

Westside Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2019

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Westside Community Development District
Osceola County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Westside Community Development District as of and for the year ended September 30, 2019, and the related notes to 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

Fort Pierce / Stuart

To the Board of Supervisors
Westside Community Development District

Basis for Adverse Opinion on the Discretely Presented Component Units

The financial statements do not include financial data for one of the District's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for the component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component units should have been presented.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Discretely Presented Component Units", the financial statements referred to above do not present fairly, the financial position of the discretely presented component units of the District as of September 30, 2019, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Adverse Opinion on the Discretely Presented Component Unit" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the District as of September 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously 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, 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.

To the Board of Supervisors
Westside Community Development District

Other Matters

Required Supplementary Information

Governmental accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *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 in accordance with governmental auditing standards generally accepted in the United States of America, which consisted principally of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 23, 2020 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 and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Westside Community Development District's internal control over financial reporting and compliance.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 23 , 2020

**Westside Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

Management's discussion and analysis of Westside Community Development District (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; net investment in capital assets, restricted, and unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government, physical environment and debt service.

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

**Westside Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The government-wide financial statement is designed to provide the reader with a broad overview of the District's finances, in a manner similar to a private sector business. In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis and is reported on a full-accrual economic resource basis, which recognizes all non-current assets and receivables as well as all non-current debt and obligations. The effect of interfund activity has been eliminated from the government-wide financial statements. In contrast, the governmental fund financial statements are grouped into funds to account for and to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis where as revenues are recorded when collected in the current period or within 60 days of year-end and expenditures are recorded when a liability is incurred. The difference between the two statements arises primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. A reconciliation of the government-wide and the fund financial statement is provided to illustrate these differences.

Notes to financial statements provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2019.

- ◆ The District's total assets exceeded total liabilities by \$19,078,286, (net position). Unrestricted net position for Governmental Activities was \$1,219,331. Net investment in capital assets was \$17,373,738. Restricted net position was \$485,217.
- ◆ Governmental activities revenues and gain on cancellation of debt totaled \$17,834,003 while governmental activities expenses totaled \$3,096,522.

**Westside Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

Net Position

	Governmental Activities	
	2019	2018
Current assets	\$ 1,476,025	\$ 1,196,225
Restricted assets	2,191,473	7,605,449
Capital assets	39,209,879	37,813,129
Total Assets	42,877,377	46,614,803
 Deferred amount on refunding	461,808	-
 Current liabilities	1,274,172	10,428,938
Non-current liabilities	22,986,727	31,845,060
Total Liabilities	24,260,899	42,273,998
 Net investment in capital assets	17,373,738	6,368,814
Net position - restricted	485,217	29,844
Net position - unrestricted	1,219,331	(2,057,853)
Total Net Position	\$ 19,078,286	\$ 4,340,805

The increase in current assets is mostly the result of the increase in capital reserves in the current year.

The increase in capital assets and net investment in capital assets is primarily the result of the new capital project in the current year and the cancellation of debt.

The increase in deferred amount on refunding is related to the issuance of the Series 2019 Refunding Bonds in the current year.

The decrease in current liabilities is mainly related to the decrease in matured interest payable, matured principal payable and accrued interest in the current year.

The decrease in restricted assets and non-current liabilities is mostly the result of the current year principal payments and the cancellation of debt from the refunding of bonds.

**Westside Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

	Change in Net Position	
	Governmental Activities	
	2019	2018
Program Revenues		
Charges for services	\$ 2,412,269	\$ 1,325,669
Grants and contributions	3,059,713	10,348,954
General Revenues		
Investment earnings	79,822	81,193
Miscellaneous revenues	-	5,370
Gain on cancellation of debt	12,282,199	-
Total Revenues	<u>17,834,003</u>	<u>11,761,186</u>
Expenses		
General government	179,236	459,188
Physical environment	1,484,106	1,370,509
Interest and other changes	1,433,180	2,835,770
Total Expenses	<u>3,096,522</u>	<u>4,665,467</u>
Change in Net Position	14,737,481	7,095,719
Net Position - Beginning of Year	<u>4,340,805</u>	<u>(2,754,914)</u>
Net Position - End of Year	<u><u>\$19,078,286</u></u>	<u><u>\$ 4,340,805</u></u>

The decrease in grants and contributions is mostly attributable to a decrease in developer contributions in the current year.

