

**JPWard and Associates, LLC**

**ARTISAN LAKES  
COMMUNITY DEVELOPMENT DISTRICT**

**REGULAR MEETING**

**AGENDA**

**February 7, 2019**



James P. Ward  
District Manager  
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**Prepared by:**  
**JPWard and Associates, LLC**  
**TOTAL Commitment to Excellence**

# ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

January 31, 2019

Board of Supervisors  
Artisan Lakes Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of the Artisan Lakes Community Development District will be held on **Thursday, February 7, 2019 at 3:30 P.M.**, at the **Artisan Lakes Clubhouse, 4725 Los Robles Court, Palmetto, Florida 34221**. The agenda is as follows:

1. Call to Order & Roll Call
2. Consideration of Resolution 2019-12 appointing a qualified electors to fill the vacancy in Seat (4) and Seat (5) on the Board of Supervisors pursuant to Section 190.004 (4) Florida Statutes. If the Board appoints individuals to fill the two seats, the following items will also be considered for the newly appointed members.
  - I. Administration of the Oath of Office.
  - II. Guide to the Sunshine Amendment and Code of Ethics for Public Employees.
  - III. Form 1 – Statement of Financial Interests.
3. Consideration of Minutes
  - I. December 18, 2018 Regular Meeting
4. Consideration of Resolution 2019-13 ratifying, confirming and approving the Sale of the Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series, 2018, confirming, and approving the actions of the Chairman, Vice Chairman, Treasurer, Secretary, Assistant Secretaries and all the District Staff regarding the sale and closing of the Artisan Lakes Community Development District Capital Improvement Revenue Bonds, Series 2018; determining such actions as being in accordance with the authorization granted by the Board.
5. Consideration of Resolution 2019-14 - Rescinding Resolution 2018-19; directing staff to send notice under a supplemental purchase and sale agreement.
6. Consideration of Assignment and Assumption of Property Interests to transfer all property rights assigned to Artisan Lakes Community Development District that are now within the boundaries of the Artisan Lakes East Community Development District to the Artisan Lakes East CDD.
7. Consideration of Acceptance of the Audited Financial Statements for Fiscal Year 2018 covering the period October 1, 2017 through September 30, 2018.

8. Staff Reports
  - I. Attorney
  - II. Engineer
  - III. Manager
    - a. Financial Statements – November 30, 2018 (Unaudited)
    - b. Financial Statements – December 31, 2018 (Unaudited)
5. Audience Comments and Supervisor’s Requests
9. Adjournment

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The second order of business is consideration of Resolution 2019-12 which appoints two qualified elector’s to fill Seats 4 and 5. As you may recall, the District reached the threshold to conduct a qualified elector election (conducted by the Supervisor of Elections of Manatee County) in November, 2019, and which during the qualifying period, no qualified elector’s qualified to run for the two (2) seats.

As such, the Board adopted Resolution 2019-2 on October 10<sup>th</sup>, 2018. declaring the seats vacant effective November 20<sup>th</sup>, 2018, and until such time as the Board appoints Qualified Electors to fill the vacancies, the incumbent Board of Supervisors shall remain in office. Chapter 190.006 indicates that within 90 days thereafter, which would be February 20, 2019 the Board would fill the vacancies. If not, the statute continues that the incumbent Board Member in that seat shall remain in office.

If the Board, is able to determine qualified electors to fill these seats, and those individuals are present at the meeting, then we will be prepared to swear in those two seats.

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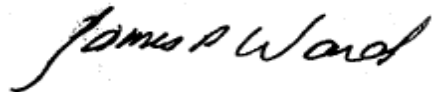
The third order of business is consideration of the December 18, 2018 Regular meeting minutes.

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

Yours sincerely,

Artisan Lakes Community Development District



James P. Ward  
District Manager

Enclosures

**RESOLUTION 2019-12**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT APPOINTING BOARD SUPERVISORS TO VACANT SEATS PURSUANT TO SECTION 190.006(3)(b), FLORIDA STATUTES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Artisan Lakes Community Development District (“**District**”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*; and

**WHEREAS**, by Resolution 2019-2, and pursuant to Section 190.006(3), *Florida Statutes*, the Board previously declared two Board Supervisor seats vacant, effective November 20, 2018, because no “**Qualified Electors**,” as defined in Section 190.003(17), *Florida Statutes*, qualified to run for those seats; and

**WHEREAS**, pursuant to Section 190.006(3), *Florida Statutes*, the Board must within 90 days after seats are declared vacant, appoint Qualified Electors to fill the vacancies; and

**WHEREAS**, at a publicly noticed meeting, and after reviewing candidate information, the Board finds that it is in the best interests of the District to adopt this Resolution appointing Qualified Electors to the vacant seats.

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

**1. APPOINTMENT OF SUPERVISORS.** The Board hereby appoints the following Qualified Electors to the vacant seats, as follows:

\_\_\_\_\_ is appointed to Seat #\_\_, and for the term ending November 2022.

\_\_\_\_\_ is appointed to Seat #\_\_, and for the term ending November 2022.

**2. EFFECTIVE DATE.** This Resolution shall become effective upon its passage.

**PASSED AND ADOPTED** this 7th day of February, 2019.

ATTEST:

**ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_  
James P. Ward, Secretary

\_\_\_\_\_  
Scott Himelhoch, Chairperson

**OATH OR AFFIRMATION OF OFFICE**

I, \_\_\_\_\_, a citizen of the State of Florida and of the United States of America, and being an officer of the **Artisan Lakes Community Development District** and a recipient of public funds as such officer, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida, and will faithfully, honestly and impartially discharge the duties devolving upon me as a member of the Board of Supervisors of the **Artisan Lakes Community Development District**, Manatee County, Florida.

\_\_\_\_\_  
Signature

Printed Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF MANATEE

Sworn to (or affirmed) before me this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_, whose signature appears hereinabove, who is personally known to me or who produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
NOTARY PUBLIC  
STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**FORM 1****STATEMENT OF  
FINANCIAL INTERESTS****2017**

Please print or type your name, mailing address, agency name, and position below:

**FOR OFFICE USE ONLY:**

LAST NAME -- FIRST NAME -- MIDDLE NAME :

MAILING ADDRESS :

CITY : ZIP : COUNTY :

NAME OF AGENCY :

NAME OF OFFICE OR POSITION HELD OR SOUGHT :

You are not limited to the space on the lines on this form. Attach additional sheets, if necessary.

CHECK ONLY IF  CANDIDATE OR  NEW EMPLOYEE OR APPOINTEE**\*\*\*\* BOTH PARTS OF THIS SECTION MUST BE COMPLETED \*\*\*\*****DISCLOSURE PERIOD:**

THIS STATEMENT REFLECTS YOUR FINANCIAL INTERESTS FOR THE PRECEDING TAX YEAR, WHETHER BASED ON A CALENDAR YEAR OR ON A FISCAL YEAR. PLEASE STATE BELOW WHETHER THIS STATEMENT IS FOR THE PRECEDING TAX YEAR ENDING EITHER (must check one):

 DECEMBER 31, 2017 OR  SPECIFY TAX YEAR IF OTHER THAN THE CALENDAR YEAR: \_\_\_\_\_**MANNER OF CALCULATING REPORTABLE INTERESTS:**

FILERS HAVE THE OPTION OF USING REPORTING THRESHOLDS THAT ARE ABSOLUTE DOLLAR VALUES, WHICH REQUIRES FEWER CALCULATIONS, OR USING COMPARATIVE THRESHOLDS, WHICH ARE USUALLY BASED ON PERCENTAGE VALUES (see instructions for further details). CHECK THE ONE YOU ARE USING (must check one):

 **COMPARATIVE (PERCENTAGE) THRESHOLDS** OR  **DOLLAR VALUE THRESHOLDS****PART A -- PRIMARY SOURCES OF INCOME** [Major sources of income to the reporting person - See instructions]

(If you have nothing to report, write "none" or "n/a")

NAME OF SOURCE OF INCOME	SOURCE'S ADDRESS	DESCRIPTION OF THE SOURCE'S PRINCIPAL BUSINESS ACTIVITY

**PART B -- SECONDARY SOURCES OF INCOME**

[Major customers, clients, and other sources of income to businesses owned by the reporting person - See instructions]

(If you have nothing to report, write "none" or "n/a")

NAME OF BUSINESS ENTITY	NAME OF MAJOR SOURCES OF BUSINESS' INCOME	ADDRESS OF SOURCE	PRINCIPAL BUSINESS ACTIVITY OF SOURCE

**PART C -- REAL PROPERTY** [Land, buildings owned by the reporting person - See instructions]

(If you have nothing to report, write "none" or "n/a")


**FILING INSTRUCTIONS** for when and where to file this form are located at the bottom of page 2.**INSTRUCTIONS** on who must file this form and how to fill it out begin on page 3.

**PART D — INTANGIBLE PERSONAL PROPERTY** [Stocks, bonds, certificates of deposit, etc. - See instructions]  
 (If you have nothing to report, write "none" or "n/a")

TYPE OF INTANGIBLE	BUSINESS ENTITY TO WHICH THE PROPERTY RELATES

**PART E — LIABILITIES** [Major debts - See instructions]  
 (If you have nothing to report, write "none" or "n/a")

NAME OF CREDITOR	ADDRESS OF CREDITOR

**PART F — INTERESTS IN SPECIFIED BUSINESSES** [Ownership or positions in certain types of businesses - See instructions]  
 (If you have nothing to report, write "none" or "n/a")

	BUSINESS ENTITY # 1	BUSINESS ENTITY # 2
NAME OF BUSINESS ENTITY		
ADDRESS OF BUSINESS ENTITY		
PRINCIPAL BUSINESS ACTIVITY		
POSITION HELD WITH ENTITY		
I OWN MORE THAN A 5% INTEREST IN THE BUSINESS		
NATURE OF MY OWNERSHIP INTEREST		

**PART G — TRAINING**

For **elected municipal officers** required to complete annual ethics training pursuant to section 112.3142, F.S.

**I CERTIFY THAT I HAVE COMPLETED THE REQUIRED TRAINING.**

**IF ANY OF PARTS A THROUGH G ARE CONTINUED ON A SEPARATE SHEET, PLEASE CHECK HERE**

**SIGNATURE OF FILER:**

**Signature:**

\_\_\_\_\_

**Date Signed:**

\_\_\_\_\_

**CPA or ATTORNEY SIGNATURE ONLY**

If a certified public accountant licensed under Chapter 473, or attorney in good standing with the Florida Bar prepared this form for you, he or she must complete the following statement:

I, \_\_\_\_\_, prepared the CE Form 1 in accordance with Section 112.3145, Florida Statutes, and the instructions to the form. Upon my reasonable knowledge and belief, the disclosure herein is true and correct.

CPA/Attorney Signature: \_\_\_\_\_

Date Signed: \_\_\_\_\_

**FILING INSTRUCTIONS:**

If you were mailed the form by the Commission on Ethics or a County Supervisor of Elections for your annual disclosure filing, return the form to that location. To determine what category your position falls under, see page 3 of instructions.

**Local officers/employees** file with the Supervisor of Elections of the county in which they permanently reside. (If you do not permanently reside in Florida, file with the Supervisor of the county where your agency has its headquarters.) Form 1 filers who file with the Supervisor of Elections may file by mail or email. Contact your Supervisor of Elections for the mailing address or email address to use. Do not email your form to the Commission on Ethics, it will be returned.

**State officers or specified state employees** who file with the Commission on Ethics may file by mail or email. To file by mail, send the completed form to P.O. Drawer 15709, Tallahassee, FL 32317-5709; physical address: 325 John Knox Rd, Bldg E, Ste 200, Tallahassee, FL 32303. To file with the Commission by email, scan your completed form and any attachments as a pdf (do not use any other format) and send it to [CEForm1@leg.state.fl.us](mailto:CEForm1@leg.state.fl.us). Do not file by both mail and email. Choose only one filing method. Form 6s will not be accepted via email.

**Candidates** file this form together with their filing papers.

**MULTIPLE FILING UNNECESSARY:** A candidate who files a Form 1 with a qualifying officer is not required to file with the Commission or Supervisor of Elections.

**WHEN TO FILE: Initially,** each local officer/employee, state officer, and specified state employee must file **within 30 days** of the date of his or her appointment or of the beginning of employment. Appointees who must be confirmed by the Senate must file prior to confirmation, even if that is less than 30 days from the date of their appointment.

**Candidates** must file at the same time they file their qualifying papers.

**Thereafter,** file by July 1 following each calendar year in which they hold their positions.

**Finally,** file a final disclosure form (Form 1F) within 60 days of leaving office or employment. Filing a CE Form 1F (Final Statement of Financial Interests) does not relieve the filer of filing a CE Form 1 if the filer was in his or her position on December 31, 2017.

