

ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT



REGULAR MEETING AGENDA

JUNE 3, 2021

PREPARED BY:

JPWARD & ASSOCIATES, LLC, 2301 NORTHEAST 37TH STREET, FORT LAUDERDALE, FL 33308

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ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT

May 27, 2021

Board of Supervisors

Artisan Lakes East Community Development District

Dear Board Members:

This Regular Meeting of the Board of Supervisors of the Artisan Lakes East Community Development District will be held on **Thursday, June 3, 2021 at 4:00 P.M.** at the **Artisan Lakes Clubhouse, 4725 Los Robles Court, Palmetto, Florida 34221.**

The venue for this meeting is the Artisan Lakes Clubhouse and was specifically chosen such that the District will be able to meet the social distance guidelines for this meeting for Board Members/Staff, while accommodating an additional five (5) audience members.

Please ensure that all in attendance bring and wear masks during the meeting.

With the limitation for people in the meeting room, the District is requesting that audience members please use the WebEx link and telephone number below to join the Board Meeting.

The venue is requiring the District to enforce the limitation on attendance for audience members.

The following WebEx link and telephone number are provided to join/watch the meeting.

Weblink:

<https://districts.webex.com/districts/onstage/g.php?MTID=e5c1ace94127a6f074c60ada438c1413e>

Access Code: **173 404 0690**

Event password: **Jpward**

Call in information if you choose not to use the web link:

Phone: **408-418-9388** and enter the access code **173 404 0690** to join the meeting.

The link to the meeting will also be posted on the District's web site:

www.ArtisanLakesEastcdd.com

The Agenda is as Follows:

1. Call to Order & Roll Call.
2. Consideration of Minutes:
 - I. March 4, 2021 – Regular Meeting Minutes
3. Consideration of **Resolution 2021-12**, re-designating dates, time, and location for regular meeting of the Board of Supervisor’s for Fiscal Year 2022.
4. Consideration of the Acceptance of the Audited Financial Statements for the Fiscal Year ended September 30, 2020.
5. Staff Reports
 - I. District Attorney
 - II. District Engineer
 - III. District Manager
 - a) Financial Statement for period ending April 30, 2021 (unaudited)
6. Supervisor’s Requests and Audience Comments
7. Adjournment

The Second Order of Business is the Consideration of the May 6, 2021 Public Hearing minutes.

The Third Order of Business is the Consideration of Resolution 2021-12 Ratifying the meeting schedule for Fiscal Year 2022. The meeting schedule is at **3:30 P.M. at the Artisan Lakes Clubhouse, 4725 Los Robles Court, Palmetto, Florida 34221.**

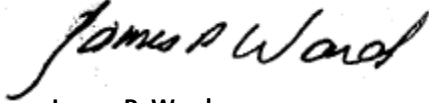
The Fiscal Year 2022 schedule is as follows:

<u>October 7, 2021</u>	<u>November 4, 2021</u>
<u>December 2, 2021</u>	<u>January 6, 2022</u>
<u>February 3, 2022</u>	<u>March 3, 2022</u>
<u>April 7, 2022</u>	<u>May 5, 2022</u>
<u>June 2, 2022</u>	<u>July 7, 2022</u>
<u>August 4, 2022</u>	<u>September 1, 2022</u>

The Fourth Order of Business is the Acceptance of the Audited Financial Statements for Fiscal Year 2020, covering the period from October 1, 2019 through September 30, 2020. A representative of the Audit Firm Grau & Associates will join the meeting to fully review the audit with the Board.

The remainder of the Agenda is standard in nature, and in the meantime, if you have any questions and/or comments before the meeting, please do not hesitate to contact me directly at (954) 658-4900.

Artisan Lakes East Community Development District



James P. Ward
District Manager

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**MINUTES OF MEETING
ARTISAN LAKES EAST
COMMUNITY DEVELOPMENT DISTRICT**

10 The Regular Meeting of the Board of Supervisors of the Artisan Lakes East Community Development
11 District was held on Thursday, May 6, 2021 at 4:00 P.M., at the Artisan Lakes Clubhouse, 4725 Los
12 Robles Court, Palmetto, Florida 34221.
13
14

15 **Present and constituting a quorum:**

16 Travis Stagnitta Chairperson
17 Robert Lee Vice Chairperson
18 JD Humpherys Assistant Secretary
19

20 **Also present were:**

21 James P. Ward District Manager
22 Wes Haber District Counsel
23 Victor Barbosa District Engineer
24 Denise Ganz Bond Counsel
25

26 **Audience:**

27 Brett Sealy MBS Capital Markets
28

29 All resident's names were not included with the minutes. If a resident did not identify
30 themselves or the audio file did not pick up the name, the name was not recorded in these
31 minutes.
32

33 **PORTIONS OF THIS MEETING WERE TRANSCRIBED VERBATIM. ALL VERBATIM PORTIONS WERE
34 TRANSCRIBED IN *ITALICS*.**

35 **FIRST ORDER OF BUSINESS**

36 **Call to Order/Roll Call**

37 District Manager James P. Ward called the meeting to order at approximately 4:08 p.m. He called roll
38 and all Members of the Board were present, save Supervisor Lee and Supervisor Gardner, constituting a
39 quorum.
40

41 **SECOND ORDER OF BUSINESS**

42 **Consideration to fill Seat 4**

43 **Consideration to fill Seat 4, Formerly Ms. Jennifer Gardner whose resignation took effect April 1, 2021**

- 44 **I. Appointment of Individual to fill Seat 4, whose term is set to expire November 2022**
45 **II. Oath of Office**
46 **III. Guide to the Sunshine Law and Code of Ethics for Public Employees**
47 **IV. Form 1 – Statement of Financial Interests**
48

49 *Mr. Ward: On my way here, I also received an email which I will read into the record, dated today,*
 50 *from Cheri Bass. It says "Please accept my resignation from the Artisan Lakes East CDD. Thank you*
 51 *for the opportunity to serve on the Board..." etc. I will ask that the first thing you do is accept*
 52 *Supervisor Bass's resignation into the record.*

53
 54 **On MOTION made by Mr. Travis Stagnitta, seconded by Mr. JD**
 55 **Humpherys, and with all in favor, Ms. Cheri Bass's Letter of**
 56 **Resignation was accepted into the record.**

57
 58 *Mr. Ward: For both of these seats I will go over this with you. The Statute basically says the*
 59 *remaining members of the Board can fill the seats with two individuals to fill the terms of office.*
 60 *Jennifer's seat is through November 2022, as is Cheri Bass's seat. You may do this by simple motion*
 61 *and second. He asked the Board to discuss.*

62
 63 Discussion ensued regarding nominations: Jason Ford and Gabriella Pelleova.

64
 65 **On MOTION made by Mr. Travis Stagnitta, seconded by Mr. Robert**
 66 **Lee, and with all in favor, Mr. Jason Ford and Ms. Gabriella Pelleova**
 67 **were appointed to fill Seat 3 and Seat 4 respectively.**

68
 69 Mr. Ward indicated he would swear in Mr. Ford and Ms. Pelleova prior to the next Board Meeting.

70
 71
 72 **THIRD ORDER OF BUSINESS** **Consideration of Resolution 2021-5**

73
 74 **Consideration of Resolution 2021-5, Re-Designation of the Officers of the District**

75
 76 Mr. Ward asked how the Board would like to re-designate the Officers of the District.

