

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Board of Supervisors
Lake Lucie Community Development District
Port St. Lucie, Florida

Report on the financial statements

We have audited the accompanying financial statements of the governmental activities and each fund of Lake Lucie Community Development District for the period ended September 30, 2019, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and each fund of the Lake Lucie Community Development District as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison on pages 3-8 and page 15 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 25, 2020, on our consideration of the Lake Lucie Community Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Entity'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 Entity's internal control over financial reporting and compliance.



Tampa, FL
June 25, 2020

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
Management's Discussion and Analysis
For the Year Ended September 30, 2019

As management of Lake Lucie Community Development District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities and financial position of the District for the period ended September 30, 2019. In the broadest context, the financial well-being of a governmental unit lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to strategically spend those taxes so that the District's tax base, service levels, District's assets and the District's desirability will be maintained not just for the current year but well into the future. Financial reporting is limited in its ability to provide this "big picture" but rather focuses on financial position and changes in financial position. In other words, are revenues and or expenses greater or less than the previous year? Have net assets (containing both short and long-term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the special district been maintained? It should be noted that the Independent Auditor's Report describes the auditor's association with the various sections of this report and that all of this additional information is subsequent to the issuance of the respective report.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$2,057,995. This number must be viewed in the context that the majority of the District's assets of \$2,051,232 (99.6714%) are invested in capital assets, and that capital assets in government do not directly generate revenue nor can they be sold to generate liquid capital. The remaining \$6,763 (.3286%) are unrestricted net assets and may be used to meet the District's ongoing obligation to taxpayers and creditors in accordance with the District's fund designation and fiscal policies. Unrestricted net assets decreased by \$3,446 in fiscal year 2019.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$6,763, all of which is unassigned fund balance in the general fund and can be used for any lawful purpose.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of four statements: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, 3) Notes to the Financial Statements, and 4) Required Supplementary Information, which consists of this Management's Discussion and Analysis and the Budgetary Comparison schedule on page 15.

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 private sector business reporting. All governmental and business-type activities are combined to arrive at a total for the primary government. There are two government-wide statements, the statement of net position and the statement of activities, which are produced using the accrual basis of accounting. The statement of net position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources (for all fund types except fiduciary), with the difference between these reported as net position. Increases or decreases in net position 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 District's net position changed during the most recent fiscal year. The format of this statement is very different from a traditional "income statement." The statement presents all underlying events giving rise to the changes in net position, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish between the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from any functions that would be intended to recover all, or a significant portion of, their costs through user fees and charges (business-type activities). The governmental activities of the District include general government and administration, including property maintenance and payment of bond debt. The District has no business-type activities. The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund Financial Statements

A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other governmental units, uses fund accounts to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the District are governmental type 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

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
Management's Discussion and Analysis
For the Year Ended September 30, 2019

resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is more limited 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 government's near-term financing decisions. The governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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. The notes to the financial statements can be found on pages 17 through 22.

Other Information

In addition to the basic financial statements and accompanying notes, the basic financial statements contain this discussion and analysis (MD&A) as well as budgetary comparison schedule on page 19. The MD&A and budgetary comparison represent required supplementary information.

Government – Wide Financial Analysis

As noted earlier, net position, and especially net position by category, may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$2,057,995 as of September 30, 2019.

The largest portion of the District's net assets \$2,051,232 (99.7%) reflects its investments in capital assets (e.g. land). The District uses these assets to provide service to landowners; consequently these assets are not available for future spending, and do not generate direct revenue for the District. They do represent, however, an obligation on the part of the District to maintain these assets in the future.

The remaining balance of unrestricted net assets \$6,763 (.3%) may be used to meet the District's ongoing obligations to landowners and creditors. The current and other assets decreased in its governmental type activities by \$3,446.

Financial Analysis of the Governmental Funds

Governmental Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending in the next fiscal year. At the end of the current fiscal year, the

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
Management's Discussion and Analysis
For the Year Ended September 30, 2019

District's governmental funds reported combined ending fund balance of \$6,673, which represents unassigned fund in the general fund and can be used for any lawful purpose.