## NOTICE

**Annual Statements of Financial Interests are due July 1. If the annual form is not filed or postmarked by September 1, an automatic fine of \$25 for each day late will be imposed, up to a maximum penalty of \$1,500. Failure to file also can result in removal from public office or employment. [s. 112.3145, F.S.]**

**In addition, failure to make any required disclosure constitutes grounds for and may be punished by one or more of the following: disqualification from being on the ballot, impeachment, removal or suspension from office or employment, demotion, reduction in salary, reprimand, or a civil penalty not exceeding \$10,000. [s. 112.317, F.S.]**

## **WHO MUST FILE FORM 1:**

1) Elected public officials not serving in a political subdivision of the state and any person appointed to fill a vacancy in such office, unless required to file full disclosure on Form 6.

2) Appointed members of each board, commission, authority, or council having statewide jurisdiction, excluding members of solely advisory bodies, but including judicial nominating commission members; Directors of Enterprise Florida, Scripps Florida Funding Corporation, and Career Source Florida; and members of the Council on the Social Status of Black Men and Boys; the Executive Director, Governors, and senior managers of Citizens Property Insurance Corporation; Governors and senior managers of Florida Workers' Compensation Joint Underwriting Association; board members of the Northeast Fla. Regional Transportation Commission; board members of Triumph Gulf Coast, Inc; board members of Florida Is For Veterans, Inc.; and members of the Technology Advisory Council within the Agency for State Technology.

3) The Commissioner of Education, members of the State Board of Education, the Board of Governors, the local Boards of Trustees and Presidents of state universities, and the Florida Prepaid College Board.

4) Persons elected to office in any political subdivision (such as municipalities, counties, and special districts) and any person appointed to fill a vacancy in such office, unless required to file Form 6.

5) Appointed members of the following boards, councils, commissions, authorities, or other bodies of county, municipality, school district, independent special district, or other political subdivision: the governing body of the subdivision; community college or junior college district boards of trustees; boards having the power to enforce local code provisions; boards of adjustment; community redevelopment agencies; planning or zoning boards having the power to recommend, create, or modify land planning or zoning within a political subdivision, except for citizen advisory committees, technical coordinating committees, and similar groups who only have the power to make recommendations to planning or zoning boards, and except for representatives of a military installation acting on behalf of all military installations within that jurisdiction; pension or retirement boards empowered to invest pension or retirement funds or determine entitlement to or amount of pensions or other retirement benefits.

6) Any appointed member of a local government board who is required to file a statement of financial interests by the appointing authority or the enabling legislation, ordinance, or resolution creating the board.

7) Persons holding any of these positions in local government: mayor; county or city manager; chief administrative employee or finance

director of a county, municipality, or other political subdivision; county or municipal attorney; chief county or municipal building inspector; county or municipal water resources coordinator; county or municipal pollution control director; county or municipal environmental control director; county or municipal administrator with power to grant or deny a land development permit; chief of police; fire chief; municipal clerk; appointed district school superintendent; community college president; district medical examiner; purchasing agent (regardless of title) having the authority to make any purchase exceeding \$20,000 for the local governmental unit.

8) Officers and employees of entities serving as chief administrative officer of a political subdivision.

9) Members of governing boards of charter schools operated by a city or other public entity.

10) Employees in the office of the Governor or of a Cabinet member who are exempt from the Career Service System, excluding secretarial, clerical, and similar positions.

11) The following positions in each state department, commission, board, or council: Secretary, Assistant or Deputy Secretary, Executive Director, Assistant or Deputy Executive Director, and anyone having the power normally conferred upon such persons, regardless of title.

12) The following positions in each state department or division: Director, Assistant or Deputy Director, Bureau Chief, Assistant Bureau Chief, and any person having the power normally conferred upon such persons, regardless of title.

13) Assistant State Attorneys, Assistant Public Defenders, criminal conflict and civil regional counsel, and assistant criminal conflict and civil regional counsel, Public Counsel, full-time state employees serving as counsel or assistant counsel to a state agency, administrative law judges, and hearing officers.

14) The Superintendent or Director of a state mental health institute established for training and research in the mental health field, or any major state institution or facility established for corrections, training, treatment, or rehabilitation.

15) State agency Business Managers, Finance and Accounting Directors, Personnel Officers, Grant Coordinators, and purchasing agents (regardless of title) with power to make a purchase exceeding \$20,000.

16) The following positions in legislative branch agencies: each employee (other than those employed in maintenance, clerical, secretarial, or similar positions and legislative assistants exempted by the presiding officer of their house); and each employee of the Commission on Ethics.

## **INSTRUCTIONS FOR COMPLETING FORM 1:**

**INTRODUCTORY INFORMATION** (Top of Form): If your name, mailing address, public agency, and position are already printed on the form, you do not need to provide this information unless it should be changed. To change any of this information, write the correct information on the form, and contact your agency's financial disclosure coordinator. You can find your coordinator on the Commission on Ethics website: [www.ethics.state.fl.us](http://www.ethics.state.fl.us).

**NAME OF AGENCY:** The name of the governmental unit which you serve or served, by which you are or were employed, or for which you are a candidate.

**OFFICE OR POSITION HELD OR SOUGHT:** The title of the office or position you hold, are seeking, or held during the disclosure period even if you have since left that position. If you are a candidate for office or are a new employee or appointee, check the appropriate box.

**PUBLIC RECORD:** The disclosure form and everything attached to it is a public record. Your Social Security Number is not required and you should redact it from any documents you file. If you are an active or former officer or employee listed in Section 119.071, F.S., whose home address is exempt from disclosure, the Commission will maintain that confidentiality if you submit a written request.

**DISCLOSURE PERIOD:** The tax year for most individuals is the calendar year (January 1 through December 31). If that is the case for you, then your financial interests should be reported for the calendar year 2017; check that box. If you file your IRS tax return based on a tax year that is not the calendar year, you should specify the dates of your tax year in this portion of the form and check the appropriate box. This is the "disclosure period" for your report.



## **MANNER OF CALCULATING REPORTABLE INTEREST**

Filers have the option of reporting based on either thresholds that are comparative (usually, based on percentage values) or thresholds that are based on absolute dollar values. The instructions on the following pages specifically describe the different thresholds. Check the box that reflects the choice you have made. You must use the type of threshold you have chosen for each part of the form. In other words, if you choose to report based on absolute dollar value thresholds, you cannot use a percentage threshold on any part of the form.

### **IF YOU HAVE CHOSEN DOLLAR VALUE THRESHOLDS THE FOLLOWING INSTRUCTIONS APPLY**

#### **PART A — PRIMARY SOURCES OF INCOME**

[Required by s. 112.3145(3)(b)1, F.S.]

Part A is intended to require the disclosure of your principal sources of income during the disclosure period. You do not have to disclose the amount of income received, and you need not list your public salary from serving in the position(s) which requires you to file this form. The income of your spouse need not be disclosed; however, if there is joint income to you and your spouse from property you own jointly (such as interest or dividends from a bank account or stocks), you should disclose the source of that income if it exceeded the threshold.

Please list in this part of the form the name, address, and principal business activity of each source of your income which exceeded \$2,500 of gross income received by you in your own name or by any other person for your use or benefit.

"Gross income" means the same as it does for income tax purposes, even if the income is not actually taxable, such as interest on tax-free bonds. Examples include: compensation for services, income from business, gains from property dealings, interest, rents, dividends, pensions, IRA distributions, social security, distributive share of partnership gross income, and alimony, but not child support.

Examples:

- If you were employed by a company that manufactures computers and received more than \$2,500, list the name of the company, its address, and its principal business activity (computer manufacturing).
- If you were a partner in a law firm and your distributive share of partnership gross income exceeded \$2,500, list the name of the firm, its address, and its principal business activity (practice of law).
- If you were the sole proprietor of a retail gift business and your gross income from the business exceeded \$2,500, list the name of the business, its address, and its principal business activity (retail gift sales).
- If you received income from investments in stocks and bonds, list each individual company from which you derived more than \$2,500. Do not aggregate all of your investment income.
- If more than \$2,500 of your gross income was gain from the sale of property (not just the selling price), list as a source of income the purchaser's name, address and principal business activity. If the purchaser's identity is unknown, such as where securities listed on an exchange are sold through a brokerage firm, the source of income should be listed as "sale of (name of company) stock," for example.
- If more than \$2,500 of your gross income was in the form of interest from one particular financial institution (aggregating interest from all CD's, accounts, etc., at that institution), list the name of the institution, its address, and its principal business activity.

#### **PART B — SECONDARY SOURCES OF INCOME**

[Required by s. 112.3145(3)(b)2, F.S.]

This part is intended to require the disclosure of major customers, clients, and other sources of income to businesses in which you own an interest. It is not for reporting income from second jobs. That kind of income should be reported in Part A "Primary Sources of Income," if it meets the reporting threshold. You will not have anything to report unless, during the disclosure period:

- (1) You owned (either directly or indirectly in the form of an equitable or beneficial interest) more than 5% of the total assets or capital stock of

a business entity (a corporation, partnership, LLC, limited partnership, proprietorship, joint venture, trust, firm, etc., doing business in Florida); **and,**

- (2) You received more than \$5,000 of your gross income during the disclosure period from that business entity.

If your interests and gross income exceeded these thresholds, then for that business entity you must list every source of income to the business entity which exceeded 10% of the business entity's gross income (computed on the basis of the business entity's most recently completed fiscal year), the source's address, and the source's principal business activity.

Examples:

- You are the sole proprietor of a dry cleaning business, from which you received more than \$5,000. If only one customer, a uniform rental company, provided more than 10% of your dry cleaning business, you must list the name of the uniform rental company, its address, and its principal business activity (uniform rentals).
- You are a 20% partner in a partnership that owns a shopping mall and your partnership income exceeded the above thresholds. List each tenant of the mall that provided more than 10% of the partnership's gross income and the tenant's address and principal business activity.

#### **PART C — REAL PROPERTY**

[Required by s. 112.3145(3)(b)3, F.S.]

In this part, list the location or description of all real property in Florida in which you owned directly or indirectly at any time during the disclosure period in excess of 5% of the property's value. You are not required to list your residences. You should list any vacation homes if you derive income from them.

Indirect ownership includes situations where you are a beneficiary of a trust that owns the property, as well as situations where you own more than 5% of a partnership or corporation that owns the property. The value of the property may be determined by the most recently assessed value for tax purposes, in the absence of a more current appraisal.

The location or description of the property should be sufficient to enable anyone who looks at the form to identify the property. A street address should be used, if one exists.

#### **PART D — INTANGIBLE PERSONAL PROPERTY**

[Required by s. 112.3145(3)(b)3, F.S.]

Describe any intangible personal property that, at any time during the disclosure period, was worth more than \$10,000 and state the business entity to which the property related. Intangible personal property includes things such as cash on hand, stocks, bonds, certificates of deposit, vehicle leases, interests in businesses, beneficial interests in trusts, money owed you, Deferred Retirement Option Program (DRO) accounts, the Florida Prepaid College Plan, and bank accounts. Intangible personal property also includes investment products held in IRAs, brokerage accounts, and the Florida College Investment Plan. Note that the product contained in a brokerage account, IRA, or the Florida College Investment Plan is your asset—not the account or plan itself. Things like automobiles and houses you own, jewelry, and paintings are not intangible property. Intangibles relating to the same business entity may be aggregated; for example, CDs and savings accounts with the same bank. Property owned as tenants by the entirety or as joint tenants with right of survivorship should be valued at 100%. The value of a leased vehicle is the vehicle's present value minus the lease residual (a number found on the lease document).

## PART E — LIABILITIES

[Required by s. 112.3145(3)(b)4, F.S.]

List the name and address of each creditor to whom you owed more than \$10,000 at any time during the disclosure period. The amount of the liability of a vehicle lease is the sum of any past-due payments and all unpaid prospective lease payments. You are not required to list the amount of any debt. You do not have to disclose credit card and retail installment accounts, taxes owed (unless reduced to a judgment), indebtedness on a life insurance policy owed to the company of issuance, or contingent liabilities. A "contingent liability" is one that will become an actual liability only when one or more future events occur or fail to occur, such as where you are liable only as a guarantor, surety, or endorser on a promissory note. If you are a "co-maker" and are jointly liable or jointly and severally liable, then it is not a contingent liability.

## PART F — INTERESTS IN SPECIFIED BUSINESSES

[Required by s. 112.3145(5), F.S.]

The types of businesses covered in this disclosure include: state and federally chartered banks; state and federal savings and loan associations; cemetery companies; insurance companies; mortgage companies; credit unions; small loan companies; alcoholic beverage licensees; pari-mutuel wagering companies, utility companies, entities controlled by the Public Service Commission; and entities granted a franchise to operate by either a city or a county government.

