

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT



MEETING AGENDA

JANUARY 20, 2022

PREPARED BY:

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

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

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

January 13, 2022

Board of Supervisors
Flow Way Community Development District

Dear Board Members:

This Regular Meeting of the Board of Supervisors of the Flow Way Community Development District will be held on **Thursday, January 20, 2022, at 1:00 P.M.** at the Esplanade Golf and Country Club, 8910 Torre Vista Lane, Naples, FL 34119.

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

<https://districts.webex.com/districts/onstage/g.php?MTID=ef6e6134817b5d55c085a179d1ba37192>

Access Code: **2330 001 5640**, Event password: **Jpward**

Phone: **408-418-9388** and enter the access code **2330 001 5640** to join the meeting.

Agenda

1. Call to Order & Roll Call.
2. Public Comments for NON-Agenda items. (Limited to three (3) minutes) Individuals are permitted to speak on items on the agenda during that item and will be announced by the Chairperson.
3. Consideration of Minutes:
 - I. December 2, 2021- Meeting. (page 6)
 - II. December 16, 2021 – Regular Meeting. (page64)
4. Consideration of Audited Financial Statements for Fiscal Year 2021, which ended September 30, 2021. (page 76)
5. Discussion of use of lake maintenance easements and recreational use of the lakes and water management system.
6. Staff Items.
 - I. District Attorney – Woods, Weidenmiller, Michetti, & Rudnick.
 - a. Discussion of outcome of Motion for leave to amend hearing.
 - b. Non-Binding Arbitration Hearing - February 28, 2022.
 - II. District Engineer – Calvin, Giordano & Associates.
 - (i) Engineer’s Report. (page 107)

1. Preserve Tree Removal.
 2. Strategic Operational Plan.
 3. 20-Year Stormwater Needs Analysis.
 4. USGS/SFMWD Surface Recorder.
- III. District Manager – JPWard & Associates, LLC.
- a. Review of Operations Financial Position – Remainder of Fiscal Year 2022.
 - b. Review of Questions and Answers to Audience Questions from the December 16, 2022, meeting.
 - c. Financial Statements for period ending December 31, 2021 (unaudited). (page 150)
7. Old Business –
- I. Future Funding of Preserve Mitigation and Maintenance.
8. Audience Comments: - Public comment period is for items NOT listed on the Agenda, comments are limited to three (3) minutes per person, assignment of speaking time is not permitted, however the Presiding Officer may extend or reduce the time for the public comment period consistent with Section 286.0114, Florida Statutes.
9. Announcement of Next Meeting – February 17, 2022.
Quorum Call for February 17, 2022

- Zack Stamp,
- Ronald Miller
- Tom Kleck
- Martinn Winters
- Bart Bhatla

10. Adjournment.

Staff Review

The third order of business is the consideration of the December 2, 2021, including the transcript from the closed session, and order of dismissal, and the December 16, 2021, regular meeting minutes.

The fourth order of business is the consideration of the Audited Financial Statements for Fiscal Year 2021, which ended September 30, 2021.

The fifth order of business is the discussion of lake maintenance easements and recreational use of the lakes. Resident have raised questions regarding what can be built on or around the lake maintenance easements and whether recreational use of the District's lakes is allowed.

The sixth order of business is staff reports. Both the District Attorney and the District Engineer are present and will present on their current items. The District Manager's Report is an update on the financial projections for the remainder of Fiscal Year 2022 (through September 30, 2022).

The transition of all the District's assets is now completed, the chart below outlines the projected operational requirements for the remainder of the year.

We will have to continually monitor all our operations and as we move forward certain items will not be able to be accomplished in the current fiscal year.

As such, identified below are the items that are most likely not able to be completed (e.g., preserve maintenance and video of drainage pipes), however these can be restarted in Fiscal Year 2023 once the District goes through the assessment process in the summer for Fiscal Year 2023 operations.

Obviously, the largest financial component is the preserve maintenance. If we can levy sufficient assessments going into 2023 the preserves maintenance can be accomplished in the November/December 2022 time frame, then picked up again in the later part of Summer 2023. This, however, will require the budget for the preserves to be approximately \$520K for Fiscal Year 2023, in contrast to the current budget of \$260K.

Of significant note, is the projected reduction in cash balance to \$81,359.15 at September 30, 2022, with the reductions noted below. Because the District does not have enough cash to fund the full program for the remainder of the Fiscal Year, program reductions are required.

REVISED Estimates for Operations - FY 2022 Through September 30, 2022				
Description	Notes	Budget	ESTIMATED EXPENDITURES	PROGRAMS REDUCTIONS
Legislative		\$ 12,000.00	\$ 12,000.00	
Executive		\$ 40,000.00	\$ 40,000.00	
Financial and Administrative		\$ 94,325.00	\$ 94,325.00	
Legal Services		\$ 160,000.00	\$ 225,000.00	
Engineering		\$ 25,000.00	\$ 75,000.00	
Preserves		\$ 260,215.00	\$ 250,000.00	\$ 250,000.00
Lakes		\$ 81,600.00	\$ 120,000.00	
MRI Cleaning and Weir Repair	(Project Completed)	\$ -	\$ 95,000.00	
Landscaping/Entrance Monuments		\$ -	\$ 128,000.00	
Irrigation System		\$ 80,400.00	\$ 34,500.00	
Contingency			\$ 20,000.00	
Extra items identified to date:				
Drainage Pipe Investigation (Video)			\$ 32,000.00	\$ 32,000.00
Drainage Structure Repairs (Broken Pipe)			\$ 14,200.00	\$ 14,200.00
Entrance Fountains (inoperable)			\$ 25,000.00	\$ 25,000.00
Preserve Area tree Removal (closest to homes)			\$ 7,500.00	\$ -
Totals:		\$ 753,540.00	\$ 1,172,525.00	\$ 321,200.00

Fund Balance

Opening Fund Balance - 10/01/2021	\$ 335,904.15	\$ 335,904.15
Results from Operations - ANTICIPATED	\$ (575,745.00)	\$ (254,545.00)
Projected Fund (Cash) Balance - 09/30/2022	\$ (239,840.85)	\$ 81,359.15

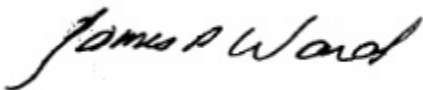
Projected Fund Balance excludes program reductions

Three (3) Months Operating Cash Requirement \$ 293,131.25

This is to pay operating expenditures the first three (3) months fo the Fiscal Year, until tax bill funds are received.

The balance of the agenda is standard in nature, and I look forward to seeing you at the meeting, if you have any questions and/or comments before the meeting, please do not hesitate to contact me directly at (954) 658-4900.

Yours sincerely,
Flow Way Community Development District



James P. Ward

trict Manager

Dis

1
2
3
4
5
6
7
8
9

**MINUTES OF MEETING
FLOW WAY
COMMUNITY DEVELOPMENT DISTRICT**

10 The continued Regular Meeting of the Board of Directors of the Flow Way Community Development
11 District was held on Thursday, December 2, 2021, at 8:00 A.M. at the Esplanade Golf and Country Club,
12 8910 Torre Vista Lane, Naples, FL 34119.
13
14
15

16
17
18
19
20
21
22

Present and constituting a quorum:

23 Zack Stamp	Chairperson
24 Ron Miller	Vice Chairperson
25 Tom Kleck	Assistant Secretary
26 Bart Bhatla	Assistant Secretary
27 Martinn Winters	Assistant Secretary

28
29
30
31
32
33
34

Also present were:

35 James P. Ward	District Manager
36 Jessica Tolin	District Counsel
37 Court Reporter	

38
39
40
41
42
43
44

Audience:

45 All resident's names were not included with the minutes. If a resident did not identify
46 themselves or the audio file did not pick up the name, the name was not recorded in these
47 minutes.
48

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

49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Chairperson Zack Stamp indicated the meeting was back in session for the continued November 18,
2021, CDD session. Roll call was conducted, and all Members of the Board were present, constituting a
quorum.

Chairperson Stamp noted when the meeting went into executive session a court reporter would be
present to record the session.

SECOND ORDER OF BUSINESS

Executive Session

Chairperson Stamp called for the executive session to begin at approximately 8:03 a.m.

Mr. Ward ordered the video recording to cease so the executive session could be called to order. [The
audio and video recording ceased at this point.]

49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82

Staff Items

- I. District Attorney – Woods, Weidenmiller, Michetti, & Rudnick**
 - a) Call to order Executive Attorney/client shade session; discussion of settlement matters with Tim Hall and Turrell and Associates (File Number: 2020-CA-4147)**
- II. District Engineer – Calvin, Giordano & Associates**
- III. District Manager – JP Ward & Associates, LLC**

[Following the executive session audio and video recording began again.]

At approximately 8:18 a.m. Chairperson Stamp indicated the continued public meeting was back in session. He noted the attorney/client shade session (executive session) was closed. He called for a motion.

On MOTION made by Mr. Bart Bhatla, seconded by Mr. Tom Kleck, and with all in favor, the settlement offer was accepted.

THIRD ORDER OF BUSINESS **Adjournment**

Chairperson Stamp asked if there were any additional business to discuss; there was none. He called for a motion to adjourn until the next CDD meeting on November 18, 2021.

On MOTION made by Mr. Ron Miller, seconded by Mr. Tom Kleck, and with all in favor, the Meeting was adjourned.

ATTEST: **Flow Way Community Development District**

James P. Ward, Secretary

Zack Stamp, Chairperson

**IN THE CIRCUIT COURT OF THE TWENTIETH JUDICIAL CIRCUIT
IN AND FOR COLLIER COUNTY, FLORIDA
CIVIL ACTION**

FLOW WAY COMMUNITY DEVELOPMENT
DISTRICT,

Plaintiff,

Case No. 20-CA-4147

v.

TAYLOR MORRISON OF FLORIDA, INC.,
TAYLOR MORRISON ESPLANADE NAPLES,
LLC, TIM HALL, TURRELL, HALL &
ASSOCIATES, INC., STEPHEN REITER, ADAM
PAINTER, ANDREW MILLER, JOHN
WOLLARD, CHRISTOPHER NIRENBERG, and
ESPLANADE GOLF & COUNTRY CLUB OF
NAPLES, INC.,

Defendants.

**ORDER GRANTING STIPULATION FOR DISMISSAL WITH PREJUDICE AS TO
DEFENDANTS, TIM HALL AND TURRELL, HALL & ASSOCIATES, INC.**

THIS CAUSE having come before the Court upon Plaintiff, FLOW WAY COMMUNITY DEVELOPMENT DISTRICT, and Defendants, TIM HALL and TURRELL, HALL & ASSOCIATES, INC.'s, Stipulation for Dismissal with Prejudice, and the Court having reviewed the case file, noting the agreement of the Parties, and being otherwise fully informed in the premises, it is **ORDERED and ADJUDGED** as follows:

1. The Parties' Stipulation for Dismissal with Prejudice of all claims against Defendants, Tim Hall and Turrell, Hall & Associates, Inc. is **GRANTED**.
2. Each Party shall bear their own respective attorneys' fees and costs.
3. All other claims in the above-styled litigation shall remain pending and unaffected by the Stipulation for Dismissal.

DONE AND ORDERED in Chambers in Naples, Collier County, Florida this _____ day
of _____, 2021.

A handwritten signature in black ink that reads "Lauren L. Brodie". The signature is written in a cursive, flowing style.

eSigned by Brodie, Lauren L in 11-2020-CA-004147-0001-XX 12/08/2021 16:15:48 7fpK1rUf

Lauren L. Brodie
Circuit Court Judge

IN THE CIRCUIT COURT OF THE TWENTIETH JUDICIAL CIRCUIT
IN AND FOR COLLIER COUNTY, FLORIDA
CIVIL ACTION

FLOW WAY COMMUNITY DEVELOPMENT
DISTRICT,

Plaintiff,

Case No. 20-CA-4147

vs

TAYLOR MORRISON OF FLORIDA, INC.
TAYLOR MORRISON ESPANADE NAPLES,
LLC, TIM HALL, TURRELL, HALL &
ASSOCIATES, INC., STEPHEN
REITER, ADAM PAINTER, ANDREW
MILLER, JOHN WOLLARD,
CHRISTOPHER NIRENBERG, and
ESPLANADA GOLF & COUNTRY CLUB OF
NAPLES, INC.

Defendants.

/

DEPOSITION OF TIM HALL

TAKEN BY: JESSICA TOLIN, ESQ.

DATE: November 3, 2021

TIME: 9:00 a.m.

PLACE: Via Zoom
Naples Court Reporting
and Legal Services
2315 Stanford Ct
Suite 301
Naples, FL 34112

REPORTED BY: RICHARD S. SCIRÉ, RPR, FPR

APPEARANCES

JESSICA TOLIN, ESQ.
Woods, Weidenmiller, Michetti & Rudnick, LLP
9045 Strada Stell Court, Suite 400
Naples, FL 34109
Attorney for the Plaintiff

PETER J. CAMBS, ESQ.
Goede, Adamczyk & Deboest, PLLC
6609 Willow Park Drive, 2nd Floor
Naples, FL 34109
Attorney for Defendant, Esplanade Golf & Country Club of
Naples, Inc.

CHRISTINA HARRIS SCHWINN, ESQ.
Pavese Law Firm
1833 Hendry Street
Fort Meyers, FL 33901
Attorney for Turrell, Hall & Associates, Inc.

THOMAS M. DOUGHERTY, ESQ.
Geraghty, Dougherty & Stockman, P.A.
Post office Box 1605
Fort Myers, FL 33902
Attorney for Defendant, Tim Hall

RICHARD P. GREEN, ESQ.
MICHELLE DIFFENDERFER, ESQ.
KEVIN HENNESSY, ESQ.
Lewis, Longman, Walker
100 Second Avenue South, Suite 501-S
St. Petersburg, FL 33701
Attorney for:
Taylor Morrison Esplanade Naples, LLC
Anthony Burdett, Stephen Reiter, David Truxton,
Adam Painter, Christopher Nirenberg,
Andrew Miller, and John Wollard

I N D E X

	PAGE
Certificate of Oath.....	52
Certificate of Reporter.....	53
Errata Sheet.....	54

WITNESS

TIM HALL	
Direct Examination.....	5

EXHIBITS

No.	Description	Received
14	Corps Permit.....	12
15	Document regarding Conservation for .. Northern Preserve	19
16	Update Status to CDD on the Preserves	21
17	E-mail Response to Drew Miller.....	27
18	E-mail to Taylor Morrison.....	28
19	Most Recent Permit Transfer of the .. Army Corps Permit From Taylor Morrison	38
20	E-mail thread with Charles Cook and .. Barbara Kininmonth	39
21	E-mail to Mr. Kirby with Corps of Engineers	41
22	CREW Meeting Agenda.....	42
23	CREW Acceptance Letter 2004.....	43
24	Text Messages with Charles Cook.....	45
25	E-mail with attachment 2019 meeting .. minutes from CDD meeting	47
26	E-mail with Tom Coffey.....	49

P R O C E E D I N G S

1
2 THE VIDEOGRAPHER: Good morning. This is the
3 videotaped deposition of Mr. Tim Hall in the matter of
4 Flow Way Community Development District versus Taylor
5 Morrison of Florida, Inc., et al., case number,
6 20-CA-4147.

7 This deposition is being held remotely due to
8 COVID-19 restrictions. Today's date is November 3,
9 2021, and the time is approximately 9:08 a.m.

10 My name is Dave Fuhrmann. I am the videographer.
11 The court reporter is Richard Sciré.

12 Counsel, at the time, will you please introduce
13 yourselves and affiliations for the record, after
14 which the witness will be sworn.

15 MS. TOLIN: Good morning. Jessica Tolin on
16 behalf of the plaintiff, Flow Way Community
17 Development District.

18 MS. SCHWINN: Christina Schwinn on behalf of
19 Turrell, Hall & Associates.

20 MR. DOUGHERTY: Tom Dougherty on behalf of Tim
21 Hall, an individual.

22 MR. CAMBS: Peter Cambs on behalf of Esplanade
23 Golf & Country Club.

24 MR. GREEN: Richard Green on behalf of Taylor
25 Morrison of Florida, and others.

1 MS. DIFFENDERFER: Michelle Diffenderfer for
2 Lewis, Longman, Walker, Taylor Morrison.

3 THE WITNESS: Oh, me? Sorry. Yeah. Tim Hall,
4 plaintiff.

5 MS. SCHWINN: No, defendant.

6 THE WITNESS: Defendant. I'm sorry.

7 MS. SCHWINN: And corporate rep.

8 THE WITNESS: And corporate rep for Turrell, Hall
9 & Associates.

10 (THE COURT REPORTER ADMINISTERED THE OATH.)

11 THE WITNESS: I do.

12 WHEREUPON:

13 TIM HALL

14 was called as a witness and, having been first duly sworn,
15 was examined and testified as follows:

16 DIRECT EXAMINATION

17 BY MS. TOLIN:

18 Q. Good morning, Mr. Hall.

19 A. Good morning.

20 Q. This is a continuation of your deposition, so the
21 same rules are going to apply as in that last one. If you
22 don't understand a question, please ask me to rephrase it.
23 If you don't hear a question that I've asked, please ask
24 me to repeat it. If you do answer a question, I'll both
25 assume that you heard the question and understood it; if

1 that's fair?

2 A. That is fair.

3 Q. I don't anticipate your deposition being too much
4 longer today, but if you do need a break at any point in
5 time, please let me know. The only thing that I would ask
6 is just if there is a question pending on the record that
7 you go ahead and answer that question before we go on a
8 break.

9 A. Understood.

10 Q. I'm sorry?

11 A. I said understood.

12 Q. Okay. Other than speak with your attorney, did
13 you do anything since your first day of deposition to
14 prepare for today?

15 A. My attorney sent me some exhibits for the depo
16 today, so I reviewed those yesterday.

17 Q. Okay. Did you review any other documents for
18 today's deposition?

19 A. No, ma'am.

20 Q. Do you speak to anyone again other than your
21 attorney about your deposition?

22 A. No, ma'am.

23 Q. All right. Can everyone see what's on the screen
24 there?

25 A. Yes.

1 Q. On the last deposition, I believe we left off on
2 Exhibit 12. So this will be marked as Exhibit 13. Have
3 you seen this document before?

4 A. Yes. Yes, ma'am.

5 Q. I can scroll down, if you need me to.

6 A. I was trying to determine if that was from the
7 district or the corp, but it's the Water Management
8 District, so yes.

9 Q. And what is this document?

10 A. That is a compliance letter from the Water
11 Management District. It was when they do their periodic
12 reviews of the Preserves or the conditions related to a
13 permanent issuance. If there are conditions that are not
14 being met, they will -- they will send a letter knowing --
15 or letting the applicant or the permit team know that they
16 are not in compliance with their permit.

17 Q. And so was this letter sent because there was
18 lack of compliance with the district permit in 2015?

19 A. It was, yes.

20 Q. And what was the compliance issue addressed by
21 this letter?

22 A. It had to do with exotic removal within the
23 preserve areas. Certain areas of the preserve areas were
24 over the allowed percentage of exotic vegetation and they
25 wanted those areas brought back, you know, within the --

1 within the standards that were outlined in the management
2 plan for those Preserves.

3 Q. Okay. And if we look at paragraph 1 of this
4 letter, we see that there's a discussion of the areas
5 requiring remedial action as discussed in a prior e-mail.
6 Do you see that sentence there?

7 A. I do, yes.

8 Q. Do you recall what the remedial action was that
9 was suggested by the district?

10 A. I believe it was just to undertake additional
11 maintenance in those areas to get rid of the exotics that
12 were there, but I -- I don't remember the specifics of the
13 e-mail, no.

14 Q. And was the remedial action performed?

15 A. It was, yes.

16 Q. Do you recall when that was?

17 A. Given when this letter was done, it probably
18 would have been done in December or January once the
19 preserved area dried out enough for that work to be done.
20 But this time of the year it would have been pretty wet,
21 too wet to do some of the actions that were needed.

22 Q. And would that have been December 2015 or
23 January 2016?

24 A. Yes, ma'am.

25 Q. So is it correct then that at the time the

1 Preserves were transferred to the CDD in 2015, they were
2 not compliant with permit conditions?

3 A. I don't -- I don't know exactly when the
4 Preserves were transferred to the CDD, but based on -- you
5 know, based on this letter they were transferred prior
6 to -- depending on when they were -- were transferred. I
7 mean, the -- the compliance is based on when the site
8 visit was done by the Water Management District. I just
9 don't know the details of the -- of the dates when all of
10 that would have happened.

11 Q. If they were transferred prior to October
12 of 2015, would you agree that based off this letter, the
13 Preserves were not in compliance with all permit
14 conditions at the time of that transfer?

15 A. I would, yes.

16 MR. GREEN: Object to form.

17 BY MS. TOLIN:

18 Q. Do you know who paid for the remediation that
19 took place on December of 2015 or January 2016?

20 A. Hold on. I'm sorry.

21 Can you -- can you repeat the prior question?

22 MS. TOLIN: Can I ask the court reporter to read
23 that question back, please?

24 (THE COURT REPORTER READ BACK THE QUESTION.)

25 THE WITNESS: Okay. They would only have not

1 been in compliance with the exotic condition of the
2 permit. They would have been in compliance with all
3 the other con -- conditions.

4 BY MS. TOLIN:

5 Q. And what are you basing your statement that they
6 would have been compliant with all other conditions off
7 of?

8 A. Well, any of the conditions that they were not
9 compliant with would have been spelled out in this letter.
10 There are a lot of permit conditions associated with that
11 permit, so the ones that they would not have been
12 compliant with would have been outlined in this letter,
13 and it's basically specific to the presence of exotics
14 within those Preserves, so they had not have been kept
15 below the -- the four to five percent minimums.

16 Q. Do you recall what company performed the
17 remediation work in December of 2015 or January 2016?

18 A. I don't. Some of the work out there was being
19 done by a company that the HOA had under contract and not
20 the company that was doing, kind of, the main Preserves
21 that -- that we were responsible for overseeing. I can
22 get the -- the name for you, but I don't remember who it
23 was off the top of my head. The gentleman in charge of it
24 name was George, but I don't remember the name of the
25 company.

1 Q. We look at paragraph 5 of this letter, it
2 references the entity of Taylor Morrison of West Florida,
3 Inc. Do you see that there?

4 A. I do see that, yes.

5 Q. What is that entity, if you know?

6 A. I don't know.

7 Q. Do you know what property was owned by Taylor
8 Morrison of West Florida?

9 A. I don't, no.

10 Q. Were you ever or was Turrell, Hall & Associates
11 ever under contract with Taylor Morrison of West Florida?

12 A. I don't believe so.

13 Q. Do you know if Taylor Morrison of West Florida
14 was ever listed as a permittee on the District permit or
15 the Corps permit?

16 A. Not that I can recall, no.

17 Q. This is rather long document, but have you seen
18 this document before --

19 A. I have, yes, ma'am.

20 Q. -- at least this page. And what is this
21 document?

22 A. That is a Army Corps of Engineers permit for
23 the -- for the Mirasol property as it was known back then.

24 Q. And in 2007, which is the date we see on the
25 first page here, would that have been the first year in

1 which the Army Corps permit was issued?

2 A. I believe so, yes, ma'am.

3 MS. TOLIN: And for the record, I'm going to be
4 marking this exhibit as Exhibit 14.

5 (EXHIBIT 14 WAS MARKED FOR IDENTIFICATION.)

6 BY MS. TOLIN:

7 Q. I'm going to scroll down to these special
8 conditions.

9 Now, generally speaking, what is your
10 understanding of the purpose of special conditions to the
11 Army Corps permit?

12 A. It outlines the requirements that the permittee
13 has to undertake or maintain to and upon which the
14 authorization was based. So that's the outlining criteria
15 that -- that has to be, you know, either -- either done or
16 maintained to and upon which the Corps issued their permit
17 or their authorization.

18 Q. And was it your role with the CDD and Taylor
19 Morrison to ensure that the special conditions of the
20 permit were being complied with?