The decrease in general government expenses was primarily due to a decrease in the expenditures at the fund level related to the SPE.

The decrease in interest is mostly related to the decrease in accrued interest in the current year.

A gain was realized in the current year from the cancellation of debt related to the refunding of certain bonds.

**Westside Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of 2019 and 2018.

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Construction in progress	\$ 2,602,063	\$ -
Land improvements	11,741,451	11,741,451
Improvements other than buildings	726,955	726,955
Infrastructure	36,180,705	36,178,072
Accumulated depreciation	(12,041,295)	(10,833,349)
Total Capital Assets (Net)	<u>\$ 39,209,879</u>	<u>\$ 37,813,129</u>

During the year, \$2,602,063 was added to construction in progress, \$2,633 to infrastructure and \$1,207,946 in depreciation was recorded.

General Fund Budgetary Highlights

The budget exceeded actual expenditures for the year primarily due to less legal fees, supervisor fees, plant replacement, streetlighting, water and sewer and repair & maintenance expenditures than expected.

There were no amendments to the September 30, 2019 budget.

Debt Management

Governmental Activities debt includes the following:

In April 2019, the District bifurcated the Series 2005 Bonds by issuing \$6,945,000 Series 2005-1 Bonds and \$2,285,000 Series 2005-2 Bonds and \$500,000 of the Series 2005 Bonds will remain outstanding with \$3,425,000 of Series 2005 Bonds being cancelled. During the year, the Series 2005-1 Bonds were retired with the issuance of the Series 2019 Refunding Bonds. The balance outstanding at September 30, 2019 for the Series 2005 and Series 2005-2 Bonds was \$500,000 and \$2,245,000, respectively.

**Westside Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Debt Management (Continued)

In April 2019, the District bifurcated the Series 2007 Bonds by issuing \$6,610,000 Series 2007-1 Bonds and \$715,000 Series 2007-2 Bonds and \$500,000 of the Series 2007 Bonds will remain outstanding with \$6,210,000 of Series 2007 Bonds being cancelled. During the year, the Series 2007-1 Bonds were retired with the issuance of the Series 2019 Refunding Bonds. The balance outstanding at September 30, 2019 for the Series 2007 and Series 2007-2 Bonds was \$500,000 and \$705,000, respectively.

In March 2018, the District issued \$3,490,000 Special Assessment Revenue Bonds, Series 2018. The bonds were issued to finance the construction of the 2018 Project. The balance outstanding at September 30, 2019 was \$3,440,000.

In April 2019, the District issued \$13,095,000 Special Assessment Revenue Refunding Bonds, Series 2019. The bonds were issued to refund the Series 2005-1 and 2007-1 Special Assessment Revenue Bonds. The balance outstanding at September 30, 2019 was \$13,095,000.

In September 2019, the District issued \$3,230,000 Special Assessment Revenue Bonds, Series 2019. The bonds were issued to finance the construction of the Series 2019 Project. The balance outstanding at September 30, 2019 was \$3,230,000.

In September 2014, the District reached an agreement with a contractor of the prior developer to pay them \$290,000 over five years. In December 2016, in a related claim, the District reached settlement in mediation with Osceola County and the contractor to pay an additional sum of \$50,000 in 2019 and \$25,000 in 2020. The balance remaining at September 30, 2019 was \$75,000.