General Fund Budgetary Highlights: The District did not make any revisions to the original appropriations approved by the Board of Supervisors. For the audit period covered, actual expenditures exceeded revenues by \$3,446. This deficiency was caused by several factors including an increase to utility expenditures, office expenditures, as well as unanticipated maintenance and repairs.

Capital Assets

The District's investment in capital assets as of September 30, 2019 amounts to \$2,051,232. This investment in capital assets includes land and related improvements. There were no capital expenditures during the fiscal year.

Economic Factors and Subsequent Years Budget

As the Community Development District is past thirty years old, certain District infrastructure improvement repairs were identified and completed that exceeded the 2018-2019 general maintenance budget. As a proactive measure, FY 2019, 2020, and 2021 budgets include a proportionate increase in millage rates to cover the anticipated capital expenditures.

Request for Information

The financial report is designed to provide our landowners and creditors with general overview of the District's finances. If you have questions about this report or need any additional information, contact the Board of Supervisors: Accountant, 4735 SE Winter Haven Court, Stuart, FL 34997 or call (772) 349-4735 or email: rhardie65@gmail.com

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT

Management's Discussion and Analysis

For the Year Ended September 30, 2019

(Unaudited)

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT'S NET POSITION

	Governmental Activities		Total	
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>
Current and other assets	\$ 10,660	\$ 6,763	\$ 10,660	\$ 6,763
Capital Assets, Net	<u>2,051,232</u>	<u>2,051,232</u>	<u>2,051,232</u>	<u>2,051,232</u>
Total Assets	<u>2,061,892</u>	<u>2,057,995</u>	<u>2,061,892</u>	<u>2,057,995</u>
Long term liabilities				
Other liabilities	<u>450</u>	<u>-</u>	<u>450</u>	<u>-</u>
Total Liabilities	<u>450</u>	<u>-</u>	<u>450</u>	<u>-</u>
Net Position				
Invest in capital assets, net of related debt	2,051,232	2,051,232	2,051,232	2,051,232
Restricted	-	-	-	-
Unrestricted	<u>10,210</u>	<u>6,763</u>	<u>10,210</u>	<u>6,763</u>
Total Net Position	<u>\$ 2,061,443</u>	<u>\$ 2,057,995</u>	<u>\$ 2,061,443</u>	<u>\$ 2,057,995</u>

As of September 30, 2019, the District has positive balances in its two categories of net position for the government as a whole. The District has no business-type activities, and maintains only a general fund to account for all its activities as all debt obligations were satisfied in fiscal 2015.

The accompanying notes are an integral part of these financial statements.

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2019

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Assets	
		Primary Government	
		Governmental Activities	Total
Primary Government			
Governmental Activities			
General Government	\$ 85,181	\$ (85,181)	\$ (85,181)
Total Governmental Activities	85,181	(85,181)	(85,181)
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes		81,733	81,733
Unrestricted Interest Earnings		2	2
Total General Revenues and Transfers		81,735	81,735
Change in Net Position		(3,446)	(3,446)
Net Position - Beginning of Year		2,061,443	2,061,443
Net Position - End of Year		\$ 2,057,995	\$ 2,057,995

The accompanying notes are an integral part of these financial statements.

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2019

	GENERAL FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS		
Cash and Cash Equivalents	\$ 6,763	\$ 6,763
Total Assets	<u>\$ 6,763</u>	<u>\$ 6,763</u>
LIABILITIES AND FUND BALANCES		
Liabilities :		
Accounts Payable and Accrued Expenses	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balances:		
Unassigned	6,763	6,763
Total Fund Balances	<u>6,763</u>	<u>6,763</u>
Total Liabilities and Fund	<u>\$ 6,763</u>	<u>\$ 6,763</u>

The accompanying notes are an integral part of these financial statements.