Disclose in this part the fact that you owned during the disclosure period an interest in, or held any of certain positions with the types of businesses listed above. You must make this disclosure if you own or owned (either directly or indirectly in the form of an equitable or beneficial interest) at any time during the disclosure period more than 5% of the total assets or capital stock of one of the types of business entities listed above. You also must complete this part of the form for each of these types of businesses for which you are, or were at any time during the disclosure period, an officer, director, partner, proprietor, or agent (other than a resident agent solely for service of process).

If you have or held such a position or ownership interest in one of these types of businesses, list the name of the business, its address and principal business activity, and the position held with the business (if any). If you own(ed) more than a 5% interest in the business, indicate that fact and describe the nature of your interest.

## PART G — TRAINING CERTIFICATION

[Required by s. 112.3142, F.S.]

If you are a Constitutional or elected municipal officer whose service began before March 31 of the year for which you are filing, you are required to complete four hours of ethics training which addresses Article II, Section 8 of the Florida Constitution, the Code of Ethics for Public Officers and Employees, and the public records and open meetings laws of the state. You are required to certify on this form that you have taken such training.

**(End of Dollar Value Thresholds Instructions.)**

# IF YOU HAVE CHOSEN COMPARATIVE (PERCENTAGE) THRESHOLDS THE FOLLOWING INSTRUCTIONS APPLY

## PART A — PRIMARY SOURCES OF INCOME

[Required by s. 112.3145(3)(a)1, F.S.]

Part A is intended to require the disclosure of your principal sources of income during the disclosure period. You do not have to disclose the amount of income received, and you need not list your public salary received from serving in the position(s) which requires you to file this form, but this amount should be included when calculating your gross income for the disclosure period. The income of your spouse need not be disclosed; however, if there is joint income to you and your spouse from property you own jointly (such as interest or dividends from a bank account or stocks), you should include all of that income when calculating your gross income and disclose the source of that income if it exceeded the threshold.

Please list in this part of the form the name, address, and principal business activity of each source of your income which exceeded 5% of the gross income received by you in your own name or by any other person for your benefit or use during the disclosure period.

"Gross income" means the same as it does for income tax purposes, even if the income is not actually taxable, such as interest on tax-free bonds. Examples include: compensation for services, income from business, gains from property dealings, interest, rents, dividends, pensions, IRA distributions, social security, distributive share of partnership gross income, and alimony, but not child support.

Examples:

— If you were employed by a company that manufactures computers and received more than 5% of your gross income from the company, list the name of the company, its address, and its principal business activity (computer manufacturing).

— If you were a partner in a law firm and your distributive share of partnership gross income exceeded 5% of your gross income, then list the name of the firm, its address, and its principal business activity (practice of law).

— If you were the sole proprietor of a retail gift business and your gross income from the business exceeded 5% of your total gross income, list the name of the business, its address, and its principal business activity (retail gift sales).

— If you received income from investments in stocks and bonds, list each individual company from which you derived

more than 5% of your gross income. Do not aggregate all of your investment income.

— If more than 5% of your gross income was gain from the sale of property (not just the selling price), list as a source of income the purchaser's name, address, and principal business activity. If the purchaser's identity is unknown, such as where securities listed on an exchange are sold through a brokerage firm, the source of income should be listed as "sale of (name of company) stock," for example.

— If more than 5% of your gross income was in the form of interest from one particular financial institution (aggregating interest from all CD's, accounts, etc., at that institution), list the name of the institution, its address, and its principal business activity.

## PART B — SECONDARY SOURCES OF INCOME

[Required by s. 112.3145(3)(a)2, F.S.]

This part is intended to require the disclosure of major customers, clients, and other sources of income to businesses in which you own an interest. It is not for reporting income from second jobs. That kind of income should be reported in Part A, "Primary Sources of Income," if it meets the reporting threshold. You will **not** have anything to report **unless** during the disclosure period:

(1) You owned (either directly or indirectly in the form of an equitable or beneficial interest) more than 5% of the total assets or capital stock of a business entity (a corporation, partnership, LLC, limited partnership, proprietorship, joint venture, trust, firm, etc., doing business in Florida); **and**,

(2) You received more than 10% of your gross income from that business entity; **and**,

(3) You received more than \$1,500 in gross income from that business entity.

If your interests and gross income exceeded these thresholds, then for that business entity you must list every source of income to the business entity which exceeded 10% of the business entity's gross income (computed on the basis of the business entity's most recently completed fiscal year), the source's address, and the source's principal business activity.

Examples:

- You are the sole proprietor of a dry cleaning business, from which you received more than 10% of your gross income—an amount that was more than \$1,500. If only one customer, a uniform rental company, provided more than 10% of your dry cleaning business, you must list the name of the uniform rental company, its address, and its principal business activity (uniform rentals).
- You are a 20% partner in a partnership that owns a shopping mall and your partnership income exceeded the thresholds listed above. You should list each tenant of the mall that provided more than 10% of the partnership's gross income, and the tenant's address and principal business activity.

## PART C — REAL PROPERTY

[Required by s. 112.3145(3)(a)3, F.S.]

In this part, list the location or description of all real property in Florida in which you owned directly or indirectly at any time during the disclosure period in excess of 5% of the property's value. You are not required to list your residences. You should list any vacation homes, if you derive income from them.

Indirect ownership includes situations where you are a beneficiary of a trust that owns the property, as well as situations where you own more than 5% of a partnership or corporation that owns the property. The value of the property may be determined by the most recently assessed value for tax purposes, in the absence of a more current appraisal.

The location or description of the property should be sufficient to enable anyone who looks at the form to identify the property. A street address should be used, if one exists.

## PART D — INTANGIBLE PERSONAL PROPERTY

[Required by s. 112.3145(3)(a)3, F.S.]

Describe any intangible personal property that, at any time during the disclosure period, was worth more than 10% of your total assets, and state the business entity to which the property related. Intangible personal property includes things such as cash on hand, stocks, bonds, certificates of deposit, vehicle leases, interests in businesses, beneficial interests in trusts, money owed you, Deferred Retirement Option Program (DROP) accounts, the Florida Prepaid College Plan, and bank accounts. Intangible personal property also includes investment products held in IRAs, brokerage accounts, and the Florida College Investment Plan. Note that the product contained in a brokerage account, IRA, or the Florida College Investment Plan is your asset—not the account or plan itself. Things like automobiles and houses you own, jewelry, and paintings are not intangible property. Intangibles relating to the same business entity may be aggregated; for example, CD's and savings accounts with the same bank.

Calculations: To determine whether the intangible property exceeds 10% of your total assets, total the fair market value of all of your assets (including real property, intangible property, and tangible personal property such as jewelry, furniture, etc.). When making this calculation, do not subtract any liabilities (debts) that may relate to the property. Multiply the total figure by 10% to arrive at the disclosure threshold. List only the intangibles that exceed this threshold amount. The value of a leased vehicle is the vehicle's present value minus the lease residual (a number which can be found on the lease document). Property that is only jointly owned property should be valued according to the percentage of your joint ownership. Property owned as tenants by the entirety or as joint tenants with right of survivorship should be valued at 100%. None of your calculations or the value of the property have to be disclosed on the form.

Example: You own 50% of the stock of a small corporation that is worth \$100,000, the estimated fair market value of your home and other property (bank accounts, automobile, furniture, etc.) is \$200,000. As your total assets are worth \$250,000, you must disclose intangibles worth over \$25,000. Since the value of the stock exceeds this threshold, you should list "stock" and the name of the corporation. If your accounts with a particular bank exceed \$25,000, you should list "bank accounts" and bank's name.

## PART E — LIABILITIES

[Required by s. 112.3145(3)(b)4, F.S.]

List the name and address of each creditor to whom you owed any amount that, at any time during the disclosure period, exceeded your net worth. You are not required to list the amount of any debt or your net worth. You do not have to disclose: credit card and retail installment accounts, taxes owed (unless reduced to a judgment), indebtedness on a life insurance policy owed to the company of issuance, or contingent liabilities. A "contingent liability" is one that will become an actual liability only when one or more future events occur or fail to occur, such as where you are liable only as a guarantor, surety, or endorser on a promissory note. If you are a "co-maker" and are jointly liable or jointly and severally liable, it is not a contingent liability.

Calculations: To determine whether the debt exceeds your net worth, total all of your liabilities (including promissory notes, mortgages, credit card debts, judgments against you, etc.). The amount of the liability of a vehicle lease is the sum of any past-due payments and all unpaid prospective lease payments. Subtract the sum total of your liabilities from the value of all your assets as calculated above for Part D. This is your "net worth." List each creditor to whom your debt exceeded this amount unless it is one of the types of indebtedness listed in the paragraph above (credit card and retail installment accounts, etc.). Joint liabilities with others for which you are "jointly and severally liable," meaning that you may be liable for either your part or the whole of the obligation, should be included in your calculations at 100% of the amount owed.

Example: You owe \$15,000 to a bank for student loans, \$5,000 for credit card debts, and \$60,000 (with spouse) to a savings and loan for a home mortgage. Your home (owned by you and your spouse) is worth \$80,000 and your other property is worth \$20,000. Since your net worth is \$20,000 (\$100,000 minus \$80,000), you must report only the name and address of the savings and loan.

## PART F — INTERESTS IN SPECIFIED BUSINESSES

[Required by s. 112.3145, F.S.]

The types of businesses covered in this disclosure include: state and federally chartered banks; state and federal savings and loan associations; cemetery companies; insurance companies; mortgage companies; credit unions; small loan companies; alcoholic beverage licensees; pari-mutuel wagering companies, utility companies, entities controlled by the Public Service Commission; and entities granted a franchise to operate by either a city or a county government.

Disclose in this part the fact that you owned during the disclosure period an interest in, or held any of certain positions with, the types of businesses listed above. You are required to make this disclosure if you own or owned (either directly or indirectly in the form of an equitable or beneficial interest) at any time during the disclosure period more than 5% of the total assets or capital stock of one of the types of business entities listed above. You also must complete this part of the form for each of these types of businesses for which you are, or were at any time during the disclosure period, an officer, director, partner, proprietor, or agent (other than a resident agent solely for service of process).

If you have or held such a position or ownership interest in one of these types of businesses, list the name of the business, its address and principal business activity, and the position held with the business (if any). If you own(ed) more than a 5% interest in the business, indicate that fact and describe the nature of your interest.

## PART G — TRAINING CERTIFICATION

[Required by s. 112.3142, F.S.]

If you are a Constitutional or elected municipal officer whose service began before March 31 of the year for which you are filing, you are required to complete four hours of ethics training which addresses Article II, Section 8 of the Florida Constitution, the Code of Ethics for Public Officers and Employees, and the public records and open meetings laws of the state. You are required to certify on this form that you have taken such training.

**(End of Percentage Thresholds Instructions.)**

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

The Regular Meeting of the Board of Supervisors of the Artisan Lakes Community Development District was held on Tuesday, December 18, 2018 at 3:00 P.M., at the Artisan Lakes Clubhouse, 4725 Los Robles Court, Palmetto, Florida 34221.

**Present and constituting a quorum:**

Scott Himelhoch	Chairperson
Tracy Briones	Vice Chairperson
Travis Stagnita	Assistant Secretary
JD Humpherys	Assistant Secretary
Cheri Bass	Assistant Secretary

**Also present were:**

James P. Ward	District Manager
Jere Earlywine	District Counsel
Jeremy Fireline	District Engineer

**Audience:**

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

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. James P. Ward called the meeting to order at approximately 3:00 p.m., and all Members of the Board were present at roll call.

**SECOND ORDER OF BUSINESS**

**Administration of Oath of Office**

**Administration of Oath of Office for the newly elected Supervisor for Seat 1 from the Landowner's Meeting.**

Mr. Ward, as a Notary Public of the State of Florida, administered the Oath of Office to Ms. Tracy Briones. Following Administration of the Oath, Mr. Ward asked Ms. Briones to sign a copy of the Oath. He explained he would notarize and make the Oath public record.

Ms. Briones asked if she was required to complete a new Form 1 – Statement of Financial Interests. Mr. Ward responded in the negative as she was currently a Member of the Board; she would be required to complete a new form in June of 2019.

**THIRD ORDER OF BUSINESS**

**Consideration of Resolution 2019-10**

**Consideration of Resolution 2019-10 Canvassing and Certifying the Results of the December 6, 2018 Landowners Election.**

Mr. Ward stated Ms. Tracy Briones would hold Section 1, Seat 1, with 313 votes. He stated Ms. Briones would serve a four year term.

