee, FL 34759, USA
latitude: 28.119137896111262 altitude: 0.0
longitude: -81.49359740316868 [[viewMap](#)]

Action Item Picture



Action Item Description

straighten skimmer

Request Vendor Proposal

No

ISSUE DETAILS

7 OF 7

Issue Details

Date / Time

Mar 8, 2023 9:41:00 AM EST

Assignment

Pond - A-13

CF Maintenance

GeoLocation

793 Grand Canal Dr, Kissimmee, FL 34759, USA
latitude: 28.11841933464915 altitude: 0.0
longitude: -81.47213235497475 [[viewMap](#)]

Action Item Picture



Action Item Description

repair skimmer.

Request Vendor Proposal

No

SECTION 2



Governmental
Management Services - CF

Maintenance Services
Phone: 407-201-1514
Email:
Csmith@gmscfl.com

Bill To/District Poinciana CDD	Prepared By: Governmental Management Services- CF, LLC 219 E. Livingston Street Orlando, FL 32801
Job name and Description	
Action item Repairs -Perform maintenance items and repair per included report. 8 action items to be addressed (7 on report and additional E-1 grate item). Action items include straightening skimmers which will be accessed via boat and with waders and some debris and trash removal as well as taking measurements for new grates via boat. Grate costs will be provided in the future.	

Qty	Description	Unit Price	Line Total
32	Labor	\$47.50	\$1520.00
2	Mobilization	\$65.00	\$260.00
	Equipment		\$260.00
	Materials		\$201.25
Total Due:			\$2241.25

This Proposal is Valid for 30 days.

Client Signature: _____

SECTION 3

SERVICES CONTRACT

CUSTOMER NAME: Solivita
SUBMITTED TO: Clayton Smith
CONTRACT DATE: January 30, 2022
SUBMITTED BY: Stephen AmRhein
SERVICES: Fireflag Clean-up

This agreement (the "Agreement") is made as of the date indicated above, and is by and between SOLitude Lake Management, LLC ("Solitude" or the "Company") and the customer identified above (the "Customer") on the terms and conditions set forth in this Agreement.

1. The Services. SOLitude will provide services at the Customer's property as described in Schedule A attached hereto:
2. PAYMENT TERMS. The fee for this service is **\$15,410.00**. The Customer shall pay 50% of this service fee upon execution of this Agreement. The balance (remaining 50% of fee) will be invoiced to Customer by SOLitude following completion of the Services.

For any work completed or materials in storage on the customer's behalf at the end of each month, the company will invoice and the customer will be responsible for paying the percent of the total work completed as of that date, less any previous deposit paid. Should the work performed be subject to any local, state, or federal jurisdiction, agency, or other organization of authority for sales or other taxes or fees in addition to those expressly covered by this contract, customer will be invoiced and responsible for paying said additional taxes in addition to the fee above. Customer agrees to pay all invoices within thirty (30) days of invoice date. The Customer will be liable for any returned check fees and any collection costs, including reasonable attorney fees and court costs, for any invoices not otherwise timely paid, and interest at the rate of 1% per month may be added to all unpaid invoices. Company shall be reimbursed by the Customer for any non-routine expenses, administrative fees, compliance fees, or any other similar expense that are incurred as a result of requirements placed on the Company by the Customer that are not covered specifically by the written specifications of this contract.

3. TERM AND EXPIRATION. This Agreement is for a one-time service as described in the attached Schedule A. Any additional services will be provided only upon additional terms as agreed to by the parties in writing.
4. DISCLAIMER. SOLitude is not responsible for the failure of any treatment, equipment installation, or other work that result from dam or other structural failures, severe weather and storms, flooding, or other acts of God that are outside of the control of SOLitude. Customer understands and acknowledges that there are irrigation restrictions associated with many of the products used to treat lakes and ponds. The customer is responsible for notifying SOLitude in advance of the contract signing and the start of the contract if they utilize any of the water in their lakes or ponds for irrigation purposes. The customer accepts full responsibility for any issues that may arise from the irrigation of turf, ornamentals, trees, crops, or any other plants as a result of treated water being used by the customer for irrigation without the consent or knowledge of SOLitude.