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
September 30, 2019

	<u>Governmental Activities</u>	<u>Total</u>
ASSETS		
Cash and Cash Equivalents	\$ 6,763	\$ 6,763
Capital Assets		
Land and Land Improvements	2,051,232	2,051,232
Total Capital Assets	<u>2,051,232</u>	<u>2,051,232</u>
Total Assets	<u><u>\$ 2,057,995</u></u>	<u><u>\$ 2,057,995</u></u>
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ -	-
Total Liabilities	-	-
NET POSITION		
Invested in Capital Assets	2,051,232	2,051,232
Unrestricted	<u>6,763</u>	<u>6,763</u>
Total Net Position	<u><u>\$ 2,057,995</u></u>	<u><u>2,057,995</u></u>

The accompanying notes are an integral part of these financial statements.

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT

Management's Discussion and Analysis

For the Year Ended September 30, 2019

(Unaudited)

The following table provides a summary of the District's operations for the year ended September 30, 2019 with comparative totals for the year ended September 30, 2018.

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT'S CHANGES IN NET POSITION

	Governmental Activities		Total	
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>
Revenues				
General Revenues:				
Property Taxes	\$ 81,903	\$ 81,733	\$ 81,903	\$ 81,733
Interest Earnings	180	2	180	2
Total Revenues	<u>82,083</u>	<u>81,735</u>	<u>82,083</u>	<u>81,735</u>
Expenses				
General Government	88,605	85,181	88,605	85,181
Interest on long term debt	-	-	-	-
Total expenses	<u>88,605</u>	<u>85,181</u>	<u>88,605</u>	<u>85,181</u>
Increase (decrease) in net assets	(6,522)	(3,446)	(6,522)	(3,446)
Net position, October 1	<u>2,067,965</u>	<u>2,061,443</u>	<u>2,067,965</u>	<u>2,061,443</u>
Net position, September 30	<u>\$ 2,061,443</u>	<u>\$ 2,057,995</u>	<u>\$ 2,061,443</u>	<u>\$ 2,057,995</u>

The District has no business-type activities. The last of the District's bond obligations was satisfied in fiscal 2015, so all of its activities are currently accounted for in the general fund.

The accompanying notes are an integral part of these financial statements.

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
September 30, 2019

Total Fund Balances, Governmental Funds	\$ 6,763
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Amounts reported for governmental activities in the Statement of Net Position
are different because

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental of the Statement of Net Assets.	<u>2,051,232</u>
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Net Assets of Governmental Activities in the State of Net Position	<u><u>\$ 2,057,995</u></u>
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The accompanying notes are an integral part of these financial statements.

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
September 30, 2019

	<u>GENERAL FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Revenues		
Property Taxes	\$ 81,733	\$ 81,733
Interest Earnings	<u>\$ 2</u>	<u>\$ 2</u>
Total Revenues	<u>81,735</u>	<u>81,735</u>
Expenses		
General Government	85,181	85,181
Total Expenditures	<u>85,181</u>	<u>85,181</u>
Net Change in Fund Balance	(3,446)	(3,446)
Fund Balance - Beginning of Year	<u>10,210</u>	<u>10,210</u>
Fund Balance - End of Year	<u><u>\$ 6,763</u></u>	<u><u>\$ 6,763</u></u>

The accompanying notes are an integral part of these financial statements.

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT
OF ACTIVITIES

For The Year Ended September 30, 2019

Net Changes in Fund Balances - Total Governmental Funds	<u>\$ (3,446)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (3,446)</u></u>

The accompanying notes are an integral part of these financial statements.

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
Notes to Financial Statements
For the Year Ended September 30, 2019

Note 1 – Summary of Significant Account Policies

Background and Purpose

Lake Lucie Community Development District (the District) was established by ordinance 89-32 by the Board of County Commissioners of St. Lucie County, Florida, in March 1989 for the purpose of financing, constructing, owning, operating and maintaining its own improvements in the district of St. Lucie County, Florida. A community development district is an independent special taxing district authorized by Chapter 190, Florida Statutes, to plan, finance, construct, operate and maintain community wide infrastructure in planned community developments.