**On MOTION made by Mr. Scott Himelhoch, seconded by Ms. Cheri Bass, and with all in favor, Resolution 2019-10 was adopted and the Chair was authorized to sign.**

**FOURTH ORDER OF BUSINESS**

**Consideration of Acceptance of Resignation**

**Consideration of acceptance of the resignation of Mr. Mike Bachman from Seat 3 effective November 19, 2018 and the appointment to fill the vacancy in seat three (3).**

**On MOTION made by Mr. Scott Himelhoch, seconded by Ms. Tracy Briones, and with all in favor, Michael Bachman's Resignation was accepted.**

**FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2019-11**

**Consideration of Resolution 2019-11 re-designating the officers of the Artisan Lakes Community Development District.**

Mr. Ward asked how the Board would like to re-designate the officer's positions. It was agreed to designate Mr. Himelhoch as the Chairperson, Ms. Briones as Vice-Chairperson and the balance of the Board would be designated as Assistant Secretaries. He stated he would serve as the Secretary and Treasurer.

**On MOTION made by Mr. Scott Himelhoch, seconded by Ms. Tracy Briones, and with all in favor, Resolution 2019-11 was adopted as indicated above and the Chair was authorized to sign.**

**SIXTH ORDER OF BUSINESS**

**Consideration of Minutes**

**Consideration of Minutes from November 14, 2018.**

Mr. Ward asked if there were any additions, corrections or deletions to the Minutes. Hearing none, he called for a motion to approve the November 14, 2018 Meeting Minutes.

**On MOTION made by Ms. Tracy Briones, seconded by Mr. Scott Himelhoch, and with all in favor, the November 14, 2018 Meeting Minutes were approved.**

**SEVENTH ORDER OF BUSINESS**

**Staff Reports**

**I. Attorney**

There was no report from the Attorney.

**II. Engineer**

There was no report from the Engineer.

**III. Manager**

There was no report from the Manager.

**EIGHTH ORDER OF BUSINESS**

**Audience Comments and Supervisor's Requests**

There were no Audience Comments or Supervisor's Requests.

**NINTH ORDER OF BUSINESS**

**Adjournment**

Mr. Ward adjourned the meeting at approximately 3:05 p.m.

**On MOTION made by Mr. Scott Himelhoch, seconded by Ms. Cheri Bass, and with all in favor, the meeting was adjourned.**

Artisan Lakes Community Development District

\_\_\_\_\_  
James P. Ward, Secretary

\_\_\_\_\_  
Scott Himelhoch, Chairman

**RESOLUTION 2019-13**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT RATIFYING, CONFIRMING, AND APPROVING THE SALE OF THE ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2018; RATIFYING, CONFIRMING, AND APPROVING THE ACTIONS OF THE CHAIRMAN, VICE CHAIRMAN, TREASURER, SECRETARY, ASSISTANT SECRETARIES, AND ALL DISTRICT STAFF REGARDING THE SALE AND CLOSING OF THE ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2018; DETERMINING SUCH ACTIONS AS BEING IN ACCORDANCE WITH THE AUTHORIZATION GRANTED BY THE BOARD; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Artisan Lakes Community Development District (“District”), is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes; and

**WHEREAS**, the District previously adopted resolutions authorizing the issuance and the negotiated sale of bonds within the scope of Chapter 190, Florida Statutes, including its Capital Improvement Revenue Bonds, Series 2018 (“Series 2018 Bonds”); and

**WHEREAS**, the District closed on the sale of the Series 2018 Bonds on November 16, 2018; and

**WHEREAS**, as prerequisites to the issuance of the Series 2018 Bonds, the Chairman, Vice Chairman, Treasurer, Assistant Secretaries, and District Staff including the District Manager, District Financial Advisor, and District Counsel were required to execute and deliver various documents (“Closing Documents”); and

**WHEREAS**, the District desires to ratify, confirm, and approve all actions of the District Chairman, Vice Chairman, Treasurer, Assistant Secretaries, and District Staff in closing the sale of the Series 2018 Bonds.

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

**SECTION 1.** The sale, issuance, and closing of the Series 2018 Bonds is in the best interests of the District.

**SECTION 2.** The issuance and sale of the Series 2018 Bonds, the adoption of resolutions relating to such bonds, and all actions taken in the furtherance of the closing on such bonds, are hereby declared and affirmed as being in the best interests of the District and are hereby ratified, approved, and confirmed.

**SECTION 3.** The actions of the Chairman, Vice Chairman, Treasurer, Secretary, Assistant Secretaries, and all District Staff in finalizing the closing and issuance of the Series 2018 Bonds, including the execution and delivery of the Closing Documents, and such other certifications or other documents required for the closing on the Series 2018 Bonds, are determined to be in accordance with the prior authorizations of the Board and are hereby ratified, approved, and confirmed in all respects.

**SECTION 4.** If any provision of this Resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

**SECTION 5.** This Resolution shall become effective upon its passage and shall remain in effect unless rescinded or repealed.

**PASSED AND ADOPTED** this 7<sup>th</sup> day of February, 2019.

ATTEST:

**ARTISAN LAKES COMMUNITY  
DEVELOPMENT DISTRICT**

\_\_\_\_\_  
James P. Ward, Secretary

\_\_\_\_\_  
Scott Himelhoch, Chairman



**RESOLUTION 2019-14**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT RESCINDING RESOLUTION 2018-9; DIRECTING STAFF TO SEND NOTICE UNDER A SUPPLEMENTAL PURCHASE & SALE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Artisan Lakes Community Development District ("**District**"), is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*; and

**WHEREAS**, the District previously adopted Resolution 2018-9, which authorized a *Supplemental Purchase & Sale Agreement* dated June 7, 2018 ("**SPSA**") with Taylor Woodrow Communities at Artisan Lakes, LLC ("**Developer**"); and

**WHEREAS**, under the SPSA, the District agreed to acquire certain roadway and utility improvements ("**Improvements**") from the Developer, and convey those Improvements to Manatee County; and

**WHEREAS**, also under the SPSA, the District agreed to enter into an interlocal agreement ("**Interlocal Agreement**") with Artisan Lakes East Community Development District ("**ALECDD**"), which was in the process of being established by Manatee County, in order for ALECDD to assume ALCDD's rights under the SPSA and finance the Improvements, which were to be part of ALECDD's capital improvement plan; and

**WHEREAS**, ultimately, the District and ALECDD did enter into that certain *Interlocal Agreement regarding Artisan Lakes Parkway and Certain Eaves Bend Infrastructure*, but the District did not acquire any of the Improvements, and instead ALECDD itself acquired and financed the Improvements once ALECDD became established; and

**WHEREAS**, accordingly, the transactions contemplated by Resolution 2018-9 were never realized, and the District now desires to rescind Resolution 2018-9 and provide notice of the same.

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

**SECTION 1.** Resolution 2018-9 is hereby rescinded. District Staff is hereby directed to provide notice of the same under the SPSA.

**SECTION 2.** This Resolution shall become effective upon its passage.

**PASSED AND ADOPTED** this 7th day of February, 2019.

ATTEST:

**ARTISAN LAKES COMMUNITY DEVELOPMNT DISTRICT**

\_\_\_\_\_  
James P. Ward, Secretary

\_\_\_\_\_  
Scott Himelhoch, Chairman

This instrument prepared by,  
and when recorded, return to:

Hopping Green & Sams, P.A.  
119 South Monroe Street, Suite 300  
Tallahassee, Florida 32301

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**ASSIGNMENT AND ASSUMPTION OF PROPERTY INTEREST**

THIS ASSIGNMENT AND ASSUMPTION OF PROPERTY INTEREST ("**Assignment**") is made this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between **Artisan Lakes Community Development District**, a local unit of special-purpose government situated in Manatee County, Florida, and having offices at c/o JPWard & Associates, LLC, 2900 Northeast 12<sup>th</sup> Terrace, Suite 1, Oakland Park, Florida 33334 ("**Assignor**" or "**ALCDD**"), and **Artisan Lakes East Community Development District**, a local unit of special-purpose government situated in Manatee County, Florida, and having offices at c/o JPWard & Associates, LLC, 2900 Northeast 12<sup>th</sup> Terrace, Suite 1, Oakland Park, Florida 33334 ("**Assignee**" or "**ALECDD**").

WITNESSETH

WHEREAS, Assignor has previously accepted certain real property interests (together, "**Property Interest**"), as more particularly described in that certain plat identified as Artisan Lakes Eaves Bend, Phase I, Subphases A-K, as recorded in Plat Book 62, Page 58, of the Official Records of Manatee County, Florida, on or around November 2017 ("**Eaves Bend Plat**"); and

WHEREAS, on or about February 26, 2018, and pursuant to ALCDD Resolution 2018-4, ALCDD filed a petition with Manatee County, Florida, to amend the boundaries of the District to remove certain lands from ALCDD, including the lands described in the Eaves Bend Plat; and

WHEREAS, simultaneously, Taylor Woodrow Communities at Artisan Lakes, L.L.C. ("**Developer**"), which was the landowner of the lands described in the Eaves Bend Plat at the time of recording, filed a petition with Manatee County, Florida, to establish ALECDD, located over the Eaves Bend Plat in addition to other adjacent lands, and, as part of that petition, had represented that ALECDD would finance roads, utilities and other infrastructure serving ALECDD; and

WHEREAS, on or around August 21, 2018, the Board of County Commissioners of Manatee County, Florida, adopted Ordinance No. 18-30, amending the boundaries of ALCDD to remove lands, and Ordinance No. 18-31, establishing ALECDD over the lands removed from ALCDD, including those lands described in the Eaves Bend Plat; and

WHEREAS, as a result of the boundary amendment of ALCDD and establishment of ALECCDD, Assignor and Assignee desire that certain related assets with respect to the Property Interest be assigned and transferred from Assignor to Assignee.

NOW, THEREFORE, in consideration of the foregoing premises, the sum of Ten and No/100 Dollars (\$10.00) in hand paid by Assignee to Assignor at and before the execution, sealing and delivery hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby convey and agree, and Assignee does hereby agree, as follows:

1. Assignment. Assignor hereby assigns, conveys, sets over and transfers to Assignee all rights, title, interest, powers, privileges, benefits and options of Assignor, or otherwise accruing to the owner of the Property Interest, in, to and under that certain Eaves Bend Plat.

2. Acceptance. Assignee hereby accepts the assignment of the Property Interest.

3. Further Assurances. Assignor shall do all such additional and further acts, and shall execute and deliver all such additional and further instruments and documents, as Assignee or Assignee's counsel may reasonably require fully to vest in and assure to Assignee full right, title and interest in and to the Property Interest to the full extent contemplated by this Assignment.

4. Miscellaneous. This Assignment shall be binding upon and enforceable against, and shall inure to the benefit of, Assignor and Assignee and their respective legal representatives, successors and assigns. This Assignment shall be governed by, construed under and interpreted and enforced in accordance with the laws of the State of Florida. This Assignment may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed under seal the day and year first above written.

**ASSIGNOR:**

**ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT**

**WITNESSES**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**STATE OF FLORIDA**  
**COUNTY OF \_\_\_\_\_**

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2019, \_\_\_\_\_ as \_\_\_\_\_ of ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT, on behalf of said entity, who appeared before me this day in person, and who is either personally known to me, or produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

(NOTARY SEAL)

Name: \_\_\_\_\_  
(Name of Notary Public, Printed, Stamped or Typed as Commissioned)

**ASSIGNEE:**

**ARTISAN LAKES EAST COMMUNITY  
DEVELOPMENT DISTRICT**

**WITNESSES**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**STATE OF FLORIDA**  
**COUNTY OF \_\_\_\_\_**

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2019, \_\_\_\_\_ as \_\_\_\_\_ of ARTISAN LAKES EAST COMMUNITY DEVELOPMENT DISTRICT, on behalf of said entity, who appeared before me this day in person, and who is either personally known to me, or produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

(NOTARY SEAL)

Name: \_\_\_\_\_  
(Name of Notary Public, Printed, Stamped  
or Typed as Commissioned)

To the Board of Supervisors  
*Artisan Lakes Community Development District*

We have audited the financial statements of Artisan Lakes Community Development District (the "District") as of and for the year ended September 30, 2018, and have issued our report thereon dated January 11, 2019. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated April 28, 2016, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

### **Planned Scope and Timing of the Audit**

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

### **Compliance with All Ethics Requirements Regarding Independence**

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

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in the notes to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2018. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

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

The most sensitive accounting estimate affecting the financial statements is:

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

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

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

### **Disagreements with Management**

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

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated January 11, 2019.