21 A. I believe there was a later permit that was
22 issued by the Corps. There was a modification. So this
23 permit really had nothing to do with the CDD, I don't
24 believe. It was the later modification that was in effect
25 when -- when I went to work for the CDD.

1 Q. And are you referring to a 2012 modification?

2 A. Yes, ma'am. And really the same with Taylor
3 Morrison. This -- when I -- when this permit was issued,
4 I was not working for Taylor Morrison.

5 Q. To your knowledge, was the 2012 modification the
6 last modification to the Army Corps permit?

7 A. I think there was another modification after that
8 where some additional land that's known as the DiLillo
9 parcel was added into the -- added into the overall
10 project footprint, and I believe that there was a -- there
11 was a Corps modification done when that was -- when that
12 was issued. I can't remember though if that was done
13 under a separate authorization by the Corps. I think it
14 was a modification of the 2012 permit.

15 Q. Were you involved in the submission of the 2012
16 modification?

17 A. Yes, ma'am.

18 Q. And what was your role with respect to that
19 modification?

20 A. We provided information on the -- the status of
21 the Preserves and the environmental aspects associated
22 with the project.

23 Q. Will you look at Special Condition No. 12 I have
24 on the screen here? I'll have you just read the first two
25 sentences of that special condition to yourself.

1 And what do you understand the second sentence of
2 Special Condition 12 to mean?

3 A. That a --a -- a fund would be set up when the
4 land was turned over to CREW and that fund would be used
5 to buy CREW to manage and maintain that preserve system.

6 Q. And, to your knowledge, would this have been a
7 requirement that the Corps imposed or was this a condition
8 that Taylor Morrison would have included?

9 A. Again, Taylor Morrison had nothing to do with
10 this permit. This would have been a condition that the
11 prior owners would have.

12 Q. Once Taylor Morrison took over the permit, did
13 Taylor Morrison ask you to modify or remove this
14 condition?

15 A. Not immediately. That didn't come -- that didn't
16 happen until, you know, much later, 2019, I believe. 2018
17 or 2019.

18 Q. And what was the reason given to you for removal
19 or modification of this condition?

20 A. There was some concern that donating the
21 Preserves would -- would remove the ability of the
22 development to have any control over what happened with
23 those lands. There was some concerns that it could be
24 made public, there would be public access and all if it
25 was donated to an outside entity, and so the ability to

1 maintain control over what happened with that property was
2 -- was the main reason that was given to me for wanting to
3 -- to change these requirements.

4 Q. Did anyone from Taylor Morrison ever explain to
5 you that they didn't want to have to fund a -- an escrow
6 fund for maintenance of the Preserves?

7 A. Every -- every owner in this property probably
8 said that to me that they -- they really didn't, you know,
9 know -- there was a lot of unknowns in terms of how much
10 that would be and how it would be set up, but -- but yeah,
11 you know, I'm sure that was discussed.

12 Q. Did your scope of work for the CDD include any
13 maintenance obligation with respect to the lakes within
14 CDD boundaries?

15 A. It did not, no.

16 Q. Were you involved in any of these submittal
17 processes with the county for permitting?

18 A. To the extent where updates to listed species
19 surveys were needed or environmental information for new
20 parcels that were being added to the development
21 footprint, we provided those -- that information to the
22 planners and the engineers for the submittals.

23 Q. Okay. So you weren't involved with any of the
24 construction permit submissions?

25 A. For construction, no. No, ma'am.

1 Q. Were you involved in any of the submittals
2 related to performance bonds?

3 A. Only to the extent where we passed those
4 performance bonds on to the Water Management District as
5 part of a -- part of a submittal. I was not involved in
6 any of the setting up of -- of those.

7 Q. And which performance bonds are you referring to
8 that were passed on to the district?

9 A. There were five bonds that were set up to ensure
10 that the Preserves would -- would meet the success
11 criteria outlined in those Water Management District and
12 Corps of engineers permits.

13 Q. And who was the principal on those bonds, if you
14 know?

15 A. I -- I -- I don't know. I'd have to look at them
16 to see.

17 Q. As you sit here today, do you know if the success
18 criteria has been met for the Preserves?

19 A. It has been met for the internal Preserves.
20 There are five internal Preserves that have been signed
21 off on by the Water Management District. The Western
22 Preserve has been signed off on by the Water Management
23 District, and the Wading Bird Foraging area has been
24 signed off on but has not yet been released. The -- the
25 western preserve and the internal Preserves had been

1 released by the district. The Wading Bird Foraging has
2 not yet been released. So then the northern two areas,
3 the Northern Preserve and the Section 11 areas are still
4 being maintained and still covered under -- under all of
5 the monitoring criteria that's also required.

6 Q. And do you know when the Northern Preserves or
7 Section 11 are anticipated to meet the success criteria?

8 A. Supple -- supplemental plantings just went in
9 this rainy season, so if the plantings are all successful
10 and thriving at the end of the next rainy season, then
11 they could be eligible for sign off and that would be end
12 of 2022 or -- or early into 2023.

13 Q. And based off your experience, what is the
14 significance of when a preserve meets the success
15 criteria. What does that mean?

16 A. It means -- in most cases, it means that any
17 exotic vegetation that had been present within the
18 preserve has been removed and is under control. It's able
19 to be maintained at lower percentage levels either --
20 usually it's either four or five percent total coverage.
21 They -- if there's any hydrological requirements that
22 those requirements are being met, basically that the
23 preserve is -- is a functioning native habitat that is
24 able to self-maintain with minimal maintenance.

25 Q. Did your scope of work include any maintenance or

1 oversight with respect to the surface water management
2 system?

3 A. No, the only surface water component we dealt
4 with was -- was monitoring of water levels within the
5 Preserve areas.

6 Q. Did your scope of work for the CDD include
7 assistance with preparation of its budgets for purposes of
8 maintaining the Preserves and what that cost would be?

9 A. One of my first activities for the CDD was to put
10 together a bid package that was provided to several
11 different vendors, contractors, and it was a five-year
12 contract to maintain the Preserves. And then the numbers
13 that were provided in the selected contractor's contract
14 were -- were given to the CDD district manager, and I
15 believe that he included those in their -- in their
16 budgeting. But the first year, when we did that five-year
17 contract, was the only input that I had.

18 Q. What sort of factors do you consider in preparing
19 an anticipated budget for maintenance of Preserves of this
20 size?

21 A. You look at where the project is in terms of --
22 in terms of the work. It's usually going to be more
23 expensive in the early years than in the later years
24 because there's more material that has to be removed or --
25 or -- or maintained. If you look at the kind of overall

1 hydrology, what -- what you have to work with, in terms of
2 how successful you think the recovery of that preserve is
3 going to be and how much maintenance is going to go into
4 keeping it within the success metrics that are associated
5 with permitting.

6 Q. I'm showing you what's going to be marked as
7 Exhibit 15.

8 (EXHIBIT 15 WAS MARKED FOR IDENTIFICATION.)

9 BY MS. TOLIN:

10 Q. Have you seen this document before?

11 A. Yes, ma'am. I'm not sure which preserve that is
12 referencing to, but -- oh, okay. If the -- if the
13 labelling is right, then that's the conservation we left
14 for the Northern Preserve areas.

15 Q. Do you recall when you first saw this document?

16 A. The draft of that document would have been part
17 of the -- part of the -- the permitting that was done with
18 the Water Management District and the Corps probably -- it
19 should have been as part of that 2012 permit modification.

20 Q. Were you involved in the preparation of this
21 easement at all?

22 A. No. I mean, that's -- it's a standard form by
23 the Water Management District.

24 Q. And what is your understanding of the purpose of
25 this water conservation easement?

1 A. That water conservation gives assurances to the
2 agencies that the preserve area will be maintained in the
3 -- the natural state that was anticipated when the permits
4 are issued.

5 Q. I'm going to have you look at the highlighted
6 Paragraph 12 on the screen.

7 Have you seen copies of the 2015 and 2018 deeds
8 that transferred the Preserves to the CDD?

9 A. Yes, ma'am. I have seen those.

10 Q. And did those deeds incorporate the terms of the
11 conservation easement?

12 A. I -- I -- I don't know. I couldn't tell you.

13 Q. Would you agree that based off the language in
14 paragraph 12, they would have been required to incorporate
15 the terms in the conservation easement?

16 MR. DOUGHERTY: Object to form.

17 (REPORTER ASKED FOR CLARIFICATION ON WHO OBJECTED.)

18 MR. DOUGHERTY: Tom Dougherty.

19 MR. GREEN: And Richard Green.

20 THE WITNESS: It's really outside of my purview.
21 I wouldn't -- you know, I wouldn't know. And based on
22 my reading of it, I would say, you know, that either a
23 copy of this or -- or some mention of it would have
24 been in there, but it's not my -- it's not my area of
25 expertise.

1 (EXHIBIT 16 WAS MARKED FOR IDENTIFICATION.)

2 BY MS. TOLIN:

3 Q. I'm showing you what I'm marking as Exhibit 16.
4 Have you seen this document before?

5 A. Yes, ma'am.

6 Q. And what is this document?

7 A. This was an update that I had provided to the CDD
8 on the status of the Preserves.

9 Q. And was this document requested to be prepared by
10 the CDD?

11 A. I don't remember if it was specifically requested
12 or not. That's just something that -- that we do when
13 we're working for communities is -- is we try to give them
14 periodic updates on what the status of everything is.

15 Q. Scrolling down to the third page. I want to look
16 under the heading of donation of Preserves there.

17 If we look at the sentence here, it discusses how
18 the CREW trust was approached back in 2001. Do you see
19 that there?

20 A. Yes, ma'am.

21 Q. Was CREW approached by you or someone at Turrell,
22 Hall & Associates or someone else?

23 A. The initial approach to CREW was someone else.

24 Q. Do you know who it was?

25 A. I believe it was the -- the project manager at

1 the time whose name was Don Malarcik and one of the
2 engineers for the project at Agnoli, Barber & Brundage.

3 Q. If we look at the last sentence of the first
4 paragraph under "donation of Preserves," you wrote that
5 CREW was in support of transferring the external Preserves
6 to themselves or another maintenance entity; is that
7 correct?

8 A. Yes, ma'am.

9 Q. So is it your understanding that CREW was willing
10 to accept a transfer of the Preserves?

11 A. In the initial meetings that they were not -- I
12 don't think they actually said in the initial letter that
13 they would take them for sure, but in subsequent --
14 subsequent meetings with them they did say that they would
15 accept the Preserves as long as certain conditions were
16 met.

17 Q. And do you know if all those conditions were met?

18 A. Well, one of the conditions had to do -- it
19 really wasn't associated with the project itself. It had
20 to do with whether or not the -- the Water Management
21 District kind of maintenance people would actually, you
22 know, undertake the maintenance work. And I forget the
23 exact language of it, but it had to do with -- with, you
24 know, they would take the property if they could get the
25 Water Management District to come in and do some of the

1 work on it. And so I know that that condition, I guess,
2 never -- never has been, you know, triggered because
3 their -- their position has changed and the last meeting
4 where they said they did not want to take or accept the
5 preserve areas.

6 Q. To your knowledge, was the district, you know,
7 the South Water Management District ever approached
8 regarding the condition to maintain the Preserves or
9 assist in the maintenance of the Preserves?

10 A. I -- I don't know. I don't know that.

11 Q. Would that have been something that would have
12 been within your scope of work?

13 A. No, that would have been internal between them
14 and CREW.

15 Q. And you mentioned that subsequently CREW changed
16 their position; is that correct?

17 A. Yes, ma'am.

18 Q. When was that?

19 A. We had a -- there was a meeting with them in
20 December of 2019, I believe, is when that -- is when they
21 made their brand new position known officially.

22 Q. And what was the reason that they gave for
23 changing their position?

24 A. They had concerns about taking on -- I think some
25 of that -- some of the -- the permit responsibility as

1 well as just unknowns that were -- I'm not sure that they
2 actually ever specifically identified anyone's name, but
3 just general concerns over taking the responsibility, you
4 know, for that area.

5 Q. Did any of their concerns have to do with funding
6 for maintenance of the Preserves?

7 A. I think they -- they -- they understood that a --
8 that a funding mechanism would transfer with the
9 Preserves. I believe that in the meeting they expressed
10 concerns about whether or how to ensure that that funding
11 mechanism would be enough to cover any -- any potential
12 eventuality. And I know one of the specific things they
13 mentioned was if -- if some new exotic species became
14 established over here that took a different kind of
15 control method or cost more than kind of normal practices
16 would they be able to -- would they be able to address
17 that.

18 Q. Did anyone from Taylor Morrison ever discuss with
19 you that they would be willing to fund maintenance of the
20 Preserves if transferred to an institute like CREW?

21 A. I know the discussion was that if we did transfer
22 it, they would be -- that the responsibility to provide
23 that fund would -- would go with it. Yes.

24 Q. We look at the second sentence here under
25 "donation of the Preserves," and I'm looking at the second

1 to last sentence of that paragraph starting with "the
2 offer to transfer."

3 A. Yes, ma'am.

4 Q. Is it correct that your opinion then was that a
5 transfer could not be made until the Preserves were
6 restored to natural habitats and that exotic vegetation
7 was under control?

8 A. Yes, ma'am.

9 Q. Is it also correct based off this last sentence
10 of that paragraph that no offer to transfer the Preserves
11 was supposed to be made until 2022 at the earliest?

12 A. That was -- that was my position, yes.

13 Q. So how is it that the CDD was able to be
14 transferred the Preserves starting in 2015?

15 A. The -- in -- in working with most development
16 projects, the developer, you know, is not a -- a permanent
17 long-term entity. So, in order to address that with --
18 with projects there are often provisions to allow
19 Preserves -- well, in a lot of cases the Preserves are
20 actually transferred to the HOA or -- or CDD. They
21 transfer to the development of project, you know, in
22 perpetuity.

23 In this case because of the end goal was to
24 provide the Preserves to an external entity, the CDD and
25 the HOA were included as interim owners so that the

1 projects -- the Preserves could be transferred to them,
2 you know, on an interim basis until they were then
3 eventually transferred to -- to CREW at the time it was --
4 you know, it was -- we thought it would be CREW. And
5 that's in the management plan that the Preserves could
6 be -- could transfer ownership before that final -- before
7 the final donation.

8 Q. So is it your understanding that the CDD is just
9 an interim donor of the Preserves?

10 A. At the time that -- yes. But subsequent to that,
11 you know, I was directed by the CDD that they wanted to
12 maintain the ownership of those Preserves, and that's when
13 we started the -- the permit modifications for that. But
14 at the time that -- that the permitting was done and all,
15 yeah. My understanding was that they would be an interim
16 owner.

17 Q. But based off of your memorandum that we're
18 looking at here, any permanent ownership should not be
19 established until 2022 at the earliest; is that correct?

20 A. That would be the long-term owners, yes, ma'am.
21 That would be when -- when the transfer to kind of
22 long-term maintenance or -- you know, and permanent
23 ownership I guess could be done or -- or any time after
24 that because it could -- if it took longer to find an
25 entity willing to take the Preserves, it might be pushed

1 back further.

2 Q. Okay. All right. I'm showing you what I'm
3 marking as Exhibit 17.

4 (EXHIBIT 17 WAS MARKED FOR IDENTIFICATION.)

5 BY MS. TOLIN:

6 Q. Have you seen this document before?

7 A. Yes, ma'am.

8 Q. And what is this document?

9 A. This was a response to -- to Drew Miller when he
10 had asked about the possibility of establishing
11 interpretational programs for the residents, taking
12 advantage of the Preserves areas and letting, you know,
13 the residents know what all was out there, what they might
14 be able to see and establishing trails to where they could
15 take advantage of the Preserves area adjacent to them.

16 Q. And when Drew Miller had contacted you regarding
17 the Preserves, was that on behalf of the CDD or on behalf
18 of Taylor Morrison as far as you understood it?

19 A. I believe this was on behalf of Taylor Morrison.

20 Q. Do you know if a copy of this memo was ever
21 provided to the CDD as well?

22 A. I -- I don't. No, ma'am.

23 Q. In the first sentence of this memo you reference
24 a telephone conference -- or telephone conversation that
25 you had with Mr. Miller. Do you see that there?

1 A. Yes, ma'am.

2 Q. Do you recall what that discussion was about?

3 A. It was about the information in this memo. He
4 had asked about, you know, the -- the type of wildlife
5 that was out there and whether -- you know, whether
6 interpretational programs could be established, and so I
7 did this -- this memo for him just to kind of memorialize
8 that conversation.

9 Q. Was Drew Miller your primary point of contact
10 around this time 2019/2020?

11 A. For who?

12 Q. I'll start with Taylor Morrison.

13 A. He was for Taylor Morrison, yes.

14 Q. Was he your primary point of contact for the CDD?

15 A. No. Primary point of contact for the CDD has
16 always been the CDD manager, Jim Ward.

17 Q. Estimate, how many times did you discuss the
18 Preserves with Mr. Miller?

19 A. The Preserves specifically? I mean, I didn't
20 have many conversations directly with Drew, so I would say
21 maybe a half a dozen.

22 Q. All right. I'm showing you what I've marked as
23 Exhibit 18.

24 (EXHIBIT 18 WAS MARKED FOR IDENTIFICATION.)

25 ///

1 BY MS. TOLIN:

2 Q. Have you seen this document before?

3 A. Yes, ma'am.

4 Q. And what is this document?

5 A. This was forwarding -- this is an e-mail from me
6 to the Taylor Morrison team regarding the application that
7 had been made to the Corps of engineers and -- actually,
8 no. I don't think this was related to the application.
9 This was based on some compliance discussions that we had
10 been having with Mr. Kirby.

11 Q. And who is Mr. Kirby?

12 A. He was a compliance officer for the U.S. Army
13 Corps of Engineers.

14 Q. Now, at this time the Preserves had been derailed
15 to the CDD; is that correct?

16 A. Yes, ma'am.

17 Q. So why wouldn't Jim Ward as manager for the CDD
18 or another CDD supervisor have been included on this
19 e-mail regarding the Preserves?

20 A. I don't know. I would assume that because we had
21 been working on the permitting that I was discussing with
22 the team what was going on, you know, what we needed to do
23 with respect to that permitting.

24 Q. We look at your last sentence in your e-mail
25 there, why did you believe Mr. Kirby was saying the

1 project is not compliant in August of 2019?

2 A. I think that came from one of his statements,
3 which is maybe further down in the e-mail where -- okay.
4 Yeah. No, I think his intent was saying that it wasn't --
5 it wasn't compliance because it hadn't been offered to --
6 because it hadn't been offered to CREW or an outside
7 entity yet, and so, you know -- and -- and I didn't -- and
8 I believed that that was not yet an issue related to
9 compliance because that criteria hadn't been triggered yet
10 pending meeting, the success criteria, and getting the
11 sign off from the agencies.

12 Q. To your knowledge, has the Corps changed its
13 position at all that the Preserves are to be transferred
14 to CREW or an entity like Audubon Or National Fish and
15 Wildlife Foundation?

16 A. I don't know. I don't know that they -- if they
17 have or not. We haven't made any -- since the permit
18 application was made and the Corps did not act upon that
19 application, I haven't had much other coordination with
20 them except with respect to the monitoring reports that
21 are submitted.

22 Q. Are you still working with Taylor Morrison with
23 respect to the Corps and South Water Management District
24 permits?

25 A. I am still doing the monitoring of the Preserves,

1 yeah, and being -- being paid by Taylor Morrison to make
2 sure that the monitoring associated with the permit
3 requirements is still being done.

4 Q. And how much longer are you anticipating the
5 monitoring services to be performed?

6 A. Until the sign offs, which we still anticipate
7 end of 2022 or early 2023.

8 Q. To your knowledge, are there any plans to try and
9 transfer the Preserves to an entity like CREW or Audubon
10 or National Fish and Wildlife Foundation in 2022 or 2023?

11 A. I have -- I have not been directed to -- to
12 pursue that. I don't know if anybody else has been.

13 Q. Do you know if an offer to transfer the Preserves
14 had ever been made to the National Fish and Wildlife
15 Foundation?

16 A. To the National Fish and Wildlife Foundation?
17 Not that I'm aware of, no.

18 Q. What about to the Audubon Society?

19 A. No, I don't think an offer was ever made. When
20 we were designing the Wading Bird Foraging area, I know
21 that the possible -- possibility of a transfer to them had
22 been discussed briefly, and at the time they were not --
23 they were not interested. But that would have been in
24 2010 maybe, 2011.

25 Q. We look at the last sentence on the second page

1 that goes on to the third page here. The Corps references
2 an intent to transfer the Preserves with an escrow fund.
3 Do you see that there?

4 A. Yes, ma'am.

5 Q. Has the Corps, to your knowledge, ever changed
6 its position that an escrow fund would be required with
7 the transfer of the Preserves?

8 A. Not to my knowledge, no.

9 Q. So is it your understanding that with any
10 long-term ownership of the Preserves, there should be a
11 non-wasting escrow fund established?

12 A. That's the way the permits are written. If the
13 permits are modified, that condition can be modified.

14 Q. Now, if you look at this second sentence, which
15 is the first full sentence on page 2 here, this is written
16 by Robert Kirby; correct?

17 A. Yes, ma'am. I believe so. The e-mail was from
18 him.

19 Q. Okay. And he's stating that you stated that,
20 "The perpetual maintenance of these areas by the HOA or
21 CDD is not appropriate because they are not equipped or
22 experienced in this the matter." Did I read that
23 correctly?

24 A. Yes, ma'am.

25 Q. Do you recall stating to the Corps at any point

1 in time that the CDD was not an appropriate entity for
2 maintenance of the Preserves?

3 A. No. He's paraphrasing from me a sentence out of
4 the management plan, which I wrote, which said that "the
5 perpetual maintenance by the areas by an HOA is not
6 appropriate." He added CDD into that -- into that
7 statement. I believe that if you go back to the
8 mitigation and monitoring plan that that statement that I
9 made was specific to the HOA.

10 Q. Would you agree that an entity like CREW would be
11 more equipped or more experienced than the CDD to
12 undertake perpetual maintenance of Preserves?

13 A. I would -- I would agree that they have more
14 experience doing it, but they -- you know, most of the
15 entities around here use contractors to do the actual
16 maintenance work, so, you know, they -- the holders of the
17 property aren't the ones actually doing the -- the work
18 out there. It's usually contracted out to, you know, to
19 professionals that -- that do know what they're doing.
20 You know, so CREW or the CDD were, you know, any -- any
21 land management entity like that would -- you know, would
22 be responsible for doing that.

23 Personally, I -- I would -- I like the idea of
24 CREW owning those Preserves.

25 Q. And then is the intent as far as you understand

1 it that the escrow fund would finance the maintenance that
2 would be required for those Preserves?

3 A. That the escrow fund would go to an entity that
4 didn't have the ability to -- to raise funds to do so,
5 yes.

6 Q. We look at this paragraph here that I've
7 highlighted in blue, we see the Corps requesting the
8 package that's being presented to CREW for their review.
9 Do you see that there?

10 A. I do. Yes, ma'am.

11 Q. Do you know if that package was ever submitted to
12 the Corps?

13 A. I think he was assuming that we were providing a
14 package or that I was providing a package to CREW. I had
15 been asked by CREW to attend the meeting to give them an
16 update on the Preserves and to talk to them about the
17 transfer, but I personally thought it was still premature.
18 That meeting was actually precipitated by one of the
19 residents of Esplanade requesting a meeting and giving a
20 presentation to CREW. And CREW asked me to attend because
21 they knew my history with the project, and so, you know,
22 we said we would -- we would -- that I would go to that
23 meeting and give them the status of the Preserves and, you
24 know, what might be involved with that transfer, but there
25 was no, like, formal package or presentation. There was

1 just a couple of -- of exhibits, paper exhibits, that I
2 had there to hand out to the -- to the board members.

3 Q. So is it your opinion that the Preserves should
4 still be offered to CREW in 2022 or 2023 when they meet
5 the success criteria?