Economic Factors and Next Year's Budget

The District's overall financial condition improved in the current year. The District made unscheduled interest and principal payments on the Series 2005 and Series 2007 bonds with the proceeds resulting from sales of property held by Westside CDD Holdings, LLC (SPE) in the current year. Additionally, the District bifurcated the Series 2005 and Series 2007 Bonds into the Series 2005-1, Series 2005-2, Series 2007-1 and Series 2007-2 with \$9,635,000 of the original Bonds being forgiven. The District then issued the Series 2019 Refunding Bonds to retire the Series 2005-1 and Series 2007-1 Bonds.

Subsequent to year end, the District issued Special Assessment Revenue Bonds, Series 2019 (Windsor Parcel K) in the amount of \$1,860,000.

**Westside Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Request for Information

The financial report is designed to provide a general overview of Westside Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Westside Community Development District, Governmental Management Services, 219 E. Livingston St., Orlando, Florida 32801.

Westside Community Development District
STATEMENT OF NET POSITION
September 30, 2019

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 602,518
Investments	819,937
Due from other governments	8,162
Prepaid expenses	18,878
Total Current Assets	1,449,495
Non-Current Assets	
Restricted:	
Investments	2,191,473
Cash	26,530
Capital Assets Not Being Depreciated:	
Construction in progress	2,602,063
Land and improvements	11,741,451
Capital Assets Being Depreciated:	
Improvements other than buildings	726,955
Infrastructure	36,180,705
Less: accumulated depreciation	(12,041,295)
Total Non-Current Assets	41,427,882
Total Assets	42,877,377
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	461,808
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	8,001
Contracts/retainage payable	248,711
Matured interest payable	32,125
Accrued interest payable	231,585
Bonds payable - current	700,000
Notes payable - current	53,750
Total Current Liabilities	1,274,172
Non-Current Liabilities	
Bonds payable	22,965,477
Notes payable	21,250
Total Non-Current Liabilities	22,986,727
Total Liabilities	24,260,899
 NET POSITION	
Net investment in capital assets	17,373,738
Restricted for debt service	458,673
Restricted for capital projects	26,544
Unrestricted	1,219,331
Total Net Position	\$ 19,078,286

See accompanying notes to financial statements.

Westside Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2019

ASSETS	Governmental Funds										Total Governmental Funds
	General	Debt Service 2005 Bonds	Debt Service 2007 Bonds	Debt Service 2018 Bonds	Debt Service 2019 Bonds	Debt Service 2019 Refunding Bonds	Capital Projects 2005	Capital Projects 2007	Capital Projects 2018	Capital Projects 2019	
Cash	\$ 602,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 602,518
Investments, at fair value	819,937	-	-	-	-	-	-	-	-	-	819,937
Due from other governments	2,133	1,963	2,434	1,632	-	-	-	-	-	-	8,162
Prepaid expenses	18,878	-	-	-	-	-	-	-	-	-	18,878
Restricted assets:											
Investments, at fair value	-	520,748	182,240	210,879	186,580	639,362	6	6	2	451,650	2,191,473
Cash	-	-	-	-	-	-	-	26,530	-	-	26,530
Total Assets	<u>\$1,443,466</u>	<u>\$ 522,711</u>	<u>\$ 184,674</u>	<u>\$ 212,511</u>	<u>\$ 186,580</u>	<u>\$ 639,362</u>	<u>\$ 6</u>	<u>\$ 26,536</u>	<u>\$ 2</u>	<u>\$ 451,650</u>	<u>\$ 3,667,498</u>
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Accounts payable and accrued expenses	\$ 7,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166	\$ 8,001
Contracts/retainage payable	-	-	-	-	-	-	-	-	-	248,711	248,711
Matured interest payable	-	14,125	18,000	-	-	-	-	-	-	-	32,125
Total Liabilities	<u>7,835</u>	<u>14,125</u>	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,877</u>	<u>288,837</u>
FUND BALANCES											
Nonspendable - prepaid expenses	23,878	-	-	-	-	-	-	-	-	-	23,878
Restricted:											
Debt service	-	-	166,674	212,511	186,580	639,362	-	-	-	-	1,205,127
Capital projects	-	-	-	-	-	-	6	26,536	2	202,773	229,317
Assigned - capital reserves	306,601	-	-	-	-	-	-	-	-	-	306,601
Unassigned	1,105,152	508,586	-	-	-	-	-	-	-	-	1,613,738
Total Fund Balances	<u>1,435,631</u>	<u>508,586</u>	<u>166,674</u>	<u>212,511</u>	<u>186,580</u>	<u>639,362</u>	<u>6</u>	<u>26,536</u>	<u>2</u>	<u>202,773</u>	<u>3,378,661</u>
Total Liabilities and Fund Balances	<u>\$1,443,466</u>	<u>\$ 522,711</u>	<u>\$ 184,674</u>	<u>\$ 212,511</u>	<u>\$ 186,580</u>	<u>\$ 639,362</u>	<u>\$ 6</u>	<u>\$ 26,536</u>	<u>\$ 2</u>	<u>\$ 451,650</u>	<u>\$ 3,667,498</u>