### **Management's Consultations with Other Accountants**

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

### **Other Significant Matters, Findings, or Issues**

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

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

*McDiernit Davis & Company, LLC*

Orlando, Florida  
January 11, 2019



# ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

January 11, 2019

McDirmit Davis & Company, LLC  
934 North Magnolia Ave, Suite 100  
Orlando, FL 32803

This representation letter is provided in connection with your audit of the governmental activities and each major fund of the Artisan Lakes Community Development District as of September 30, 2018 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, and results of operations of the various opinion units of Artisan Lakes Community Development District in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 11, 2019.

## Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated April 28, 2016 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.



*James P. Ward*  
*District Manager*

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PHONE (954) 658-4900  
E-MAIL [JimWard@JPWardAssociates.com](mailto:JimWard@JPWardAssociates.com)

- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All proposed adjustments have been posted to the District's books.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.



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- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- We have reviewed capital assets and infrastructure for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment, if necessary.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

### Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes,<sup>7</sup> and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements



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- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Artisan Lakes Community Development District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Artisan Lakes Community Development District is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).



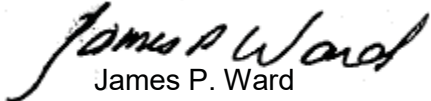
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Artisan Lakes Community Development District

- Artisan Lakes Community Development District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Yours sincerely,  
Artisan Lakes Community Development District

  
James P. Ward  
District Manager



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*District Manager*

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To the Board of Supervisors  
*Artisan Lakes Community Development District*

We have audited the financial statements of Artisan Lakes Community Development District (the "District") as of and for the year ended September 30, 2018, and have issued our report thereon dated January 11, 2019. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated April 28, 2016, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

### **Planned Scope and Timing of the Audit**

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

### **Compliance with All Ethics Requirements Regarding Independence**

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

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in the notes to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2018. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

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

The most sensitive accounting estimate affecting the financial statements is:

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

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

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

### **Disagreements with Management**

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

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated January 11, 2019.

### **Management's Consultations with Other Accountants**

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

### **Other Significant Matters, Findings, or Issues**

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

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

*McDiernit Davis & Company, LLC*

Orlando, Florida  
January 11, 2019



# ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

January 11, 2019

McDirmit Davis & Company, LLC  
934 North Magnolia Ave, Suite 100  
Orlando, FL 32803

This representation letter is provided in connection with your audit of the governmental activities and each major fund of the Artisan Lakes Community Development District as of September 30, 2018 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, and results of operations of the various opinion units of Artisan Lakes Community Development District in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 11, 2019.

## Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated April 28, 2016 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
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- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
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- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
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- Special items and extraordinary items have been properly classified and reported.
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  - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

### Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes,<sup>7</sup> and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements



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- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Artisan Lakes Community Development District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Artisan Lakes Community Development District is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).



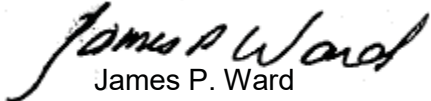
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Artisan Lakes Community Development District

- Artisan Lakes Community Development District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Yours sincerely,  
Artisan Lakes Community Development District

  
James P. Ward  
District Manager



*James P. Ward*  
*District Manager*

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# Financial Report

September 30, 2018

**Artisan Lakes**

**Community Development District**

Lutheran  
Counseling Serv

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
*Artisan Lakes Community Development District*

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the *Artisan Lakes Community Development District* (the "District"), as of and for the year ended September 30, 2018, 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

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 principles 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.

**MCDIRMIT DAVIS & COMPANY, LLC**  
934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM



## **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, 2018, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated January 11, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*McDiarmid Davis & Company LLC*

Orlando, Florida  
January 11, 2019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the *Artisan Lakes Community Development District's* (the "District") financial performance provides an overview of the District's financial activities for the fiscal years ended September 30, 2018 and 2017. Please read it in conjunction with the District's financial statements which immediately follow this discussion.

### Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2018:

- The District's total assets exceeded its liabilities at September 30, 2018 by \$992,421, an increase of \$310,498 in the government wide statement on page 8, in comparison with the prior year. This increase is primarily attributable to property owner's prepaying the entire special assessment for their property. Government wide statements do not consider principal to be an expense.
- At September 30, 2018, the District's governmental funds reported a combined fund balance of \$1,271,405, a decrease of \$168,644 in comparison with the prior year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements.

### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (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 has one fund type: 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 year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The governmental fund financial statements can be found on pages 9 through 12 of this report.

### Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 13 through 26 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statements of net position as of September 30, 2018 and 2017:

Artisan Lakes Community Development District  
Statement of Net Position

	<b>September 30, 2018</b>	<b>September 30, 2017</b>
Assets, excluding capital assets	\$ 1,276,322	\$ 1,446,974
Capital Assets, net of depreciation	6,215,490	6,548,629
Total assets	<u>7,491,812</u>	<u>7,995,603</u>
Liabilities, excluding long-term liabilities	189,391	213,680
Long-term Liabilities	<u>6,310,000</u>	<u>7,100,000</u>
Total liabilities	<u>6,499,391</u>	<u>7,313,680</u>
Net Position		
Net investment in capital assets	(94,510)	(551,371)
Restricted for debt service	997,227	1,150,749
Unrestricted	<u>89,704</u>	<u>82,545</u>
Total net position	<u>\$ 992,421</u>	<u>\$ 681,923</u>

Governmental activities for the year ended September 30, 2018 increased the District's net position by \$310,498, as reflected in the table below:

Changes in Net Position  
Year ended September 30,

	<b>2018</b>	<b>2017</b>
Revenues:		
Program revenues	\$ 1,181,832	\$ 1,408,493
General revenues	-	-
Total revenues	<u>1,181,832</u>	<u>1,408,493</u>
Expenses:		
General government	410,903	351,172
Interest on long-term debt	<u>460,431</u>	<u>513,490</u>
Total expenses	<u>871,334</u>	<u>864,662</u>
Change in net position	310,498	543,831
Net position - beginning	<u>681,923</u>	<u>138,092</u>
Net position - ending	<u>\$ 992,421</u>	<u>\$ 681,923</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, an unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year. The General and Debt Service Funds comprise the total governmental funds. The fund balance of the Debt Service Fund decreased by \$175,803 in the current year because assessment revenue did not exceed debt service payments. The fund balance of the General Fund increased \$7,159 from the prior year.

### Capital Asset and Debt Administration

The District's investment in capital assets, net of accumulated depreciation, for its governmental activities as of September 30, 2018, amounts to \$6,215,490 and consists of land and improvements and infrastructure.

At the end of the year, the District had total bonded debt outstanding of \$6,310,000. The District's debt represents bonds secured solely by a specified revenue source (i.e., revenue bonds).

Additional information on the District's long-term debt can be found in Note 5 on pages 24 through 25 of this report.

### General Fund Budgetary Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. There were no amendments to the general fund budget. The legal level of budgetary control is at the fund level.

### Requests for Information

This financial report is designed to provide a general overview of *Artisan Lakes Community Development District's* finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Artisan Lakes Community Development District; JPWard & Associates, LLC, 2900 Northeast 12<sup>th</sup> Terrace, Suite 1, Oakland Park, Florida 33334.

## **FINANCIAL STATEMENTS**

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

**STATEMENT OF NET POSITION**

September 30, 2018

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash	\$ 81,634
Assessments receivable	8,123
Prepaid costs	5,886
Restricted assets:	
Temporarily restricted investments	1,180,679
Capital assets:	
Capital assets being depreciated, net	<u>6,215,490</u>
Total assets	<u>7,491,812</u>
<b>Liabilities:</b>	
Accounts payable and accrued expenses	4,917
Accrued interest payable	184,474
Noncurrent liabilities:	
Due within one year	90,000
Due in more than one year	<u>6,220,000</u>
Total liabilities	<u>6,499,391</u>
<b>Net Position:</b>	
Net investment in capital assets	(94,510)
Restricted for debt service	997,227
Unrestricted	<u>89,704</u>
Total net position	<u><u>\$ 992,421</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

**STATEMENT OF ACTIVITIES**

Year Ended September 30, 2018

<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Program Revenue</u></b>		<b><u>Net (Expense)</u></b>
		<b><u>Charges for</u></b>	<b><u>Operating</u></b>	<b><u>Revenue and</u></b>
		<b><u>Services</u></b>	<b><u>Grants and</u></b>	<b><u>Changes in Net</u></b>
			<b><u>Contributions</u></b>	<b><u>Position</u></b>
				<b><u>Governmental</u></b>
				<b><u>Activities</u></b>
Governmental Activities:				
General government	\$ 410,903	\$ 84,923	\$ -	\$ (325,980)
Interest on long-term debt	460,431	1,085,054	11,855	636,478
Total governmental activities	<u>\$ 871,334</u>	<u>\$ 1,169,977</u>	<u>\$ 11,855</u>	<u>310,498</u>
General Revenues:				-
Change in net position				310,498
Net Position - beginning				<u>681,923</u>
Net Position - ending				<u>\$ 992,421</u>

The accompanying Notes to Financial Statements are an integral part of this statement.



ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

September 30, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash	\$ 81,634	\$ -	\$ 81,634
Investments	-	1,180,679	1,180,679
Assessments receivable	8,123	-	8,123
Due from other funds	-	1,022	1,022
Prepaid costs	5,886	-	5,886
	<u>5,886</u>	<u>-</u>	<u>5,886</u>
Total assets	<u>\$ 95,643</u>	<u>\$ 1,181,701</u>	<u>\$ 1,277,344</u>
<b>Liabilities and Fund Balances:</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 4,917	\$ -	\$ 4,917
Due to other funds	1,022	-	1,022
	<u>1,022</u>	<u>-</u>	<u>1,022</u>
Total liabilities	<u>5,939</u>	<u>-</u>	<u>5,939</u>
Fund Balances:			
Nonspendable	5,886	-	5,886
Restricted for debt service	-	1,181,701	1,181,701
Unassigned	83,818	-	83,818
	<u>83,818</u>	<u>-</u>	<u>83,818</u>
Total fund balances	<u>89,704</u>	<u>1,181,701</u>	<u>1,271,405</u>
Total liabilities and fund balances	<u>\$ 95,643</u>	<u>\$ 1,181,701</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 6,215,490

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

Accrued interest payable	(184,474)	
Bonds payable	<u>(6,310,000)</u>	<u>(6,494,474)</u>
<b>Net Position of Governmental Activities</b>		<u>\$ 992,421</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

Year Ended September 30, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Special assessments	\$ 84,923	\$ 478,126	\$ 563,049
Special assessments - prepayments	-	606,928	606,928
Investment income	-	11,855	11,855
Total revenues	<u>84,923</u>	<u>1,096,909</u>	<u>1,181,832</u>
<b>Expenditures:</b>			
Current:			
General government	77,764	-	77,764
Debt service:			
Interest	-	482,712	482,712
Principal	-	790,000	790,000
Total expenditures	<u>77,764</u>	<u>1,272,712</u>	<u>1,350,476</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	7,159	(175,803)	(168,644)
<b>Fund Balances - beginning of year</b>	<u>82,545</u>	<u>1,357,504</u>	<u>1,440,049</u>
<b>Fund Balances - end of year</b>	<u><u>\$ 89,704</u></u>	<u><u>\$ 1,181,701</u></u>	<u><u>\$ 1,271,405</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES**

Year Ended September 30, 2018

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

Net Change in Fund Balances - total governmental funds (page 10)	\$ (168,644)
Depreciation on capital assets is not recognized in the governmental fund statement, however, depreciation is reported as an expense in the statement of net position.	(333,139)
Repayments of long-term liabilities are reported as expenditures in governmental funds, while repayments reduce long-term liabilities in the statement of net position.	790,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in accrued interest	<u>22,281</u>
Change in Net Position of Governmental Activities (page 8)	<u><u>\$ 310,498</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**

Year Ended September 30, 2018

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Special Assessments	\$ 76,682	\$ 76,682	\$ 84,923	\$ 8,241
Total revenues	<u>76,682</u>	<u>76,682</u>	<u>84,923</u>	<u>8,241</u>
<b>Expenditures:</b>				
Current:				
General government	<u>76,574</u>	<u>76,574</u>	<u>77,764</u>	<u>(1,190)</u>
Total expenditures	<u>76,574</u>	<u>76,574</u>	<u>77,764</u>	<u>(1,190)</u>
Net change in fund balance	108	108	7,159	7,051
Fund Balance - beginning	<u>82,545</u>	<u>82,545</u>	<u>82,545</u>	<u>-</u>
Fund Balance - ending	<u>\$ 82,653</u>	<u>\$ 82,653</u>	<u>\$ 89,704</u>	<u>\$ 7,051</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS**

## ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

### **NOTES TO FINANCIAL STATEMENTS**

Year Ended September 30, 2018

#### **Note 1 - Organization and Operations**

The Artisan Lakes Community Development District (the "District") was established on August 16, 2007, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190 of the Florida Statutes by Manatee County Ordinance 07-64. The Act provides, among other things, the power to manage basic services for community development, the 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 purpose of planning, financing, constructing, operating and maintaining certain portions of community-wide infrastructure. The District consists of 664 acres of land and is located entirely within Manatee County, Florida.