Competitively Sensitive & Proprietary Materials – The information contained herein is the intellectual property of SOLitude Lake Management. Recipient may not disclose to any outside party any proprietary information, processes, or pricing contained in this document or any of its attachments without the prior written consent of SOLitude Lake Management. This document is provided to the recipient in good faith and it shall be the responsibility of the recipient to keep the information contained herein confidential.



Although there is rarely direct fish toxicity with the products used for treatment when applied at the labeled rate, or the installation and normal operation of the equipment we install, there is a risk under certain circumstances of significant dissolved oxygen drops. This risk is most severe in times of extremely hot weather and warm water temperatures, as these are the conditions during which dissolved oxygen levels are naturally at their lowest levels. Oftentimes lakes and ponds will experience natural fish kills under these conditions even if no work is performed. Every effort, to include the method and timing of application, the choice of products and equipment used, and the skill and training of the staff, is made to avoid such problems. However, the customer understands and accepts that there is always a slight risk of the occurrence of adverse conditions outside the control of SOLitude that will result in the death of some fish and other aquatic life. The customer also understands and accepts that similar risks would remain even if no work was performed. The customer agrees to hold SOLitude harmless for any issues with fish or other aquatic life which occur as described above, or are otherwise outside the direct control of the SOLitude, unless there is willful negligence on the part of SOLitude.

While SOLitude Lake Management LLC makes every effort to thoroughly inspect the site before providing this contract proposal or beginning any work, it is possible, without fault or negligence, that unforeseen circumstances may arise, or that hidden conditions on the site might be found in the course of the performance of the contract work, which would result in additional time or material costs that exceed this contract pricing. Should this occur, the customer will be notified of these unforeseen circumstances or conditions and be responsible for the costs associated with remedying. By signing this agreement, the customer acknowledges that they have informed SOLitude Lake Management® of all known and relevant current site conditions that would be reasonable to expect could affect our ability to successfully complete the contract work.

5. INSURANCE AND LIMITATION OF LIABILITY. Solitude will maintain general liability and property damage insurance as necessary given the scope and nature of the Services. The Company will be responsible for those damages, claims, causes of action, injuries or legal costs to the extent of its own direct negligence or misconduct, and then only to an amount not to exceed the annual value of this Agreement. In no event will any party to this Agreement be liable to the other for incidental, consequential or purely economic damages.

6. FORCE MAJEURE. The Company shall not be liable for any delay in performing the Services, nor liable for any failure to provide the Services, due to any cause beyond its reasonable control.

7. ANTI-CORRUPTION AND BRIBERY. Each party represents that neither it nor anyone acting on its behalf has offered, given, requested or accepted any undue financial or other advantage of any kind in entering into this Agreement, and that it will comply with all applicable laws and regulations pertaining to corruption, competition and bribery in carrying out the terms and conditions of this Agreement.

8. GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the state in which the Services are performed.

9. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties with respect to the subject matter and replaces any prior agreements or understandings, whether in writing or otherwise. This Agreement may not be modified or amended except by written agreement executed by both parties. In the event that any provision of this Agreement is determined to be void, invalid, or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected.

Competitively Sensitive & Proprietary Materials – The information contained herein is the intellectual property of SOLitude Lake Management. Recipients may not disclose to any outside party any proprietary information, processes, or pricing contained in this document or any of its attachments without the prior written consent of SOLitude Lake Management. This document is provided to the recipient in good faith and it shall be the responsibility of the recipient to keep the information contained herein confidential.



10. NOTICE. Any written notice provided under this Agreement may be sent via overnight mail, certified mail, hand delivery or electronic mail with delivery confirmation, to the individuals and addresses listed below.