77
 78 The Board nominated Robert Lee to serve as Vice Chairperson. It was agreed Mr. Travis Stagnitta would
 79 serve as Chairperson, Robert Lee would serve as Vice Chairperson, and Mr. JD Humpherys would serve
 80 as Assistant Secretaries, with Mr. Jason Ford and Gabriella Palova would serve as Assistant Secretaries.

81
 82 **On MOTION made by Mr. Travis Stagnitta, seconded by Mr. JD**
 83 **Humpherys, and with all in favor, Resolution 2021-5 was adopted as**
 84 **above, and the Chair was authorized to sign.**

85
 86
 87 **FOURTH ORDER OF BUSINESS** **Consideration of Minutes**

88
 89 **March 4, 2021 – Regular Meeting Minutes**

90
 91 Mr. Ward asked if there were any additions, corrections, or deletions to the Minutes. Hearing none, he
 92 called for a motion.

93

94 **On MOTION made by Mr. Robert Lee, seconded by Mr. JD Humpherys,**
95 **and with all in favor, the March 4, 2021 Regular Meeting Minutes were**
96 **approved.**

97
98
99 **FIFTH ORDER OF BUSINESS**

PUBLIC HEARINGS

100
101 Mr. Ward explained the public hearing process including public comment, Board discussion and vote.

102
103 **a. PUBLIC HEARING – FISCAL YEAR 2022 BUDGET**

104
105 **I. Public Comment and Testimony**

106
107 Mr. Ward called for a motion to open the Public Hearing.

108
109 **On MOTION made by Mr. Robert Lee, seconded by Mr. JD Humpherys,**
110 **and with all in favor, the Public Hearing was opened.**

111
112 Mr. Ward asked if there were any public comments or questions with respect to the
113 Fiscal Year 2022 Budget; hearing none, he called for a motion to close the public
114 hearing. He noted there were no members of the public present in person.

115
116 **On MOTION made by Mr. Travis Stagnitta, seconded by Mr. JD**
117 **Humpherys, and with all in favor, the Public Hearing was closed.**

118
119 **II. Board Comment**

120
121 Mr. Ward asked if there were any Board comments or questions; there were none.

122
123 **III. Consideration of Resolution 2021-6 adopting the annual appropriation and Budget for Fiscal**
124 **Year 2022**

125
126 Mr. Ward called for a motion for Resolution 2021-6 relating to the annual appropriations,
127 adopting the Budget for the Fiscal Year beginning October 1, 2021 and ending September 30,
128 2022.

129
130 **On MOTION made by Mr. JD Humpherys, seconded by Mr. Travis**
131 **Stagnitta, and with all in favor, Resolution 2021-6 was adopted, and**
132 **the Chair was authorized to sign.**

133
134 **b. FISCAL YEAR 2022 IMPOSING SPECIAL ASSESSMENTS; ADOPTING AN ASSESSMENT ROLL AND**
135 **APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY**

136
137 Mr. Ward indicated this public hearing was related to the imposition of the special assessments for
138 the general fund, certification of an assessment roll, and approval of the special assessment
139 methodology for the District. He explained this set the levy for assessments for the general fund for

140 the coming year at \$97.42 dollars per unit per year for this District, approved the methodology to
141 levy the units in the District equally, and provided for the method to certify the assessment roll to
142 the Property Appraiser and Tax Collector.
143

144 **I. Public Comment and Testimony**

145 Mr. Ward called for a motion to open the Public Hearing.
146
147

148 **On MOTION made by Mr. JD Humpherys, seconded by Mr. Robert Lee,**
149 **and with all in favor, the Public Hearing was opened.**

150 Mr. Ward asked if there were any public comments or questions; hearing none, he
151 called for a motion to close the Public Hearing.
152
153

154 **On MOTION made by Mr. JD Humpherys, seconded by Mr. Travis**
155 **Stagnitta, and with all in favor, the Public Hearing was closed.**

156 **II. Board Comment**

157 Mr. Ward asked if there were any questions; hearing none, he called for a motion.
158
159

160 **III. Consideration of Resolution 2021-7 imposing special assessments, adopting an assessment**
161 **roll, and approving the general fund special assessment methodology**
162
163

164 **On MOTION made by Mr. Travis Stagnitta, seconded by Mr. JD**
165 **Humpherys, and with all in favor, Resolution 2021-7 was adopted, and**
166 **the Chair was authorized to sign.**

167
168
169 **SIXTH ORDER OF BUSINESS**

Consideration of Resolution 2021-8

170
171 **Consideration of Resolution 2021-8 designating dates, time, and location for regular meeting of the**
172 **Board of Supervisor’s for Fiscal Year 2022**
173

174 Mr. Ward indicated the Meetings were scheduled for the first Thursday of every month at 3:30 p.m. at
175 the Artisan Lakes Clubhouse, 4725 Los Robles Court, Palmetto, Florida 34221. He stated this time could
176 be changed to 3:45 p.m. if appropriate.
177

178 Discussion ensued regarding changing the meeting time. It was decided to hold meetings at 4:00 p.m.
179

180 **On MOTION made by Mr. Robert Lee, seconded by Mr. Travis**
181 **Stagnitta, and with all in favor, Resolution 2021-8 was adopted as**
182 **amended, and the Chair was authorized to sign.**

183
184
185 **SEVENTH ORDER OF BUSINESS**

Consideration of Resolution 2021-9

186
187 **Consideration of Resolution 2021-9, a Resolution of the Artisan Lakes East Community Development**
188 **District authorizing the issuance of its Bonds in one series in the aggregate principal amount of not**
189 **exceeding \$13,000,000 to be designated as Capital Improvement Revenue Bonds, Series 2021-1 and**
190 **Capital Improvement Revenue Bonds, Series 2021-2 to finance all or a portion of the cost of a series**
191 **project consisting of certain public infrastructure and facilities benefiting certain District lands, paying**
192 **capitalized interest on the Series 2021 Bonds, funding the Series 2021-1 reserve account for the Series**
193 **2021-1 Bonds, funding the Series 2021-2 reserve account for the Series 2021-2 Bonds, and paying costs**
194 **of issuance of the Series 2021 Bonds; approving a Second Supplemental Indenture in connection with**
195 **the Series 2021 Bonds and authorizing the execution thereof; ratifying the appointment of a Trustee,**
196 **Paying Agent and Bond Registrar for the Series 2021 Bonds; providing for redemption of the Series**
197 **2021 Bonds; authorizing the application of the proceeds of the Series 2021 Bonds; approving the form,**
198 **and authorizing execution, of a Bond Purchase Contract providing for the negotiated sale of the Series**
199 **2021 Bonds; delegating to the Chairperson or Vice-Chairperson, or in their absence any member of the**
200 **Board of Supervisors, the authority to award the Series 2021 Bonds within the parameters specified**
201 **herein; approving the form, and authorizing the use, of a Preliminary Limited Offering Memorandum**
202 **for the Series 2021 Bonds; approving the distribution of a Final Limited Offering Memorandum for the**
203 **Series 2021 Bonds and the execution thereof; approving the form, and authorizing execution, of a**
204 **continuing disclosure agreement**

205
206 Mr. Ward introduced Denise Ganz who would discuss Resolution 2021-9.