The District is governed by a Board of Supervisors (the "Board"), which is composed of five members. The Supervisors are elected on an at large basis by the owners of property within the District, and ownership of land within the District entitles the owner to one vote per acre. Four of the Board members are affiliated with Taylor Woodrow Communities at Artisan Lakes, LLC (the "Developer") at September 30, 2018. The District is economically dependent on the Developer. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has a final responsibility for:

- Assessing and levying special assessments
- Approving and adopting budgets
- Exercising control over facilities and property
- Controlling the use of funds generated by the District
- Hiring the District Manager, District Engineer and District Attorney
- Financing, operating and maintaining improvements.

#### **Note 2 - Summary of Significant Accounting Policies:**

The accounting policies of the District conform to Generally Accepted Accounting Principles (GAAP) as applicable to governments in accordance with those promulgated by the Governmental Accounting Standards Board (GASB). The District's more significant accounting policies are described below:

##### **The Financial Reporting Entity**

The criteria used for including component units consist of identification of legally separate organizations for which the Board of Supervisors of the District are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting district's financial statements to be misleading or incomplete. Based upon this review, there were no potential component units of the District.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2018

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Basis of Presentation**

**Financial Statements - Government-Wide and Fund Financial Statements**

The financial statements include both government-wide and fund financial statements.

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the district's activities are classified as governmental activities.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2018, the District did not have any business-type activities and therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use or directly benefit from goods or services) are reported as general revenues. In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full-accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations, when and if applicable.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The net costs, by function, are also supported by general revenues. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is more on the ability to sustain the District as an entity and the change in the District's net position resulting from the current year's activities.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2018

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Basis of Presentation (Continued)**

**Financial Statements - Fund Financial Statements**

The accounts of the District are organized on the basis of funds. The operations of the funds are accounted for with separate self-balancing accounts that comprise their assets, liabilities, fund equity, revenues and expenditures.

The District reports the following governmental funds:

**General Fund** - This fund is used to account for all operating activities of the District. At this time, revenues are derived principally from non-ad valorem assessments and interest income.

**Debt Service Fund** - This fund is used to account for the accumulation of resources for and the payment of long-term debt principal, interest and other financing costs.

For the year ended September 30, 2018, the District does not report any proprietary funds.

**Measurement Focus, Basis of Accounting and Presentation**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the government-wide statements use the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current year.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.



ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2018

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Budget**

A budget is adopted for the General Fund on an annual basis. Appropriations lapse at fiscal year-end. Changes or amendments to the total budgeted expenditures of the District must be approved by the District Board of Supervisors.

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 property owner's comments.
- c. Prior to October 1, the budget is legally adopted by the District Board.
- d. The budgets are adopted on a basis consistent with generally accepted accounting principles.

**Excess Expenditures Over Appropriations**

For the year ended September 30, 2018, expenditures exceeded appropriations for the General Fund.

**Cash, Cash Equivalents and Investments**

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

Investments of the District are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The District's investments consist of investments authorized in accordance with Section 218.415, Florida Statutes.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2018

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Capital Assets**

Capital assets, which include land and improvements, infrastructure and machinery and equipment, are reported in the governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$750 and an estimated useful life in excess of one year. Such assets are recorded at 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 asset lives are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Stormwater Improvements	25
Parkway Improvements	20

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.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2018.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2018.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2018

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Special Assessments**

The District's Assessments are included on the property tax bill that all landowners 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 provided that County taxes become due and payable on November 1 of the year when assessed or as soon thereafter as 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 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 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 the notices to taxpayers may result in a delay throughout this process.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2018

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Special Assessments (Continued)**

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 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 year old or older may defer taxes and assessments in their entirety.

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 Assessment due.

**Equity Classifications**

Government-wide statements:

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation, if applicable, and reduced by the outstanding balances of any bonds, or other borrowings that are attributable to the acquisition, construction or improvement of those assets
- b. Restricted net position - consist of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2018

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Fund Statements**

The District presents fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement requires that governmental fund financial statements presents fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants.

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Supervisors (the "Board"). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed fund balance as of September 30, 2018.

Assigned - This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District did not have any assigned fund balances as of September 30, 2018.

Unassigned - This classification includes the residual fund balance for the General Fund.

When the District has expenditures for which committed, assigned or unassigned fund balance is available, the District would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2018

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**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 - Deposits and Investments:**

Deposits

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by Governmental Accounting Standards Board, Statement Number 40, *Deposits and Investment Disclosures (an Amendment of Governmental Accounting Standards Board, Statement Number 3)*.

Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Under GASB 72, assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2018

**Note 3 - Deposits and Investments (Continued):**

Investments (Continued)

The following is a summary of the District's investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
First American Government Obligation Fund Class Y	\$ 1,180,679	AAAm	26 days

The District has the following recurring fair value measurements as of September 30, 2018:

- Money market mutual funds of \$1,180,679 are valued using Level 2 inputs.

Credit Risk

Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency. The money market mutual funds held by the District are rated AAAm by Standard and Poor's and AAA-mf by Moody's Investors Service.

Custodial Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. The money market mutual funds are not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk

Florida Statutes provide that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due.

Concentration Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2018, the District's investments were not subject to custodial credit risk.

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2018

**Note 4 - Capital Assets:**

Capital asset activity for the year ended September 30, 2018 was as follows:

	<b>Beginning Balance October 1, 2017</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at September 30, 2018</b>
<b>Governmental Activities:</b>				
Capital Assets Being Depreciated:				
Stormwater improvements	\$ 3,966,480	\$ -	\$ -	\$ 3,966,480
Parkway improvements	3,489,593	-	-	3,489,593
Total capital assets being depreciated	<u>7,456,073</u>	<u>-</u>	<u>-</u>	<u>7,456,073</u>
Total capital assets	<u>7,456,073</u>	<u>-</u>	<u>-</u>	<u>7,456,073</u>
Less Accumulated Depreciation for:				
Stormwater improvements	(475,477)	(158,659)	-	(634,136)
Parkway improvements	(431,967)	(174,480)	-	(606,447)
Total accumulated depreciation	<u>(907,444)</u>	<u>(333,139)</u>	<u>-</u>	<u>(1,240,583)</u>
Total capital assets being depreciated, net	<u>6,548,629</u>	<u>(333,139)</u>	<u>-</u>	<u>6,215,490</u>
Governmental activities capital assets, net	<u>\$ 6,548,629</u>	<u>\$ (333,139)</u>	<u>\$ -</u>	<u>\$ 6,215,490</u>

Provision for depreciation was charged to functions as follows:

Governmental Activities:

General government	<u>\$ 333,139</u>
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ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2018

**Note 5 - Long-Term Debt:**

Summary of Long-Term Debt of Governmental Activities

Long-term debt of the governmental activities at September 30, 2018 is comprised of the following:

\$8,515,000 Capital Improvement Revenue Bonds, Series 2013; due in annual installments commencing 2015 through 2044; interest payable semi-annually ranging from 6.75% to 7.25%.	<u>\$ 6,310,000</u>
--	---------------------

The following is a summary of changes in governmental activities long-term debt for the year ended September 30, 2018:

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2018</u>	<u>Due Within One Year</u>
Special Assessment Revenue Bonds, Series 2013	\$ 7,100,000	\$ -	\$ (790,000)	\$ 6,310,000	\$ 90,000
Total	<u>\$ 7,100,000</u>	<u>\$ -</u>	<u>\$ (790,000)</u>	<u>\$ 6,310,000</u>	<u>\$ 90,000</u>

Summary of Significant Debt Terms of Governmental Activities

In December 2013, the District issued \$8,515,000 Series 2013 Capital Improvement Revenue Bonds consisting of Series 2013A-1 \$1,480,000 due May 1, 2034 at 6.75% interest, Series 2013A-1 \$1,950,000 due May 1, 2044 at 7.0% interest, Series 2013A-2 \$2,585,000 due May 1, 2044 at 6.75% interest, and Series 2013A-3 \$2,500,000 due May 1, 2044 at 7.25% interest. The Bonds were issued for the purpose of funding certain capital projects within the boundaries of the District. Interest is payable semi-annually on the first day of each May and November. The bonds are secured by a pledge of revenues derived from the collection of non-ad valorem special assessments.

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2018

**Note 5 - Long-Term Debt (Continued):**

Summary of Significant Debt Terms of Governmental Activities (Continued)

The District is required by the Bond Indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments is restricted and applied to the debt service requirements of the Bond issue. Further, the District covenants to levy special assessments in annual amounts adequate to provide for the payment of principal and interest on the Bonds as they become due.

The Bonds are subject to redemption at the option of the District prior to their maturity and on or after May 1, 2024. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture requires a reserve fund requirement as well as other restrictions and requirements related principally to the use of proceeds to pay for the infrastructure improvement and the procedures to be followed by the District on assessments to property owners. As of September 30, 2018, the reserve fund account balance was sufficient to satisfy this requirement.

Total principal and interest remaining the Bonds is \$14,430,726. For the current year ended September 30, 2018, total principal and interest paid on the Bonds was \$1,272,712 and special assessment revenue pledged was \$1,085,054.

The annual debt service requirements for the Series 2013 Capital Improvement Revenue Bonds consist of:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 90,000	\$ 442,738	\$ 532,738
2020	95,000	436,513	531,513
2021	100,000	429,925	529,925
2022	110,000	423,000	533,000
2023	120,000	415,375	535,375
2024 - 2028	725,000	1,941,626	2,666,626
2029 - 2033	1,030,000	1,651,025	2,681,025
2034 - 2038	1,465,000	1,705,588	3,170,588
2039 - 2043	2,070,000	639,224	2,709,224
2044	505,000	35,712	540,712
	<u>\$ 6,310,000</u>	<u>\$ 8,120,726</u>	<u>\$ 14,430,726</u>

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2018

**Note 6 - 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. To mitigate this risk, the District purchases an insurance policy that provides coverage for the cost of general liability for the year ending September 30, 2018. Another insurance policy carried by the District during the year includes public official's liability. Deductible amounts ranged from \$0 to \$2,500. There have been no claims against the District during the last three fiscal years.

**Note 7 - Concentration:**

A significant portion of the District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a materially adverse effect on the District's ability to pay the principal and interest on the District Series 2013 Bonds, along with the operations of the District. For the period ending September 30, 2018, the Developer's share of annual assessment revenue was 23%. Prepayment of total lot debt is not mandatory by property owners.

At September 30, 2018, four of the members of the Board of Supervisors are affiliated with the Developer.

**Note 8 - Subsequent Events:**

Subsequent to year end, the District issued \$6,760,000 Capital Improvement Revenue Bonds, Series 2018 to fund additional improvements within the District.

**COMPLIANCE SECTION**

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

To the Board of Supervisors  
*Artisan Lakes Community Development District*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the *Artisan Lakes Community Development District* (the "District") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 11, 2019.