11. BINDING. This Agreement shall inure to the benefit of and be binding upon the legal representatives and successors of the parties.

12. FUEL/TRANSPORTATION SURCHARGE. Like many other companies that are impacted by the price of gasoline, a rise in gasoline prices may necessitate a fuel surcharge. As such, the Company reserves the right to add a fuel surcharge to Customer's invoice for any increase in the cost of fuel as measured above the same time period in the prior year (by the National U.S. Average Motor Gasoline-Regular Fuel Price per Gallon Index reported by the U.S. Department of Energy). The surcharge may be adjusted monthly (up or down) with the price of gasoline.

13. E-Verify. Solitude Lake Management LLC utilizes the federal E-Verify program in contracts with public employers as required by Florida State law, and acknowledges all the provisions of Florida Statute 448.095 are incorporated herein by reference and hereby certifies it will comply with the same.

ACCEPTED AND APPROVED:

SOLITUDE LAKE MANAGEMENT, LLC.

Solivita

Competitively Sensitive & Proprietary Materials – The information contained herein is the intellectual property of SOLitude Lake Management. Recipients may not disclose to any outside party any proprietary information, processes, or pricing contained in this document or any of its attachments without the prior written consent of SOLitude Lake Management. This document is provided to the recipient in good faith and it shall be the responsibility of the recipient to keep the information contained herein confidential.



Signature: _____

Printed Name: _____

Title: _____

Date: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Please Remit All Payments to:

**1320 Brookwood Drive Suite H
Little Rock AR 72202**

Please Mail All Contracts to:

**2844 Crusader Circle, Suite 450
Virginia Beach, VA 23453**

Customer's Address for Notice Purposes:

SCHEDULE A - SERVICES

Maintenance

Competitively Sensitive & Proprietary Materials – The information contained herein is the intellectual property of SOLITUDE Lake Management. Recipients may not disclose to any outside party any proprietary information, processes, or pricing contained in this document or any of its attachments without the prior written consent of SOLITUDE Lake Management. This document is provided to the recipient in good faith and it shall be the responsibility of the recipient to keep the information contained herein confidential.



Pond A3 planting Pickerel weed
QTY-943

Maintenance

Pond A4 planting Pickerel weed
QTY-880

Maintenance

Pond A5 planting Pickerel weed
QTY-710

Maintenance

Pond B16 planting Pickerel weed
QTY-3,330

Maintenance

Pond C10 planting Pickerel weed
QTY-5,750

Maintenance

Pond A13 planting Pickerel weed
QTY-1,930

Maintenance

Pond A8 planting Pickerel weed
QTY-1,310

Maintenance

Pond E1 planting Pickerel weed
QTY-1,950

Maintenance

Pond B1 planting Pickerel weed
QTY-2,810

Permitting (when applicable):

1. SOLitude staff will be responsible for the following:
 - a. Obtaining any Federal, state, or local permits required to perform any work specified in this contract where applicable.
 - b. Attending any public hearings or meetings with regulators as required in support of the permitting process.
 - c. Filing of any notices or year-end reports with the appropriate agency as required by any related permit.
 - d. Notifying the Customer of any restrictions or special conditions put on the site with respect to any permit received, where applicable.

Customer Responsibilities (when applicable):

1. Customer will be responsible for the following:
 - a. Providing information required for the permit application process upon request.
 - b. Providing Certified Abutters List for abutter notification where required.
 - c. Perform any public filings or recordings with any agency or commission associated with the permitting process, if required.
 - d. Compliance with any other special requirements or conditions required by the local municipality.

Competitively Sensitive & Proprietary Materials – The information contained herein is the intellectual property of SOLitude Lake Management. Recipients may not disclose to any outside party any proprietary information, processes, or pricing contained in this document or any of its attachments without the prior written consent of SOLitude Lake Management. This document is provided to the recipient in good faith and it shall be the responsibility of the recipient to keep the information contained herein confidential.



- e. Compliance and enforcement of temporary water-use restrictions where applicable.