207
208 *Ms. Denise Ganz: Basically, what this resolution does is put in place the authorization we need to move*
209 *forward with closing a bond issue. We are going to shoot for June closing. It's going to be two series of*
210 *bonds; the aggregate principal amount won't exceed \$13 million dollars. Once we go through this, if you*
211 *adopt this resolution today, then MBS Capital Markets, Brett Sealy is here from there, the underwriter*
212 *will be able to move forward with marketing the bonds. The only thing we would do is come back to the*
213 *Board before the bond closing and after the details of the bonds are set and the bonds have been sold by*
214 *the District to MBS to do a supplemental assessment resolution that will reflect the final details of the*
215 *bonds and the assessments that have to be levied in connection with those bonds and Wes will bring*
216 *some documents for approval that are ancillary arrangements that need to be signed by the developer*
217 *and the District which will be very similar to the ones that were signed in the first bond issue this District*
218 *did in 2018. So, this resolution authorizes those bonds that I just mentioned in an amount not to exceed*
219 *\$13 million dollars, approves a form of a supplemental trust indenture that basically will have all of those*
220 *details from a bond perspective, and will supplement the Master Trust Indenture that was executed back*
221 *in 2018 and these bonds were also validated at that time, the overall bond issue was, so these bonds*
222 *were part of what was validated judicially. It authorizes the application of the proceeds of the bonds*
223 *including to fund the project that is going to be described in a supplemental Engineer's Report which is*
224 *authorized to be prepared in this resolution. Waldrop has put together a supplement to their Master*
225 *Report that was done in 2018 that describes the projects that are eligible to be financed from this series*
226 *of bonds in 2021. There is going to be a funding of the two reserve subaccounts that we have created,*
227 *and we will be paying capitalized interest, as well as paying cost of issuance. We approve a form of that*
228 *indenture substantially in the form that is attached, and authorize the execution, and we also provide for*
229 *certain parameters so we can go forward to market these bonds within the general parameters that you*
230 *have set which includes the maximum amount, as well as matters related to such things as the final*
231 *maturity of the bonds, the interest rate, the redemption provisions and so on. It also approves a form of*
232 *preliminary limited offering memorandum. It is going to be revised slightly to reflect comments that I*
233 *have given in other circumstances that have arisen, but it's in a form that's attached that's going to be*

234 used by MBS to market the bonds and then it authorizes the preparation of a final offering memorandum
235 that will reflect the details of the bonds once they are priced. It authorizes a continued disclosure
236 agreement that is required by applicable SEC rules to provide secondary market disclosure on an ongoing
237 basis. It's very similar to one that was signed in 2018, and it makes the findings it needs to about the
238 need to make a negotiated sale of these bonds to MBS and it provides for other miscellaneous authority,
239 including the preparation of a supplemental assessment report that Jim is working on to supplement his
240 Master Assessment Report in connection with these bonds, and it authorizes the project as well.

241
242 Mr. Ward asked if there were any questions; hearing none, he called for a motion.

243
244 **On MOTION made by Mr. Robert Lee, seconded by Mr. JD Humpherys,**
245 **and with all in favor, Resolution 2021-9 was adopted, and the Chair**
246 **was authorized to sign.**

247
248 Mr. Ward thanked Ms. Denise Ganz.

249
250
251 **EIGHTH ORDER OF BUSINESS** **Consideration of Letter**

252
253 **Consideration of Engagement letter from Greenspoon Marder to serve as Bond Counsel for the**
254 **Districts issuance of its Series 2021 Bonds**

255
256 *Mr. Ward: The agreement basically spells out our fee structure which is consistent with what we have*
257 *paid on prior issues here in Artisan Lakes East and I can tell you it is consistent with what Bond Counsels*
258 *charge around the State for purposes of doing bond issues. He asked if there were any questions;*
259 *hearing none, he called for a motion.*

260
261 **On MOTION made by Mr. Travis Stagnitta, seconded by Mr. JD**
262 **Humpherys, and with all in favor, the Engagement Letter with**
263 **Greenspoon Marder was adopted, and the Chair was authorized to**
264 **sign.**

265
266
267 **NINTH ORDER OF BUSINESS** **Consideration of Resolution 2021-10**

268
269 **Consideration of Resolution 2021-10, a Resolution of the Board of Supervisors of the Artisan Lakes**
270 **East Community Development District ratifying, confirming, and approving the execution of the Plat**
271 **for Artisan Lakes Eaves Bend, Phase II, Subphases A, B, & C**

272
273 Mr. Ward asked District Engineer Victor Barbosa to review Resolution 2021-10.

274
275 *Mr. Victor Barbosa: Artisan Lakes Eaves Bend, Phase II, Subphases A, B and C is 351 units. The plat was*
276 *previously recorded. He discussed the location of the Subphases.*

277
278 *Mr. ward: This is just a confirming resolution because we have a resolution in place that authorizes the*
279 *Chair to do that prior to today, so we just put it in record that that has been done. He asked if there*
280 *were any questions; hearing none, he called for a motion.*

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On MOTION made by Mr. JD Humpherys, seconded by Mr. Robert Lee, and with all in favor, Resolution 2021-10 was adopted, and the Chair was authorized to sign.

TENTH ORDER OF BUSINESS

Consider Resolution 2021-11

Consideration of Resolution 2021-11, a Resolution of the Board of Supervisors of the Artisan Lakes East Community Development District directing the Chairman and District Staff to file a petition with Manatee County, Florida, requesting the passage of an Ordinance amending the District's Boundaries, and authorizing such other actions as are necessary in furtherance of the Boundary Amendment process, authorizing a funding agreement

Mr. Ward: Generally, what is happening, the boundaries of the District, in a part of the District where Heritage Park is located, is inconsistent with the land use plan. We have some of those lots, about 21 lots, either partially within the boundaries of the District or mostly outside of our boundaries and inside of Artisan Lakes boundaries. All of these lots are within both CDDs at this point in time. What we are doing is amending the boundaries of the Artisan Lakes East District, and we also have approved a resolution at the Artisan Lakes CDD Board to do the same thing to amend their boundaries, so they are now consistent with what the development plan for Artisan Lakes looks like.

Mr. Barbosa discussed the location of these lots on the map.

Mr. Ward asked if there were any questions; hearing none, he called for a motion.

On MOTION made by Mr. JD Humpherys, seconded by Mr. Robert Lee, and with all in favor, Resolution 2021-11 was adopted, and the Chair was authorized to sign.

ELEVENTH ORDER OF BUSINESS

Staff Reports

I. District Attorney

Mr. Wes Haber: We will be filing a petition with the County for the boundary amendment that was just approved. In connection with the bonds you just authorized, those lots are ultimately going to secure those bonds, but because they are not within the boundaries of the District, they are not yet being assessed, so a part of the overall transaction is to bring those into the District and we will hold a separate public hearing to levy assessments on those lots to secure the bonds that are being issued with the understanding that the bonds are going to be issued before that boundary amendment takes place. I just wanted to relate the two topics which the Board has reviewed.

II. District Engineer

No report.