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

MCDIRMIT DAVIS & COMPANY, LLC

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

## Compliance and Other Matters

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

*McDiarmid Davis & Company LLC*

Orlando, Florida  
January 11, 2019

## MANAGEMENT COMMENTS

Board of Supervisors  
*Artisan Lakes Community Development District*

### Report on the Financial Statements

We have audited the financial statements of the *Artisan Lakes Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated January 11, 2019.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550. Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent 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 January 11, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

**MCDIRMIT DAVIS & COMPANY, LLC**

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

## **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

## **Additional Matters**

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

## **Purpose of this Letter**

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

*McDiernit Davis & Company, LLC*

Orlando, Florida  
January 11, 2019



**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH  
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

Board of Supervisors  
*Artisan Lakes Community Development District*

We have examined Artisan Lakes Community Development District's (the District) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2018. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

*MCDIRMIT DAVIS & COMPANY, LLC*

Orlando, Florida  
January 11, 2019

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*Artisan Lakes Community Development District*

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*Financial Statements*

*November 30, 2018*



*Prepared by:*

***JPWARD AND ASSOCIATES LLC***

***2900 NORTHEAST 12TH TERRACE  
SUITE 1***

***OAKLAND PARK, FLORIDA 33334***

***E-MAIL: JIMWARD@JPWARDASSOCIATES.COM***

***PHONE: (954) 658-4900***

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*Artisan Lakes Community Development District*

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*JPWard & Associates, LLC*  
*2900 Northeast 12th Terrace*  
*Suite 1*  
*Oakland Park, Florida 33334*

**Artisan Lakes Community Development District  
Balance Sheet  
for the Period Ending November 30, 2018**

Governmental Funds				
	General Fund	Series 2013	Account Groups General Long Term Debt	Totals (Memorandum Only)
<b>Assets</b>				
<b>Cash and Investments</b>				
General Fund - Invested Cash	\$ 111,135	\$ -	\$ -	\$ 111,135
Debt Service Fund				
Interest Account				-
Series 2013 A-1	-	-	-	-
Series 2013 A-2	-	-	-	-
Series 2013 A-3	-	-	-	-
Sinking Account				-
Series 2013 A-1	-	-	-	-
Series 2013 A-2	-	-	-	-
Series 2013 A-3	-	-	-	-
Reserve Account				-
Series 2013 A-1	-	273,913	-	273,913
Series 2013 A-2	-	56,344	-	56,344
Series 2013 A-3	-	206,981	-	206,981
Revenue				-
Series 2013 A-1 and A-2	-	181,757	-	181,757
Series 2013 A-3	-	825	-	825
Prepayment Account				-
Series 2013 A-1	-	-	-	-
Series 2013 A-2	-	40,506	-	40,506
<b>Due from Other Funds</b>				-
General Fund	-	29,769	-	29,769
Debt Service Fund(s)				-
<b>Accounts Receivable</b>				-
<b>Assessments Receivable</b>				-
<b>Amount Available in Debt Service Funds</b>			790,095	790,095
<b>Amount to be Provided by Debt Service Funds</b>			5,194,905	5,194,905
<b>Total Assets</b>	<b>\$ 111,135</b>	<b>\$ 790,095</b>	<b>\$ 5,985,000</b>	<b>\$ 6,886,230</b>

Prepared by:

**JPWARD and Associates, LLC**

**Artisan Lakes Community Development District  
Balance Sheet  
for the Period Ending November 30, 2018**

	Governmental Funds			Totals (Memorandum Only)
	General Fund	Series 2013	Account Groups General Long Term Debt	
<b>Liabilities</b>				
<b>Accounts Payable &amp; Payroll Liabilities</b>	\$ -	\$ -	\$ -	\$ -
<b>Due to Other Funds</b>	-	-	-	-
General Fund	-	-	-	-
Debt Service Fund(s)	29,769	-	-	29,769
<b>Bonds Payable</b>	-	-	-	-
Current Portion	-	-	-	-
Series 2013 A-1	-	-	\$45,000	-
Series 2013 A-2	-	-	\$20,000	-
Series 2013 A-3	-	-	\$30,000	-
Long Term	-	-	-	-
Series 2013 A-1	-	-	\$3,215,000	-
Series 2013 A-2	-	-	\$315,000	-
Series 2013 A-3	-	-	\$2,360,000	-
<b>Total Liabilities</b>	<b>\$ 29,769</b>	<b>\$ -</b>	<b>\$ 5,985,000</b>	<b>\$ 29,769</b>
<b>Fund Equity and Other Credits</b>				
<b>Investment in General Fixed Assets</b>	-	-	-	-
<b>Fund Balance</b>				
<b>Restricted</b>				
Beginning: October 1, 2018 (Unaudited)	-	1,181,700	-	1,181,700
Results from Current Operations	-	(391,605)	-	(391,605)
<b>Unassigned</b>				
Beginning: October 1, 2018 (Unaudited)	83,817	-	-	83,817
Results from Current Operations	(2,452)	-	-	(2,452)
<b>Total Fund Equity and Other Credits</b>	<b>\$ 81,365</b>	<b>\$ 790,095</b>	<b>\$ -</b>	<b>\$ 871,460</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 111,135</b>	<b>\$ 790,095</b>	<b>\$ 5,985,000</b>	<b>\$ 901,230</b>

Prepared by:

**JPWARD and Associates, LLC**

**Artisan Lakes Community Development District**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through November 30, 2018**

Description	October	November	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>					
Carryforward	\$ -	\$ -	-	\$ -	#DIV/0!
<b>Interest</b>					
Interest - General Checking	-	-	-	-	N/A
<b>Special Assessment Revenue</b>					
Special Assessments - On-Roll	-	8,404	8,404	74,185	11%
Special Assessments - Off-Roll	-	-	-	-	0%
<b>Developer Contribution</b>					
Developer Contribution	-	-	-	-	N/A
<b>Intragovernmental Transfer In</b>					
Intragovernmental Transfer In	-	-	-	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ -</b>	<b>\$ 8,404</b>	<b>8,404</b>	<b>\$ 74,185</b>	<b>11%</b>
<b>Expenditures and Other Uses</b>					
<b>Executive</b>					
Professional Management	1,667	1,667	3,333	20,000	17%
<b>Financial and Administrative</b>					
Audit Services	-	-	-	4,200	0%
Accounting Services	-	-	-	-	N/A
Assessment Roll Services	-	-	-	-	N/A
Arbitrage Rebate Services	-	-	-	500	0%
<b>Other Contractual Services</b>					
Legal Advertising	-	2,230	2,230	5,000	45%
Trustee Services	-	-	-	5,725	0%
Dissemination Agent Services	-	-	-	5,000	0%
Property Appraiser Fees	-	-	-	-	N/A
Bank Service Fees	15	30	46	360	13%
<b>Communications &amp; Freight Services</b>					
Postage, Freight & Messenger	100	10	109	750	15%

**Artisan Lakes Community Development District**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through November 30, 2018**

Description	October	November	Year to Date	Total Annual Budget	% of Budget
<b>Computer Services - Website Development</b>	50	50	100	875	11%
<b>Insurance</b>	4,512	-	4,512	5,000	90%
<b>Printing &amp; Binding</b>		351	351	750	47%
<b>Subscription &amp; Memberships</b>	175	-	175	175	100%
<b>Legal Services</b>					
Legal - General Counsel	-	-	-	13,000	0%
Legal - Boundary Amendment	-	-	-	-	N/A
<b>Other General Government Services</b>					
Engineering Services	-	-	-	2,850	0%
Contingencies	-	-	-	-	N/A
Other Current Charges	-	-	-	-	N/A
<b>Reserves</b>					
Operational Reserves (Future Years)			-	10,000	0%
<b>Other Fees and Charges</b>	-	-	-	-	N/A
Discounts/Collection Fees			-	-	
<b>Sub-Total:</b>	<b>6,518</b>	<b>4,337</b>	<b>10,856</b>	<b>74,185</b>	<b>15%</b>
 <b>Total Expenditures and Other Uses:</b>	<b>\$ 6,518</b>	<b>\$ 4,337</b>	<b>\$ 10,856</b>	<b>\$ 74,185</b>	<b>15%</b>
 Net Increase/ (Decrease) in Fund Balance	(6,518)	4,067	(2,452)	-	
Fund Balance - Beginning	83,817	77,299	83,817	-	
<b>Fund Balance - Ending</b>	<b>\$ 77,299</b>	<b>\$ 81,366</b>	<b>81,366</b>	<b>\$ -</b>	

**Artisan Lakes Community Development District**  
**Debt Service Fund - Series 2013**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through November 30, 2018**

Description	October	November	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>					
Carryforward	\$ -	\$ -	-	\$ -	N/A
Interest Income	1,475	1,860	3,335		N/A
<b>Special Assessment Revenue</b>					
Special Assessments - On-Roll	-	-	-	\$ 272,950	0%
Series 2013 Bonds A-1	\$ -	\$ 30,922	30,922	\$ -	N/A
Series 2013 Bonds A-2			-	\$ -	N/A
Series 2013 Bonds A-3			-	\$ -	N/A
Special Assessments - Off-Roll	-	-	-		
Series 2013 Bonds A-1	\$ -	\$ -	-	\$ -	N/A
Series 2013 Bonds A-2			-	\$ 99,313	0%
Series 2013 Bonds A-3	\$ 80,000		80,000	\$ 205,450	39%
Special Assessments - Prepayments				-	
Series 2013 Bonds A-1			-		N/A
Series 2013 Bonds A-2	40,506	-	40,506		0%
Intragovernmental Transfer In	-	-	-	-	0%
<b>Total Revenue and Other Sources:</b>	<b>\$ 121,981</b>	<b>\$ 32,782</b>	<b>154,764</b>	<b>\$ 577,713</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>					
<b>Debt Service</b>					
<b>Principal Debt Service - Mandatory</b>					
Series 2013 Bonds A-1	\$ -	\$ -	-	\$ 45,000	0%
Series 2013 Bonds A-2			-	\$ 20,000	0%
Series 2013 Bonds A-3			-	\$ 30,000	0%
<b>Principal Debt Service - Early Redemptions</b>					
Series 2013 Bonds A-1	-	-	-	-	N/A
Series 2013 Bonds A-2	-	325,000	325,000	-	N/A
Series 2013 Bonds A-3	-	-	-	-	N/A
<b>Interest Expense</b>					
Series 2013 Bonds A-1	-	112,456	112,456	227,950	49%
Series 2013 Bonds A-2		22,275	22,275	79,313	28%
Series 2013 Bonds A-3		86,638	86,638	175,450	49%
Operating Transfers Out (To Other Funds)	-	-	-	-	N/A
<b>Total Expenditures and Other Uses:</b>	<b>\$ -</b>	<b>\$ 546,369</b>	<b>546,369</b>	<b>\$ 577,713</b>	<b>N/A</b>
Net Increase/ (Decrease) in Fund Balance	121,981	(513,586)	(391,605)	-	
Fund Balance - Beginning	1,181,700	1,303,682	1,181,700	-	
<b>Fund Balance - Ending</b>	<b>\$ 1,303,682</b>	<b>\$ 790,095</b>	<b>790,095</b>	<b>\$ -</b>	



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*Artisan Lakes Community Development District*

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*Financial Statements*

*December 31, 2018*



*Prepared by:*

***JPWARD AND ASSOCIATES LLC***

***2900 NORTHEAST 12TH TERRACE  
SUITE 1***

***OAKLAND PARK, FLORIDA 33334***

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*Artisan Lakes Community Development District*

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*JPWard & Associates, LLC*  
*2900 Northeast 12th Terrace*  
*Suite 1*  
*Oakland Park, Florida 33334*

**Artisan Lakes Community Development District  
Balance Sheet  
for the Period Ending December 31, 2018**

	Governmental Funds				Capital Project Fund	Account Groups General Long Term Debt	Totals (Memorandum Only)
	General Fund	Debt Service Funds		Series 2018			
		Series 2013	Series 2018	Series 2018			
<b>Assets</b>							
<b>Cash and Investments</b>							
General Fund - Invested Cash	\$ 136,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,077
Debt Service Fund							
Interest Account							
Series 2013 A-1	-	28	-	-	-	-	28
Series 2013 A-2	-	4	-	-	-	-	4
Series 2013 A-3	-	26	-	-	-	-	26
Series 2018	-	-	-	-	-	-	-
Sinking Account							
Series 2013 A-1	-	-	-	-	-	-	-
Series 2013 A-2	-	-	-	-	-	-	-
Series 2013 A-3	-	-	-	-	-	-	-
Series 2018	-	-	-	-	-	-	-
Reserve Account							
Series 2013 A-1	-	273,913	-	-	-	-	273,913
Series 2013 A-2	-	56,344	-	-	-	-	56,344
Series 2013 A-3	-	206,981	-	-	-	-	206,981
Series 2018	-	-	137,266	-	-	-	137,266
Revenue							
Series 2013 A-1 and A-2	-	435,013	-	-	-	-	435,013
Series 2013 A-3	-	827	-	-	-	-	827
Series 2018	-	-	-	-	-	-	-
Prepayment Account							
Series 2013 A-1	-	-	-	-	-	-	-
Series 2013 A-2	-	40,506	-	-	-	-	40,506
Series 2018	-	-	-	-	-	-	40,506
Capitalized Interest Account				343,886	-		343,886
Construction Account					1,512,486		1,512,486
Cost of Issuance Account					8,029		8,029

**Artisan Lakes Community Development District  
Balance Sheet  
for the Period Ending December 31, 2018**

	Governmental Funds				Account Groups		Totals (Memorandum Only)
	General Fund	Debt Service Funds		Capital Project Fund	General Long	Term Debt	
		Series 2013	Series 2018	Series 2018			
<b>Due from Other Funds</b>							
General Fund	-	-	-	-	-	-	-
Debt Service Fund(s)	-	-	-	-	-	-	-
<b>Accounts Receivable</b>	-	-	-	-	-	-	-
<b>Assessments Receivable</b>	-	-	-	-	-	-	-
<b>Amount Available in Debt Service Funds</b>	-	-	-	-	1,013,641	-	1,013,641
<b>Amount to be Provided by Debt Service Funds</b>	-	-	-	-	11,731,359	-	11,731,359
<b>Total Assets</b>	<b>\$ 136,077</b>	<b>\$ 1,013,641</b>	<b>\$ 481,152</b>	<b>\$ 1,520,515</b>	<b>\$ 12,745,000</b>	<b>\$ -</b>	<b>\$ 15,896,386</b>