6 A. I mean, I -- I work -- my job is to try to -- to
7 permit and create the conditions that are desired by my
8 client. So, you know, my personal opinion, as I said, I
9 would love to see these Preserves go to CREW. The last
10 direction I got from the CDD was that they did not want to
11 give them to CREW, they wanted to maintain them
12 themselves, and so the work that I did on their behalf
13 through Taylor Morrison was to try to change the permits
14 to allow them to maintain them.

15 Q. At the time that direction was given by the CDD,
16 is it correct that the CDD was developed or controlled?

17 A. Yes, ma'am.

18 Q. And the CDD is no longer your client; is that
19 correct?

20 A. That's correct. They -- they -- they terminated
21 my services in December of 2020.

22 Q. I'm going to scroll down to the next page, but
23 just wanted to show that I'm moving onto an e-mail from
24 you to Mr. Kirby on Monday, August 5th, 2019.

25 Now, in this e-mail it appears that you are

1 responding to questions that Mr. Kirby had sent you; is
2 that correct?

3 A. Yes, ma'am.

4 Q. We look at the -- Question No. 3 and your
5 response.

6 A. Yes, ma'am.

7 Q. It looks like the cost to maintain the Preserves
8 was initially anticipated at \$722 an acre; is that
9 correct?

10 A. No. It was originally estimated at \$250 an acre,
11 but that was in 2001. In 2004, the -- the estimate was
12 722.

13 Q. Why did it increase so much between 2001 and
14 2004, if you know?

15 A. I -- I don't know. Those were numbers that we
16 got from CREW.

17 Q. Do you know what they were basing those numbers
18 off of?

19 A. I would imagine it had to do with their ongoing
20 maintenance costs for other areas that they worked in, but
21 I don't know. You'd have to ask them.

22 Q. What was the last estimate that you prepared in
23 terms of the anticipated cost per acre to maintain the
24 Preserves?

25 A. I don't think I ever broke it down by acre.

1 Q. How did you break it down?

2 A. I looked at the kind of annual -- well, I looked
3 at the annual cost per acre that would be needed, which I
4 based on a hundred dollars per acre per year, and then
5 working backwards came up with an escrow fund that I think
6 I had said if it provided a 3.5 percent return was a
7 little over \$3 million. And then, you know, that amount
8 if it generated 3.5 percent per year would equate to the
9 \$100 an acre that it would be needed to take care of the
10 Preserves.

11 Q. And did you submit this estimate to anyone at the
12 CDD?

13 A. I think it was part of an e-mail that was sent to
14 Mr. Ward in response to some questions. I don't know. I
15 think it was actually in one of the documents that was
16 provided to me that you had, so it should be one of the
17 ones on your list.

18 (KEVIN HENNESSY ENTERED THE DEPOSITION.)

19 BY MS. TOLIN:

20 Q. And did anyone at Taylor Morrison review this
21 estimate of \$3 million for an escrow fund?

22 A. I -- I don't know. I mean, it was provided to
23 the CDD, so any of the Taylor Morrison folks that were on
24 the board would have seen it, I -- I assume.

25 Q. Did anyone from Taylor Morrison contact you

1 regarding the amount that would be needed for an escrow
2 fund?

3 A. No.

4 Q. I'm showing you what I marked as Plaintiff's
5 Exhibit 19.

6 (EXHIBIT 19 WAS MARKED FOR IDENTIFICATION.)

7 BY MS. TOLIN:

8 Q. Have you seen this document before?

9 A. Yes, ma'am.

10 Q. And what is this document?

11 A. This was the most recent permit transfer of the
12 transfer of the Army Corps permit from Taylor Morrison to
13 the -- to the HOA. I call it the HOA. I mean, the club.
14 And I think that was done in conjunction with the final
15 turnover of the project to them.

16 Q. And at the time that this transfer request was
17 made, was the HOA still developed or controlled?

18 A. I don't know.

19 Q. Who was your contact at the HOA that requested
20 you to assist in this process?

21 A. I did not talk to anybody at the HOA. All of my
22 correspondence has been with Taylor Morrison.

23 Q. So is it correct that you never attended a board
24 meeting of the HOA regarding a transfer?

25 A. No, ma'am, I did not.

1 Q. To your knowledge, who is the current permittee
2 on the Army Corps permit?

3 A. With that transfer, then the HOA would be the
4 permittee now. That's what that transfer did.

5 Q. And so is it correct that the CDD is not a
6 permittee on the Army Corps permit?

7 A. It doesn't appear that they are, no, ma'am.

8 Q. It looks like we've been going a little over an
9 hour, do you want to just take a five-minute break and
10 then reconvene?

11 A. Sure.

12 MS. SCHWINN: That sounds fine.

13 THE VIDEOGRAPHER: At 10:17 a.m. we are going off
14 the record.

15 (BREAK.)

16 THE VIDEOGRAPHER: At 10:25 a.m. we are on the
17 record.

18 BY MS. TOLIN:

19 Q. I'm showing you what I'm marking as Plaintiff's
20 Exhibit 20.

21 (EXHIBIT 20 WAS MARKED FOR IDENTIFICATION.)

22 BY MS. TOLIN:

23 Q. Have you seen this e-mail before?

24 A. Yes, ma'am.

25 Q. And are you the sender of this e-mail here?

1 A. Yes, ma'am.

2 Q. Who is Charles Cook?

3 A. Charles Cook was my point of contact at Taylor
4 Morrison after Drew Miller.

5 Q. Is he still your point of contact at Taylor
6 Morrison?

7 A. Yes, ma'am.

8 Q. And who is Barbara Kininmonth?

9 A. I'm assuming she's Charles' boss, but I'm not
10 sure if that's accurate or not.

11 Q. I scrolled down to an e-mail chain from Charles
12 Cook to Barbara Kininmonth. So you did not prepare any of
13 the paragraphs or sentences within this e-mail; correct?

14 A. I did not.

15 Q. Did you review this e-mail, though?

16 A. Not really.

17 Q. We look at his last paragraph regarding future
18 costs. Did you review these amounts or calculations at
19 all?

20 A. The 75 to \$80 per acre number is a number that I
21 had provided to him. Yes.

22 Q. And is that your anticipated annual cost as of
23 2020 when this e-mail was prepared?

24 A. That was the anticipated long-term annual cost,
25 yes. And that was based on the bidding and -- and

1 interactions with the contractors that we had.

2 Q. Since May of 2020, have you recalculated for
3 anyone what the anticipated cost of maintenance per acre
4 or annual cost would be?

5 A. Since May of 2020?

6 Q. Correct.

7 A. I don't think I've recalculated, no. The 75 to
8 80 has been pretty consistent whenever anybody has asked
9 me.

10 Q. I'm showing you what I'm marking as Plaintiff's
11 Exhibit 21.

12 (EXHIBIT 21 WAS MARKED FOR IDENTIFICATION.)

13 BY MS. TOLIN:

14 Q. Have you seen this document before?

15 A. Yes, ma'am.

16 Q. And what is this document?

17 A. That was a response to Mr. Kirby with the Corps
18 of Engineers to put together a compliance review of the
19 current permits, current Corps permitting, and basically
20 it was a point by point discussion of where the project
21 was in relationship to all of the general and special
22 conditions associated with that permit.

23 Q. And is a compliance summary like this pretty
24 standard in your interactions with the Corps or was this
25 specifically requested for some reason?

1 A. It's pretty common when changes are being made or
2 when the Corps, you know, is -- is looking at -- is
3 looking at a project. We give them often for different
4 projects.

5 Q. I want to look now at Question 4 and your
6 response.

7 A. Yes, ma'am.

8 Q. When the Preserves were transferred to the CDD in
9 2015, was the permit signed by anyone from the CDD or
10 coordinated with the Army Corps compliance staff?

11 A. Not to my knowledge.

12 Q. Do you know if that occurred in 2018?

13 A. Not to my knowledge.

14 Q. This is Plaintiff's Exhibit 22.

15 (EXHIBIT 22 WAS MARKED FOR IDENTIFICATION.)

16 BY MS. TOLIN:

17 Q. Have you seen this document before?

18 A. Yes, ma'am.

19 Q. And what is this document?

20 A. This is the agenda for the meeting that we had
21 with the CREW trust executive committee or executive
22 board.

23 Q. And so it's December 16th, 2019, the date upon
24 which the presentation took place?

25 A. Yes, ma'am.

1 Q. Other than yourself and Mr. Ron Miller, are the
2 other individuals listed on this first page members of
3 CREW, to your knowledge?

4 A. They're all members of the -- either of the board
5 or of their -- yeah -- or staff as far as I'm aware.

6 Q. Have you seen this 2012 letter before?

7 A. Yes, ma'am.

8 Q. If we look in the middle of this letter here, are
9 these conditions you're referring to earlier that CREW had
10 for acceptance of the Preserves?

11 A. Yes, ma'am.

12 Q. And is Item No. 4 what you were referencing
13 earlier regarding South Water Management District systems?

14 A. Yes, ma'am.

15 Q. Do you know if CREW ever added to these
16 conditions since 2012, or have these five conditions
17 remained their conditions for acceptance?

18 A. As far as I am aware, those five were -- have not
19 changed -- or had not changed.

20 Q. Did you ever attend a site inspection with CREW?

21 A. With CREW? No, ma'am.

22 Q. I'm showing you what's marked as Plaintiff's
23 Exhibit 23.

24 (EXHIBIT 23 WAS MARKED FOR IDENTIFICATION.)

25 ///

1 BY MS. TOLIN:

2 Q. Have you seen this document before?

3 A. Yes, ma'am.

4 Q. And what is this document?

5 A. That was a letter that was given by CREW
6 acknowledging that they would be open to -- to accepting
7 the property. That was back in 2004.

8 Q. I'm going to turn to one of the attachments to
9 the letter. Have you seen this list of work schedule
10 requirements before?

11 A. Yes, ma'am.

12 Q. Is this something that the district prepared, to
13 your knowledge, or would this been something that would
14 have been submitted to the district?

15 A. This would have been something that the district
16 prepared as an attachment to their permit.

17 Q. Was this work schedule ever modified, to your
18 knowledge?

19 A. Several times. Yes, ma'am.

20 Q. At what point did the last two requirements of
21 site inspection with CREW and fund CREW escrow account get
22 removed or modified?

23 A. I -- I don't know the exact dates. I know that
24 the requirement was removed from the permit with the --
25 the last modification, so I would assume that that would

1 be the time that those got removed.

2 Q. And would that have been done at the direction of
3 Taylor Morrison?

4 A. It was done at the direction of the CD -- well,
5 my interaction was done for Taylor Morrison at the
6 direction of the CDD.

7 Q. So is that when the CDD was developed or
8 controlled still?

9 A. Yes, ma'am.

10 Q. All right. I'm showing you what's marked as
11 Plaintiff's Exhibit 24, and it's four pages in here.

12 (EXHIBIT 24 WAS MARKED FOR IDENTIFICATION.)

13 BY MS. TOLIN:

14 Q. Have you seen these documents before?

15 A. Those look like texts between myself and Charles
16 Cook.

17 Q. And do you recall if these texts would have been
18 sent in May of this year or of the previous year?

19 A. Those were this year.

20 Q. And is it correct that the text messages you were
21 sending in response are these darker shaded text messages?

22 A. Yes, ma'am.

23 Q. What is the bond reduction referred to in this
24 May 13, 2:44 p.m., text?

25 A. Me as -- we had discussed earlier the Preserves

1 have performance bonds and when work is finished or
2 components of the work had been completed, you have the
3 ability to either eliminate or reduce the bonds based on
4 the amount of work that has been done and the sign off on
5 that work by the Water Management District.

6 Q. Was there a rush to get HOA's sign off while it
7 was still developer controlled?

8 A. I don't know. There's always a rush.

9 Q. What is the document that required HOA
10 authorization that's being referred to in these text
11 messages?

12 A. I think what I was referring to was I wasn't sure
13 whether the Water Management District -- I wasn't sure
14 what my standing was with the Water Management District
15 since I was no -- with respect to -- since I was no longer
16 employed by the CDD with respect to them accepting
17 information from me and whether I would need an HOA
18 authorization to make the bond reduction request.

19 Q. Do you recall if you obtained HOA authorization
20 for the bond reduction request?

21 A. It wasn't needed.

22 Q. Was there any authorization needed from the CDD?

23 A. For this? No.

24 Q. I'm showing you what is marked as Plaintiff's
25 Exhibit 25.

1 (EXHIBIT 25 WAS MARKED FOR IDENTIFICATION.)

2 BY MS. TOLIN:

3 Q. Are you copied to this e-mail?

4 A. Yes, ma'am.

5 Q. I want to move to the attachment here.

6 Have you seen these 2019 meeting minutes before?

7 A. Probably, yes, ma'am.

8 Q. Do you recall if you attended an August 2019
9 meeting with the CDD?

10 A. I know I attended a meeting. I -- I don't know
11 what the date was.

12 Q. Do you recall this discussion regarding Taylor
13 Morrison's intent for the Preserves, and I'm referring to
14 this paragraph I'm highlighting here.

15 A. I think that's the -- the discussion that I had
16 mentioned earlier that they wanted to keep the Preserves
17 within the CDD to avoid, you know, outside influence.

18 Q. And was this Mr. Drew Miller discussing Taylor
19 Morrison's intent with the Preserves?

20 A. I don't know. I don't know who -- who is saying
21 that. I'm not sure if I was at that meeting or not. I
22 just saw a note that Mr. Ron Miller was there via phone,
23 and I think the meeting that I was at he was there in
24 person. So I may not have been at this meeting.

25 Q. Do you recall what topics were being discussed at

1 the meeting you were at?

2 A. Well, my -- my reason for being there was to
3 answer questions related to the Preserves, to the status
4 of the Preserves. You know, Mr. Miller had some
5 questions -- Mr. Ron Miller had some questions about
6 the -- some of the provisions in the permits. He was
7 asking specifically whether CREW could just come in and
8 take the Preserves and -- and questions like that. So I
9 had been asked to come to that meeting to discuss, you
10 know, those points and give them an update on where those
11 Preserves were. But I think that would have been prior to
12 this meeting.

13 Q. I'm looking at the second to last page of the
14 meeting minutes here, and really this discussion here.

15 Were you aware that there was a motion made to
16 terminate Turrell, Hall & Associates and your contract
17 with the CDD in August of 2019?

18 A. I was not. Not until -- not until, you know, I
19 had been given a copy of these minutes later.

20 Q. And when you were provided a copy of these
21 minutes and saw that the motion had been made, did you
22 question whether there was in fact a conflict of interest
23 for you and Turrell, Hall & Associates?

24 A. I did, and I had a -- I had a telephone
25 conversation with Jim Ward about that whether I should

1 terminate, you know, the agreement with -- with Taylor
2 Morrison or not and, you know, the response I got back was
3 unless the board directs you to do so, you don't have to
4 do that.

5 Q. I believe you said you asked whether you should
6 terminate with Taylor Morrison; is that correct?

7 A. Yes.

8 Q. And in your mind, why offer to terminate with
9 Taylor Morrison and not offer to terminate with the CDD?

10 A. Because the work that I was doing with Taylor
11 Morrison at that time was at the bequest of the CDD. The
12 permitting that we had done for Taylor Morrison and all of
13 that work was -- you know, was completed at that time, so
14 I didn't have any ongoing obligations with them except for
15 what the CDD had directed me to do.

16 And then later, you know, that changed when we
17 took over the -- the monitoring -- when Taylor Morrison
18 said they were going to pay for the monitoring component
19 of the Preserves, then we entered into a contract with
20 them to do the monitoring.

21 Q. I'm showing you what's marked as Plaintiff's
22 Exhibit 26.

23 (EXHIBIT 26 WAS MARKED FOR IDENTIFICATION.)

24 BY MS. TOLIN:

25 Q. Have you seen this e-mail before?

1 A. I have, yes.

2 Q. And did you write this e-mail?

3 A. Yes, ma'am.

4 Q. And who is Tom Coffey?

5 A. I believe he was a resident that had been calling
6 in or asking questions of the CDD board, and Jim Ward had
7 asked me if I could respond to some of his questions.

8 Q. And I want to just direct your attention to these
9 two highlighted sentences here.

10 Are these the amounts you were referencing
11 earlier or the escrow amount you estimated?

12 A. Yes, ma'am.

13 Q. And if an escrow fund were to be established, do
14 you still believe this amount is a sufficient amount for a
15 fund for perpetual maintenance of the Preserves?

16 A. Really I can only comment on the -- the hundred
17 dollars a year, I think is -- you know, the 75 to 80 is
18 what it should cost. A hundred would help address kind of
19 contingencies. Whether or not the 3 million or -- I'm not
20 a financial advisor. So, you know, whether -- if 3
21 million turns out \$108,000 a year, then yes, that's
22 sufficient.

23 Q. Did you work with any financial advisors for
24 calculating the \$3 million amount?

25 A. No. And I said that in that e-mail that --

1 that -- you know, that that number was just kind of a back
2 of the envelope type of calculation.

3 MS. TOLIN: All right. Mr. Hall, I have no
4 further questions at this time.

5 MS. SCHWINN: Any cross?

6 MR. CAMBS: Not from --

7 MS. SCHWINN: Not on this side for Christina
8 Schwinn for Turrell, Hall & Associates.

9 MR. GREEN: No cross for Taylor Morrison.

10 MR. CAMBS: No cross for Esplanade.

11 THE VIDEOGRAPHER: At 10:51 a.m. this deposition
12 has concluded, and we are going off the record.

13 (THE DEPOSITION CONCLUDED AT 10:51 A.M.)
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF OATH

THE STATE OF FLORIDA)

COUNTY OF COLLIER)

I, the undersigned authority, certify that
TIM HALL personally appeared before me and was duly sworn
on the 3rd day of November, 2021.

Signed this 30th day of November, 2021.



Richard S. Sciré, RPR, FPR-C
Notary Public - State of Florida
My Commission No. GG 207605
My Commission Expires: 05/06/2022

CERTIFICATE OF REPORTER

THE STATE OF FLORIDA)

COUNTY OF COLLIER)

I, RICHARD S. SCIRÉ, RPR, FPR, certify that I was authorized to and did stenographically report the deposition of TIM HALL; that a review of the transcript was requested; and that the transcript is a true and complete record of my stenographic notes.

I further certify that I am not a relative, employee, attorney, or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 30th day of December, 2021.



Richard S. Sciré, RPR, FPR-C

ERRATA SHEET

DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE
IN RE: Flow Way CDD vs. Taylor Morrison, et al.

CASE NO. 20-CA-4147

WITNESS: TIM HALL

TAKEN: 11/3/2021

PAGE	LINE	CHANGE	REASON FOR CHANGE
------	------	--------	-------------------

Under penalties of perjury, I declare that I have read
the foregoing document and that the facts stated in it are
true.

Date

Tim Hall



1
2
3
4
5
6
7
8
9

**MINUTES OF MEETING
FLOW WAY
COMMUNITY DEVELOPMENT DISTRICT**

10
11
12
13
14
15
16

The Regular Meeting of the Board of Directors of the Flow Way Community Development District was held on Thursday, December 16, 2021, at 1:00 P.M. at the Esplanade Golf and Country Club, 8910 Torre Vista Lane, Naples, FL 34119.

17
18
19
20
21
22

Present and constituting a quorum:

Zack Stamp	Chairperson
Ron Miller	Vice Chairperson
Tom Kleck	Assistant Secretary
Bart Bhatla	Assistant Secretary
Martinn Winters	Assistant Secretary

23
24
25
26
27

Also present were:

James P. Ward	District Manager
James Messick	District Engineer
Greg Woods	District Counsel
Andrew Gill	JP Ward and Associates

28
29
30
31
32

Audience:

Christopher Jackson
Ms. Whitney Jackson
Joe Siciliano (ph)

33
34
35
36

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.

37
38
39
40
41

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

42
43
44
45

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

46
47
48

Public Comments for non-agenda items (Limited to three (3) minutes). Individuals are permitted to speak on items on the agenda during that item and will be announced by the Chairperson.

Chairperson Zack Stamp called the meeting to order at approximately 1:00 p.m. Roll call was conducted, and all Members of the Board were present, constituting a quorum.

SECOND ORDER OF BUSINESS

Consideration of Minutes

November 18, 2021, Regular Meeting Minutes

49
50 Chairperson Stamp asked if there were any additions or corrections to the Minutes; hearing none, he
51 called for a motion.

52
53 **On MOTION made by Mr. Ron Miller, seconded by Mr. Tom Kleck, and**
54 **with all in favor, the November 18, 2021, Regular Meeting Minutes**
55 **were approved.**

56
57

58 **THIRD ORDER OF BUSINESS**

58 **Consideration of Resolution 2022-1**

59
60 **Consideration of Resolution 2022-1, A Resolution of the Board of Supervisors of the Flow Way**
61 **Community Development District approving the execution and delivery of an application to the South**
62 **Florida Water Management District requesting a transfer of the existing Water Use Permit from Taylor**
63 **Morrison to the District; (i) authorizing the District Manager to sign or execute such additional**
64 **application documents as are necessary or required in connection with obtaining further approvals of**
65 **any modifications to the water use permit**

66
67 *Mr. Ward: In essence, in order to provide irrigation water to the community, there is an existing water*
68 *use permit with the South Florida Water Management District that authorizes the withdrawal of that*
69 *water in order to irrigate the community. As a part of what we were doing in terms of transferring those*
70 *assets that were in with the maintenance of the homeowner's association to the CDD, one of the things*
71 *that Jimmy had looked at was the existing South Florida Water Management Use Permit that is in place.*
72 *That permit is in the name currently of Taylor Morrison. I believe it is set to expire 2025, so this item*
73 *would be to authorize the Staff to effectuate the transfer of that permit from Taylor Morrison to the*
74 *CDD. It is not urgent that it be done today, but it is something that at some point needs to be done.*

75
76 *Mr. Bhatla: This is an opportunity to make any modifications we want to and approach the agency on*
77 *that basis, and to understand if there were any compliance issues, any penalties, etc. I would propose*
78 *that the engineer should advise us if we need any modifications. I propose that we meet with the*
79 *agency. This is an opportunity to meet with the agency and establish a contact.*

80
81 *Chairperson Stamp: Would it be your preference that we just delay this until January?*

82
83 *Mr. Bhatla: I think we can wait and meet with the agency if we can get a date.*

84
85 *Chairperson Stamp: Okay, we will defer this Item.*

86
87

88 **FOURTH ORDER OF BUSINESS**

88 **Staff Items**

89
90

90 **I. District Attorney – Woods, Weidenmiller, Michetti, & Rudnick**

91
92

92 **a. Arbitration Hearing - January 18, 2022, at 9:30 a.m.**

93
94

94 *Mr. Greg Woods: Arbitration was set in January. The other side has asked to potentially move it*
95 *because we filed an action for the lakes and water retention system and fencing, so the court has*

96 to grant us leave to add those points, and the hearing on that is January 12, so opposing counsel's
97 position is, because it's now a part of the claim they want it to be part of the arbitration, so we are
98 going to move with the other side and push the arbitration into February, so we have all our claims
99 in front of the arbitrator before the arbitration. Discovery is going on. Mr. Stamp was deposed the
100 other day. Mr. Ward has been deposed. We are taking Drew Miller's deposition on Tuesday. They
101 also have a designated corporate representative from which we want a deposition before
102 arbitration as well.

103
104 Chairperson Stamp: Pursuant to the shade meeting, Tim Hall has been dismissed.

105
106 Mr. Miller: Are Board Members allowed to attend that arbitration or would that represent a Board
107 Meeting?

108
109 Mr. Woods: That's the problem. I think you can only have a representative.

110
111 Mr. Miller: I would volunteer to go, but if somebody would prefer for Zack to volunteer, that's fine.

112
113 Mr. Woods: We have to have one representative of the Board in attendance. They can't make a
114 final decision until the full Board approves.

115
116 Chairperson Stamp: You expect this to take basically all day?

117
118 Mr. Woods: Yes. It will be an all day affair.

119 120 II. District Engineer - Calvin, Giordano & Associates

121
122 Chairperson Stamp explained Mr. Messick was calling in for today's meeting due to an exposure
123 to COVID.