328 **III. District Manager**

329

- 330 a. **Report Number of Registered Voters as of April 15, 2021**
- 331 b. **Financial Statement for period ending February 28, 2021 (unaudited)**
- 332 c. **Financial Statement for period ending March 31, 2021 (unaudited)**
- 333

334 *Mr. Ward: The only item I had was to advise you of the number of registered voters within the*
 335 *District. This is a requirement by Statute where the Supervisor of Elections provides this*
 336 *information to you as of April 15th of each year. It becomes significant when you hit two*
 337 *thresholds. One is 250 qualified electors, and second is six years from the date of adoption of the*
 338 *Ordinance establishing the District. The District was established in August 28, 2018, so in 2025 or*
 339 *so would be the first date we can transition pursuant to that threshold. There are 425 registered*
 340 *voters within the District, so you have met that threshold. As soon as we hit that sixth year then*
 341 *we will begin the transition on the next election cycle. So, in November of 2024 will be our date we*
 342 *have our first election for two or three members of the Board, depending on how they fall out.*
 343 *Two members of the board would then transition to qualified electors. There is no action required*
 344 *by the Board, it is just provided to you as a matter of law.*

345

346

347 **TWELFTH ORDER OF BUSINESS**

Audience Comments and Supervisor’s Requests

348

349 Mr. Ward if there were any Supervisor’s requests; there were none. He asked if there were any
 350 audience comments or questions; there were none.

351

352

353 **THIRTEENTH ORDER OF BUSINESS**

Adjournment

354

355 Mr. Ward adjourned the Meeting at approximately 4:33 p.m.

356

357 **On MOTION made by Mr. JD Humpherys, seconded by Mr. Travis**
 358 **Stagnitta, and with all in favor, the meeting was adjourned.**

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360

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**Artisan Lakes East
 Community Development District**

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James P. Ward, Secretary

Travis Stagnitta, Chairperson

366

RESOLUTION 2021-12

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT REDESIGNATING DATES, TIME AND LOCATION FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, in accordance with the provisions of Chapter 189.415, Florida Statutes, the District is required to file quarterly, semiannually, or annually a schedule of its regular meetings with the local governing authority or authorities; and

WHEREAS, in accordance with the above referenced Statute, the District shall also publish quarterly, semiannually, or annually its regular meeting schedule in a newspaper of general paid circulation in the County in which the District is located and shall appear in the legal notices section of the classified advertisements;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. DESIGNATION OF DATES, TIME AND LOCATION OF REGULAR MEETINGS

- a) **Date:** The first Thursday of each month for Fiscal Year 2022, which covers the period October 1, 2021 through September 30, 2022.

<u>October 7, 2021</u>	<u>November 4, 2021</u>
<u>December 2, 2021</u>	<u>January 6, 2022</u>
<u>February 3, 2022</u>	<u>March 3, 2022</u>
<u>April 7, 2022</u>	<u>May 5, 2022</u>
<u>June 2, 2022</u>	<u>July 7, 2022</u>
<u>August 4, 2022</u>	<u>September 1, 2022</u>

- b) **Time:** 3:30 P.M. (Eastern Standard Time)
- c) **Location:** Artisan Lakes Clubhouse
4725 Los Robles Court
Palmetto, Florida 34221

SECTION 2. Sunshine Law and Meeting Cancellations and Continuations. The meetings of the Board of Supervisors are open to the public and will be conducted in accordance with the provisions of Florida Law for Community Development Districts. The District by and through its District Manager may cancel any meeting of the Board of Supervisors and all meetings may be continued to a date, time, and place to be specified on the record at the hearings or meeting.

SECTION 2. Conflict. That all Sections or parts of Sections of any Resolutions, Agreements or actions of the Board of Supervisor’s in conflict are hereby repealed to the extent of such conflict.

SECTION 2. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

RESOLUTION 2021-12

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT REDESIGNATING DATES, TIME AND LOCATION FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board of Supervisors of the Artisan Lakes East Community Development District.

PASSED AND ADOPTED this 3rd day of June 2021.

ATTEST:

**ARTISAN LAKES EAST COMMUNITY
DEVELOPMENT DISTRICT**

James P. Ward, Secretary

Travis Stagnitta, Chairperson

**ARTISAN LAKES EAST
COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

**ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA**

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Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Artisan Lakes East Community Development District
Manatee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund, of Artisan Lakes East Community Development District, Manatee County, Florida ("District") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2021, 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.



May 17, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Artisan Lakes East Community Development District, Manatee County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2020. 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 liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position deficit balance of (\$2,633,989) since the infrastructure is conveyed to the County for long term ownership, operations and maintenance. The deficit is strictly a result of the conveyance of infrastructure to Manatee County and is not indicative of any adverse financial standing. The nature of the deficit is common in governmental accounting and is not intended to be funded by any increase in assessments. Further, financial condition assessment procedures have been applied and no deteriorating financial conditions were noted.
- The change in the District's total net position in comparison with the prior fiscal year was (\$2,120,684), a decrease. The majority of the decrease represents the extent to which the cost of operations and depreciation expense exceeded ongoing program revenue. Net position in the current fiscal year decreased due to conveyance of the infrastructure to the County and depreciation expense which represents amortization of current year's program revenues. Since depreciation expense is not a cash outflow, it is not budgeted by the District. 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, 2020, the District's governmental funds reported combined ending fund balances of \$525,169, a decrease of (\$603,685) in comparison with the prior fiscal year. A portion of the fund balance is restricted for debt service and capital projects 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 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 and liabilities and deferred inflows 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 special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

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

Governmental Funds

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

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

The District maintains three governmental funds for external reporting. 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 fund and capital projects fund, all of 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, liabilities exceeded assets at the close of the most recent fiscal year.

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

	NET POSITION SEPTEMBER 30,	
	2020	2019
Current and other assets	\$ 525,169	\$ 1,130,114
Capital assets, net of depreciation	2,930,900	4,544,562
Total assets	3,456,069	5,674,676
Current liabilities	125,058	127,981
Long-term liabilities	5,965,000	6,060,000
Total liabilities	6,090,058	6,187,981
Net Position		
Net investment in capital assets	(3,034,100)	(773,534)
Restricted	218,298	225,110
Unrestricted	181,813	35,119
Total net position	\$ (2,633,989)	\$ (513,305)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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.

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 decreased during the most recent fiscal year mainly due to conveyance of infrastructure to Manatee County.

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

	2020	2019
Revenues:		
Program revenues		
Charges for services	\$ 442,061	\$ -
Operating grants and contributions	270	105,813
Capital grants and contributions	3,713	1,982
Total revenues	<u>446,044</u>	<u>107,795</u>
Expenses:		
General government	52,747	75,784
Maintenance and operations*	248,810	-
Bond issuance cost	-	313,828
Interest	302,467	237,391
Conveyance of infrastructure	1,962,704	-
Total expenses	<u>2,566,728</u>	<u>627,003</u>
Change in net position	<u>(2,120,684)</u>	<u>(519,208)</u>
Net position - beginning	<u>(513,305)</u>	<u>5,903</u>
Net position - ending	<u>\$ (2,633,989)</u>	<u>\$ (513,305)</u>

* Amount is comprised of depreciation

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2020 was \$2,566,728. The costs of the District's activities were primarily funded by program revenues. Program revenues, comprised primarily of assessments, increased during the fiscal year. Program revenues were primarily comprised of Developer contributions in the prior fiscal year. The remainder of the current fiscal year revenue is interest revenue. In total, expenses, increased from the prior fiscal year as a result of the conveyance of infrastructure to the Manatee County that occurred in the current fiscal 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, 2020.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2020, the District had \$3,179,710 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$248,810 has been taken, which resulted in a net book value of \$2,930,900. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2020, the District had \$5,965,000 in Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

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 Artisan Lakes East Community Development District at the office of the District Manager, James P. Ward at 2301 Northeast 37th Street, Fort Lauderdale, Florida 33308.

**ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 33,165
Restricted assets:	
Investments	492,004
Capital assets:	
Depreciable, net	2,930,900
Total assets	3,456,069
 LIABILITIES	
Accrued interest payable	125,058
Non-current liabilities:	
Due within one year	95,000
Due in more than one year	5,870,000
Total liabilities	6,090,058
 NET POSITION	
Net investment in capital assets	(3,034,100)
Restricted for debt service	218,298
Unrestricted	181,813
Total net position	\$ (2,633,989)

See notes to the financial statements

**ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental Activities</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>		
Primary government:						
Governmental activities:						
General government	\$ 52,747	\$ 50,793	\$ -	\$ 3,323	\$ 1,369	
Maintenance and operations*	248,810	-	-	390	(248,420)	
Interest on long-term debt	302,467	391,268	270	-	89,071	
Conveyance of infrastructure	1,962,704	-	-	-	(1,962,704)	
Total governmental activities	<u>2,566,728</u>	<u>442,061</u>	<u>270</u>	<u>3,713</u>	<u>(2,120,684)</u>	
						<u>Change in net position</u>
						<u>(2,120,684)</u>
						<u>Net position - beginning</u>
						<u>(513,305)</u>
						<u>Net position - ending</u>
						<u>\$ (2,633,989)</u>

*Amount is comprised of depreciation for current fiscal year.

See notes to the financial statements

**ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
ASSETS				
Cash and cash equivalents	\$ 33,165	\$ -	\$ -	\$ 33,165
Investments	-	343,356	148,648	492,004
Total assets	<u>\$ 33,165</u>	<u>\$ 343,356</u>	<u>\$ 148,648</u>	<u>\$ 525,169</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted for:				
Debt service	-	343,356	-	343,356
Capital projects	-	-	148,648	148,648
Unassigned	33,165	-	-	33,165
Total fund balances	<u>33,165</u>	<u>343,356</u>	<u>148,648</u>	<u>525,169</u>
Total liabilities and fund balances	<u>\$ 33,165</u>	<u>\$ 343,356</u>	<u>\$ 148,648</u>	<u>\$ 525,169</u>

See notes to the financial statements

**ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Fund balance - governmental funds \$ 525,169

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, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	3,179,710	
Accumulated depreciation	<u>(248,810)</u>	2,930,900

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	(125,058)	
Bonds payable	<u>(5,965,000)</u>	<u>(6,090,058)</u>
Net position of governmental activities		<u>\$ (2,633,989)</u>

See notes to the financial statements

**ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
REVENUES				
Special assessments	\$ 50,793	\$ 391,268	\$ -	\$ 442,061
Developer contributions	-	-	3,323	3,323
Interest earnings	-	270	390	660
Total revenues	<u>50,793</u>	<u>391,538</u>	<u>3,713</u>	<u>446,044</u>
EXPENDITURES				
Current:				
General government	52,747	-	-	52,747
Maintenance and operations	-	-	-	-
Debt service:				
Principal	-	95,000	-	95,000
Interest	-	304,130	-	304,130
Capital outlay	-	-	597,852	597,852
Total expenditures	<u>52,747</u>	<u>399,130</u>	<u>597,852</u>	<u>1,049,729</u>
Excess (deficiency) of revenues over (under) expenditures	(1,954)	(7,592)	(594,139)	(603,685)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	(883)	883	-
Total other financing sources (uses)	<u>-</u>	<u>(883)</u>	<u>883</u>	<u>-</u>
Net change in fund balances	(1,954)	(8,475)	(593,256)	(603,685)
Fund balances - beginning	<u>35,119</u>	<u>351,831</u>	<u>741,904</u>	<u>1,128,854</u>
Fund balances - ending	<u>\$ 33,165</u>	<u>\$ 343,356</u>	<u>\$ 148,648</u>	<u>\$ 525,169</u>

See notes to the financial statements

**ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT
MANATEE 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, 2020**

Net change in fund balances - total governmental funds	\$ (603,685)
Amounts reported for governmental activities in the statement of activities are different because:	
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	95,000
Governmental funds report capital outlays as expenditures; however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.	597,852
Conveyances of infrastructure improvements to other governments is recorded as an expense in the statement of activities.	(1,962,704)
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expenses in the statement of activities.	(248,810)
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:	
Change in accrued interest	<u>1,663</u>
Change in net position of governmental activities	<u>\$ (2,120,684)</u>

See notes to the financial statements

**ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - NATURE OF ORGANIZATION AND REPORTING ENTITY

Artisan Lakes East Community Development District (the "District") was created by Ordinance 2018-31 of Manatee County on August 21, 2018, effective on August 28, 2018, Florida pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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 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. At September 30, 2020, four of the five board members are affiliated with Taylor Woodrow Communities at Artisan Lakes, LLC (the "Developer").

The Board has the responsibility for:

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

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District 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

The District's Assessments are included on the property tax bill that all landowner's receive. The Florida Statutes provide that special assessments may be collected by using the Uniform Method. Under the Uniform Method, the District's Assessments will be collected together with County and other taxes. These Assessments will appear on a single tax bill issued to each landowner subject to such. The statutes relating to enforcement of County taxes provide that County taxes become due and payable on November 1 of the year when assessed or soon thereafter as the certified tax roll is received by the Tax Collector and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes (together with any assessments, being collected by the Uniform Method) are to be billed, and landowners in the District are required to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the District's Assessments. Upon any receipt of moneys by the Tax Collector from the Assessments, such moneys will be delivered to the District.

All city, county, school and special district ad valorem taxes, non-ad valorem special assessments and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the District Assessments, that are collected by the Uniform Method are payable at one time. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full and such partial payment is not to be accepted and is to be returned to the taxpayer, provided, however that a taxpayer may contest a tax assessment pursuant to certain conditions in Florida Statutes and other applicable law.

Under the Uniform Method, if the Assessments are paid during November when due or at any time within thirty (30) days after the mailing of the original tax notice or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. March payments are without discount. Pursuant to Section 197.222, Florida Statutes, taxpayers may elect to pay estimated taxes, which may include non-ad valorem special assessments such as the District's Assessments in quarterly installments with a variable discount equal to 6% on June 30 decreasing to 3% on December 31, with no discount on March 31. All unpaid taxes and assessments become delinquent on April 1 of the year following assessment, and the Tax Collector is required to collect taxes prior to April 1 and after that date to institute statutory procedures upon delinquency to collect assessed taxes. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Certain taxpayers that are entitled to claim homestead tax exemption under Section 196.031(1), Florida Statutes may defer payment of a portion of the taxes and non-ad valorem assessments and interest accumulated on a tax certificate, which may include non-ad valorem special assessments. Deferred taxes and assessments bear interest at a variable rate not to exceed 7%. The amount that may be deferred varies based on whether the applicant is younger than age 65 or is 65 years old or older; provided that applicants with a household income for the previous calendar year of less than \$10,000 or applicants with less than the designated amount for the additional homestead exemption under Section 196.075, Florida Statutes that are 65 years old or older may defer taxes and assessments in their entirety.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Assessments (Continued)

Collection of Delinquent Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Assessments due.

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.

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.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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 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>Assets</u>	<u>Years</u>
Stormwater Improvements	25
Road & Street Facilities - Paving	20
Other Physical Environment-Landscaping	15
Water Utility Services	15

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.