General Qualifications:

1. Company is a licensed pesticide applicator in the state in which service is to be provided.
2. Individual Applicators are Certified Pesticide Applicators in Aquatics, Public Health, Forestry, Right of Way, and Turf/Ornamental as required in the state in which service is to be provided.
3. Company is a SePRO Preferred Applicator and dedicated Steward of Water. Each individual applicator has been trained and educated in the water quality testing and analysis required for prescriptive site-specific water quality management and utilizes an integrated approach that encompasses all aspects of ecologically balanced management. Each applicator has received extensive training in the proper selection, use, and application of all aquatic herbicides, algaecides, adjuvants, and water quality enhancement products necessary to properly treat our Customers' lakes and ponds as part of an overall integrated pest management program.
4. Company guarantees that all products used for treatment are EPA registered and labeled as appropriate and safe for use in lakes, ponds, and other aquatic sites, and are being applied in a manner consistent with their labeling.
5. All pesticide applications made directly to the water or along the shoreline for the control of algae, aquatic weeds, or other aquatic pests as specified in this contract will meet or exceed all of the Company's legal regulatory requirements as set forth by the EPA and related state agencies for NPDES and FIFRA. Company will perform treatments that are consistent with NPDES compliance standards as applicable in and determined by the specific state in which treatments are made. All staff will be fully trained to perform all applications in compliance with all federal, state, and local law.
6. Company will furnish the personnel, vehicles, boats, equipment, materials, and other items required to provide the foregoing at its expense.

Competitively Sensitive & Proprietary Materials – The information contained herein is the intellectual property of SOLITUDE Lake Management. Recipients may not disclose to any outside party any proprietary information, processes, or pricing contained in this document or any of its attachments without the prior written consent of SOLITUDE Lake Management. This document is provided to the recipient in good faith and it shall be the responsibility of the recipient to keep the information contained herein confidential.

SECTION 4

SERVICES CONTRACT

CUSTOMER NAME: Solivita
SUBMITTED TO: Clayton Smith
CONTRACT DATE: January 30, 2022
SUBMITTED BY: Stephen AmRhein
SERVICES: Fireflag Clean-up

This agreement (the "Agreement") is made as of the date indicated above, and is by and between SOLitude Lake Management, LLC ("Solitude" or the "Company") and the customer identified above (the "Customer") on the terms and conditions set forth in this Agreement.

1. The Services. SOLitude will provide services at the Customer's property as described in Schedule A attached hereto:
2. PAYMENT TERMS. The fee for this service is **\$15,858.00**. The Customer shall pay 50% of this service fee upon execution of this Agreement. The balance (remaining 50% of fee) will be invoiced to Customer by SOLitude following completion of the Services.

For any work completed or materials in storage on the customer's behalf at the end of each month, the company will invoice and the customer will be responsible for paying the percent of the total work completed as of that date, less any previous deposit paid. Should the work performed be subject to any local, state, or federal jurisdiction, agency, or other organization of authority for sales or other taxes or fees in addition to those expressly covered by this contract, customer will be invoiced and responsible for paying said additional taxes in addition to the fee above. Customer agrees to pay all invoices within thirty (30) days of invoice date. The Customer will be liable for any returned check fees and any collection costs, including reasonable attorney fees and court costs, for any invoices not otherwise timely paid, and interest at the rate of 1% per month may be added to all unpaid invoices. Company shall be reimbursed by the Customer for any non-routine expenses, administrative fees, compliance fees, or any other similar expense that are incurred as a result of requirements placed on the Company by the Customer that are not covered specifically by the written specifications of this contract.