124
125 Mr. Messick: I want to mention that I found a separate water use permit for the Hatcher Parcel
126 that is in Taylor Morrison's name. I'm going to get both of those over to Jim, and we can discuss
127 them at January's meeting. I also reached out to South Florida Staff about some of the questions
128 that our Board had. They forwarded my request on to public records and once we get a response
129 from them, I will email that to you Bart. So, you see my current items are the usual suspects.
130 The first is a Preserve Tree Removal. That should have been submitted. That's for the \$7,500
131 dollars for the 30 trees in the top importance and then the remaining phases will be integrated
132 into the strategic operations plans once that's been prepared. I think we have already pushed
133 the first phase back into the next fiscal year, but we can go over that once we get more detail,
134 and once we get approval from South Florida, we can decide on whether we want to take action
135 on those trees or not. He asked if there were any questions; there were none.

136
137 Mr. Messick: The next item is the Stormwater Maintenance Plan and maintenance of the
138 stormwater system. As requested, I got a proposal for TVing the entire stormwater
139 management system, all the underground pipes. The copy of that proposal is attached in the
140 exhibits. MRA gave us a price of \$32,000 dollars. We still have the three structures that need
141 additional work. We have included those three structures into our costs for the fiscal year 2022
142 and the TVing is not included at this time. Item 3 is the Strategic Operational Plan: We have
143 gone through – we have started on – draft maps have been completed. I think they are working

144 *on the last couple. I have reviewed some of them and I would like to get those in your hands*
145 *after the holiday break. I mean Jim needs to take a look at them first before we go to the Board,*
146 *but we are working on evaluating, analyzing, the existing assets. We have reviewed*
147 *approximately half of the assets; they've been investigated, and the next step is to assess and*
148 *evaluate that inventory. The investigation is expected to be complete by the end of the month*
149 *and we still need confirmation for maintenance and ownership of several of the landscape*
150 *buffers and front area. I kind of put together some deliverables and percent completes. The*
151 *fiscal year budget 2022 is attached and complete. We are working on almost halfway done, 40%*
152 *complete, for fiscal year 2023. The 5 year CIP program is just getting started and is about 25%*
153 *complete. The lake bank slope erosion reports are a little further along than 55%. We have*
154 *completed and tallied all of the lake banks. We have approximately 77,000 lake bank feet in the*
155 *lakes, and about 20,000 lake banks on the flow way. Together that's around 97,400 linear feet,*
156 *about 18.4 miles of lake bank, that we have walked in the last couple of months. We will put*
157 *that report together in January for Jim. Lastly is the Flow Way CDD Asset Valuation Report, an*
158 *all encompassing report of the costs of the assets owned by Flow Way. I also included the*
159 *revised estimates for operations for fiscal year 2022 and provided a table and definitions of*
160 *those descriptions in that table. I am not going to get into detail on this, but I just wanted to*
161 *give you a little snippet of what's to come. He asked if there were any questions.*

162
163 *Mr. Miller: The littoral plantings that we see throughout the community, which have been*
164 *expanding in the lakes, seem to have stopped expanding. Does it stop when it gets to a certain*
165 *depth of water, or will those eventually encroach from shore to shore?*

166
167 *Mr. Messick: No. they will stop. They only thrive in certain depths of lake area, so that they get*
168 *enough sunlight through the environmental process of photosynthesis. They will spread all along*
169 *the lake bank, and we try to keep them at bay to a point, but we do encourage those to protect*
170 *the lakes, but you won't see them growing all the way across the lake. At some points we do try*
171 *to keep the width of the littoral shelf limited so that you are not cutting away from the lake view*
172 *that the residents have, but they are certainly there and a positive part of your stormwater*
173 *management plan. We want to keep a health amount there.*

174
175 *Chairperson Stamp: I assume the exception to that is Lake 11 which is probably going to grow*
176 *totally in with littorals or some kind of planting.*

177
178 *Mr. Messick: Lake 11, as you know, they have proposed and constructed a littoral shelf for the*
179 *southern half of that lake. During rainy season it will look like a wet marshy area, and during dry*
180 *season it will be a littoral shelf.*

181
182 *Chairperson Stamp: That's the one by the border of the Hatcher Property, Lake 11, the south*
183 *end, we call it the mud pit.*

184
185 *Mr. Joe Siciliano: What property does the CDD have control over? Looking at the map I couldn't*
186 *find the lake behind my house.*

187
188 *Chairperson Stamp: If you show us the map you are looking at, I'm sure we could get back to*
189 *you. Give us your address and we can go look.*

190

191 *Mr. Sicliano: It's very hard to identify which belongs to the CDD and which James P Ward, to the*
192 *HOA.*

193
194 *Chairperson Stamp: We have all the lakes at this point, so if there is a lake there, it is ours. It is*
195 *our jurisdiction.*

196
197 *Mr. Sicliano: (Indecipherable).*

198
199 *Chairperson Stamp: That's a different question. Jimmy, did you hear that?*

200
201 *Mr. Messick: No, you will have to repeat that for me.*

202
203 *Chairperson Stamp: I think he would just like to have a better map that makes it clear which*
204 *lakes are which, by number, so that it's easier for the residents to look at it and say I live on lake*
205 *2, or I live on lake 7. A better map than we currently have on the website. He would like the*
206 *street names as well.*

207
208 *Mr. Bhatla: Should we install signage at each of the lakes? We don't have signs there. Lake 2,*
209 *Lake 7, so that it's easy to identify.*

210
211 *Mr. Messick: I don't think signage at the lakes is necessary. We are working on CDD maps that*
212 *we will provide to you, that you can put on your website, and they will be open for the public to*
213 *look at and reference. They will be easy to read. They will have road names, and the lakes, so*
214 *we can easily reference those moving forward.*

215
216 *Mr. Miller: I agree with no signs. I think the people who would be looking at those signs would*
217 *be unhappy.*

218
219 *Chairperson Stamp: Did we get his name for the record?*

220
221 *Mr. Ward recorded the speaker's name and address for the record.*

222
223 *Mr. Bhatla: I assume that the inventory of the assets includes the groundwater wells and*
224 *distribution system, and we are assuming responsibility of it.*

225
226 *Mr. Ward: Correct.*

227
228 *Mr. Messick: The last item is the USGS Surface Water Recorder Gauging Station Agreement. We*
229 *discussed last month about receiving this and providing comments back to the District. They*
230 *have modified it, and I have attached the agreement that I believe our legal team is in favor of*
231 *and has accepted. If you could provide a digital signature or authorization for Jim to provide a*
232 *digital signature, to get that back to the District, I would like to let them know we are on board*
233 *for this coming dry season's installation at the location in our external preserves along our west*
234 *property boundary line.*

235
236 *Mr. Miller: One of your attachments was related to Taylor Morrison's original permit which*
237 *shows quite a number of different items, like usages and permit fees, and I'm curious, were those*

238 *one-time permit fees that Taylor Morrison paid to get the permit? Or are these fees that are*
239 *ongoing that we pay for the amount of water that we use?*

240

241 *Mr. Bhatla: That is just a schedule, I think.*

242

243 *Mr. Miller: Yes, but I don't understand what they mean. Were they original one-time fees or are*
244 *they monthly or quarterly fees?*

245

246 *Mr. Bhatla: Usually it is a one-time fee. I think it says we have to pay \$300 dollars when we*
247 *transfer the permit, but it is only a one-time fee.*

248

249 *Mr. Miller: That's good.*

250

251 **III. District Manager – JPWard & Associates, LLC**

252

253 **a. Discussion of Future Operating Plans (Consideration of CGA Proposal)**

254 **b. Financial Statements for period ending November 30, 2021 (unaudited)**

255

256 *Mr. Ward: The revised operating expenditures for fiscal year 2022: Included in Jimmy's report was*
257 *a chart that he and I both worked on with respect to the latest expenditure estimates based upon*
258 *the fact that we have now terminated the homeowner's association agreement and that we have*
259 *taken over the maintenance responsibilities for the assets that belong to the District. It is clear,*
260 *what we had in the existing budget, and even in the higher budgets for operations, was woefully*
261 *inadequate for handling what even the existing homeowner's association with resident control is*
262 *paying for the operations and maintenance of all of those assets. The bad news is that there's*
263 *about \$700,000 dollars in expenditures that we will hit in operations only for the balance of this*
264 *fiscal year. That clearly is over what we will have in cash at the end of the year in order to meet*
265 *these operating expenditure requirements. At some point we will need to make the decision of*
266 *what is outlined in this chart that Jimmy prepared for you for reductions in programs. The*
267 *program reductions that I put in here are related to the preserves and obviously the drainage pipe*
268 *video investigation for the year. As I said, that doesn't need to be made today, but that will have*
269 *to be made. I want to point out to you also that our opening cash balance was \$335,000 dollars*
270 *when we started this fiscal year. If we expended all of the monies that are in this chart, we would*
271 *be short over \$200,000 dollars by September 30, so cash reductions, or reductions in certain*
272 *programs, are going to be required at some point during the year. Even with the programs that*
273 *are outlined in here, and the reductions that I anticipated, it is still going to bring our cash balance*
274 *down to under \$100,000 dollars with the reductions I've outlined, and that still doesn't meet our*
275 *operating cash requirements going into the next fiscal year. So, this information I wanted to have*
276 *available for you today. As I said, it is not urgent that we make decisions today, but going forward*
277 *we are going to have to make some decisions on what to do. I will tell you; we do have under*
278 *contract all of the vendors necessary to maintain the assets that are outlined here, and they have*
279 *already started the work as of this point in time. Changes that we make going forward we will*
280 *have to make over the next couple months or so.*

281

282 *Mr. Kleck: What does our fiscal year end?*

283

284 *Mr. Ward: October 1 through September 30 of 2022.*

285

286 *Mr. Miller: When I was looking at the financials, I was looking at the General Fund Balance Sheet,*
287 *it has an item on there for \$500,000-plus thousand dollars which has been designated as debt*
288 *structure money, and I'm wondering if that is something totally obligated in order to fund the debt*
289 *service or whether that is a contingency for debt service? Could some or all of that money*
290 *potentially become available for the operating fund?*

291
292 *Mr. Ward: Any of the monies that are in the debt service funds are for the bonds and are reserved*
293 *solely for debt service. They can't be used for any other purpose. There are two basic accounts*
294 *that we have in there. One is called a revenue account which is when the resident pays their*
295 *assessment, that money goes in there to pay minimum debt service, and then there is a reserve*
296 *account that is something you cannot touch. It is there in case of a default on the bonds, but it is*
297 *pledged to the bond issue in its entirety through the life of those bonds.*

298
299 *Mr. Miller: So, it will stay in the general fund, but it's not available for use?*

300
301 *Mr. Ward: It's in what we call a debt service fund. It's available for use for principal and interest*
302 *on bonds, but not for use in general operations.*

303
304 *Chairperson Stamp: Clearly, we do not have to make a decision today. I would encourage people*
305 *after the holidays to feel free to call Jim with specific questions or ideas, but with the*
306 *responsibilities that Taylor Morrison has dumped on us for the lakes and for the preserves and the*
307 *fencing and assuming the contracts from the HOA, we do not have enough money and some of*
308 *these things are going to be cut. Whether we cut proportionately or we cut some of these out*
309 *entirely, and what the consequences of those actions are, are things we are going to have to talk*
310 *about going forward. Maybe in January or February. You have to present the budget June 30?*

311
312 *Mr. Ward: I am required by law to present a budget to you no later than June 15. As I mentioned,*
313 *I would like to get that to you no later than March or April. That gives us two or three months to*
314 *go through the process. Assessment rates are obviously going to go up proportionately based*
315 *upon what these new operating requirements are going to be. That's going to trigger a mailed*
316 *notice public hearing to all residents on what the new assessment rates will be once we get to that,*
317 *so I would like to have as much time as possible to get through that process before we have to*
318 *finally adopt a budget generally by the mid to later part of August.*

319
320 *Chairperson Stamp: If we did everything on here for next year what would that do to our rates?*

321
322 *Mr. Ward: You are currently at \$525 dollars per unit now. It's going to be \$1,100 dollars to \$1,300*
323 *dollars next year if we did everything based upon what I know today.*

324
325 *Chairperson Stamp: So, we are going to have to talk about phasing some stuff in or doubling the*
326 *rates.*

327
328 *Mr. Kleck: The list of projects that we will be voting on to either cut or eliminate, will those be*
329 *separated out so we can delineate which we need to discuss or how we are going to handle?*

330
331 *Mr. Ward: Yes sir. We will do that for you.*
332

333 *Chairperson Stamp: Now that we are resident controlled, we can do that. We are going to do*
334 *things in a little more democratic way.*

335

336 *Mr. Bhatla: The landscaping at the entrance, we are planning on spending \$108,000 dollars. Is*
337 *that one time? That's pretty expensive.*

338

339 *Mr. Ward: That is from basically December through September 30, 2022. A full year's budget will*
340 *be slightly over that, but that's almost a whole year's maintenance program.*

341

342 *Mr. Bhatla: You expect to stay at that?*

343

344 *Mr. Ward: I expect it to go up in 2023 because this is basically only 11 months' worth of*
345 *expenditures, so you are going to go up at least another month's worth of service, plus whatever*
346 *the scope of service you all decide will be in 2023.*

347

348 *Chairperson Stamp: You are going to see this chart several more times. There are going to be*
349 *some choices that need to be made.*

350

351 *Mr. Christopher Jackson: This is my first gated community. Is there that much disorganization for*
352 *a community? I mean this community has been here for five, six years. Or is it just Taylor Morrison*
353 *hand-over time and now things are hell in a hand-basket?*

354

355 *Chairperson Stamp: I would say it's the latter.*

356

357 *Mr. Sicliano: This just sounds like monetary disorganization, and I'm not an accountant, but it does*
358 *not sound good for a resident who bought here and expects to live here for quite some time.*

359

360 *Chairperson Stamp: Taylor Morrison clearly did not do much, or any, maintenance over the lakes,*
361 *the fencing around the preserves, and they have thrown all that to us. The lakes are around*
362 *\$900,000 in things that need to be done, and there is \$190,000 dollars' worth of fencing that*
363 *should have been done. The south weir was in danger of being eroded away, and they just threw*
364 *all that at us.*

365

366 Discussion ensued regarding Taylor Morrison's negligence and the lawsuit; needing to make
367 decisions regarding the budget prior to resolution of the lawsuit; and Taylor Morrison having
368 control of the Board upon creation of the community until recently.

369

370 Mr. Sicliano stated he felt there should have been some due diligence by the Board prior to taking
371 on this budget.

372

373 *Mr. Woods: You have to appreciate the size of this community and how many different issues*
374 *there are, and then engineering reports take months. Once turnover occurs, then you have control*
375 *of financing, and you have control of force. That's when you do the investigation and develop a*
376 *final solution.*

377

378 *Mr. Sicliano: (Indecipherable).*

379

380 *Chairperson Stamp: It's an automatic turnover. There didn't have to be an agreement. It wasn't a*
381 *voluntary transaction.*

382
383 Discussion continued regarding the turnover of control from Taylor Morrison to the residents.

384
385 *Mr. Sicliano: This community, a lot of it is being run by corporate components, but you've got to*
386 *realize there is also social political components, which is sticky and horrible and noisy, so my advice*
387 *to both boards is when these things come up, give a foundation. Don't just say we stepped in the*
388 *pond, and it was 10 feet deep, not 2 feet, so give us something on social political (indecipherable).*
389 *Just communication.*

390
391 *Ms. Jackson: I'm in Coach Homes III, turning over at the end of January, so I'm a member on the*
392 *Board with Taylor Morrison, so I've had the exact problem you were saying. I have my list of things*
393 *and I can't get anything done, and I'm trying to get things done before they turn over, but I can't*
394 *get these things done. (Indecipherable). I tried to get things done but got the runaround from*
395 *Taylor Morrison and trying to get things fixed. The CDD did the right thing and I appreciate that.*
396 *(Indecipherable), but they still won't do it, I've documented this, but I'm in that same situation*
397 *where I have no real power. So, I appreciate the situation you are in.*

398

399

400 **FIFTH ORDER OF BUSINESS** **Old Business**

401

402 **Future Funding of Preserve Mitigation and Maintenance**

403

404 *Chairperson Stamp: Obviously, this gets rolled up in the budget discussions we are going to have.*

405

406

407 **SIXTH ORDER OF BUSINESS** **Audience Comments**

408

409 **Audience Comments: Public comment period is for items NOT listed on the Agenda, comments are**
410 **limited to three (3) minutes per person, assignment of speaking time is not permitted, however the**
411 **Presiding Officer may extend or reduce the time for the public comment period consistent with**
412 **Section 286.0114, Florida Statutes**

413

414 Chairperson Stamp asked if there were any additional audience comments.

415

416 *Mr. Sicliano: I have some questions. The first thing is, the CDD, the budget runs from October 31*
417 *through October 31, correct?*

418

419 *Mr. Ward: October 1 through September 30.*

420

421 *Mr. Sicliano: The HOA, their budget runs from January 1? They are on a calendar budget?*

422

423 *Mr. Miller: A calendar I believe.*

424

425 *Mr. Sicliano: When it comes to money allocation to (indecipherable). Is there any way you can retro-*
426 *settle this and then both entities (indecipherable) on the same budget? I know you have to work up a*
427 *Chapter 190 and there just so much room you have for legal, but if you think about it, we are on two*

428 *different budget years, and you have to make their projections. They have to make their projections.*
429 *Your projections are going to over run theirs. They don't have any money set aside. Think about if it's*
430 *legally possible to work out some sort of deal (indecipherable) the same budget year. Now is the time to*
431 *do it, when it's in its infancy, before budgets start, and money gets put aside for (indecipherable). The*
432 *other one is, and a lot of it is dealing with the process. The CDD is going to take over the operation,*
433 *maintenance and care of many parts of this facility, so I would ask the CDD to come up with a*
434 *preventative maintenance plan, in which you will identify all of your equipment, make, model, serial*
435 *numbers, etc., and then share that with the HOA, so the HOA can see you are maintaining the assets.*
436 *That's an important part. It's a big process. You can both work together. The HOA can – Taylor*
437 *Morrison may still have this data – Taylor Morrison should have had a preventative maintenance*
438 *schedule, but I don't know where it is. (Indecipherable). There should be some continuity of records. I'm*
439 *going to tell you what the answer is: (indecipherable). They work for the HOA, but they worked under*
440 *direction of Taylor Morrison.*

441
442 *Mr. Kleck: I don't think so. (Indecipherable).*

443
444 *Mr. Sicliano: (Indecipherable) with Taylor Morrison paying bills. Who paid them, Taylor Morrison, or the*
445 *HOA?*

446
447 *Mr. Kleck: I don't think –*

448
449 *Mr. Sicliano: I'm not trying to sandbag it but look into it. Plus, (indecipherable) was here before, so*
450 *technically there should be a lot of continuity of records with the ARC as far as what was approved, what*
451 *wasn't. I suspect everybody is going to say I was just following orders and those records were left with*
452 *Taylor Morrison. That's probably what you are going to get, but you should look back and talk to these*
453 *people and try to maintain some continuity. The next thing, the budget: (indecipherable). Statute 190.*
454 *You were issued these bonds which we have to pay off. What interest rate were those bonds issued at?*

455
456 *Chairperson Stamp: It's about 4.5 across the board.*

457
458 *Mr. Sicliano: (Indecipherable) reissued here?*

459
460 *Chairperson Stamp: 10 years.*

461
462 *Mr. Sicliano: Okay, so we have a little more time, but sometimes (indecipherable), we might want to*
463 *refinance.*

464
465 *Chairperson Stamp: We'd love to do it today.*

466
467 *Mr. Miller: We are keenly aware of the refinance situation. The bonds have a 10 year call privilege like*
468 *other bonds on the open market, so we cannot call those bonds for 10 years. We then have the privilege*
469 *of refinancing. This Board is aware of that, and I promise you we will be on top of that. But I want to*
470 *take it a step further in that there are probably five or six phases of bonds which have been issued and*
471 *they can only each be refinanced after a 10 year call period. So, the 2013 bonds will be eligible for*
472 *refinancing in 2023. You may be living in a phase that is 3 years after that. Refinancing of the bonds of*
473 *the phase you are living in may not be the first ones because each bond issuance has a 10 year call*
474 *period.*

475

476 *Mr. Sicliano: I realize that. All I said is (Indecipherable). I realize there is a process, but it is coming up on*
477 *some of them in the next 3 to 5 years and you should look at it; maybe interest rates will be better. You*
478 *can't do a bond issue by going to a local bank either. I realize that too. But the general statement is, one*
479 *day they can be refinanced, and I assume you will look at the rates.*

480
481 *Mr. Miller: Indeed, we are looking at that.*

482
483 *Mr. Sicliano: The CDD has a lot of power. It can raise, through our annual taxes, the fees. Whatever the*
484 *CDD agrees to, the HOA has no authority to approve or disapprove. We just have to pay it. Now, to be a*
485 *member of the CDD you have to be a citizen of the United States, and a resident of Florida. You don't*
486 *have to be a resident of Esplanade.*

487
488 *Mr. Stamp: Yes, you do.*

489
490 *Mr. Sicliano: I'm just going to warn you about this, looking at the Board Members, what happens is, if*
491 *there is a vacancy, or an election, or need to fill that spot until it turns over.*

492
493 *Chairperson Stamp: We are aware of that. That's how Bart got here.*

494
495 *Mr. Sicliano: (Indecipherable). Why not (Indecipherable) a CDD through these appointments, that there's*
496 *a majority of 9 residents on there (Indecipherable).*

497
498 *Mr. Ward: That's actually not true. Two of your points are correct, the rest of it is they have to be a*
499 *registered voter here in Collier County and live in Esplanade.*

500
501 Discussion continued regarding how individuals were appointed to the CDD and the legal requirements
502 to be a qualifying Board Member.