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 ratably 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources (Continued)

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 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.

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 the general fund. 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) A public hearing is conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriations 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, 2020:

	<u>Amortized cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
US Bank Mmkt 5	\$ 492,004	S&P A-1+	N/A
	<u>\$ 492,004</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 Bond indenture determines the allowable investments and maturities, while any surplus funds are covered by the alternative investment guidelines and are generally of a short duration thus limiting the District's exposure to interest rate risk.

The Bond Indenture limits the type of investments held using unspent proceeds. The District's investments listed above meet these requirements under the indenture.

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.

NOTE 4 - DEPOSITS AND INVESTMENTS

Investments (Continued)

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, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Infrastructure under construction	\$ 4,544,562	\$ 597,852	\$ 5,142,414	\$ -
Total capital assets, not being depreciated	4,544,562	597,852	5,142,414	-
Capital assets, being depreciated				
Stormwater Improvements	-	1,514,895	-	1,514,895
Road & Street Facilities - Paving	-	705,555	-	705,555
Other Physical Environment-Landscaping	-	859,800	-	859,800
Water Utility Services	-	99,460	-	99,460
Total capital assets, being depreciated	-	3,179,710	-	3,179,710
Less accumulated depreciation for:				
Stormwater Improvements	-	100,995	-	100,995
Road & Street Facilities - Paving	-	58,798	-	58,798
Other Physical Environment-Landscaping	-	83,491	-	83,491
Water Utility Services	-	5,526	-	5,526
Total accumulated depreciation	-	248,810	-	248,810
Total capital assets, being depreciated, net	-	2,930,900	-	2,930,900
Governmental activities capital assets, net	<u>\$ 4,544,562</u>	<u>\$ 3,528,752</u>	<u>\$ 5,142,414</u>	<u>\$ 2,930,900</u>

Upon completion, certain improvements are to be conveyed to others for ownership and maintenance responsibilities. In the current fiscal year, \$1,962,704 was conveyed to the Manatee County.

All of the current year improvements were acquired from the Developer.

Depreciation was charged to the maintenance and operations function.

NOTE 6 - LONG TERM LIABILITIES

On December 12, 2018, the District issued \$6,060,000 of Capital Improvement Revenue Bonds, Series 2018, consisting of multiple term bonds with due dates ranging from May 1, 2024 to May 1, 2049 and fixed interest rates ranging from 4.2% to 5.2%. The Bonds were issued to finance a portion of the cost of acquiring, constructing and equipping the Series 2018 Project. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 2019. Principal on the Series 2018 Bonds is paid serially commencing on May 1, 2020 through May 1, 2049.

The Series 2018 Bonds are subject to redemption at the option of the District prior to their maturity as set forth in the Bond Indenture. The Series 2018 Bonds are also 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.

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 bill 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, 2020.

Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2020 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2018	\$ 6,060,000	\$ -	\$ 95,000	\$ 5,965,000	\$ 95,000
Total	<u>\$ 6,060,000</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ 5,965,000</u>	<u>\$ 95,000</u>

At September 30, 2020, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2021	\$ 95,000	\$ 300,140	\$ 395,140
2022	100,000	296,150	396,150
2023	105,000	291,950	396,950
2024	110,000	287,540	397,540
2025	115,000	282,920	397,920
2026-2030	660,000	1,331,335	1,991,335
2031-2035	850,000	1,151,680	2,001,680
2036-2040	1,090,000	912,235	2,002,235
2041-2045	1,415,000	598,780	2,013,780
2046-2049	1,425,000	190,060	1,615,060
	<u>\$ 5,965,000</u>	<u>\$ 5,642,790</u>	<u>\$ 11,607,790</u>

NOTE 7- BOUNDARY AMENDMENT AND COST SHARE AGREEMENT

On August 21, 2018, the Board of County Commissioners adopted Ordinance 18-30 and 18-31, which became effective on August 28, 2018 and which simultaneously removed approx. 439 acres of land from Artisan Lakes Community District's boundaries ("Boundary Amendment"), and established Artisan Lakes East Community Development District on those same removed lands.

Both of the Districts share a common public roadway known as "Artisan Lakes Parkway" ("Parkway"), a portion of which is complete and a portion of which remains to be constructed. The District Engineer for each District has determined that the construction, acquisition and maintenance of the Parkway by both Districts will enhance the value of, and benefit, properties within the Districts' respective boundaries and as set forth in the Engineers Report has determined that the cost of the Parkway should be allocated 45% to Artisan Lakes CDD and 55% to Artisan Lakes East CDD for the reasons set forth in the Engineers Reports.

NOTE 7– BOUNDARY AMENDMENT AND COST SHARE AGREEMENT (Continued)

Pursuant to Credit Authorization #CA-15-04 (T)(A), the County has recognized that impact fee credit (“Credits”) are available to pay such transportation impact fees in the amount of \$621,574 for the construction of the Parkway from Moccasin Wallow Road to Cobble Park Place, and it is anticipated that Credits will be available from the construction of future phases of the Parkway.

The District’s Engineer has represented that the estimated cost of the Parkway Improvements is \$14,890,000 (“Estimated Parkway Improvements Cost”). Of the Estimated Parkway Improvements Costs, Artisan Lakes CDD is responsible for no more than \$6,700,500 (“Artisan Lakes CDD Maximum Parkway Obligation”). Accordingly, of the Estimated Parkway Improvements, Artisan Lakes East is responsible for no more than \$8,189,500 (“Artisan Lakes East CDD Maximum Parkway Obligation”).

The District shall enter into the Developer Parkway Agreement establishing certain matters with respect to Credits previous arising and parameters on the use of any future Credits – which in each case evidence that any Credits have been and will be used to pay transportation impact fees within the two communities (and not for other project), except as provided in the Developer Parkway Agreement; the parties will work cooperatively to ensure that any Credits have been made and are made available on a first-come, first-served basis for use within two Districts; and that the Developer has ensured and shall ensure that the cost of transportation impact fees is not passed on homebuilders or end users within the two District to the extent such costs would otherwise be offset by the Credits.

Under the Developer Parkway Agreement, if the actual costs of the Parkway Improvement exceeds the Estimated Parkway Improvement Costs, the Developer shall be responsible for the excess. If the actual cost of the Parkway Improvements is less than Estimated Parkway Improvements Cost, then the Artisan Lakes CDD Maximum Parkway Obligation and Artisan Lakes East CDD Maximum Parkway Obligation shall be reduced on a pro-rate basis; provided however that any overpayment by either Artisan Lakes CDD or Artisan Lakes East CDD as a result of such reduction shall not entitle the overpaying district to recoup monies from the other district or otherwise have any recourse or remedy of any kind.

Both Districts shall enter into an agreement with Artisan Lakes Master Association, Inc. (“Master HOA”) whereby the Master HOA shall be responsible at its own cost for the operation and maintenance of all Vertical Parkway Improvements pursuant to an applicable County right-of-way permit or other approval. In the event that an agreement cannot be reached with the Master HOA or such an agreement is terminated, then the District shall enter into a maintenance cost share agreement on terms mutually agreeable to both parties where the cost for the operation and maintenance of all Vertical Parkway Improvements shall be shared on a 45% to 55% basis, respectively.