3. TERM AND EXPIRATION. This Agreement is for a one-time service as described in the attached Schedule A. Any additional services will be provided only upon additional terms as agreed to by the parties in writing.
4. DISCLAIMER. SOLitude is not responsible for the failure of any treatment, equipment installation, or other work that result from dam or other structural failures, severe weather and storms, flooding, or other acts of God that are outside of the control of SOLitude. Customer understands and acknowledges that there are irrigation restrictions associated with many of the products used to treat lakes and ponds. The customer is responsible for notifying SOLitude in advance of the contract signing and the start of the contract if they utilize any of the water in their lakes or ponds for irrigation purposes. The customer accepts full responsibility for any issues that may arise from the irrigation of turf, ornamentals, trees, crops, or any other plants as a result of treated water being used by the customer for irrigation without the consent or knowledge of SOLitude.

Competitively Sensitive & Proprietary Materials – The information contained herein is the intellectual property of SOLitude Lake Management. Recipient may not disclose to any outside party any proprietary information, processes, or pricing contained in this document or any of its attachments without the prior written consent of SOLitude Lake Management. This document is provided to the recipient in good faith and it shall be the responsibility of the recipient to keep the information contained herein confidential.



Although there is rarely direct fish toxicity with the products used for treatment when applied at the labeled rate, or the installation and normal operation of the equipment we install, there is a risk under certain circumstances of significant dissolved oxygen drops. This risk is most severe in times of extremely hot weather and warm water temperatures, as these are the conditions during which dissolved oxygen levels are naturally at their lowest levels. Oftentimes lakes and ponds will experience natural fish kills under these conditions even if no work is performed. Every effort, to include the method and timing of application, the choice of products and equipment used, and the skill and training of the staff, is made to avoid such problems. However, the customer understands and accepts that there is always a slight risk of the occurrence of adverse conditions outside the control of SOLitude that will result in the death of some fish and other aquatic life. The customer also understands and accepts that similar risks would remain even if no work was performed. The customer agrees to hold SOLitude harmless for any issues with fish or other aquatic life which occur as described above, or are otherwise outside the direct control of the SOLitude, unless there is willful negligence on the part of SOLitude.

While SOLitude Lake Management LLC makes every effort to thoroughly inspect the site before providing this contract proposal or beginning any work, it is possible, without fault or negligence, that unforeseen circumstances may arise, or that hidden conditions on the site might be found in the course of the performance of the contract work, which would result in additional time or material costs that exceed this contract pricing. Should this occur, the customer will be notified of these unforeseen circumstances or conditions and be responsible for the costs associated with remedying. By signing this agreement, the customer acknowledges that they have informed SOLitude Lake Management® of all known and relevant current site conditions that would be reasonable to expect could affect our ability to successfully complete the contract work.

5. INSURANCE AND LIMITATION OF LIABILITY. Solitude will maintain general liability and property damage insurance as necessary given the scope and nature of the Services. The Company will be responsible for those damages, claims, causes of action, injuries or legal costs to the extent of its own direct negligence or misconduct, and then only to an amount not to exceed the annual value of this Agreement. In no event will any party to this Agreement be liable to the other for incidental, consequential or purely economic damages.

6. FORCE MAJEURE. The Company shall not be liable for any delay in performing the Services, nor liable for any failure to provide the Services, due to any cause beyond its reasonable control.

7. ANTI-CORRUPTION AND BRIBERY. Each party represents that neither it nor anyone acting on its behalf has offered, given, requested or accepted any undue financial or other advantage of any kind in entering into this Agreement, and that it will comply with all applicable laws and regulations pertaining to corruption, competition and bribery in carrying out the terms and conditions of this Agreement.

8. GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the state in which the Services are performed.

9. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties with respect to the subject matter and replaces any prior agreements or understandings, whether in writing or otherwise. This Agreement may not be modified or amended except by written agreement executed by both parties. In the event that any provision of this Agreement is determined to be void, invalid, or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected.

Competitively Sensitive & Proprietary Materials – The information contained herein is the intellectual property of SOLitude Lake Management. Recipients may not disclose to any outside party any proprietary information, processes, or pricing contained in this document or any of its attachments without the prior written consent of SOLitude Lake Management. This document is provided to the recipient in good faith and it shall be the responsibility of the recipient to keep the information contained herein confidential.