503
504 *Mr. _____ 53:00: (Indecipherable).*

505
506 *Chairperson Stamp: Send us the letter. We will respond.*

507
508 *Mr. Sicliano: (Indecipherable).*

509
510 *Mr. Ward: That is not true.*

511
512 *Chairperson Stamp: Legally, we cannot.*

513
514 *Mr. Sicliano: (Indecipherable). Last one, I read about in a previous (Indecipherable). In your contracts do*
515 *you have clauses for terminating with or without cause? Or just a 30 termination clause? How do you*
516 *terminate the agreement with the CDD? The CDD may have (Indecipherable) with cause or without*
517 *cause, and some people may say it will never happen, but trust me, I've seen it happen, and be careful*
518 *about these clauses. (Indecipherable). You should get something in writing. (Indecipherable).*

519
520 *Mr. Chris Jackson: It's just come to my attention that the new development Hatcher will not be paying or*
521 *will be paying a reduced price and why is that? Because another 34 homes would help everyone else to*
522 *take on the burden.*

523

524 *Chairperson Stamp: They do not have the bond portion to pay because we as a Board say Taylor*
525 *Morrison should pay that. We are not going to fund any more bonds for Taylor Morrison. They will pay*
526 *the operation and maintenance fees just like everyone else. Some of them may be surprised when they*
527 *get the bill because I think Taylor Morrison made them think they might not be paying that, but they will*
528 *be paying that. Is there anything else to come before the Board?*

529
530 *Mr. Miller: I recently came across some information that stated with respect to a majority of the*
531 *external preserves that they have not yet met the success criteria, and the success criteria is expected to*
532 *be met in 2022 or 2023. Does anybody know, does Taylor Morrison as the permittee, have*
533 *responsibilities to follow through on that success criteria? Or have they done a Pontius Pilot washing of*
534 *the hands?*

535
536 *Mr. Woods: It is not a clear issue. It depends on what the court says honestly. We technically own them*
537 *now. It is one of our positions in the lawsuit, that they should comply with all of their obligations to the*
538 *community, including those set forth in the permits. That's one of the things we are litigating.*

539
540 *Mr. Miller: So, they would be alleging that we (indecipherable) and it's not their problem?*

541
542 *Mr. Woods: They are alleging that we are the owner, so it's our problem. That's what their contention*
543 *is.*

544
545 *Chairperson Stamp: That's part of what they have thrown at us and just from speaking quickly on my*
546 *deposition, they kept reiterating what a big favor they have done for us, and we should be very*
547 *appreciative of the obligation of the preserves.*

548
549 **SEVENTH ORDER OF BUSINESS** **Announcement of Next Meeting**

550
551
552 **Announcement of Next Meeting – January 20, 2022**
553 **Quorum Call for January 20, 2022**

554
555
556 **EIGHTH ORDER OF BUSINESS** **Adjournment**

557
558 *Chairperson Stamp: Okay, motion to adjourn, anybody?*

559
560 **On MOTION made by Mr. Ron Miller, seconded by Mr. Tom Kleck, and**
561 **with all in favor, the Meeting was adjourned.**

562
563 **Flow Way Community Development District**

564
565
566 _____
567 **James P. Ward, Secretary**

564
565
566 _____
567 **Zack Stamp, Chairperson**

**FLOW WAY
COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021**

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-6
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet – Governmental Funds	9
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Notes to the Financial Statements	13-21
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	22
Notes to Required Supplementary Information	23
OTHER INFORMATION	
Data Elements required by FL Statute 218.39 (3) (c)	24
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	25-26
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	27
MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	28-29



Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Flow Way Community Development District
Collier County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund, of Flow Way Community Development District, Collier County, Florida ("District") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2021, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The information for compliance with FL Statute 218.39 (3) (c) is not a required part of the basic financial statements. The information for compliance with FL Statute 218.39 (3) (c) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



December 6, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Flow Way Community Development District, Collier County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position deficit balance of (\$7,382,459) since infrastructure (water, wastewater) has been conveyed to Collier County for long term ownership, operations and maintenance. The deficit is strictly a result of the conveyance of infrastructure to Collier County and is not indicative of any adverse financial standing. The nature of the deficit is common in governmental accounting and is not intended to be funded by any increase in assessments. Further, financial condition assessment procedures have been applied and no deteriorating financial conditions were noted.
- The change in the District's total net position in comparison with the prior fiscal year was (\$340,031), a decrease. The majority of the decrease represents the extent to which the cost of operations and depreciation expense exceeded ongoing program revenues. Depreciation expense represents amortization of capital assets purchased by the District in prior fiscal years. It does not represent cash outflows of current year's program revenues. Since depreciation expense is not a cash outflow, it is not budgeted by the District. The Key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2021, the District's governmental funds reported combined ending fund balances of \$3,568,254, a decrease of (\$1,079,940) in comparison with the prior fiscal year. The combined ending fund balances separated by funds amounts to \$335,758, \$3,162,168, and \$70,328 in the general fund, debt service fund, and capital projects fund, respectively. The total fund balance is restricted for debt service and capital projects, assigned to subsequent year's expenditures, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	NET POSITION	
	SEPTEMBER 30,	
	2021	2020
Current and other assets	\$ 3,587,538	\$ 4,648,194
Capital assets, net of depreciation	19,411,715	20,388,944
Total assets	22,999,253	25,037,138
Current liabilities	642,777	652,480
Long-term liabilities	29,738,935	31,427,086
Total liabilities	30,381,712	32,079,566
Net Position		
Net investment in capital assets	(10,256,892)	(9,938,069)
Restricted	2,538,675	2,529,336
Unrestricted	335,758	366,305
Total net position	\$ (7,382,459)	\$ (7,042,428)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

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

The District's net position decreased during the most recent fiscal year.

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

CHANGES IN NET POSITION		
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2021	2020
Revenues:		
Program revenues		
Charges for services	\$ 2,743,116	\$ 2,767,296
Operating grants and contributions	26,746	34,418
Capital grants and contributions	30	6,132
General revenues	944	15,175
Total revenues	<u>2,770,836</u>	<u>2,823,021</u>
Expenses:		
General government	360,599	154,555
Maintenance and operations*	1,228,806	1,214,525
Interest	1,521,462	1,547,810
Total expenses	<u>3,110,867</u>	<u>2,916,890</u>
Change in net position	<u>(340,031)</u>	<u>(93,869)</u>
Net position - beginning	<u>(7,042,428)</u>	<u>(6,948,559)</u>
Net position - ending	<u>\$ (7,382,459)</u>	<u>\$ (7,042,428)</u>

*Includes depreciation expense of \$977,229 for the current fiscal year and \$697,550 for the prior fiscal year.

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2021 was \$3,110,867. The costs of the District's activities were primarily funded by program revenues. Program revenues, comprised primarily of assessments, decreased from the prior fiscal year as a result of a decrease in interest income and assessment income. In total, expenses, including depreciation, increased from the prior fiscal year, the majority of the increase is associated with professional services incurred during the current year including legal and engineering fees.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2021.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2021, the District had \$23,177,007 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$3,765,292 has been taken, which resulted in a net book value of \$19,411,715. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2021, the District had \$29,655,000 in Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Flow Way Community Development District at the office of the District Manager, James P. Ward at 2301 Northeast 37th Street, Fort Lauderdale, FL 33308, (954) 658-4900.

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 355,042
Restricted assets:	
Investments	3,232,496
Capital assets:	
Depreciable, net	19,411,715
Total assets	22,999,253
 LIABILITIES	
Accounts payable	19,284
Accrued interest payable	623,493
Non-current liabilities:	
Due within one year	590,000
Due in more than one year	29,148,935
Total liabilities	30,381,712
 NET POSITION	
Net investment in capital assets	(10,256,892)
Restricted for debt service	2,538,675
Unrestricted	335,758
Total net position	\$ (7,382,459)

See notes to the financial statements

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

<u>Functions/Programs</u>	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 360,599	\$ 360,599	\$ -	\$ -	\$ -
Maintenance and operations*	1,228,806	212,217	-	30	(1,016,559)
Interest on long-term debt	1,521,462	2,170,300	26,746	-	675,584
Total governmental activities	3,110,867	2,743,116	26,746	30	(340,975)
			General revenues:		
			Miscellaneous	944	
			Total general revenues	944	
			Change in net position	(340,031)	
			Net position - beginning	(7,042,428)	
			Net position - ending	\$ (7,382,459)	

*Includes depreciation expense of \$977,229 for the current fiscal year.

See notes to the financial statements

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
ASSETS				
Cash and cash equivalents	\$ 355,042	\$ -	\$ -	\$ 355,042
Investments	-	3,162,168	70,328	3,232,496
Total assets	<u>\$ 355,042</u>	<u>\$ 3,162,168</u>	<u>\$ 70,328</u>	<u>\$ 3,587,538</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 19,284	\$ -	\$ -	\$ 19,284
Total liabilities	<u>19,284</u>	<u>-</u>	<u>-</u>	<u>19,284</u>
Fund balances:				
Restricted for:				
Debt service	-	3,162,168	-	3,162,168
Capital projects	-	-	70,328	70,328
Assigned:				
Subsequent year's expenditures	156,760	-	-	156,760
Unassigned	178,998	-	-	178,998
Total fund balances	<u>335,758</u>	<u>3,162,168</u>	<u>70,328</u>	<u>3,568,254</u>
Total liabilities and fund balances	<u>\$ 355,042</u>	<u>\$ 3,162,168</u>	<u>\$ 70,328</u>	<u>\$ 3,587,538</u>

See notes to the financial statements

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Fund balance - governmental funds \$ 3,568,254

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

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

Cost of capital assets	23,177,007	
Accumulated depreciation	<u>(3,765,292)</u>	19,411,715

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

Accrued interest payable	(623,493)	
Original issue discount	69,669	
Original issue premium	(153,604)	
Bonds payable	<u>(29,655,000)</u>	<u>(30,362,428)</u>
Net position of governmental activities		<u>\$ (7,382,459)</u>

See notes to the financial statements

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
REVENUES				
Special assessments	\$ 572,816	\$ 2,170,300	\$ -	\$ 2,743,116
Miscellaneous	944	-	-	944
Interest earnings	-	26,746	30	26,776
Total revenues	<u>573,760</u>	<u>2,197,046</u>	<u>30</u>	<u>2,770,836</u>
EXPENDITURES				
Current:				
General government	352,730	7,869	-	360,599
Maintenance and operations	251,577	-	-	251,577
Debt service:				
Principal	-	1,685,000	-	1,685,000
Interest	-	1,553,600	-	1,553,600
Total expenditures	<u>604,307</u>	<u>3,246,469</u>	<u>-</u>	<u>3,850,776</u>
Excess (deficiency) of revenues over (under) expenditures	(30,547)	(1,049,423)	30	(1,079,940)
OTHER FINANCING SOURCES (USES)				
Transfers in / (out)	-	1,029,775	(1,029,775)	-
Total other financing sources (uses)	<u>-</u>	<u>1,029,775</u>	<u>(1,029,775)</u>	<u>-</u>
Net change in fund balances	(30,547)	(19,648)	(1,029,745)	(1,079,940)
Fund balances - beginning	<u>366,305</u>	<u>3,181,816</u>	<u>1,100,073</u>	<u>4,648,194</u>
Fund balances - ending	<u>\$ 335,758</u>	<u>\$ 3,162,168</u>	<u>\$ 70,328</u>	<u>\$ 3,568,254</u>

See notes to the financial statements

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Net change in fund balances - total governmental funds	\$ (1,079,940)
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(977,229)
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	1,685,000
Amortization of bond discounts/premiums is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	3,151
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities, but not in the governmental fund financial statements.	<u>28,987</u>
Change in net position of governmental activities	<u><u>\$ (340,031)</u></u>

See notes to the financial statements

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - NATURE OF ORGANIZATION AND REPORTING ENTITY

Flow Way Community Development District (the "District") was created on March 4, 2002 by Ordinance 02-09 of Collier County, Florida, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The supervisors are elected by property owners within the District or by qualified electors within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the responsibility for:

1. Allocating and levying assessments.
2. Approving budgets.
3. Approving the hiring and firing of key personnel.
4. Financing improvements.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Assessments (Continued)

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

The District reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

Capital Projects Fund

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

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

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

Assets, Liabilities and Net Position or Equity

Restricted Assets

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

Deposits and Investments

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

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

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

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Inventories and Prepaid Items

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

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

Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Infrastructure	15-25

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

Unearned Revenue

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

Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

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

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position

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

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

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

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

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

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

Other Disclosures

Use of Estimates

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

NOTE 3 - BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

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

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) A public hearing is conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriations for annually budgeted funds lapse at the end of the year.

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits

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

Investments

The District's investments were held as follows at September 30, 2021:

	<u>Amortized cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
US Bank Money Market	\$ 2,116,422	S&P A-1+	N/A
US Bank Certificate of Deposit	1,116,074	Moody's Aa1	4/30/2024
	<u>\$ 3,232,496</u>		

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

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

Interest rate risk – The Bond Indenture determines the allowable investments and maturities, while any surplus funds are covered by the alternative investment guidelines and are generally of a short duration thus limiting the District's exposure to interest rate risk.

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

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

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

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

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

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. In addition, non-negotiable, non-transferable certificates of deposits that do not consider market rates are required to be reported at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2021 were as follows:

Fund	Transfer in	Transfer out
Debt service	\$ 1,029,775	\$ -
Capital projects	-	1,029,775
Total	\$ 1,029,775	\$ 1,029,775

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers from the capital projects fund to the debt service fund were made in accordance with the Bond Indentures.

NOTE 6 - CAPITAL ASSETS

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

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, being depreciated				
Infrastructure	\$ 23,177,007	\$ -	\$ -	\$ 23,177,007
Total capital assets, being depreciated	23,177,007	-	-	23,177,007
Less accumulated depreciation for:				
Infrastructure	2,788,063	977,229	-	3,765,292
Total accumulated depreciation	2,788,063	977,229	-	3,765,292
Total capital assets, being depreciated, net	20,388,944	(977,229)	-	19,411,715
Governmental activities capital assets, net	\$ 20,388,944	\$ (977,229)	\$ -	\$ 19,411,715

Depreciation was charged to the maintenance and operations function.

NOTE 7 - LONG TERM LIABILITIES

Series 2013

On December 12, 2013, the District issued \$7,050,000 of Series 2014 Special Assessment Bonds consisting of \$1,625,000 Series 2013 Term Bonds due on November 1, 2027 with a fixed interest rate of 6% and \$5,425,000 Series 2013 Term Bonds due on November 1, 2044 with a fixed interest rate of 6.5%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1. Principal is paid serially commencing November 1, 2015 through November 1, 2044.

Series 2015

On April 9, 2015, the District issued \$3,950,000 of Series 2015 Special Assessments Bonds. The District issued Series 2015 Term bonds with fixed interest rate ranging from 4.25% to 5.375%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1. Principal is paid serially commencing November 1, 2016 through November 1, 2045.

Series 2015 (Phase 4)

On April 9, 2015, the District issued \$3,950,000 of Series 2015 Special Assessments Bonds (phase 4 project). The District issued Series 2015 Term bonds with fixed interest rate ranging from 4.00% to 5.375%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1. Principal is paid serially commencing November 1, 2017 through November 1, 2046.

NOTE 7 - LONG TERM LIABILITIES (Continued)

Series 2016 (Phase 5)

On November 29, 2016, the District issued \$5,425,000 of Series 2016 Special Assessments Bonds (phase 5 project). The District issued Series 2016 Term bonds with fixed interest rate ranging from 3.400% to 5.000%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1. Principal is paid serially commencing November 1, 2017 through November 1, 2046.

Series 2017 (Phase 6)

On December 5, 2017, the District issued \$3,665,000 of Series 2017 Special Assessments Bonds (phase 6 project). The District issued Series 2017 Term bonds with fixed interest rate ranging from 3.500% to 5.000%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1. Principal is paid serially commencing November 1, 2018 through November 1, 2047.

Series 2019 (Phase 7 and Phase 8)

On July 30, 2019, the District issued \$9,685,000 of Series 2019 Special Assessments Bonds. The District issued Series 2019 Term bonds with fixed interest rate ranging from 3.350% to 4.375%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1. Principal is paid serially commencing November 1, 2020 through November 1, 2049.

The Series 2013, 2015, 2015 (Phase 4), 2016, 2017, and 2019 Bonds are subject to redemption at the option of the District prior to their maturity. 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 Indentures. This occurred during the current fiscal year as the District collected assessments from lot closings and prepaid \$25,000 and \$1,075,000 of the Series 2015 (Phase 4) and 2019 Bonds, respectively.

The Bond Indentures established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to bill special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2021.

Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2021 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2013	\$ 6,565,000	\$ -	\$ 115,000	\$ 6,450,000	\$ 120,000
Series 2015	3,410,000	-	70,000	3,340,000	70,000
Series 2015 (Phase 4)	3,035,000	-	80,000	2,955,000	55,000
Less: original issue discount	(42,504)	-	(1,689)	(40,815)	-
Series 2016	5,125,000	-	100,000	5,025,000	105,000
Series 2017	3,520,000	-	65,000	3,455,000	70,000
Plus: original issue premium	159,475	-	5,871	153,604	-
Series 2019	9,685,000	-	1,255,000	8,430,000	170,000
Less: original issue discount	(29,885)	-	(1,031)	(28,854)	-
Total	\$ 31,427,086	\$ -	\$ 1,688,151	\$ 29,738,935	\$ 590,000

NOTE 7 - LONG TERM LIABILITIES (Continued)

At September 30, 2021, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2022	\$ 590,000	\$ 1,484,608	\$ 2,074,608
2023	615,000	1,459,065	2,074,065
2024	635,000	1,431,646	2,066,646
2025	660,000	1,402,990	2,062,990
2026	695,000	1,372,375	2,067,375
2027-2031	3,990,000	6,322,964	10,312,964
2032-2036	5,105,000	5,178,306	10,283,306
2037-2041	6,590,000	3,663,119	10,253,119
2042-2046	7,975,000	1,681,028	9,656,028
2047-2050	2,800,000	201,125	3,001,125
	<u>\$ 29,655,000</u>	<u>\$ 24,197,226</u>	<u>\$ 53,852,226</u>

NOTE 8 – MANAGEMENT COMPANY

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

NOTE 9 – DEVELOPER TRANSACTIONS

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

NOTE 10– CONCENTRATION

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

NOTE 11 - RISK MANAGEMENT

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

NOTE 12 – COMMITMENTS AND CONTINGENCIES

During the current year the District has utilized professional engineering services in order to identify anticipated maintenance expenses that will need to be incurred in the future which include approximately \$186,320 in order to repair and replace preserve perimeter fencing and \$794,000 for repairs to the District's water management system.

NOTE 13 – LITIGATION AND CLAIMS

During the current fiscal year the District has filed a lawsuit against the Developer and its representatives, which consists of claims for declaratory relief and for damages, arising out of an alleged premature and improper transfer of Preserves to the District in violation of applicable permits and related documentation. While the District believes the documentation relied upon in support of the claims strongly favors its position, the outcome of the litigation, including whether a non-wasting escrow fund for long-term maintenance of the Preserves is to be established and/or whether the District is to remain the owner of the Preserves, cannot be predicted with any certainty at this time.

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Special assessments	\$ 603,844	\$ 572,816	\$ (31,028)
Miscellaneous	-	944	944
Total revenues	603,844	573,760	(30,084)
EXPENDITURES			
Current:			
General government	315,328	352,730	(37,402)
Maintenance and operations	388,516	251,577	136,939
Total expenditures	703,844	604,307	99,537
Excess (deficiency) of revenues over (under) expenditures	(100,000)	(30,547)	69,453
OTHER FINANCING SOURCES			
Carry forward	100,000	-	-
Total other financing sources	100,000	-	-
Net change in fund balances	\$ -	(30,547)	\$ 69,453
Fund balance - beginning		366,305	
Fund balance - ending		\$ 335,758	

See notes to required supplementary information

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
COLLIER COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2021.

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

<u>Element</u>	<u>Comments</u>
Number of district employees compensated at 9/30/2021	0
Number of independent contractors compensated in September 2021	5
Employee compensation for FYE 9/30/2021 (paid/accrued)	0
Independent contractor compensation for FYE 9/30/2021	\$265,622
Construction projects to begin on or after October 1; (>\$65K)	NONE
Budget variance report	See page 22 of annual financial report
Ad Valorem taxes;	Not applicable
Millage rate FYE 9/30/2021	Not applicable
Ad valorem taxes collected FYE 9/30/2021	Not applicable
Outstanding Bonds:	Not applicable
Non ad valorem special assessments;	
Special assessment rate FYE 9/30/2021	Operations and maintenance - \$525.08 Debt service - \$1,071.51-\$4,673.82
Special assessments collected FYE 9/30/2021	\$2,721,169
Outstanding Bonds:	
Series 2013, due November 1, 2044	see Note 7 for details
Series 2015, Phase 3, due November 1, 2045	see Note 7 for details
Series 2015, Phase 4, due November 1, 2046	see Note 7 for details
Series 2016, Phase 5, due November 1, 2046	see Note 7 for details
Series 2017, Phase 6, due November 1, 2047	see Note 7 for details
Series 2019, Phase 7, due November 1, 2049	see Note 7 for details



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

To the Board of Supervisors
Flow Way Community Development District
Collier County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Flow Way Community Development District, Collier County, Florida ("District") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated December 6, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

B *Law & Associates*

December 6, 2021



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

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

To the Board of Supervisors
Flow Way Community Development District
Collier County, Florida

We have examined Flow Way Community Development District, Collier County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2021. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Flow Way Community Development District, Collier County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

December 6, 2021



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

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

To the Board of Supervisors
Flow Way Community Development District
Collier County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Flow Way Community Development District, Collier County, Florida ("District") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated December 6, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 6, 2021, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

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

Grau & Associates

December 6, 2021

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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

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

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

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2020.

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

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2021.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2021.

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

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

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2021. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 24.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**ENGINEER'S REPORT
January 2022**

**Board Meeting
January 20th, 2022**

Prepared For:

**Board of Supervisors
Flow Way Community Development District**

Prepared By:



Calvin, Giordano & Associates, Inc.

EXCEPTIONAL SOLUTIONS™

1800 Eller Drive, Suite 600 · Fort Lauderdale, FL 33316

(phone) 954.921.7781 · (fax) 954.266.6487

Certificate of Authorization #514

**CGA Project No. 21-4271
January 20th, 2022**

**FLOW WAY
COMMUNITY DEVELOPMENT DISTRICT**

TABLE OF CONTENTS

I. PURPOSE.....	4
II. CURRENT ITEMS.....	4
III. PERMITTING	6
IV. ENGINEER’S REPORT COMPLETE.....	11

**FLOW WAY
COMMUNITY DEVELOPMENT DISTRICT**

LIST OF EXHIBITS

- EXHIBIT 1 LOCATION MAP
- EXHIBIT 2 LEGAL DESCRIPTION
- EXHIBIT 3 MEMO OF SW NEEDS ANALYSIS & TEMPLATE WORKSHEET

I. PURPOSE

The purpose of this report is to provide the Board of Supervisors an update of recent engineering related activities. We will continue to provide updated monthly reports on the status of ongoing activities.

II. CURRENT ITEMS

The following items are currently outstanding:

1. Preserve Tree Removal – Dead/Hazardous Tree Inspection Report
2. Strategic Operational Plan
3. 20-Year Stormwater Needs Analysis
4. USGS / SFMWD Surface Water Recorder (Agreement for Gaging Station)

1. Preserve Tree Removal

Submittal to SFWMD has occurred for Priority 2- and 3-Star rated trees (30 total). Upon SFWMD's approval, anticipated costs of \$7,500 (\$250/tree) for this work.

Additionally, the remaining tree removal phases will be outlined in the strategic operations plan, which is currently being prepared.

Site visit is scheduled for January 13th, 2022 with SFWMD staff for review of first phase of tree removal.

2. Strategic Operational Plan

Community Development District (CDD) Asset Investigations and Reporting proposal was approved at the October 2021 Board of Supervisors' meeting. CDD investigations are currently ongoing. Draft Asset Maps are completed and currently being reviewed. Review of AutoCAD files of previous asset maps from Waldrop Engineering and Turrell, Hall & Associates, Inc. have been completed and x-ref files (supplemental CAD and GIS files) have been provided. SharePoint files downloaded, organized, and sorted from current CDD staff. CDD Utility and Asset investigations commenced. Approximately 90% of the CDD assets have been investigated. Several site visits have been completed for the asset evaluations, and a draft report being prepared with anticipated operation and maintenance costs associated with the CDD infrastructures for the next five (5) years.

Confirmation of CDD's ownership and maintenance for roadway entries and landscape buffer assets requested to legal team.

Deliverables w/ Percent Complete:

- FY budget 21/22 – completed (11/30/21)
- FY budget 22/23 – 40% complete
- 5-Year CIP Program – 25% complete
- Lake Bank Slope Erosion Report – 85% complete
- Flow Way CDD Asset Valuation Report – 70% complete

Asset Vendors

- Lake Maintenance
 - Eco-Logic Services (aquatic lake and wetland plant maintenance) – PO released
- Landscape Maintenance
 - Estate Landscaping and Lawn Management (perimeter planting) – PO released
 - Everglades Pine straw (mulching) – contract negotiating
 - First Class Pools (main entry fountain) – PO released
- Irrigation Pump Station
 - Metro Pumping Systems (preventative pump maintenance) – PO released
 - MRI Underground Services (chemical treatment for irrigation) – PO released

3. 20-Year Stormwater Needs Analysis

Recent Florida Legislature recognized the need for a long-term planning process for stormwater and wastewater. Section 403.9302, Florida Statutes, requires a 20-year needs analysis for the local governments providing stormwater services. This analysis will need to be completed by June 30, 2022, for the first round of 20-year needs analysis of the stormwater utility. CGA has reviewed the provided template and will prepare an analysis of the existing stormwater system (already included in Strategic Operational Plan) and complete draft template by March 2022 for District Manager's draft review.

Memorandum of Stormwater Needs Analysis and Template Worksheet are attached as Exhibit 3 for reference.