NOTE 8 – DEVELOPER TRANSACTIONS

In the current fiscal year, the Developer advanced \$42,776 to the District to pay the May 1, 2020 debt service payment for the District’s Capital Improvement Revenue Bonds, Series 2018. In June 2020 the District repaid the Developer this advance within 30 days of District’s receipt of funds from the Manatee County Tax Collector.

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 owned by the Developer.

NOTE 9 – 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 10 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management services, which include financial and accounting services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

NOTE 11 - 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 since inception.

**ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original & Final		
REVENUES			
Assessments	\$ 58,593	\$ 50,793	\$ (7,800)
Total revenues	58,593	50,793	(7,800)
EXPENDITURES			
Current:			
General government	58,593	52,747	5,846
Total expenditures	58,593	52,747	5,846
Excess (deficiency) of revenues over (under) expenditures	\$ -	(1,954)	\$ (1,954)
Fund balance - beginning		35,119	
Fund balance - ending		\$ 33,165	

See notes to required supplementary information

**ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT
MANATEE 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, 2020.



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
Artisan Lakes East Community Development District
Manatee 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 Artisan Lakes East Community Development District, Manatee County, Florida ("District") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated May 17, 2021.

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.

Compliance and Other Matters

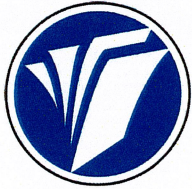
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect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

B *har & Associates*

May 17, 2021



Grau & Associates
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**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
Artisan Lakes East Community Development District
Manatee County, Florida

We have examined Artisan Lakes East Community Development District, Manatee 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, 2020. 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, 2020.

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 Artisan Lakes East Community Development District, Manatee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

May 17, 2021



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

To the Board of Supervisors
Artisan Lakes East Community Development District
Manatee County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Artisan Lakes East Community Development District, Manatee County, Florida ("District") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated May 17, 2021.

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 May 17, 2021, 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 Artisan Lakes East Community Development District, Manatee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Artisan Lakes East Community Development District, Manatee 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.

Grau & Associates

May 17, 2021

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 such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2019.

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, 2020.

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.

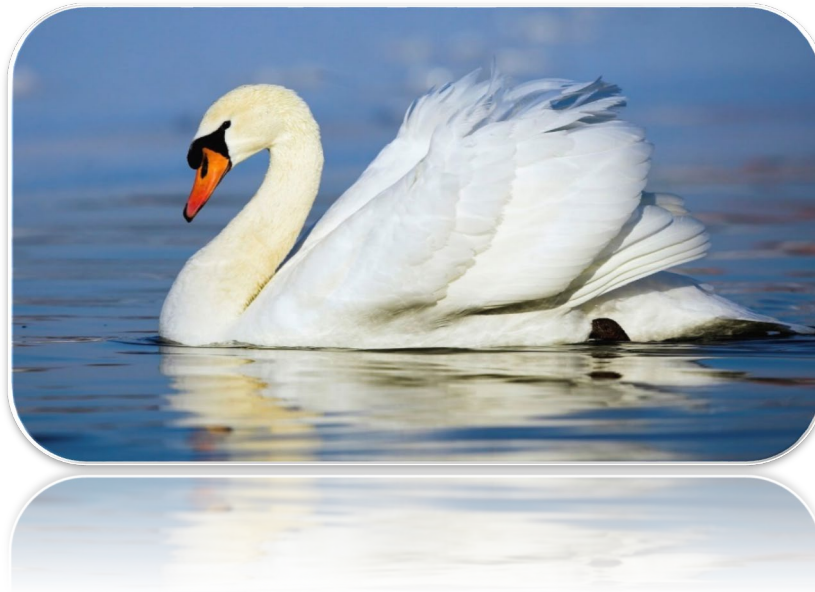
There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2020.

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, 2020. 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.

ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT



FINANCIAL STATEMENTS - APRIL 2021

FISCAL YEAR 2021

PREPARED BY:

JPWARD & ASSOCIATES, LLC, 2301 NORTHEAST 37TH STREET, FORT LAUDERDALE, FL 333308

T: 954-658-4900 E: JimWard@JPWardAssociates.com

Artisan Lakes East Community Development District

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JPWard & Associates LLC

2301 Northeast 37th Street

Fort Lauderdale, Florida 33308

Phone: (954) 658-4900

**Artisan Lakes East Community Development District
Balance Sheet
for the Period Ending April 30, 2021**

	Governmental Funds				Totals (Memorandum Only)
	General Fund	Debt Service Funds Series 2018	Capital Project Fund Series 2018	Account Groups General Long Term Debt	
Assets					
Cash and Investments					
General Fund - Invested Cash	\$ 47,489	\$ -	\$ -	\$ -	\$ 47,489
Debt Service Fund					
Interest Account					
Series 2018	-	150,070	-	-	150,070
Sinking Account					
Series 2018	-	95,000	-	-	95,000
Reserve Account					
Series 2018		198,954	-	-	198,954
Revenue					
Series 2018	-	153,309	-	-	153,309
Prepayment Account					
Series 2018	-	-	-	-	-
Capitalized Interest Account					
Construction Account			148,652		148,652
Cost of Issuance Account					
Due from Other Funds					
General Fund	-	-	-	-	-
Debt Service Fund(s)	-	-	-	-	-
Accounts Receivable					
Assessments Receivable					
Amount Available in Debt Service Funds	-	-	-	597,333	597,333
Amount to be Provided by Debt Service Funds	-	-	-	5,272,667	5,272,667
Total Assets	\$ 47,489	\$ 597,333	\$ 148,652	\$ 5,870,000	\$ 6,663,474

**Artisan Lakes East Community Development District
Balance Sheet
for the Period Ending April 30, 2021**

	Governmental Funds				Totals (Memorandum Only)
	General Fund	Debt Service Funds Series 2018	Capital Project Fund Series 2018	Account Groups General Long Term Debt	
Liabilities					
Accounts Payable & Payroll Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
General Fund	-	-	-	-	-
Debt Service Fund(s)	-	-	-	-	-
Due to Developer	-	-	-	-	-
Bonds Payable					
Current Portion					
Series 2018				\$95,000	95,000
Long Term					
Series 2018				\$5,775,000	5,775,000
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,870,000</u>	<u>\$ 5,870,000</u>
Fund Equity and Other Credits					
Investment in General Fixed Assets	-	-	-	-	-
Fund Balance					
Restricted					
Beginning: October 1, 2020 (Unaudited)	-	343,356	148,648	-	492,003
Results from Current Operations	-	253,977	4	-	253,981
Unassigned					
Beginning: October 1, 2020 (Unaudited)	33,165	-	-	-	33,165
Results from Current Operations	14,324	-	-	-	14,324
Total Fund Equity and Other Credits	<u>\$ 47,489</u>	<u>\$ 597,333</u>	<u>\$ 148,652</u>	<u>\$ -</u>	<u>\$ 793,474</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 47,489</u>	<u>\$ 597,333</u>	<u>\$ 148,652</u>	<u>\$ 5,870,000</u>	<u>\$ 6,663,474</u>

Artisan Lakes East Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through April 30, 2021