10. NOTICE. Any written notice provided under this Agreement may be sent via overnight mail, certified mail, hand delivery or electronic mail with delivery confirmation, to the individuals and addresses listed below.

11. BINDING. This Agreement shall inure to the benefit of and be binding upon the legal representatives and successors of the parties.

12. FUEL/TRANSPORTATION SURCHARGE. Like many other companies that are impacted by the price of gasoline, a rise in gasoline prices may necessitate a fuel surcharge. As such, the Company reserves the right to add a fuel surcharge to Customer's invoice for any increase in the cost of fuel as measured above the same time period in the prior year (by the National U.S. Average Motor Gasoline-Regular Fuel Price per Gallon Index reported by the U.S. Department of Energy). The surcharge may be adjusted monthly (up or down) with the price of gasoline.

13. E-Verify. Solitude Lake Management LLC utilizes the federal E-Verify program in contracts with public employers as required by Florida State law, and acknowledges all the provisions of Florida Statute 448.095 are incorporated herein by reference and hereby certifies it will comply with the same.

ACCEPTED AND APPROVED:

SOLITUDE LAKE MANAGEMENT, LLC.

Solivita

Competitively Sensitive & Proprietary Materials – The information contained herein is the intellectual property of SÖLitude Lake Management. Recipients may not disclose to any outside party any proprietary information, processes, or pricing contained in this document or any of its attachments without the prior written consent of SÖLitude Lake Management. This document is provided to the recipient in good faith and it shall be the responsibility of the recipient to keep the information contained herein confidential.



Signature: _____

Printed Name: _____

Title: _____

Date: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Please Remit All Payments to:

**1320 Brookwood Drive Suite H
Little Rock AR 72202**

Please Mail All Contracts to:

**2844 Crusader Circle, Suite 450
Virginia Beach, VA 23453**

Customer's Address for Notice Purposes:

SCHEDULE A - SERVICES

Maintenance

Competitively Sensitive & Proprietary Materials – The information contained herein is the intellectual property of SOLITUDE Lake Management. Recipients may not disclose to any outside party any proprietary information, processes, or pricing contained in this document or any of its attachments without the prior written consent of SOLITUDE Lake Management. This document is provided to the recipient in good faith and it shall be the responsibility of the recipient to keep the information contained herein confidential.



Pond D9- Cut back the Thalia to 1 foot high and remove all the debris

Maintenance

Pond D8- Cut back the Thalia to 1 foot high and remove all the cut debris

Maintenance

Pond D7- Cut back the Thalia to 1 foot high and remove all the cut debris

Maintenance

Pond D6 & D5 Cut back the Thalia to 1 foot high and remove all the cut debris

Maintenance

Pond A11- Cut back the Thalia to 1 foot high and remove all the cut debris

Maintenance

Pond A10- Cut back the Thalia to 1 foot high and remove all the cut debris

Permitting (when applicable):

1. SOLitude staff will be responsible for the following:
 - a. Obtaining any Federal, state, or local permits required to perform any work specified in this contract where applicable.
 - b. Attending any public hearings or meetings with regulators as required in support of the permitting process.
 - c. Filing of any notices or year-end reports with the appropriate agency as required by any related permit.
 - d. Notifying the Customer of any restrictions or special conditions put on the site with respect to any permit received, where applicable.

Customer Responsibilities (when applicable):

1. Customer will be responsible for the following:
 - a. Providing information required for the permit application process upon request.
 - b. Providing Certified Abutters List for abutter notification where required.
 - c. Perform any public filings or recordings with any agency or commission associated with the permitting process, if required.
 - d. Compliance with any other special requirements or conditions required by the local municipality.
 - e. Compliance and enforcement of temporary water-use restrictions where applicable.