4. USGS / SFWMD Surface Water Recorder (Agreement for Gaging Station)

South Florida Water Management District (SFWMD) is now partnering with United States Geological Survey (USGS) and are proposing a smaller ground monitoring system in a new location than what was originally discussed. The new monitoring system can be seen in the Exhibit 4 – USGS – Agreement for Installation and Maintenance of Gaging Station. This unit is smaller in stature and painted to match the surrounding vegetation. Additionally, the new location is behind a spoil pile adjacent to the existing cattle pond and will not be visible by our residents.

The revised draft agreement was approved by District Council and signed by District Manager. District Council to submit the fully executed agreement via a cover letter to USGS/SFWMD.

SFWMD has this program fully funded for this fiscal year and are ready to build later this dry season.

5. *SFWMD Water Use Permit (Consumptive Use Permit) transfer*

Existing South Florida Water Management District (SFWMD) Water User Permit (WUP) 11-02032-W was permitted by Taylor Morrison Esplanade Naples, LLC in May 2020 (expires in 2025). Flow Way CDD District Manager has requested that WUP be transferred to operating entity. Request for Water Use Permit Transfer Application and required submittal/ownership documents currently be reviewed by CDD prior to submittal to SFWMD.

Supervisor Bhatla requested public records request from SFWMD on various permit related information related to the WUP transfer. Currently awaiting response to public records request from SFWMD.

III. PERMITTING

We are continuing our ongoing work of identifying permits that have been obtained for the development of the District’s infrastructure. The below list is not complete, and will be updated periodically:

Permit Agency / Project Name	Permit Number	Date Received	Date Expires	Permittee-Constructed by	Current Status
Collier County Latest Flow Way CDD County PUD Modification	Ordinance 20-30	10/13/21	Current	Flow Way CDD	Operation Phase
South Florida Water Management District (SFWMD) ERP Permit Modification	11-02031-P	9/13/07	9/13/12	I. M. Collier Joint Venture (Mirasol)	Operation Phase
SFWMD Water Use	11-02032-W	5/13/20	5/15/25	Taylor Morrison Esplanade Naples, LLC	Operation Phase
SFWMD ROW Permit	12-1113-2m	6/13/13	6/30/14	Taylor Morrison Esplanade Naples, LLC	Closed
Army Corps of Engineers (ACOE)	SAJ-2000-01926 (IP-HWB)	12/7/12	11/5/17	IM Collier Joint Venture	Operation Phase
Esplanade at Naples Golf & Country Club (G&CC) -- Excavation	PL20120001253	2/20/13	2/20/14	Waldrop Engineering, P.A.	Closed / Final Excavation Acceptance 09/14/21
Esplanade G&CC of Naples -- Plans & Plat	PL20120001261	10/28/19	10/21/21	Waldrop Engineering, P.A.	Under Construction / Extension granted until 10/21/2023
Esplanade G&CC of Naples, Phase 2 -- Plans & Plat	PL20120002897	10/28/19	10/21/21	Waldrop Engineering, P.A.	Under Construction / bond reduction 10/22/2020
Esplanade G&CC of Naples, Parcels E & G2 -- Plans & Plat	PL20140002187	12/16/19	12/09/21	Waldrop Engineering, P.A.	Under Construction/ Request for extension pending.
Esplanade G&CC of Naples, Blocks D, F & H -- Plans & Plat	PL20150001102	9/9/20	9/8/22	Waldrop Engineering, P.A.	Under Construction/ 2nd LDC Extension
Esplanade G&CC of Naples - Benevenuto Court -- Plans & Plat	PL20150002533	3/9/21	3/22/23	Waldrop Engineering, P.A.	Under Construction/ 2nd LDC Extension
Esplanade G&CC of Naples - DiLillo Parcel -- Plans & Plat	PL20160000536	08/23/21	09/13/23	Waldrop Engineering, P.A.	Granted Final Acceptance on 12/14/2021
Esplanade G&CC of	PL20160003679	5/21/20	5/9/22	Taylor Morrison	Pre-Construction

Permit Agency / Project Name	Permit Number	Date Received	Date Expires	Permitee-Constructed by	Current Status
Naples, Ph3, Blk K1, K2 & H3 -- Plans & Plat				Esplanade Naples LLC	submittal Pending
Esplanade G&CC of Naples, Phase 4-- Plans & Plat	PL20170001594	7/14/20	6/27/22	Waldrop Engineering, P.A.	Under Construction/ Phase 4 Bond Reduction
Esplanade G&CC of Naples, Phase 5 (Parcels: I, J, K1, K2, K3, & K4) -- Plans & Plat	PL20180002201	10/14/14	10/01/2018	Taylor Morrison Esplanade Naples LLC	Under Construction / Application Withdrawn
Esplanade G&CC of Naples - Hatcher Parcel -- Plans & Plat	PL20190001680	4/28/20	4/28/23	Taylor Morrison Esplanade Naples LLC	Under Construction/ Approved Construction and Maintenance Agreement & Performance Bond
Esplanade G&CC of Naples Ph 1 Amenity Center -- Utility Acceptance	PL20140000736	11/28/17	11/28/18	Taylor Morrison Esplanade Naples LLC	Final Acceptance Scheduled for 7/13/2021; Waiting for the county to verify if permit close.
Esplanade G&CC of Naples Amenity Center Phase 2B -- Utility Acceptance	PL20160000757	11/02/16	11/02/17	Taylor Morrison Esplanade Naples LLC	Final Acceptance Scheduled for 7/13/2021. Waiting for the county to verify if permit is close.
Esplanade G&CC of Naples SDP #2 Maintenance Facility - Utility Acceptance	PL20160000600	04/15/16	04/15/17	Waldrop Engineering, P.A.	Final Acceptance Scheduled for 7/13/2021. Waiting for the county to verify if permit is close.

*Additional Collier County permits completed, available upon request.

IV. ENGINEER'S REPORT COMPLETE

By: _____

By: James Messick, P.E.

District Engineer

State of Florida Registration No. 70870

EXHIBIT 1
LOCATION MAP



Calvin, Giordano & Associates, Inc.
EXCEPTIONAL SOLUTIONS™
1800 Eller Drive, Suite 600 · Fort Lauderdale, FL 33316
(phone) 954.921.7781 · (fax) 954.266.6487
Certificate of Authorization #514

EXHIBIT 2

LEGAL DESCRIPTION

All of ESPLANADE GOLF AND COUNTRY CLUB OF NAPLES PLAT, according to the plat thereof, as recorded in Plat Book 53, Pages 1 through 64, include all subsequent plat revisions and amendments in the Public Records of Collier County, Florida.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

MEMORANDUM

To: District Engineer
From: District Manager
Date: November 4, 2021
Subject: Stormwater Management Needs Analysis (Chapter 2021-194, Laws of Florida/HB53)

We are writing with an update regarding the new law requiring special districts that either own or operate stormwater management systems, stormwater management programs or wastewater services to create a 20-year needs analysis of such system(s).

The Office of Economic and Demographic Research (“OEDR”) recently promulgated additional details and an excel template for reporting the stormwater needs analyses (attached hereto for reference). Similar documents for the wastewater needs analysis will be available soon at which time we will again supplement this memorandum.

A brief summary of the new law and its requirements are set forth another memorandum, attached to this memorandum for your reference in **Exhibit A**. Please feel free to contact us with any questions.

When is the deadline?

For both wastewater and stormwater, the first analysis must be submitted by **June 30, 2022**, and updated every five (5) years thereafter. The needs analysis, along with the methodology and any supporting data necessary to interpret the results, must be submitted to the county in which the largest portion of the service area or stormwater system is located.

What steps should the District take?

- District engineers should review the stormwater needs analysis excel workbook and submit a work authorization for approval by the District's Board prior to commencing work. We recommend presenting the work authorization to the Board as soon as is practical, but no later than the first quarter of 2022.
- District managers should review the stormwater needs analysis excel workbook and start entering information that is readily available. The district manager may be able to complete the "background information" section and provide data on stormwater O&M expenditures, among other assistance.
- Once the work authorization is approved, the district manager should work with the district engineer to complete the remainder of the stormwater needs analyses with the final version submitted to the District no later than May 15, 2022.
- In some cases, districts may require outside consulting or evaluation to complete the needs analyses. Since the necessity of this additional step may not be immediately apparent, we recommend that district managers begin coordinating with their engineers as soon as possible.

Stormwater Needs Analysis Resources from OEDR

- OEDR website <http://edr.state.fl.us/Content/natural-resources/stormwaterwastewater.cfm>
- Excel Workbook (stormwater needs analysis reporting template)
http://edr.state.fl.us/Content/natural-resources/Stormwater_Needs_Analysis.xlsx (last updated October 8, 2021)
- PDF Version for (essentially the same as the Excel workbook)
http://edr.state.fl.us/Content/natural-resources/Stormwater_Needs_Analysis.pdf (last updated October 8, 2021)

Wastewater Needs Analysis Resources from OEDR

- Forthcoming.

The full text of Florida House of Representatives House Bill 53 (2021) detailing the stormwater and wastewater analysis can be found [here](#).

Exhibit A

MEMORANDUM

To: District Engineer

From: District Manager

Date: September 7, 2021

Subject: Wastewater Services and Stormwater Management Needs Analysis
(Chapter 2021-194, Laws of Florida/HB53)

We are writing to inform you of a new law requiring special districts that either own or operate stormwater management systems, stormwater management programs or wastewater services to create a 20-year needs analysis of such system(s). The requirements relating to wastewater services are found in Section 4 of Chapter 2021-194, Laws of Florida, creating Section 403.9301, Florida Statutes, and the requirements relating to stormwater management programs and systems are found in Section 5 of Chapter 2021-194, Laws of Florida, creating Section 403.9302, Florida Statutes (attached hereto for reference).

A brief summary of the new law and its requirements is set forth below. Please feel free to contact us with any questions.

What is required?

The Office of Economic and Demographic Research (“OEDR”) is expected to promulgate additional details about the requirements of the needs analyses. However, certain general requirements are set forth in the new law.

For wastewater services, the needs analysis must include:

- a) A detailed description of the facilities used to provide wastewater services.
- b) The number of current and projected connections and residents served calculated in 5-year increments.

- c) The current and projected service area for wastewater services.
- d) The current and projected cost of providing wastewater services calculated in 5-year increments.
- e) The estimated remaining useful life of each facility or its major components.
- f) The most recent 5-year history of annual contributions to, expenditures from, and balances of any capital account for maintenance or expansion of any facility or its major components.
- g) The local government's plan to fund the maintenance or expansion of any facility or its major components. The plan must include historical and estimated future revenues and expenditures with an evaluation of how the local government expects to close any projected funding gap.

For stormwater management programs and stormwater management systems, the needs analysis must include:

- a) A detailed description of the stormwater management program or stormwater management system and its facilities and projects.
- b) The number of current and projected residents served calculated in 5-year increments.
- c) The current and projected service area for the stormwater management program or stormwater management system.
- d) The current and projected cost of providing services calculated in 5-year increments.
- e) The estimated remaining useful life of each facility or its major components.
- f) The most recent 5-year history of annual contributions to, expenditures from, and balances of any capital account for maintenance or expansion of any facility or its major components.
- g) The local government's plan to fund the maintenance or expansion of any facility or its major components. The plan must include historical and estimated future revenues and expenditures with an evaluation of how the local government expects to close any projected funding gap.

When is the deadline?

For both wastewater and stormwater, the first analysis must be created by **June 30, 2022**, and the analysis must be updated every five (5) years thereafter. The needs analysis, along with the methodology and any supporting data necessary to interpret the results, must be submitted to the county in which the largest portion of the service area or stormwater system is located.

What steps should districts take?

District engineers and district managers should begin by evaluating what information is already available to the district, and what new information may need to be gathered. Each district should approve a work authorization for their district engineer to create the needs analysis report and should consider proposals for any outside consulting or evaluation that may be necessary, though in most cases we expect this will not be required. In order to provide ample time for completion of the necessary needs analysis reports, we recommend presenting these items for board consideration no later than the first quarter of 2022, or as soon thereafter as is practical. OEDR is anticipated to provide further guidelines for the reporting requirements, none of which we expect to be particularly burdensome, and which will likely include information readily available to districts' engineering and/or environmental professionals. Once we receive further guidance, we will supplement this informational memorandum.

The full text of Florida House of Representatives House Bill 53 (2021) detailing the stormwater and wastewater analysis can be found [here](#).

EXHIBIT 3

Memorandum of Stormwater Needs Analysis and Template Worksheet Stormwater Needs Analysis

TEMPLATE FOR LOCAL GOVERNMENTS AND SPECIAL DISTRICTS FOR PERFORMING A STORMWATER NEEDS ANALYSIS PURSUANT TO SECTION 5 OF SECTION 403.9302, FLORIDA STATUTES

INTRODUCTION

As part of the 2021 regular session, the Legislature recognized the need for a long-term planning process for stormwater and wastewater. Section 403.9302, Florida Statutes, requires a 20-year needs analysis from the local governments providing stormwater services. Because this planning document is forward-looking, it will necessarily include a large number of assumptions about future actions. These assumptions should be based on any available information coupled with best professional judgment of the individuals completing the document. Completing this template by June 30, 2022, will fulfill the statutory requirements for the first round of 20-year needs analyses for stormwater. The template was generated by EDR in cooperation with local governments, Special Districts, the Florida Department of Environmental Protection (DEP), the Water Management Districts, the Florida Stormwater Association, private consultants, and others. Use of this tool will help ensure that information is compiled consistently for the Office of Economic & Demographic Research's (EDR) report to the Legislature.

For the purposes of this document, a stormwater management program and a stormwater management system are as defined in statute (s. 403.031(15) and (16), F.S., respectively; language provided here: <https://www.flsenate.gov/Laws/Statutes/2021/403.031>). Plainly speaking, the "program" is the institutional framework whereby stormwater management activities (MS4 NPDES permit activities, and other regulatory activities, construction, operation and maintenance, etc.) are carried out by the public authority. The "system" comprises the physical infrastructure that is owned and/or operated by the local government or special district that specifically is intended to control, convey or store stormwater runoff for treatment and flood protection purposes.

For the purposes of this document, the following guiding principles have been adopted:

- Stormwater systems or facilities owned and operated by any of the following are excluded from reporting requirements for local governments and special districts:
 - o Private entities or citizens
 - o Federal government
 - o State government, including the Florida Department of Transportation (FDOT)
 - o Water Management Districts
 - o School districts
 - o State universities or Florida colleges
- Local government expenditures associated with routine operation and maintenance are fully funded prior to commencing new projects and initiatives.
- Local government submissions will include the activities of dependent special districts. Only independent special districts report separately. For a list of all special districts in the state and their type (*i.e.*, dependent or independent), please see the Department of Economic Opportunity's Official List of Special Districts at the following link: <http://specialdistrictreports.floridajobs.org/webreports/alphalist.aspx>.
- With respect to federal and state statutes and rulemaking, current law and current administration prevails throughout the 20-year period. In other words, the state's present legal framework (*i.e.*, the status quo) continues throughout the period.

GENERAL INSTRUCTIONS FOR USING THE TEMPLATE

Instructions for submitting the template are still under development. Additional information regarding submission and answers to frequently asked questions will be posted on EDR's website, along with other useful materials, here: <http://edr.state.fl.us/Content/natural-resources/stormwaterwastewater.cfm>

The statutory language forms the titles for each part. This template asks that you group your recent and projected expenditures in prescribed categories. A detailed list of the categories is provided in part 5.0.

The same project should not appear on multiple tables in the jurisdiction's response unless the project's expenditures are allocated between those tables. All expenditures should be reported in \$1,000s (e.g., five hundred thousand dollars should be reported as \$500).

For any jurisdiction that is contracting with another jurisdiction where both could be reporting the same expenditure, please contact EDR for additional guidance. In situations where a reporting jurisdiction contracts with a non-reporting jurisdiction, (i.e., FDOT, the water management districts, the state or federal government), the reporting jurisdiction should include the expenditures.

When reporting cost information, please only include the expenditures that have flowed, are flowing, or will likely flow through your jurisdiction's budget. While necessary to comply with the statute, the concept of "future expenditures" should be viewed as an expression of identified needs.

These projections are necessarily speculative and do not represent a firm commitment to future budget actions by the jurisdiction.

This Excel workbook contains three worksheets for data entry. (Along the bottom of the screen, the three tabs are highlighted green.) Empty cells with visible borders are unlocked for data entry. In the first tab, titled "Background through Part 4," the information requested is either text, a dropdown list (e.g., Yes or No), or a checkbox. The next tab, "Part 5 through Part 8," contains tables for expenditure or revenue data as well as some follow-up questions that may have checkboxes, lists, or space for text.

In Part 5 and Part 6, the expenditure tables have space for up to 5 projects. More projects can be listed in the "Additional Projects" tab. This tab contains a table with space for up to 200 additional projects. In order for these additional projects and expenditures to be correctly classified and included in the final totals, each project must be assigned a Project Type and Funding Source Type from the dropdown lists in columns B and C.

Links to Template Parts:

[Background Information](#)

[Part 1](#)

[Part 2](#)

[Part 3](#)

[Part 4](#)

[Part 5](#)

[Part 6](#)

[Part 7](#)

[Part 8](#)

[Additional Projects - This table contains additional rows for projects that do not fit into the main tables in Parts 5 and 6](#)

Background Information

Please provide your contact and location information, then proceed to the template on the next sheet.

Name of Local Government:	
Name of stormwater utility, if applicable:	
Contact Person	
Name:	
Position/Title:	
Email Address:	
Phone Number:	

Indicate the Water Management District(s) in which your service area is located.

- Northwest Florida Water Management District (NFWFMD)
- Suwannee River Water Management District (SRWMD)
- St. Johns River Water Management District (SJRWMD)
- Southwest Florida Water Management District (SWFWMD)
- South Florida Water Management District (SFWMD)

Indicate the type of local government:

- Municipality
- County
- Independent Special District

Part 1.0 Detailed description of the stormwater management program (Section 403.9302(3)(a), F.S.)

The stormwater management program, as defined in the Introduction, includes those activities associated with the management, operation and maintenance, and control of stormwater and stormwater management systems, including activities required by state and federal law. The detailed program description is divided into multiple subparts consisting of narrative and data fields.

Part 1.1 Narrative Description:

Please provide a brief description of the current institutional strategy for managing stormwater in your jurisdiction. Please include any mission statement, divisions or departments dedicated solely or partly to managing stormwater, dedicated funding sources, and other information that best describes your approach to stormwater:

On a scale of 1 to 5, with 5 being the highest, please indicate the importance of each of the following goals for your program:

0	1	2	3	4	5	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Drainage & flood abatement (such as flooding events associated with rainfall and hurricanes)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Water quality improvement (TMDL Process/BMAPs/other)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Reduce vulnerability to adverse impacts from flooding related to increases in frequency and duration of rainfall events, storm surge and sea level rise
						Other:
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Part 1.2 Current Stormwater Program Activities:

Please provide answers to the following questions regarding your stormwater management program

- Does your jurisdiction have an NPDES Municipal Separate Storm Sewer System (MS4) Permit?
If yes, is your jurisdiction regulated under Phase I or Phase II of the NPDES Program:
- Does your jurisdiction have a dedicated stormwater utility?
If no, do you have another funding mechanism?
If yes, please describe your funding mechanism.
- Does your jurisdiction have a Stormwater Master Plan or Plans?
If Yes:
How many years does the plan(s) cover?
Are there any unique features or limitations that are necessary to understand what the plan does or does not address?

Please provide a link to the most recently adopted version of the document (if it is published online):
- Does your jurisdiction have an asset management (AM) system for stormwater infrastructure?
If Yes, does it include 100% of your facilities?
If your AM includes less than 100% of your facilities, approximately what percent of your facilities are included?

- Does your stormwater management program implement the following (answer Yes/No):

A construction sediment and erosion control program for new construction (plans review and/or inspection)?	
An illicit discharge inspection and elimination program?	
A public education program?	
A program to involve the public regarding stormwater issues?	
A "housekeeping" program for managing stormwater associated with vehicle maintenance yards, chemical storage, fertilizer management, etc. ?	
A stormwater ordinance compliance program (<i>i.e.</i> , for low phosphorus fertilizer)?	
Water quality or stream gage monitoring?	
A geospatial data or other mapping system to locate stormwater infrastructure (GIS, etc.)?	
A system for managing stormwater complaints?	
Other specific activities?	

Notes or Comments on any of the above:

Part 1.3 Current Stormwater Program Operation and Maintenance Activities

Please provide answers to the following questions regarding the operation and maintenance activities undertaken by your stormwater management program.

- Does your jurisdiction typically assume maintenance responsibility for stormwater systems associated with new private development (*i.e.*, systems that are dedicated to public ownership and/or operation upon completion)?

Notes or Comments on the above:

- Does your stormwater operation and maintenance program implement any of the following (answer Yes/No)

Routine mowing of turf associated with stormwater ponds, swales, canal/lake banks, etc. ?	
Debris and trash removal from pond skimmers, inlet grates, ditches, etc. ?	
Invasive plant management associated with stormwater infrastructure?	
Ditch cleaning?	
Sediment removal from the stormwater system (vacator trucks, other)?	
Muck removal (dredging legacy pollutants from water bodies, canal, etc.)?	
Street sweeping?	
Pump and mechanical maintenance for trash pumps, flood pumps, alum injection, etc. ?	
Non-structural programs like public outreach and education?	
Other specific routine activities?	

Part 2. Detailed description of the stormwater management system and its facilities and projects (continued Section 403.9302(3)(a), F.S.

A stormwater management system, as defined in the Introduction, includes the entire set of site design features and structural infrastructure for collection, conveyance, storage, infiltration, treatment, and disposal of stormwater. It may include drainage improvements and measures to prevent streambank channel erosion and habitat degradation. This section asks for a summary description of your stormwater management system. It is not necessary to provide geospatial asset data or a detailed inventory. For some, it may be possible to gather the required data from your Asset Management (AM) system. For others, data may be gathered from sources such as an MS4 permit application, aerial photos, past or ongoing budget investments, water quality projects, or any other system of data storage/management that is employed by the jurisdiction.

Please provide answers to the following questions regarding your stormwater system inventory. Enter zero (0) if your system does not include the component.

	Number	Unit of Measurement
Estimated feet or miles of buried culvert:		
Estimated feet or miles of open ditches/conveyances (lined and unlined) that are maintained by the stormwater program:		
Estimated number of storage or treatment basins (<i>i.e.</i> , wet or dry ponds):		
Estimated number of gross pollutant separators including engineered sediment traps such as baffle boxes, hydrodynamic separators, <i>etc.</i> :		
Number of chemical treatment systems (<i>e.g.</i> , alum or polymer injection):		
Number of stormwater pump stations:		
Number of dynamic water level control structures (<i>e.g.</i> , operable gates and weirs that control canal water levels):		
Number of stormwater treatment wetland systems:		
Other:		

Notes or Comments on any of the above:

Which of the following green infrastructure best management practices do you use to manage water flow and/or improve water quality (answer Yes/No):

Best Management Practice	Current	Planned
Tree boxes		
Rain gardens		
Green roofs		
Pervious pavement/pavers		
Littoral zone plantings		
Living shorelines		
Other Best Management Practices:		

Please indicate which resources or documents you used when answering these questions (check all that apply).

- Asset management system
- GIS program
- MS4 permit application
- Aerial photos
- Past or ongoing budget investments
- Water quality projects

Other(s):

Part 3. The number of current and projected residents served calculated in 5-year increments (Section 403.9302(3)(b), F.S.)

Counties and municipalities: Instead of requiring separate population projections, EDR will calculate the appropriate population estimates for each municipality or the unincorporated area of the county. If your service area is less than or more than your local government's population, please describe in the first text box provided below for part 4.0.

Independent Special Districts:

If an independent special district's boundaries are completely aligned with a county or a municipality, identify that jurisdiction here:

Any independent special district whose boundaries do not coincide with a county or municipality must submit a GIS shapefile with the current and projected service area. EDR will calculate the appropriate population estimates based on that map. Submission of this shapefile also serves to complete Part 4.0 of this template.