The District is approximately a one hundred forty-nine (149) acre mixed use commercial and residential development located in the southern portion of St. Lucie County, Florida. The initial development phase (Unit I) was complete as of September 1993, and included paving, water distribution and storm drainage. The Unit I Project benefited 17 acres of land for a planned business park located on the west side of US Highway 1. Subsequent phases (Unit II and Unit III) include the construction of arterial roads, master water and wastewater disposal materials, and a surface water management program. The Unit II Project was complete as of October 1994 and consists of 156 lots covering 51 acres of land upon which single-family homes and patio homes have been built. The Unit III Project consists of 81 of land yet to be planned, and benefits land upon which other residential units are planned.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for states and local governments, including special districts, through its pronouncements (Statements and Interpretations). The most significant accounting policies established in GAAP and used by the District are discussed below.

Reporting Entity

In evaluating how to define the District for financial reporting purposes, management has considered the potential for any component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles (GAAP). The basic, but not only, criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing arrangements. Based on the application of these criteria, there are no potential component units which are excluded from the reporting entity.

The accompanying financial statements present the District's primary government over which the District exercises significant influence. Significant influence or

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
Notes to Financial Statements
For the Year Ended September 30, 2019

Note 1 – Summary of Significant Account Policies (Continued)

accountability is based primarily on operational or financial relationships with the District (as distinct from legal relationships).

Government-Wide and Fund Financial Statements

The government-wide financial statements (statement of net position and statement of activities) report information on all of the non-fiduciary activities or the primary governments. Any effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are nearly identifiable with a specific function or activity. Taxes and other items not properly included among program revenues are reported as general revenues.

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

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.

Financial resources used to acquire capital assets are capitalized in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the District are reported as a reduction of the related liability, rather than as an expenditure in the government-wide financial statements.

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 collectible within the current period or soon enough thereafter (within sixty days) to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures are recorded only when payment is made.

Property taxes are recognized as revenues in the year for which they are levied and are recognized as revenues when they become available. Available means due, or past due, and received within the current period or collected soon enough thereafter to be used to pay liabilities as of the current period. All other revenues are considered to be measure and available only when the District receives cash.

The District reports the following governmental fund:

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
Notes to Financial Statements
For the Year Ended September 30, 2019

Note 1 – Summary of Significant Account Policies (Continued)

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 account for in another fund.

Accounting Estimates

The preparation of financial statements in conformity with GAAP 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 reported period.

Budgets and Budgetary Accounting

In accordance with Chapter 190.008(2)(a), Florida Statutes, the Board of Supervisors adopts an annual budget for the General fund. The annual budget is prepared in accordance with the basis of accounting utilized by that fund. The Board of Supervisors adopts an annual budget for the General Fund. The annual budget is prepared in accordance with the basis of accounting utilized by that fund, except that non-operating items are not included. The budget serves as a basis for special assessment taxes, if any, which are levied for the year on all lands within the District, and for the allocation of assessments for debt service requirements and for general administrative expenditures. The budget for the General Fund is presented in the Budgetary Comparison Schedule.

Revenue Recognition – Assessments

The collection of all assessment is consolidated in the office of the county tax collector. Assessments are levied on November 1 of each year, or as soon thereafter as the ad-valorem roll is certified by the county property appraiser and delivered to the tax collector. All unpaid assessments levied November 1 become delinquent April 1 of the following year. Discounts are allowed for early payment at a maximum rate of 4%. Assessment revenues are recognized when they become available.

Cash and temporary investments consists of interest bearing accounts, including restricted account established pursuant to bond resolutions. Investment earnings are recorded in the appropriate funds according to investment balances. All cash deposits are insured up to \$250,000 by federal depository insurance. Deposits in excess of \$250,000 are secured with the trust department of the financial institution as authorized by law with respect to trust funds in the State of Florida. The carrying value of cash and temporary investments approximates the current value.

Infrastructure Assets

Fixed assets which include land and land improvements are reported in the governmental activities column in the government-wide financial statements. Fixed assets are recorded at historical cost. The capitalization threshold for all fixed assets is \$1,000. As the District's assets consist of land and land improvements, depreciation expense has not been recorded.

Note 1 – Summary of Significant Account Policies (Continued)

Long-Term Liabilities

In the government-wide financial statements, long-term debt is reported as liabilities in the applicable governmental activities statement of net assets.