See accompanying notes to financial statements.

Westside Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2019

Total Governmental Fund Balances	\$ 3,378,661
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets not being depreciated (land and improvements (\$11,741,451) and construction in progress (\$2,602,063)) used in governmental activities are not current financial resources, and therefore are not reported at the fund level.	14,343,514
Capital assets being depreciated, improvements other than buildings (\$726,955) and infrastructure (\$36,180,705) net of accumulated depreciation (\$12,041,295) used in governmental activities are not current financial resources, and therefore are not reported at the fund level.	24,866,365
Bond discount costs (\$52,838), net of accumulated amortization (\$3,315) used in governmental activities are not current financial uses, and therefore are not reported at the fund level.	49,523
Long-term liabilities, including bonds payable (\$23,715,000) and notes payable (\$75,000) are not due and payable in the current period, and therefore are not reported at the fund level.	(23,790,000)
Deferred outflow of resources (deferred amount on refunding) are not current financial resources and therefore, are not reported at the fund level.	461,808
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the fund level.	<u>(231,585)</u>
Net Position of Governmental Activities	<u><u>\$ 19,078,286</u></u>

See accompanying notes to financial statements.

Westside Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2019

	Governmental Funds										Total Governmental Funds
	General	Debt Service 2005 Bonds	Debt Service 2007 Bonds	Debt Service 2018 Bonds	Debt Service 2019 Bonds	Debt Service 2019 Refunding Bonds	Capital Projects 2005	Capital Projects 2007	Capital Projects 2018	Capital Projects 2019	
Revenues											
Special assessments	\$ 701,460	\$ 780,233	\$ 694,952	\$ 235,624	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,412,269
Landholder contributions	-	2,325,382	734,331	-	-	-	-	-	-	-	3,059,713
Investment earnings	20,702	26,616	30,283	567	206	-	7	16	8	1,417	79,822
Total Revenues	<u>722,162</u>	<u>3,132,231</u>	<u>1,459,566</u>	<u>236,191</u>	<u>206</u>	<u>-</u>	<u>7</u>	<u>16</u>	<u>8</u>	<u>1,417</u>	<u>5,551,804</u>
Expenditures											
Current											
General government	106,568	36,184	36,184	-	-	-	-	300	-	-	179,236
Physical environment	276,160	-	-	-	-	-	-	-	-	-	276,160
Capital outlay	-	-	-	-	-	-	-	-	2,633	2,602,063	2,604,696
Debt service											
Principal	53,750	1,135,000	1,130,000	50,000	-	-	-	-	-	-	2,368,750
Interest	-	591,169	656,615	178,050	-	-	-	-	-	-	1,425,834
Other debt service	-	18,791	18,790	-	-	269,924	73,750	73,750	-	230,589	685,594