Part 4.0 The current and projected service area for the stormwater management program or stormwater management system (Section 403.9302(3)(c), F.S.)

Rather than providing detailed legal descriptions or maps, this part of the template is exception-based. In this regard, if the stormwater service area is less than or extends beyond the geographic limits of your jurisdiction, please explain.

Similarly, if your service area is expected to change within the 20-year horizon, please describe the changes (e.g., the expiration of an interlocal agreement, introduction of an independent special district, etc.).

[Proceed to Part 5](#)

Part 5.0 The current and projected cost of providing services calculated in 5-year increments (Section 403.9302(3)(d), F.S.)

Given the volume of services, jurisdictions should use the template's service groupings rather than reporting the current and projected cost of each individual service. Therefore, for the purposes of this document, "services" means:

1. Routine operation and maintenance (inclusive of the items listed in Part 1.3 of this document, ongoing administration, and non-structural programs)
2. Expansion (that is, improvement) of a stormwater management system.

Expansion means new work, new projects, retrofitting, and significant upgrades. Within the template, there are four categories of expansion projects

1. Flood protection, addressed in parts 5.2 and 5.3... this includes capital projects intended for flood protection/flood abatement
2. Water quality, addressed in part 5.2 and 5.3... this includes stormwater projects related to water quality improvement, such as BMAPs; projects to benefit natural systems through restoration or enhancement; and stormwater initiatives that are part of aquifer recharge projects
3. Resiliency, addressed in part 5.4... this includes all major stormwater initiatives that are developed specifically to address the effects of climate change, such as sea level rise and increased flood events
4. End of useful life replacement projects, addressed in part 6.0... this includes major expenses associated with the replacement of aging infrastructure

While numbers 3 and 4 have components that would otherwise fit into the first two categories, they are separately treated given their overall importance to the Legislature and other policymakers.

Expansion projects are further characterized as currently having either a committed funding source or no identified funding source. Examples of a committed funding source include the capacity to absorb the project's capital cost within current budget levels or forecasted revenue growth; financing that is underway or anticipated (bond or loan); known state or federal funding (appropriation or grant); special assessment; or dedicated cash reserves for future expenditure.

All answers should be based on local fiscal years (LFY, beginning October 1 and running through September 30). Please use nominal dollars for each year, but include any expected cost increases for inflation or population growth. Please check the EDR website for optional growth rate schedules that may be helpful.

If you have more than 5 projects in a particular category, please use the "Additional Projects" tab. There, you can use dropdown lists to choose the project category and whether there is a committed funding source, then enter the project name and expenditure amounts.

Part 5.1 Routine Operation and Maintenance

Please complete the table below, indicating the cost of operation and maintenance activities for the current year and subsequent five-year increments throughout the 20-year horizon. Your response to this part should exclude future initiatives associated with resiliency or major expenses associated with the replacement of aging infrastructure; these activities are addressed in subparts 5.4 and 6.0. However, do include non-structural programs like public outreach and education in this category.

If specific cost data is not yet available for the current year, the most recent (2020-21) O&M value can be input into the optional growth rate schedules (available on EDR's website as an Excel workbook). The most recent O&M value can be grown using the provided options for inflation, population growth, or some other metric of your choosing. If the growth in your projected total O&M costs is more than 15% over any five-year increment, please provide a brief explanation of the major drivers.

Routine Operation and Maintenance

Expenditures (in \$thousands)

	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42
Operation and Maintenance Costs					
Brief description of growth greater than 15% over any 5-year period:					

Part 5.2 Future Expansion (Committed Funding Source)

Please list expansion projects and their associated costs for the current year and subsequent five-year increments throughout the 20-year planning horizon. In this section, include stormwater system expansion projects or portions of projects with a committed funding source. If you include a portion of a project that is not fully funded, the project's remaining cost must be included in part 5.3, Expansion Projects with No Identified Funding Source.

Though many, if not most, stormwater projects benefit both flood protection and water quality, please use your best judgment to either allocate costs or simply select the primary purpose from the two categories below.

5.2.1 Flood Protection (Committed Funding Source): Provide a list of all scheduled new work, retrofitting and upgrades related to flood protection/flood abatement. Include infrastructure such as storage basins, piping and other conveyances, land purchases for stormwater projects, etc. Also include major hardware purchases such as vactor/jet trucks.

5.2.2 Water Quality Projects (Committed Funding Source): Please provide a list of scheduled water quality projects in your jurisdiction, such as treatment basins, alum injection systems, green infrastructure, water quality retrofits, etc., that have a direct stormwater component. The projected expenditures should reflect only those costs.

- If you are party to an adopted BMAP, please include the capital projects associated with stormwater in this table. Include BMAP project number, cost to your jurisdiction, and year(s) that capital improvement costs are to be incurred. For reference, DEP publishes a complete list of adopted BMAP projects as an appendix in their Annual STAR Report.

Expansion Projects with a Committed Funding Source

5.2.1 Flood Protection

Expenditures (in \$thousands)

Project Name	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42

5.2.2 Water Quality

Expenditures (in \$thousands)

Project Name (or, if applicable, BMAP Project Number or ProjID)	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42

Part 5.3 Future Expansion with No Identified Funding Source

Please provide a list of known expansion projects or anticipated need(s) without formal funding commitments(s), formal pledges, or obligations. If you included a portion of a project that was partially covered by a committed source in part 5.2 above, list the projects and their remaining costs below.

5.3.1 Future Flood Protection with No Identified Funding Source: Please provide a list of future flood protection/flood abatement projects, associated land purchases, or major hardware purchases that are needed in your jurisdiction over the next 20 years. Future needs may be based on Master Plans, Comprehensive Plan Elements, Water Control Plans, areas of frequent flooding, hydrologic and hydraulic modeling, public safety, increased frequency of maintenance, desired level of service, flooding complaints, etc.

5.3.2 Future Water Quality Projects with no Identified Funding Source: Please provide a list of future stormwater projects needed in your jurisdiction over the next 20 years that are primarily related to water quality issues. Future needs may be based on proximity to impaired waters or waters with total maximum daily loads (TMDLs), BMAPs, state adopted Restoration Plans, Alternative Restoration Plans, or other local water quality needs.

- If you are party to an adopted BMAP, please list capital projects associated with stormwater. Include BMAP project number, cost to your jurisdiction, and year(s) that capital improvement costs are to be incurred.
- List other future water quality projects, including those in support of local water quality goals as well as those identified in proposed (but not yet adopted) BMAPs.

Expansion Projects with No Identified Funding Source

5.3.1 Flood Protection

Expenditures (in \$thousands)

Project Name	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42

5.3.2 Water Quality

Expenditures (in \$thousands)

Project Name (or, if applicable, BMAP Project Number or ProjID)	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42

Please indicate which resources or documents you used to complete table 5.3 (check all that apply).

- Stormwater Master Plan
- Basin Studies or Engineering Reports
- Adopted BMAP
- Adopted Total Maximum Daily Load
- Regional or Basin-specific Water Quality Improvement Plan or Restoration Plan
- Other(s): Specify: _____

Part 5.4 Stormwater projects that are part of resiliency initiatives related to climate change

Please list any stormwater infrastructure relocation or modification projects and new capital investments specifically needed due to sea level rise, increased flood events, or other adverse effects of climate change. When aggregating, include O&M costs for these future resiliency projects and investments in this table (not in part 5.1). If your jurisdiction participates in a Local Mitigation Strategy (LMS), also include the expenditures associated with your stormwater management system in this category (for example, costs identified on an LMS project list).

Resiliency Projects with a Committed Funding Source		Expenditures (in \$thousands)			
Project Name	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42

Resiliency Projects with No Identified Funding Source		Expenditures (in \$thousands)			
Project Name	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42

- Has a vulnerability assessment been completed for your jurisdiction's storm water system?
- If no, how many facilities have been assessed?
- Does your jurisdiction have a long-range resiliency plan of 20 years or more?
- If yes, please provide a link if available:
- If no, is a planning effort currently underway?

Part 6.0 The estimated remaining useful life of each facility or its major components (Section 403.9302(3)(e), F.S.)

Rather than reporting the exact number of useful years remaining for individual components, this section is constructed to focus on infrastructure components that are targeted for replacement and will be major expenses within the 20-year time horizon. Major replacements include culverts and pipe networks, control structures, pump stations, physical/biological filter media, etc. Further, the costs of retrofitting when used in lieu of replacement (such as slip lining) should be included in this part. Finally, for the purposes of this document, it is assumed that open storage and conveyance systems are maintained (as opposed to replaced) and have an unlimited service life.

In order to distinguish between routine maintenance projects and the replacement projects to be included in this part, only major expenses are included here. A major expense is defined as any single replacement project greater than 5% of the jurisdiction's total O&M expenditures over the most recent five-year period (such as a project in late 2021 costing more than 5% of the O&M expenditures for fiscal years 2016-2017 to 2020-2021).

If you have more than 5 projects in a particular category, please use the "Additional Projects" tab. There, you can use dropdown lists to choose the project category and whether there is a committed funding source, then enter the project name and expenditure amounts.

End of Useful Life Replacement Projects with a Committed Funding Source

Expenditures (in \$thousands)

Project Name	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42

End of Useful Life Replacement Projects with No Identified Funding Source

Expenditures (in \$thousands)

Project Name	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42

Part 7.0 The most recent 5-year history of annual contributions to, expenditures from, and balances of any capital account for maintenance or expansion of any facility or its major components. (Section 403.9302(3)(f), F.S.)

This part of the template also addresses a portion of s. 403.9302(3)(g), F.S., by including historical expenditures. Many local governments refer to these as "actual" expenditures.

Consistent with expenditure projections, the jurisdiction's actual expenditures are categorized into routine O&M, expansion, resiliency projects, and replacement of aging infrastructure. Additionally, the table includes space for reserve accounts. EDR's interpretation of subparagraph 403.9302(3)(f), F.S., is that "capital account" refers to any reserve account developed specifically to cover future expenditures.

Note that for this table:

- Expenditures for local fiscal year 2020-21 can be estimated based on the most current information if final data is not yet available.
- Current Year Revenues include tax and fee collections budgeted for that fiscal year as well as unexpended balances from the prior year (balance forward or carry-over) unless they are earmarked for the rainy day or a dedicated reserve as explained in the following bullets.
- Bond proceeds should reflect only the amount expended in the given year.
- A reserve is a dedicated account to accumulate funds for a specific future expenditure.
- An all-purpose rainy day fund is a type of working capital fund typically used to address costs associated with emergencies or unplanned events

The sum of the values reported in the "Funding Sources for Actual Expenditures" columns should equal the total "Actual Expenditures" amount. The cells in the "Funding Sources for Actual Expenditures" section will be highlighted red if their sum does not equal the "Actual Expenditures" total.

If you do not have a formal reserve dedicated to your stormwater system, please enter zero for the final two reserve columns

Routine O&M

	Total	Funding Sources for Actual Expenditures					
	Actual Expenditures	Amount Drawn from Current Year Revenues	Amount Drawn from Bond Proceeds	Amount Drawn from Dedicated Reserve	Amount Drawn from All-Purpose Rainy Day Fund	Contributions to Reserve Account	Balance of Reserve Account
2016-17							
2017-18							
2018-19							
2019-20							
2020-21							

Expansion

	Total	Funding Sources for Actual Expenditures					
	Actual Expenditures	Amount Drawn from Current Year Revenues	Amount Drawn from Bond Proceeds	Amount Drawn from Dedicated Reserve	Amount Drawn from All-Purpose Rainy Day Fund	Contributions to Reserve Account	Balance of Reserve Account
2016-17							
2017-18							
2018-19							
2019-20							
2020-21							

Resiliency

	Total	Funding Sources for Actual Expenditures					
	Actual Expenditures	Amount Drawn from Current Year Revenues	Amount Drawn from Bond Proceeds	Amount Drawn from Dedicated Reserve	Amount Drawn from All-Purpose Rainy Day Fund	Contributions to Reserve Account	Balance of Reserve Account
2016-17							
2017-18							
2018-19							
2019-20							
2020-21							

Replacement of Aging Infrastructure

	Total	Funding Sources for Actual Expenditures					
	Actual Expenditures	Amount Drawn from Current Year Revenues	Amount Drawn from Bond Proceeds	Amount Drawn from Dedicated Reserve	Amount Drawn from All-Purpose Rainy Day Fund	Contributions to Reserve Account	Balance of Reserve Account
2016-17							
2017-18							
2018-19							
2019-20							
2020-21							

Part 8.0 The local government's plan to fund the maintenance or expansion of any facility or its major components. The plan must include historical and estimated future revenues and expenditures with an evaluation of how the local government expects to close any projected funding gap (Section 403.9302(3)(g), F.S.)

In this template, the historical data deemed necessary to comply with s. 403.9302(3)(g), F.S., was included in part 7.0. This part is forward looking and includes a funding gap calculation. The first two tables will be auto-filled from the data you reported in prior tables. To do this, EDR will rely on this template's working definition of projects with committed funding sources, *i.e.*, EDR assumes that all committed projects have committed revenues. Those projects with no identified funding source are considered to be unfunded. EDR has automated the calculation of projected funding gaps based on these assumptions.

Committed Funding Source	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42
Maintenance	0	0	0	0
Expansion	0	0	0	0
Resiliency	0	0	0	0
Replacement/Aging Infrastructure	0	0	0	0
Total Committed Revenues (=Total Committed Projects)	0	0	0	0

No Identified Funding Source	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42
Maintenance	0	0	0	0
Expansion	0	0	0	0
Resiliency	0	0	0	0
Replacement/Aging Infrastructure	0	0	0	0
Projected Funding Gap (=Total Non-Committed Needs)	0	0	0	0

For any specific strategies that will close or lessen a projected funding gap, please list them in the table below. For each strategy, also include the expected new revenue within the five-year increments.

Strategies for New Funding Sources	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42
Total	0	0	0	0
Remaining Unfunded Needs	0	0	0	0

Additional Table Rows

Choose from the drop-down lists for Project Type and Funding Source Type, then fill in the project name and expenditure estimates.
 Rows that are highlighted RED are either missing information in a "Project & Type Information" column or have zero expenditures.
[Link to aggregated table to crosscheck category totals and uncategorized projects.](#)

Project & Type Information			Expenditures (in \$thousands)				
Project Type (Choose from dropdown list)	Funding Source Type (Choose from dropdown list)	Project Name	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42

Project & Type Information			Expenditures (in \$thousands)				
Project Type (Choose from dropdown list)	Funding Source Type (Choose from dropdown list)	Project Name	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42

Project & Type Information			Expenditures (in \$thousands)				
Project Type (Choose from dropdown list)	Funding Source Type (Choose from dropdown list)	Project Name	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42

Project & Type Information			Expenditures (in \$thousands)				
Project Type (Choose from dropdown list)	Funding Source Type (Choose from dropdown list)	Project Name	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42

Project & Type Information			Expenditures (in \$thousands)				
Project Type (Choose from dropdown list)	Funding Source Type (Choose from dropdown list)	Project Name	LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42

Project & Type Information			Expenditures				
Project Type	Funding Source Type		LFY 2021-2022	2022-23 to 2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42
Expansion Projects, Flood Protection	Committed Funding Source	Aggregated Total	0	0	0	0	0
Expansion Projects, Water Quality	Committed Funding Source	Aggregated Total	0	0	0	0	0
Resiliency Projects	Committed Funding Source	Aggregated Total	0	0	0	0	0
End of Useful Life Replacement Projects	Committed Funding Source	Aggregated Total	0	0	0	0	0
Expansion Projects, Flood Protection	No Identified Funding Source	Aggregated Total	0	0	0	0	0
Expansion Projects, Water Quality	No Identified Funding Source	Aggregated Total	0	0	0	0	0
Resiliency Projects	No Identified Funding Source	Aggregated Total	0	0	0	0	0
End of Useful Life Replacement Projects	No Identified Funding Source	Aggregated Total	0	0	0	0	0
Total of Projects without Project Type and/or Funding Source Type			0	0	0	0	0

Flow Way Community Development District

Memorandum

From: James P. Ward, District Manager
To: Board of Supervisors
Dated: January 20, 2021 Board Meeting

RESIDENT QUESTIONS FROM JANUARY 2022 BOARD MEETING

Question 1: Can a Community Development District (CDD) change It's Fiscal Year to a Calander Year?

Answer 1: No, the District's Fiscal Year as with all other governments in Florida (other then a select few) are set by law. The Fiscal Year is October 1st through September 30th of the following year.

Question 2: Can the District refinance it's bonds immediately to take advantage of the low interest rate environment that we are currently experiencing?

Answer 2: The District's Bond issues all carry call protection, which is a guarantee to the bondholder that the District will not refinance the bonds before a certain date. This is common in the industry. For Flow Way all the bond issues have a ten (10) year call protection feature. The actual refinance date, can be, under IRS regulations, ninety (90) days before ten years after the date of issue, with the interest due on the original issue fully paid to bondholder through the refinance date.

The first Series of Bonds that will be in a position to be refinanced, is the Series 2013 Bonds. As such, beginning in March/April, 2023 we will begin the process of refinancing those bonds. Each bond issue will follow approximately nine (9) months before the refinance date noted below for each issue.

One point that is important to note, is a type of refunding called an Advance Refunding. This is a refunding that takes the funds received from a new bond issue to pay off a prior issue's debt. It does this by putting funds from the new issue in escrow to pay off the original issue at the refinance date. Then, on the refinance date, the original bonds are fully paid off. The escrow is comprised of principal plus all the interest though the refinance date, less interest on the escrow. The escrow funds are comprised of municipal federal securities, that carry low interest rates.

The District has issued six (6) Series of Bonds as follows:

Bond Issue	Issue Date	Refinance Date	Average Coupon	Par Issued	Outstanding 09/30/2022
Series 2013	12/13/2013	12/13/2023	6.451652%	\$7,050,000	\$6,330,000
Series 2015 (Phase 3)	04/09/2015	04/19/2025	5.207805%	\$3,950,000	\$3,270,000
Series 2015 (Phase 4)	12/8/2015	12/8/2025	5.256606%	\$3,190,000	\$2,905,000
Series 2016	11/29/2016	11/29/2026	4.901686%	\$5,425,000	\$4,925,000
Series 2017	12/5/2017	12/5/2027	4.914408%	\$3,665,000	\$3,385,000
Series 2019	7/30/2019	7/30/2029	4.254769%	\$9,685,000	\$8,260,000

Question 3: Election of Board Members:

Answer 3: When a District is initially established, that newly established District is required to hold a landowner's election for the Board of Supervisor's. That initial Board is elected those individuals or firms that own land in the District. The process of the election of the Board continues under that same process, and then the process changes when a District reaches two thresholds.

The two thresholds are (1) six years from the date of establishment and 250 qualified electors, after which the District transitions to a qualified elector election.

The Flow Way CDD has transitioned to qualified elector's for all Board seats. This means that all members must meet the following criteria to hold a Board seat.

1. Citizen of the United States
2. Resident of the State of Florida
3. Resident within the Flow Way CDD
4. Registered to Vote in Collier County with their permanent residence within the Flow Way CDD.

All existing Board Members are qualified electors and all future board members must be qualified electors that meet the above criteria to hold a board seat.

Question 4: Does the CDD contracts have termination clauses with or without cause.

Answer 4: Yes the CDD contracts all have termination provisions. Depending on the type of contract, we have a provision with cause, but all contract have termination provisions without cause by the CDD on some predetermined notice.

Question 5: Does the Hatcher property pay assessments to the CDD?

Answer 5: Yes, the Hatcher property pay operations assessments to the CDD at the same rate as all other property in the CDD.

Hatcher residents do not pay a capital assessment, since the District did not finance any of the infrastructure within Hatcher.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT



FINANCIAL STATEMENTS - DECEMBER 2021

FISCAL YEAR 2022

PREPARED BY:

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

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

Flow Way Community Development District

Table of Contents

<i>Balance Sheet – All Funds</i>	<i>1-2</i>
<i>Statement of Revenue, Expenditures and Changes in Fund Balance</i>	
<i>General Fund</i>	<i>3-6</i>
<i>Debt Service Fund</i>	
<i>Series 2013 Bonds</i>	<i>7</i>
<i>Series 2015 Bonds (Phase 3)</i>	<i>8</i>
<i>Series 2015 Bonds (Phase 4)</i>	<i>9</i>
<i>Series 2016 Bonds (Phase 5)</i>	<i>10</i>
<i>Series 2017 Bonds (Phase 6)</i>	<i>11</i>
<i>Series 2019 Bonds (Phase 7, Phase 8, Hatcher)</i>	<i>12</i>
<i>Capital Project Fund</i>	
<i>Series 2016 Bonds (Phase 5)</i>	<i>13</i>
<i>Series 2017 Bonds (Phase 6)</i>	<i>14</i>
<i>Series 2019 Bonds (Phase 7, Phase 8, Hatcher)</i>	<i>15</i>

JPWard & Associates, LLC

2301 NORTHEAST 37 STREET
FORT LAUDERDALE,
FLORIDA 33308

**Flow Way Community Development District
Balance Sheet
for the Period Ending December 31, 2021**

	Governmental Funds			Debt Service Funds				Capital Projects Funds			Account Groups	Totals
	General Fund	Series 2013	Series 2015 (Phase 3)	Series 2015 (Phase 4)	Series 2016 (Phase 5)	Series 2017 (Phase 6)	Series 2019 (Phase 7 8 Hatcher)	Series 2016 (Phase 5)	Series 2017 (Phase 6)	Series 2019 (Phase 7 - 8)	General Long Term Debt	(Memorandum Only)
Assets												
Cash and Investments												
General Fund - Invested Cash	\$ 674,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 674,303
Debt Service Fund												
Interest Account	-	-	-	-	-	-	-	-	-	-	-	-
Sinking Account	-	-	-	-	-	-	-	-	-	-	-	-
Reserve Account	-	539,000	245,306	160,641	174,589	118,375	256,422	-	-	-	-	1,494,332
Revenue	-	575,663	323,275	216,836	335,279	216,541	492,244	-	-	-	-	2,159,839
Prepayment Account	-	-	881	272	-	-	5	-	-	-	-	1,158
General Redemption Account	-	-	-	2,471	-	-	-	-	-	-	-	2,471
Construction	-	-	-	-	-	-	-	23,704	15,521	34,285	-	73,509
Cost of Issuance	-	-	-	-	-	-	-	-	-	-	-	-
Retainage Account	-	-	-	-	-	-	-	-	-	-	-	-
Due from Other Funds												
General Fund	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Fund(s)	-	-	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund(s)	-	-	-	-	-	-	-	-	-	-	-	-
Market Valuation Adjustments												
Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-	-	-
Assessments Receivable/Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Amount Available in Debt Service Funds	-	-	-	-	-	-	-	-	-	-	3,322,884	3,322,884
Amount to be Provided by Debt Service Funds	-	-	-	-	-	-	-	-	-	-	25,742,116	25,742,116
Investment in General Fixed Assets (net of depreciation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 674,303	\$ 1,114,663	\$ 569,463	\$ 380,220	\$ 509,868	\$ 334,916	\$ 748,671	\$ 23,704	\$ 15,521	\$ 34,285	\$ 29,065,000	\$ 33,470,613