General Qualifications:

Competitively Sensitive & Proprietary Materials – The information contained herein is the intellectual property of SOLitude Lake Management. Recipients may not disclose to any outside party any proprietary information, processes, or pricing contained in this document or any of its attachments without the prior written consent of SOLitude Lake Management. This document is provided to the recipient in good faith and it shall be the responsibility of the recipient to keep the information contained herein confidential.



1. Company is a licensed pesticide applicator in the state in which service is to be provided.
2. Individual Applicators are Certified Pesticide Applicators in Aquatics, Public Health, Forestry, Right of Way, and Turf/Ornamental as required in the state in which service is to be provided.
3. Company is a SePRO Preferred Applicator and dedicated Steward of Water. Each individual applicator has been trained and educated in the water quality testing and analysis required for prescriptive site-specific water quality management and utilizes an integrated approach that encompasses all aspects of ecologically balanced management. Each applicator has received extensive training in the proper selection, use, and application of all aquatic herbicides, algaecides, adjuvants, and water quality enhancement products necessary to properly treat our Customers' lakes and ponds as part of an overall integrated pest management program.
4. Company guarantees that all products used for treatment are EPA registered and labeled as appropriate and safe for use in lakes, ponds, and other aquatic sites, and are being applied in a manner consistent with their labeling.
5. All pesticide applications made directly to the water or along the shoreline for the control of algae, aquatic weeds, or other aquatic pests as specified in this contract will meet or exceed all of the Company's legal regulatory requirements as set forth by the EPA and related state agencies for NPDES and FIFRA. Company will perform treatments that are consistent with NPDES compliance standards as applicable in and determined by the specific state in which treatments are made. All staff will be fully trained to perform all applications in compliance with all federal, state, and local law.
6. Company will furnish the personnel, vehicles, boats, equipment, materials, and other items required to provide the foregoing at its expense.

Competitively Sensitive & Proprietary Materials – The information contained herein is the intellectual property of SŌLitude Lake Management. Recipients may not disclose to any outside party any proprietary information, processes, or pricing contained in this document or any of its attachments without the prior written consent of SŌLitude Lake Management. This document is provided to the recipient in good faith and it shall be the responsibility of the recipient to keep the information contained herein confidential.

SECTION 5

Customer Complaint Log Poinciana CDD

Date	Resident	Address	Pond	Complaint	Assigned To	Resolution	Date Resolved
1/6/23	Diana Simmons	120 Vizcaya Ct		Dead Tree	HOA	Sent to HOA	1/6/23
1/11/23	Lorie Pearce			Gravel washed out by Venezia tunnel	clayton	Landscape company to add	1/11/23
1/30/23	Shirley Williams	974 Umbria Dr	6	Trash in pond	HOA	Sent to TM	1/30/23
1/30/23	Bruce Coviello	1014 Umbria Dr	6	Trash in pond	HOA	Sent to TM	1/30/23
1/31/23	Marjorie Morand	417 Grand Canal Dr		Pond Eroding	Clayton		
2/9/23	Ann Marie	743 Via Como St	16	Debris in pond	HOA		
2/28/23	Ronald Smith	1918 Molise Dr	B5	Midges	HOA	Sent to HOA	2/28/23
2/28/23	Michael McGrath	1924 Molise Dr	B5	Midges	HOA	Sent to HOA	2/28/23
2/28/23	Ruth Oterto	1018 Umbria Dr	6	Trash in pond	HOA	Sent to HOA	2/28/23
2/28/23	NO NAME LEFT	NO ADDRESS LEFT	6	Trash in pond	HOA	Sent to HOA	2/28/23
3/2/23	Gerardo Urgelles	189 Torino Lane		Midges	clayton	Sent to Aquatic Maint. Team	3/3/23
3/2/23	Thomas Hethcoat	1936 Molise Dr		Midges	clayton	Sent to Aquatic Maint. Team	3/2/23
3/4/23	Carmen Cruz	473 Grand Canal Dr	P-A 911	Algae	Clayton	Sent to Aquatic Maint. Team	3/6/23