Total Expenditures	<u>436,478</u>	<u>1,781,144</u>	<u>1,841,589</u>	<u>228,050</u>	<u>-</u>	<u>269,924</u>	<u>73,750</u>	<u>74,050</u>	<u>2,633</u>	<u>2,832,652</u>	<u>7,540,270</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>285,684</u>	<u>1,351,087</u>	<u>(382,023)</u>	<u>8,141</u>	<u>206</u>	<u>(269,924)</u>	<u>(73,743)</u>	<u>(74,034)</u>	<u>(2,625)</u>	<u>(2,831,235)</u>	<u>(1,988,466)</u>
Other financing sources (uses)											
Issuance of long-term debt	-	-	-	-	186,374	13,095,000	-	-	-	3,043,626	16,325,000
Bond discount	-	-	-	-	-	(16,596)	-	-	-	(9,618)	(26,214)
Transfers in	-	19,148	18,750	-	-	43,944	92,500	92,500	-	-	266,842
Transfers out	-	(115,165)	(113,779)	-	-	-	(19,148)	(18,750)	-	-	(266,842)
Transfers to escrow agent	-	(693,430)	(866,034)	-	-	(12,213,062)	-	-	-	-	(13,772,526)
Total Other financing Sources/(Uses)	<u>-</u>	<u>(789,447)</u>	<u>(961,063)</u>	<u>-</u>	<u>186,374</u>	<u>909,286</u>	<u>73,352</u>	<u>73,750</u>	<u>-</u>	<u>3,034,008</u>	<u>2,526,260</u>
Net change in fund balances	285,684	561,640	(1,343,086)	8,141	186,580	639,362	(391)	(284)	(2,625)	202,773	537,794
Fund Balances - October 1, 2018	1,149,947	(53,054)	1,509,760	204,370	-	-	397	26,820	2,627	-	2,840,867
Fund Balances - September 30, 2019	<u>\$ 1,435,631</u>	<u>\$ 508,586</u>	<u>\$ 166,674</u>	<u>\$ 212,511</u>	<u>\$ 186,580</u>	<u>\$ 639,362</u>	<u>\$ 6</u>	<u>\$ 26,536</u>	<u>\$ 2</u>	<u>\$ 202,773</u>	<u>\$ 3,378,661</u>

See accompanying notes to financial statements.

Westside Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2019

Net Change in Fund Balances - Total Governmental Funds \$ 537,794

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount that depreciation (\$1,207,946) was exceeded by capital outlay (\$2,604,696).	1,396,750
Loan proceeds (\$16,325,000), net of bond discounts, (\$26,214) provide current financial resources to governmental funds. However, in the Statement of Net Position, the loan proceeds increase long-term liabilities.	(16,298,786)
Repayments of bond principal are expenditures in the governmental funds and reduce long-term liabilities in the Statement of Net Position.	15,713,750
The deferred amount on refunding is recognized as an expenditure at the fund level but is recognized as a deferred outflow of resources at the government-wide level and amortized over the life of the new debt.	427,526
The cancellation of debt (\$9,635,000) and matured interest (\$2,647,199) did not utilize current financial resources, so it was not reflected at the fund level. The cancellation did reduce long-term liabilities so the amount cancelled was recognized at the government-wide level.	12,282,199
Governmental funds report bond discounts as an expenditure. However, in the Statement of Activities, this cost is allocated over the bond repayment as amortization. This is the amount of amortization in the current period.	(32,349)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the decrease in accrued interest from the prior year.	<u>710,597</u>
Change in Net Position of Governmental Activities	<u><u>\$ 14,737,481</u></u>

See accompanying notes to financial statements.