**Artisan Lakes Community Development District  
Balance Sheet  
for the Period Ending December 31, 2018**

	Governmental Funds				Account Groups General Long Term Debt	Totals (Memorandum Only)
	General Fund	Debt Service Funds Series 2013	Series 2018	Capital Project Fund Series 2018		
<b>Liabilities</b>						
<b>Accounts Payable &amp; Payroll Liabilities</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Due to Other Funds</b>	-	-	-	-	-	-
General Fund	-	-	-	-	-	-
Debt Service Fund(s)	-	-	-	-	-	-
<b>Bonds Payable</b>						
Current Portion						
Series 2013 A-1					\$45,000	45,000
Series 2013 A-2					\$20,000	20,000
Series 2013 A-3					\$30,000	30,000
Series 2018					\$0	-
Long Term						
Series 2013 A-1					\$3,215,000	3,215,000
Series 2013 A-2					\$315,000	315,000
Series 2013 A-3					\$2,360,000	2,360,000
Series 2018					\$6,760,000	6,760,000
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,745,000</u>	<u>\$ 12,745,000</u>
<b>Fund Equity and Other Credits</b>						
<b>Investment in General Fixed Assets</b>	-	-	-	-	-	-
<b>Fund Balance</b>						
<b>Restricted</b>						
Beginning: October 1, 2018 (Unaudited)	-	1,181,700	-	-	-	1,181,700
Results from Current Operations	-	(168,059)	481,152	1,520,515	-	1,833,608
<b>Unassigned</b>						
Beginning: October 1, 2018 (Unaudited)	83,817	-	-	-	-	83,817
Results from Current Operations	52,259	-	-	-	-	52,259
<b>Total Fund Equity and Other Credits</b>	<u>\$ 136,076</u>	<u>\$ 1,013,641</u>	<u>\$ 481,152</u>	<u>\$ 1,520,515</u>	<u>\$ -</u>	<u>\$ 3,151,385</u>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<u>\$ 136,077</u>	<u>\$ 1,013,641</u>	<u>\$ 481,152</u>	<u>\$ 1,520,515</u>	<u>\$ 12,745,000</u>	<u>\$ 15,896,386</u>

Prepared by:

**JPWARD and Associates, LLC**

**Artisan Lakes Community Development District**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through December 31, 2018**

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>						
Carryforward	\$ -	\$ -	\$ -	-	\$ -	N/A
<b>Interest</b>						
Interest - General Checking	-	-	-	-	-	N/A
<b>Special Assessment Revenue</b>						
Special Assessments - On-Roll	-	8,404	60,416	68,820	74,185	93%
Special Assessments - Off-Roll	-	-	-	-	-	0%
<b>Developer Contribution</b>						
Developer Contribution	-	-	-	-	-	N/A
<b>Intragovernmental Transfer In</b>						
Intragovernmental Transfer In	-	-	-	-	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ -</b>	<b>\$ 8,404</b>	<b>\$ 60,416</b>	<b>68,820</b>	<b>\$ 74,185</b>	<b>93%</b>
<b>Expenditures and Other Uses</b>						
<b>Executive</b>						
Professional Management	1,667	1,667	1,667	5,000	20,000	25%
<b>Financial and Administrative</b>						
Audit Services	-	-	-	-	4,200	0%
Accounting Services	-	-	-	-	-	N/A
Assessment Roll Services	-	-	-	-	-	N/A
Arbitrage Rebate Services	-	-	-	-	500	0%
<b>Other Contractual Services</b>						
Legal Advertising	-	2,230	80	2,309	5,000	46%
Trustee Services	-	-	-	-	5,725	0%
Dissemination Agent Services	-	-	-	-	5,000	0%
Property Appraiser Fees	-	-	-	-	-	N/A
Bank Service Fees	15	30	18	64	360	18%
<b>Communications &amp; Freight Services</b>						
Postage, Freight & Messenger	100	10	89	198	750	26%

**Artisan Lakes Community Development District**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through December 31, 2018**

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
<b>Computer Services - Website Development</b>	50	50	900	1,000	875	114%
<b>Insurance</b>	4,512	-	-	4,512	5,000	90%
<b>Printing &amp; Binding</b>		351	464	815	750	109%
<b>Subscription &amp; Memberships</b>	175	-	-	175	175	100%
<b>Legal Services</b>						
Legal - General Counsel	-	-	2,487	2,487	13,000	19%
Legal - Boundary Amendment	-	-	-	-	-	N/A
<b>Other General Government Services</b>						
Engineering Services	-	-	-	-	2,850	0%
Contingencies	-	-	-	-	-	N/A
Other Current Charges	-	-	-	-	-	N/A
<b>Reserves</b>						
Operational Reserves (Future Years)				-	10,000	0%
<b>Other Fees and Charges</b>	-	-	-	-	-	N/A
Discounts/Collection Fees				-	-	
<b>Sub-Total:</b>	<b>6,518</b>	<b>4,337</b>	<b>5,705</b>	<b>16,560</b>	<b>74,185</b>	<b>22%</b>
 <b>Total Expenditures and Other Uses:</b>	<b>\$ 6,518</b>	<b>\$ 4,337</b>	<b>\$ 5,705</b>	<b>\$ 16,560</b>	<b>\$ 74,185</b>	<b>22%</b>
 Net Increase/ (Decrease) in Fund Balance	(6,518)	4,067	54,711	52,260	-	
Fund Balance - Beginning	83,817	77,299	81,366	83,817	-	
<b>Fund Balance - Ending</b>	<b>\$ 77,299</b>	<b>\$ 81,366</b>	<b>\$ 136,077</b>	<b>136,077</b>	<b>\$ -</b>	

**Artisan Lakes Community Development District**  
**Debt Service Fund - Series 2013**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through December 31, 2018**

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>						
Carryforward	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest Income	1,475	1,860	1,249	4,584	-	N/A
<b>Special Assessment Revenue</b>						
Special Assessments - On-Roll						
Series 2013 Bonds A-1	\$ -	\$ 30,922	\$ 222,297	253,219	\$ 272,950	93%
Series 2013 Bonds A-2				-	\$ -	N/A
Series 2013 Bonds A-3				-	\$ -	N/A
Special Assessments - Off-Roll						
Series 2013 Bonds A-1	\$ -	\$ -	\$ -	-	\$ -	N/A
Series 2013 Bonds A-2				-	\$ 99,313	0%
Series 2013 Bonds A-3	\$ 80,000			80,000	\$ 205,450	39%
Special Assessments - Prepayments						
Series 2013 Bonds A-1				-		N/A
Series 2013 Bonds A-2	40,506	-	-	40,506		0%
<b>Intragovernmental Transfer In</b>						
	-	-	-	-	-	0%
<b>Total Revenue and Other Sources:</b>	<b>\$ 121,981</b>	<b>\$ 32,782</b>	<b>\$ 223,546</b>	<b>378,309</b>	<b>\$ 577,713</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>						
<b>Debt Service</b>						
<b>Principal Debt Service - Mandatory</b>						
Series 2013 Bonds A-1	\$ -	\$ -	\$ -	-	\$ 45,000	0%
Series 2013 Bonds A-2				-	\$ 20,000	0%
Series 2013 Bonds A-3				-	\$ 30,000	0%
<b>Principal Debt Service - Early Redemptions</b>						
Series 2013 Bonds A-1	-	-	-	-	-	N/A
Series 2013 Bonds A-2	-	325,000	-	325,000	-	N/A
Series 2013 Bonds A-3	-	-	-	-	-	N/A
<b>Interest Expense</b>						
Series 2013 Bonds A-1	-	112,456	-	112,456	227,950	49%
Series 2013 Bonds A-2		22,275		22,275	79,313	28%
Series 2013 Bonds A-3		86,638		86,638	175,450	49%
<b>Operating Transfers Out (To Other Funds)</b>						
	-	-	-	-	-	N/A
<b>Total Expenditures and Other Uses:</b>	<b>\$ -</b>	<b>\$ 546,369</b>	<b>\$ -</b>	<b>546,369</b>	<b>\$ 577,713</b>	<b>N/A</b>
Net Increase/ (Decrease) in Fund Balance	121,981	(513,586)	223,546	(168,059)	-	
Fund Balance - Beginning	1,181,700	1,303,682	790,095	1,181,700	-	
<b>Fund Balance - Ending</b>	<b>\$ 1,303,682</b>	<b>\$ 790,095</b>	<b>\$ 1,013,641</b>	<b>1,013,641</b>	<b>\$ -</b>	



**Artisan Lakes Community Development District**  
**Debt Service Fund - Series 2018**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through December 31, 2018**

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>						
<b>Carryforward</b>	\$ -	\$ -	\$ -	-	-	N/A
<b>Interest Income</b>						
Interest Account	-	-	-	-	-	N/A
Sinking Fund Account	-	-	-	-	-	N/A
Reserve Account	-	-	17	17	-	N/A
Prepayment Account	-	-	-	-	-	N/A
Revenue Account	-	-	-	-	-	N/A
Capitalized Interest Account	-	-	42	42	-	N/A
<b>Special Assessments - Prepayments</b>						
Special Assessments - On Roll	-	-	-	-	-	N/A
Special Assessments - Off Roll	-	-	-	-	-	N/A
Special Assessments - Prepayments	-	-	-	-	-	N/A
<b>Debt Proceeds</b>	-	481,093	-	481,093	-	N/A
<b>Intragovernmental Transfer In</b>	-	-	-	-	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ -</b>	<b>\$ 481,093</b>	<b>\$ 59</b>	<b>\$ 481,152</b>	<b>\$ -</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>						
<b>Debt Service</b>						
<b>Principal Debt Service - Mandatory</b>						
Series 2018	-	-	-	-	-	N/A
<b>Principal Debt Service - Early Redemptions</b>						
Series 2018	-	-	-	-	-	N/A
<b>Interest Expense</b>						
Series 2018	-	-	-	-	-	N/A
<b>Operating Transfers Out (To Other Funds)</b>	-	-	-	-	-	N/A
<b>Total Expenditures and Other Uses:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>N/A</b>
Net Increase/ (Decrease) in Fund Balance	-	481,093	59	481,152	-	
Fund Balance - Beginning	-	-	481,093	-	-	
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 481,093</b>	<b>\$ 481,152</b>	<b>481,152</b>	<b>\$ -</b>	

Prepared by:

**JPWARD and Associates, LLC**

**Artisan Lakes Community Development District  
Capital Projects Fund - Series 2018  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Through December 31, 2018**

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>						
<b>Carryforward</b>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<b>Interest Income</b>						
Construction Account	0	0	186	186	\$ -	N/A
Cost of Issuance	0	0	1	1	\$ -	N/A
<b>Debt Proceeds</b>	0	6,278,907	0	6,278,907	\$ -	N/A
<b>Operating Transfers In (From Other Funds)</b>	0	0	0	0	\$ -	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ -</b>	<b>\$ 6,278,907</b>	<b>\$ 188</b>	<b>\$ 6,279,095</b>	<b>\$ -</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>						
<b>Executive</b>						
Professional Management	0	40,000	0	40,000	\$ -	N/A
<b>Other Contractual Services</b>						
Trustee Services	0	11,150	0	5,900	\$ -	N/A
<b>Printing &amp; Binding</b>	0	1,500	0	1,500	\$ -	N/A
<b>Legal Services</b>						
Legal - Series 2018 Bonds	0	99,500	0	104,750	\$ -	N/A
<b>Other General Government Services</b>						
Stormwater Mgmt-Construction	0	4,431,229	0	4,431,229	\$ -	N/A
<b>Capital Outlay</b>						
<b>Construction in Progress</b>	0	0	0	0	\$ -	N/A
<b>Cost of Issuance</b>						
Legal - Series 2018 Bonds	0	0	0	0	\$ -	N/A
<b>Underwriter's Discount</b>	0	175,200	0	175,200	\$ -	N/A
<b>Operating Transfers Out (To Other Funds)</b>	0	0	0	0	\$ -	N/A
<b>Total Expenditures and Other Uses:</b>	<b>\$ -</b>	<b>\$ 4,758,579</b>	<b>\$ -</b>	<b>\$ 4,758,579</b>	<b>\$ -</b>	<b>N/A</b>
Net Increase/ (Decrease) in Fund Balance	0	1,520,328	188	1,520,515	-	
Fund Balance - Beginning	0	0	1,520,328	0	\$ -	
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 1,520,328</b>	<b>\$ 1,520,515</b>	<b>\$ 1,520,515</b>	<b>\$ -</b>	

Prepared by:

**JPWARD and Associates, LLC**