Net Position

Net position represents the differences between assets and liabilities. Net position invest in capital assets, net of related debt, consists of capital assets reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Governmental Fund Balance

In the governmental fund financial statements, fund balances are classified as follows, as applicable:

- Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- Restricted – Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed – Amounts that can be used only for specific purposes determined by a formal action by District ordinance or resolution.
- Assigned – Amounts that are designated by the Board of Supervisors for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt services) by the Board of Supervisors.

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position.

The governmental fund financial statements include a reconciliation between total governmental fund balances and net position of governmental activities in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

Capital Asset Differences

When capital assets (land, land improvements and infrastructure) are purchased or constructed for use in governmental fund activities, the cost of those assets are reported as expenditures in the governmental funds. However, these costs are

LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
Notes to Financial Statements
For the Year Ended September 30, 2019

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements
(Continued)

reported as capital assets in the statement of net position. The details of these differences are presented below:

Net Capital Asset Differences – Infrastructure: \$2,051,232

Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Activities

The governmental fund financial statements include a reconciliation between changes in fund balances in the governmental funds and changes in net assets in the government-wide statement of activities. Any difference would result from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental fund financial statements. When long-term debt is issued, it is reported as an other financing source. Repayments are reported as expenditures in the Statement of Revenue, Expenditures and Changes in Fund Balance. Issuance of debt is reported as a long-term liability and repayments are reported as reductions of those liabilities in the statement of activities.

For the year ended September 30, 2019 there were no differences between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities.

Note 3 – Infrastructure Assets

Infrastructure assets include all expenditures made by the District from inception to September 30, 2019 and consist of land and related improvements, as more fully discussed in the description of the project in Note 1. All expenditures needed to place the project in readiness, which include direct costs, as well as indirect costs, have been recorded.

**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**

**Board of Supervisors
Lake Lucie Community Development District
Port St. Lucie, Florida**

We have audited the financial statements of the governmental activities and each major fund type of Lake Lucie Community Development District, for the period ended September 30, 2019, which collectively comprise Lake Lucie Community Development District's basic financial statements and have issued our report thereon dated June 25, 2020. 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.

Internal Control over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects Lake Lucie Community Development District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted account principles such that there is more than a remote likelihood that a misstatement of Lake Lucie Community Development District's financial statements that is more than inconsequential will not be prevented or detected by Lake Lucie Community Development District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Lake Lucie Community Development District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other matters

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

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 object, 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*.

This report is intended solely for the information and use of the Board of Supervisors, management and The Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Chad A. Allen", is written over a light blue horizontal line.

Tampa, FL
June 25, 2020

MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Supervisors
Lake Lucie Community Development District, Florida

Report on the Financial Statements

We have audited the financial statements of the Lake Lucie Community Development District, Florida for the period ended September 30, 2019, and have issued our report thereon dated June 25, 2020.

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 Reports – Check that these code sections have not change

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 25, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Lake Lucie Community Development District was established by Ordinance 89-32 by the Board of County Commissioners of St. Lucie County, Florida. There are no component units related to Lake Lucie Community Development District.

Financial Condition

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

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the

Lake Lucie Community Development District's financial condition, as our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Lake Lucie Community Development District for the period ended September 30, 2019, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2019. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that there were no such special district component units.

Other Matters

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

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

Purpose of this Letter

Our management letter is indicated 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, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by any other than these specified parties.



Tampa, FL
June 25, 2020

**LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

I. Current Status of Prior Year Findings:

There were no findings in the prior years.

**LAKE LUCIE COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

II. Current Year Findings:

None

INDEPENDENT ACCOUNTANT'S REPORT

Board of Supervisors
Lake Lucie Community Development District
Port St. Lucie, Florida

We have examined Lake Lucie Community Development District's compliance with the compliance requirements referred in Rules of the Auditor General, State of Florida, Rule 10.556(10) for the period ended September 30, 2019. Management is responsible for Lake Lucie Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Lake Lucie Community Development District's compliance based on our examination.

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

In our opinion, Lake Lucie Community Development District complied, in all material respects, with the aforementioned requirements for the period ended September 30, 2019.



Tampa, FL
June 25, 2020