**Flow Way Community Development District
Balance Sheet
for the Period Ending December 31, 2021**

	Governmental Funds			Debt Service Funds				Capital Projects Funds			Account Groups		Totals (Memorandum Only)
	General Fund	Series 2013	Series 2015 (Phase 3)	Series 2015 (Phase 4)	Series 2016 (Phase 5)	Series 2017 (Phase 6)	Series 2019 (Phase 7 8 Hatcher)	Series 2016 (Phase 5)	Series 2017 (Phase 6)	Series 2019 (Phase 7 - 8)	General Long Term Debt		
Liabilities													
Accounts Payable & Payroll Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Due to Other Funds													
General Fund	-	-	-	-	-	-	-	-	-	-	-	-	
Debt Service Fund(s)	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Projects Fund(s)	-	-	-	-	-	-	-	-	-	-	-	-	
Bonds Payable													
Current Portion	-	-	-	-	-	-	-	-	-	-	-	-	
Long Term	-	-	-	-	-	-	-	-	-	-	29,065,000	29,065,000	
Unamortized Prem/Disc on Bds Pybl	-	-	-	-	-	-	-	-	-	-	-	-	
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,065,000</u>	<u>\$ 29,065,000</u>	
Fund Equity and Other Credits													
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance													
Restricted													
Beginning: October 1, 2021 (Audited)	-	970,814	501,555	324,289	434,382	334,916	648,324	21,810	14,237	34,281	-	3,284,608	
Results from Current Operations	-	143,849	67,908	55,931	75,486	-	100,346	1,894	1,284	4	-	446,702	
Unassigned													
Beginning: October 1, 2021 (Audited)	335,757	-	-	-	-	-	-	-	-	-	-	335,757	
Results from Current Operations	338,546	-	-	-	-	-	-	-	-	-	-	338,546	
Total Fund Equity and Other Credits	<u>\$ 674,303</u>	<u>\$ 1,114,663</u>	<u>\$ 569,463</u>	<u>\$ 380,220</u>	<u>\$ 509,868</u>	<u>\$ 334,916</u>	<u>\$ 748,671</u>	<u>\$ 23,704</u>	<u>\$ 15,521</u>	<u>\$ 34,285</u>	<u>\$ -</u>	<u>\$ 4,405,613</u>	
Total Liabilities, Fund Equity and Other Credits	<u>\$ 674,303</u>	<u>\$ 1,114,663</u>	<u>\$ 569,463</u>	<u>\$ 380,220</u>	<u>\$ 509,868</u>	<u>\$ 334,916</u>	<u>\$ 748,671</u>	<u>\$ 23,704</u>	<u>\$ 15,521</u>	<u>\$ 34,285</u>	<u>\$ 29,065,000</u>	<u>\$ 33,470,613</u>	

**Flow Way Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2021**

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources						
Carryforward	\$ -	\$ -	\$ -	-	\$ 156,760	0%
Interest						
Interest - General Checking	-	-	-	-	-	N/A
Special Assessment Revenue						
Special Assessments - On-Roll	5,770	145,452	363,408	514,630	596,781	86%
Special Assessments - Off-Roll	-	-	-	-	-	N/A
Contributions Private Sources						
	-	-	-	-	-	N/A
Miscellaneous Revenue						
	-	-	-	-	-	N/A
Intragovernmental Transfer In						
	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 5,770	\$ 145,452	\$ 363,408	514,630	\$ 753,541	68%
Expenditures and Other Uses						
Legislative						
Board of Supervisor's Fees	-	2,000	2,000	4,000	12,000	33%
Executive						
Professional Management	3,333	3,333	3,333	10,000	40,000	25%
Financial and Administrative						
Audit Services	-	1,500	4,000	5,500	4,500	122%
Accounting Services	1,333	1,333	1,333	4,000	16,000	25%
Assessment Roll Services	1,333	1,333	1,333	4,000	16,000	25%
Arbitrage Rebate Services	500	-	-	500	3,000	17%
Other Contractual Services						
Recording and Transcription	-	-	-	-	-	N/A
Legal Advertising	322	322	280	924	3,500	26%
Trustee Services	-	-	3,450	3,450	25,450	14%
Dissemination Agent Services	-	5,500	-	5,500	5,500	100%
Property Appraiser Fees	-	-	-	-	10,000	0%

Flow Way Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2021

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Bank Services	-	-	-	-	400	0%
Travel and Per Diem	-	-	-	-	-	N/A
Communications & Freight Services						
Postage, Freight & Messenger	8	39	-	46	600	8%
Rentals & Leases						
Meeting Room Rental	-	-	-	-	-	N/A
Computer Services - Website Development	-	-	-	-	2,000	0%
Insurance	10,331	-	-	10,331	6,700	154%
Printing & Binding	3	-	-	3	500	1%
Office Supplies	-	-	-	-	-	N/A
Subscription & Memberships	175	-	-	175	175	100%
Legal Services						
Legal - General Counsel	-	-	-	-	50,000	0%
Boundary Expansion	-	-	-	-	-	N/A
Special Counsel - SFWMD	-	-	-	-	10,000	N/A
Special Counsel - Litigation	-	8,512	574	9,086	100,000	9%
Other General Government Services						
Engineering Services - General Fund	435	4,768	3,533	8,735	25,000	35%
Miscellaneous Services	-	-	-	-	-	N/A
Boardwalk & Golf Cart Review	-	-	-	-	-	N/A
Asset Evaluation	-	-	-	-	-	N/A
Strategic Operations Plan	-	-	4,993	4,992.50	-	N/A
Capital Outlay	-	-	-	-	-	N/A
Stormwater Management Services						
Preserve Area Maintenance						
Environmental Engineering Consultant						
Task 1 - Bid Documents	-	-	-	-	-	N/A
Task 2 - Monthly site visits	-	-	-	-	13,350	0%

**Flow Way Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2021**

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Task 3 - Reporting to Regulatory Agencies	-	-	-	-	8,000	0%
Task 4 - Fish Sampling to US Fish & Wildlife	-	-	-	-	10,350	0%
Task 5 - Attendance at Board Meeting	-	-	-	-	1,000	N/A
Clearing Downed Trees/Cleanup	-	2,905	-	2,905	1,000	291%
Code Enforcement for Incursion into Preserve	-	-	-	-	-	N/A
Contingencies	-	-	-	-	-	N/A
Repairs and Maintenance						
Wading Bird Foraging Areas	-	-	-	-	1,523	0%
Internal Preserves	-	-	-	-	6,598	0%
Western Preserve	-	-	-	-	33,215	0%
Northern Preserve Area 1	-	-	-	-	64,560	0%
Northern Preserve Area 2	-	-	-	-	113,120	0%
Northern Preserve Areas 1&2	-	-	-	-	-	N/A
Clearing Downed Trees/Cleanup	-	-	-	-	5,000	0%
Code Enforcement for Incursion into Preserve	-	-	-	-	2,500	0%
Installation - No Trespassing Signs	-	-	-	-	-	N/A
Lake, Lake Bank and Littoral Shelf Maintenance						
Professional Services						
Asset Management	-	-	1,964	1,964	15,000	13%
Repairs & Maintenance						
Aquatic Weed Control	-	-	-	-	35,000	0%
Lake Bank Maintenance	-	-	-	-	15,000	0%
Water Quality Testing	-	-	-	-	5,000	0%
Littortal Shelf Planting	-	-	-	-	10,000	0%
Aeration System	-	-	-	-	-	N/A
Water Control Structures	500	97,310	300	98,110	-	N/A
Capital Outlay						
Aeration Systems	-	-	-	-	-	N/A

**Flow Way Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2021**

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Littortall Shelf Replanting	-	-	-	-	-	N/A
Lake Bank Restoration	-	-	-	-	-	N/A
Erosion Restoration	-	-	-	-	-	N/A
Contingencies	-	-	-	-	1,600	0%
Landscaping Services						
Professional Services						
Asset Management	-	-	1,864	1,864	5,000	37%
Utility Services						
Electric	-	-	-	-	2,400	0%
Irrigation Water	-	-	-	-	3,000	0%
Repairs & Maintenance						
Public Area Landscaping	-	-	-	-	30,000	0%
Irrigation System	-	-	-	-	25,000	0%
Well System	-	-	-	-	10,000	0%
Plant Replacement	-	-	-	-	-	N/A
Operating Supplies						
Mulch	-	-	-	-	5,000	0%
Capital Outlay	-	-	-	-	-	N/A
Reserves for Future Operations						
Future Operations/Restorations	-	-	-	-	-	N/A
Intragovernmental Transfer Out	-	-	-	-	-	N/A
Sub-Total:	18,273	128,855	28,956	176,085	753,541	23%
Total Expenditures and Other Uses:	\$ 18,273	\$ 128,855	\$ 28,956	\$ 176,085	\$ 753,541	23%
Net Increase/ (Decrease) in Fund Balance	(12,504)	16,597	334,452	338,546	-	
Fund Balance - Beginning	335,757	323,253	339,851	335,757	-	
Fund Balance - Ending	\$ 323,253	\$ 339,851	\$ 674,303	674,303	\$ -	

Flow Way Community Development District
Debt Service Fund - Series 2013
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2021

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources						
Carryforward	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest Income						
Interest Account	-	0	-	0	8	1%
Sinking Fund	-	0	-	0	-	N/A
Reserve Account	0	5,845	0	5,846	11,000	53%
Prepayment Account	-	-	-	-	-	N/A
Revenue Account	2	2	0	4	-	N/A
Special Assessment Revenue						
Special Assessments - On-Roll	5,214	131,443	328,405	465,061	539,344	86%
Special Assessments - Off-Roll	-	-	-	-	-	N/A
Intragovernmental Transfer In						
	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 5,216	\$ 137,289	\$ 328,406	470,911	\$ 550,352	N/A
Expenditures and Other Uses						
Property Appraiser & Tax Collection Fees	-	-	-	-	\$ -	N/A
Debt Service						
Principal Debt Service - Mandatory						
Series 2013 Bonds	-	120,000	-	120,000	\$ 120,000	100%
Principal Debt Service - Early Redemptions						
Series 2013 Bonds	-	-	-	-	-	N/A
Interest Expense						
Series 2013 Bonds	-	207,063	-	207,063	417,575	50%
Operating Transfers Out (To Other Funds)						
	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$0	\$327,063	\$0	\$327,063	\$537,575	N/A
Net Increase/ (Decrease) in Fund Balance	5,216	(189,773)	328,406	143,849	12,777	
Fund Balance - Beginning	970,814	976,030	786,257	970,814		
Fund Balance - Ending	\$ 976,030	\$ 786,257	\$ 1,114,663	1,114,663	\$ 12,777	

Flow Way Community Development District
Debt Service Fund - Series 2015 (Phase 3)
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2021

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources						
Carryforward	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest Income						
Interest Account	-	0	-	0	-	N/A
Sinking Fund	-	0	-	0	-	N/A
Reserve Account	0	2,670	0	2,670	5,000	53%
Prepayment Account	-	-	-	-	-	N/A
Revenue Account	1	1	0	2	-	N/A
Special Assessment Revenue						
Special Assessments - On-Roll	2,475	62,384	155,864	220,723	255,873	86%
Special Assessments - Off-Roll	-	-	-	-	-	N/A
Special Assessments - Prepayment	-	-	-	-	-	N/A
Intragovernmental Transfers In						
Debt Proceeds	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 2,476	\$ 65,055	\$ 155,865	223,396	\$ 260,873	N/A
Expenditures and Other Uses						
Property Appraiser & Tax Collection Fees	-	-	-	-	\$ -	N/A
Debt Service						
Principal Debt Service - Mandatory						
Series 2015 Bonds (Phase 3)	-	70,000	-	70,000	\$ 70,000	100%
Principal Debt Service - Early Redemptions						
Series 2015 Bonds (Phase 3)	-	-	-	-	-	N/A
Interest Expense						
Series 2015 Bonds (Phase 3)	-	85,488	-	85,488	169,488	50%
Operating Transfers Out (To Other Funds)						
Total Expenditures and Other Uses:	\$0	\$155,488	\$0	\$155,488	\$239,488	N/A
Net Increase/ (Decrease) in Fund Balance	2,476	(90,433)	155,865	67,908	21,385	
Fund Balance - Beginning	501,555	504,031	413,598	501,555	-	
Fund Balance - Ending	\$ 504,031	\$ 413,598	\$ 569,463	569,463	\$ 21,385	

Flow Way Community Development District
Debt Service Fund - Series 2015 (Phase 4)
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2021

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources						
Carryforward	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest Income						
Interest Account	-	0	-	0	-	N/A
Sinking Fund	-	0	-	0	-	N/A
Reserve Account	0	1,756	0	1,756	3,500	50%
Prepayment Account	-	-	-	-	-	N/A
Revenue Account	1	1	0	1	8	18%
General Redemption Account	0	0	0	0	-	N/A
Special Assessment Revenue						
Special Assessments - On-Roll	2,092	52,736	131,758	186,586	216,342	86%
Special Assessments - Off-Roll	-	-	-	-	-	N/A
Special Assessments - Prepayments	-	-	-	-	-	N/A
Operating Transfers In (To Other Funds)	-	-	-	-	-	N/A
Debt Proceeds	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 2,093	\$ 54,492	\$ 131,758	188,343	\$ 219,850	N/A
Expenditures and Other Uses						
Property Appraiser & Tax Collection Fees	-	-	-	-	\$ -	N/A
Debt Service						
Principal Debt Service - Mandatory						
Series 2015 Bonds (Phase 4)	-	55,000	-	55,000	\$ 55,000	100%
Principal Debt Service - Early Redemptions						
Series 2015 Bonds (Phase 4)	-	-	-	-	-	N/A
Interest Expense						
Series 2015 Bonds (Phase 4)	-	77,413	-	77,413	153,994	50%
Operating Transfers Out (To Other Funds)	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$0	\$132,413	\$0	\$132,413	\$208,994	N/A
Net Increase/ (Decrease) in Fund Balance	2,093	(77,920)	131,758	55,931	10,856	
Fund Balance - Beginning	324,289	326,382	248,462	324,289		
Fund Balance - Ending	\$ 326,382	\$ 248,462	\$ 380,220	380,220	\$ 10,856	

Flow Way Community Development District
Debt Service Fund - Series 2016 (Phase 5)
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2021

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources						
Carryforward	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest Income						
Interest Account	-	0	-	0	-	N/A
Sinking Fund	-	0	-	0	-	N/A
Reserve Account	0	1,893	0	1,894	3,700	51%
Prepayment Account	-	-	-	-	-	N/A
Revenue Account	1	1	0	2	12	19%
Special Assessment Revenue						
Special Assessments - On-Roll	3,384	85,315	213,158	301,857	350,060	86%
Special Assessments - Off-Roll	-	-	-	-	-	N/A
Debt Proceeds						
Operating Transfers In (To Other Funds)	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 3,385	\$ 87,210	\$ 213,158	303,753	\$ 353,772	N/A
Expenditures and Other Uses						
Property Appraiser & Tax Collection Fees	-	-	-	-	\$ -	N/A
Debt Service						
Principal Debt Service - Mandatory						
Series 2016 Bonds (Phase 5)	-	105,000	-	105,000	\$ 105,000	100%
Principal Debt Service - Early Redemptions						
Series 2016 Bonds (Phase 5)	-	-	-	-	-	N/A
Interest Expense						
Series 2016 Bonds (Phase 5)	-	121,374	-	121,374	240,963	50%
Operating Transfers Out (To Other Funds)	0	1,893	0	1,894	-	N/A
Total Expenditures and Other Uses:	\$0	\$228,267	\$0	\$228,267	\$345,963	N/A
Net Increase/ (Decrease) in Fund Balance	3,385	(141,057)	213,158	75,486	7,809	
Fund Balance - Beginning	434,382	437,767	296,710	434,382		
Fund Balance - Ending	\$ 437,767	\$ 296,710	\$ 509,868	509,868	\$ 7,809	

**Flow Way Community Development District
Debt Service Fund - Series 2017 (Phase 6)
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2021**

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources						
Carryforward	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest Income						
Interest Account	-	0	-	0	-	N/A
Sinking Fund	-	0	-	0	-	N/A
Reserve Account	0	1,284	0	1,284	2,200	58%
Prepayment Account	-	-	-	-	-	N/A
Revenue Account	1	1	0	1	8	17%
Special Assessment Revenue						
Special Assessments - On-Roll	2,296	57,890	144,637	204,823	237,599	86%
Special Assessments - Off-Roll	-	-	-	-	-	N/A
Debt Proceeds						
Operating Transfers In (To Other Funds)	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 2,297	\$ 59,175	\$ 144,637	206,109	\$ 239,807	N/A
Expenditures and Other Uses						
Property Appraiser & Tax Collection Fees	-	-	-	-	\$ -	N/A
Debt Service						
Principal Debt Service - Mandatory						
Series 2017 Bonds (Phase 6)	-	70,000	-	70,000	\$ 70,000	100%
Principal Debt Service - Early Redemptions						
Series 2017 Bonds (Phase 6)	-	-	-	-	-	N/A
Interest Expense						
Series 2017 Bonds (Phase 6)	-	82,713	-	82,713	164,200	50%
Debt Service-Other Costs						
Operating Transfers Out (To Other Funds)	0	1,284	0	1,284	-	N/A
Total Expenditures and Other Uses:	\$0	\$153,996	\$0	\$153,996	\$234,200	N/A
Net Increase/ (Decrease) in Fund Balance	2,297	(94,822)	144,637	52,112	5,607	
Fund Balance - Beginning	282,804	285,101	190,279	282,804		
Fund Balance - Ending	\$ 285,101	\$ 190,279	\$ 334,916	334,916	\$ 5,607	

Flow Way Community Development District
Debt Service Fund - Series 2019 (Phase 7, Phase 8 and Hatcher)
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2021

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources						
Carryforward - Capitalized Interest	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest Income						
Interest Account	-	0	-	0	-	N/A
Sinking Account	-	0	-	0	-	N/A
Reserve Account	1	1	1	3	2,700	0%
Prepayment Account	-	-	-	-	-	N/A
Revenue Account	2	2	0	3	1,100	0%
Special Assessment Revenue						
Special Assessments - On-Roll	4,983	125,627	313,875	444,485	515,479	86%
Special Assessments - Off-Roll	-	-	-	-	-	N/A
Debt Proceeds						
Operating Transfers In (To Other Funds)	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 4,986	\$ 125,630	\$ 313,876	444,492	\$ 519,279	N/A
Expenditures and Other Uses						
Property Appraiser & Tax Collection Fees	-	-	-	-	\$ -	N/A
Debt Service						
Principal Debt Service - Mandatory						
Series 2019 Bonds (Phase 7,8,Hatcher)	-	170,000	-	170,000	\$ 170,000	100%
Principal Debt Service - Early Redemptions						
Series 2019 Bonds (Phase 7,8,Hatcher)	-	-	-	-	-	N/A
Interest Expense						
Series 2019 Bonds (Phase 7,8,Hatcher)	-	174,143	-	174,143	345,438	50%
Debt Service-Other Costs						
Operating Transfers Out (To Other Funds)	1	1	1	3	-	N/A
Total Expenditures and Other Uses:	\$1	\$344,144	\$1	\$344,146	\$515,438	N/A
Net Increase/ (Decrease) in Fund Balance	4,985	(218,514)	313,875	100,346	3,841	
Fund Balance - Beginning	648,324	653,309	434,795	648,324		
Fund Balance - Ending	\$ 653,309	\$ 434,795	\$ 748,671	748,671	\$ 3,841	

**Flow Way Community Development District
Capital Project Fund - Series 2016 (Phase 5)
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2021**

Description	October	November	December	Year to Date	Total Annual Budget
Revenue and Other Sources					
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income					
Construction Account	0	0	0	0	-
Cost of Issuance	-	-	-	-	-
Debt Proceeds					
Operating Transfers In (From Other Funds)	0	1,893	0	1,894	-
Total Revenue and Other Sources:	\$ 0	\$ 1,893	\$ 0	\$ 1,894	\$ -
Expenditures and Other Uses					
Executive					
Professional Management	-	-	-	\$ -	\$ -
Other Contractual Services					
Trustee Services	-	-	-	\$ -	\$ -
Printing & Binding					
	-	-	-	\$ -	\$ -
Legal Services					
Legal - Series 2016 Bonds (Phase 5)	-	-	-	\$ -	\$ -
Other General Government Services					
Stormwater Mgmt-Construction	-	-	-	\$ -	\$ -
Capital Outlay					
Construction in Progress					
	-	-	-	\$ -	\$ -
Cost of Issuance					
Series 2016 Bonds (Phase 5)	-	-	-	-	\$ -
Underwriter's Discount					
	-	-	-	\$ -	\$ -
Operating Transfers Out (To Other Funds)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses:	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase/ (Decrease) in Fund Balance	0	1,893	\$ 0	\$ 1,894	-
Fund Balance - Beginning	21,810	21,810	\$ 23,704	21,810	-
Fund Balance - Ending	\$ 21,810	\$ 23,704	\$ 23,704	\$ 23,704	\$ -

Prepared by:

JPWARD and Associates, LLC

**Flow Way Community Development District
Capital Project Fund - Series 2017 (Phase 6)
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2021**

Description	October	November	December	Year to Date	Total Annual Budget
Revenue and Other Sources					
Carryforward	\$ -	\$ -	\$ -	-	\$ -
Interest Income					
Construction Account	0	0	0	0	-
Cost of Issuance	-	-	-	-	-
Debt Proceeds					
		-	-	-	-
Operating Transfers In (From Other Funds)	0	1,284	0	1,284	-
Total Revenue and Other Sources:	\$ 0	\$ 1,284	\$ 0	\$ 1,284	\$ -
Expenditures and Other Uses					
Executive					
Professional Management	-	-	-	\$ -	\$ -
Other Contractual Services					
Trustee Services	-	-	-	\$ -	\$ -
Printing & Binding					
	-	-	-	\$ -	\$ -
Legal Services					
Legal - Series 2016 Bonds (Phase 5)	-	-	-	\$ -	-
Capital Outlay					
Water-Sewer Combination-Construction	-	-	-	\$ -	\$ -
Stormwater Mgmt-Construction	-	-	-	\$ -	\$ -
Off-Site Improvements-CR 951 Extension	-	-	-	\$ -	\$ -
Construction in Progress					
	-	-	-	\$ -	-
Cost of Issuance					
Series 2017 Bonds (Phase 6)	-	-	-	-	\$ -
Underwriter's Discount					
	-	-	-	\$ -	-
Operating Transfers Out (To Other Funds)	\$ -	\$ -	-	\$ -	-
Total Expenditures and Other Uses:	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase/ (Decrease) in Fund Balance	0	1,284	\$ 0	\$ 1,284	-
Fund Balance - Beginning	14,237	14,237	\$ 15,521	14,237	-
Fund Balance - Ending	\$ 14,237	\$ 15,521	\$ 15,521	\$ 15,521	\$ -

Prepared by:

JPWARD and Associates, LLC

**Flow Way Community Development District
Capital Project Fund - Series 2019 (Phase 7, Phase 8 and Hatcher)
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2021**

Description	October	November	December	Year to Date	Total Annual Budget
Revenue and Other Sources					
Carryforward	\$ -	\$ -	\$ -	-	\$ -
Interest Income					
Construction Account	0	0	0	0	-
Cost of Issuance	-	-	-	-	-
Retainage Account	-	-	-	-	-
Debt Proceeds		-	-	-	-
Contributions from Private Sources		-	-	-	-
Operating Transfers In (From Other Funds)	1	1	1	3	-
Total Revenue and Other Sources:	\$ 1	\$ 1	\$ 1	\$ 4	\$ -
Expenditures and Other Uses					
Executive					
Professional Management	-	-	-	\$ -	\$ -
Other Contractual Services					
Trustee Services	-	-	-	\$ -	\$ -
Printing & Binding	-	-	-	\$ -	\$ -
Legal Services					
Legal - Series 2019 Bonds (Ph 7, Ph 8 & Hatcher)	-	-	-	\$ -	-
Capital Outlay					
Water-Sewer Combination-Construction	-	-	-	\$ -	\$ -
Stormwater Mgmt-Construction	-	-	-	\$ -	\$ -
Off-Site Improvements-CR 951 Extension	-	-	-	\$ -	\$ -
Construction in Progress	-	-	-	\$ -	-
Cost of Issuance					
Series 2016 Bonds (Phase 5)	-	-	-	-	\$ -
Underwriter's Discount	-	-	-	\$ -	-
Operating Transfers Out (To Other Funds)	\$ -	\$ -	\$ -	\$ -	-
Total Expenditures and Other Uses:	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase/ (Decrease) in Fund Balance	\$ 1	\$ 1	\$ 1	\$ 4	-
Fund Balance - Beginning	34,281	34,282	34,283	34,281	-
Fund Balance - Ending	\$ 34,282	\$ 34,283	\$ 34,285	\$ 34,285	\$ -