Description	October	November	December	January	February	March	April	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources										
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest										
Interest - General Checking	-	-	-	-	-	-	-	-	-	N/A
Special Assessment Revenue										
Special Assessments - On-Roll	258	1,644	36,477	1,547	787	14,434	260	55,406	55,335	100%
Special Assessments - Off-Roll	-	-	-	-	-	-	-	-	-	N/A
Developer Contribution										
	-	-	-	-	-	-	-	-	-	N/A
Intragovernmental Transfer In										
	-	-	-	-	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 258	\$ 1,644	\$ 36,477	\$ 1,547	\$ 787	\$ 14,434	\$ 260	55,406	\$ 55,335	100%
Expenditures and Other Uses										
Executive										
Professional Management	1,806	1,806	1,806	1,806	1,806	1,806	1,806	12,639	20,000	63%
Financial and Administrative										
Audit Services	-	-	-	-	-	-	-	-	4,300	0%
Accounting Services	-	-	-	-	-	-	-	-	-	N/A
Assessment Roll Services	-	-	-	-	-	-	-	-	-	N/A
Arbitrage Rebate Services	-	-	-	-	-	-	-	-	500	0%
Other Contractual Services										
Legal Advertising	324	-	-	-	-	-	-	324	3,000	11%
Trustee Services	-	-	-	-	4,031	-	-	4,031	5,800	70%
Dissemination Agent Services	-	-	-	-	-	-	5,000	5,000	5,000	100%
Property Appraiser Fees	-	-	-	-	-	-	-	-	-	N/A
Bank Service Fees	21	24	24	7	-	-	-	76	360	21%
Communications & Freight Services										
Postage, Freight & Messenger	-	-	-	34	44	-	-	78	750	10%
Computer Services - Website Development	50	50	-	-	-	-	-	100	2,000	5%

Unaudited

Prepared by:
JPWARD and Associates, LLC

Artisan Lakes East Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through April 30, 2021

Description	October	November	December	January	February	March	April	Year to Date	Total Annual Budget	% of Budget
Insurance	5,381	-	-	-	-	-	-	5,381	5,200	103%
Printing & Binding			191		117	-	-	308	750	41%
Subscription & Memberships	175	-	-	-	-	-	-	175	175	100%
Legal Services										
Legal - General Counsel	-	221	634	330	268	-	1,797	3,249	7,500	43%
Legal - Series 2018 Bonds	-	-	-	-	-	-	-	-	-	N/A
Legal - Boundary Amendment	-	-	-	-	-	-	-	-	-	N/A
Other General Government Services										
Engineering Services	-	-	-	-	-	4,174	5,548	9,721.25	-	N/A
Contingencies	-	-	-	-	-	-	-	-	-	N/A
Other Current Charges	-	-	-	-	-	-	-	-	-	N/A
Reserves										
Operational Reserves (Future Years)							-	-	-	N/A
Other Fees and Charges	-	-	-	-	-	-	-	-	-	N/A
Discounts/Collection Fees							-	-	-	
Sub-Total:	7,757	2,100	2,655	2,176	6,265	5,979	14,150	41,082	55,335	74%
Total Expenditures and Other Uses:	\$ 7,757	\$ 2,100	\$ 2,655	\$ 2,176	\$ 6,265	\$ 5,979	\$ 14,150	\$ 41,082	\$ 55,335	74%
Net Increase/ (Decrease) in Fund Balance	(7,499)	(456)	33,822	(630)	(5,478)	8,455	(13,890)	14,324	-	
Fund Balance - Beginning	33,165	25,666	25,210	59,032	58,402	52,924	61,379	33,165	-	
Fund Balance - Ending	\$ 25,666	\$ 25,210	\$ 59,032	\$ 58,402	\$ 52,924	\$ 61,379	\$ 47,489	47,489	\$ -	

Artisan Lakes East Community Development District
Debt Service Fund - Series 2018
Statement of Revenues, Expenditures and Changes in Fund Balance
Through April 30, 2021

Description	October	November	December	January	February	March	April	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources										
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	N/A
Interest Income										
Interest Account	-	0	0	-	-	-	-	0	-	N/A
Sinking Fund Account	-	-	-	-	-	-	-	-	-	N/A
Reserve Account	1	1	1	1	1	1	1	6	-	N/A
Prepayment Account	-	-	-	-	-	-	-	-	-	N/A
Revenue Account	1	1	0	0	0	0	1	2	-	N/A
Capitalized Interest Account	-	-	-	-	-	-	-	-	-	N/A
Special Assessments - Prepayments										
Special Assessments - On Roll	1,855	11,822	262,269	11,122	5,657	103,779	1,867	398,371	397,823	100%
Special Assessments - Off Roll	5,668	-	-	-	-	-	-	5,668	-	N/A
Special Assessments - Prepayments	-	-	-	-	-	-	-	-	-	N/A
Debt Proceeds										
Intragovernmental Transfer In	-	-	-	-	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 7,524	\$ 11,824	\$ 262,270	\$ 11,123	\$ 5,658	\$ 103,780	\$ 1,868	\$ 404,047	\$ 397,823	N/A
Expenditures and Other Uses										
Debt Service										
Principal Debt Service - Mandatory										
Series 2018	-	-	-	-	-	-	-	-	95,000	N/A
Principal Debt Service - Early Redemptions										
Series 2018	-	-	-	-	-	-	-	-	-	N/A
Interest Expense										
Series 2018	-	150,070	-	-	-	-	-	150,070	304,130	N/A
Due to Developer										
Operating Transfers Out (To Other Funds)	-	-	-	-	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$ -	\$ 150,070	\$ -	\$ -	\$ -	\$ -	\$ -	150,070	\$ 399,130	N/A
Net Increase/ (Decrease) in Fund Balance	7,524	(138,246)	262,270	11,123	5,658	103,780	1,868	253,977	(1,307)	
Fund Balance - Beginning	343,356	350,880	212,633	474,904	486,026	491,684	595,465	343,356	-	
Fund Balance - Ending	\$ 350,880	\$ 212,633	\$ 474,904	\$ 486,026	\$ 491,684	\$ 595,465	597,333	597,333	\$ (1,307)	

Artisan Lakes East Community Development District
Capital Projects Fund - Series 2018
Statement of Revenues, Expenditures and Changes in Fund Balance
Through April 30, 2021

Description	October	November	December	January	February	March	April	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources										
Carryforward	-	-	-	-	-	-	-	-	\$ -	N/A
Interest Income										
Construction Account	1	1	1	1	1	1	1	4	\$ -	N/A
Cost of Issuance	-	-	-	-	-	-	-	-	\$ -	N/A
Debt Proceeds										
Operating Transfers In (From Other Funds)	-	-	-	-	-	-	-	-	\$ -	N/A
Total Revenue and Other Sources:	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 4	\$ -	N/A
Expenditures and Other Uses										
Executive										
Professional Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Other Contractual Services										
Trustee Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Printing & Binding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Legal Services										
Legal - Series 2018 Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Other General Government Services										
Stormwater Mgmt-Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Capital Outlay										
Construction - Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Cost of Issuance										
Legal - Series 2018 Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Underwriter's Discount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Operating Transfers Out (To Other Funds)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Total Expenditures and Other Uses:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Net Increase/ (Decrease) in Fund Balance	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 4	\$ -	
Fund Balance - Beginning	\$ 148,648	\$ 148,648	\$ 148,649	\$ 148,649	\$ 148,650	\$ 148,651	\$ 148,651	\$ 148,648	\$ -	
Fund Balance - Ending	\$ 148,648	\$ 148,649	\$ 148,649	\$ 148,650	\$ 148,651	\$ 148,651	\$ 148,652	\$ 148,652	\$ -	