Westside Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND
For the Year Ended September 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 681,731	\$ 681,731	\$ 701,460	\$ 19,729
Investment earnings	5,000	5,000	20,702	15,702
Total Revenues	<u>686,731</u>	<u>686,731</u>	<u>722,162</u>	<u>35,431</u>
Expenditures				
Current				
General government	146,712	146,712	106,568	40,144
Physical environment	428,136	428,136	276,160	151,976
Debt Service				
Principal	50,000	50,000	53,750	(3,750)
Total Expenditures	<u>624,848</u>	<u>624,848</u>	<u>436,478</u>	<u>188,370</u>
Net change in fund balances	<u>61,883</u>	<u>61,883</u>	<u>285,684</u>	<u>223,801</u>
Fund Balances - October 1, 2018	<u>141,157</u>	<u>141,157</u>	<u>1,149,947</u>	<u>1,008,790</u>
Fund Balances - September 30, 2019	<u><u>\$ 203,040</u></u>	<u><u>\$ 203,040</u></u>	<u><u>\$ 1,435,631</u></u>	<u><u>\$ 1,232,591</u></u>

See accompanying notes to financial statements.

Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

1. Reporting Entity

The District was established on August 30, 2004, pursuant to Osceola County Ordinance Number 04-34, subsequently amended by Ordinance Number 07-19, and Chapter 190, Florida Statutes. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or outside the boundaries of the Westside Community Development District. The District is governed by a five-member Board of Supervisors who are elected on an at large basis by qualified electors within the District. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Westside Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board, the District has identified two component units.

The Discretely-presented component units are legally separate entities which did not meet the criteria for blending. The component units of the District are as follows:

Westside SPE, LLC – The Company is a special purpose entity (SPE) created by certain provisions in the Trust Indentures of the Series 2005 and Series 2007 Special Assessment Revenue Bonds. The Company and its operations, pursuant to an agreement between the Company, the District and the U.S. Bank National Association (the "Trustee"), are funded from amounts on deposit in the Trust estate. Funds received by the Company are to be remitted to the Trustee and applied in accordance with the Trust Indenture. This entity ceased operations during the year. The SPE is still in existence, however, it had no activity and is not reflected in the financial statements.

Westside CDD Holdings, LLC – The Company is a special purpose entity (SPE) created by certain provisions in the Trust Indentures of the Series 2005 and Series 2007 Special Assessment Revenue Bonds. The Trustee of this component unit has elected not to provide the District with its financial information. Subsequent to year end, the SPE was dissolved.

Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

a. Government-wide Financial Statements

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by developer contributions and interest. Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as another financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

b. Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

The District classifies fund balance according to the Governmental Accounting Standards Board Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by the state constitution, external resource providers, or through enabling legislation.

Assigned Fund Balance – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

General Fund – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund 2005, 2007, 2018, 2019 and 2019 Refunding Bonds – Accounts for the debt service requirements to retire the special assessment revenue bonds which were used, among other things, to retire the debt of the bond anticipation notes and to finance the acquisition and construction of certain master infrastructure improvements within the District.

Capital Projects Fund 2005, 2007, 2018 and 2019 – The Capital Projects Fund accounts for the construction of certain infrastructure improvements within the boundaries of the District.

Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land improvements other than buildings, infrastructure and construction in progress, and non-current governmental liabilities, such as general obligation bonds and notes payable, be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

Chapter 280, Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

b. Restricted Assets

Certain net position of the District will be classified as restricted assets on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors.

Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

c. Capital Assets

Capital assets, which include land, improvements other than buildings, infrastructure and construction in progress, are reported in governmental activities.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Improvements other than buildings	10 years
Infrastructure	30 years

d. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. Formal budgets are adopted for the general fund. The legal level of budgetary control is at the fund level. As a result, deficits in the budget variance columns of the accompanying financial statements may occur. All budgeted appropriations lapse at year end.

e. Unamortized Bond Discounts

Bond discounts associated with the issuance of revenue bonds are amortized according to the straight line method of accounting. For financial reporting, unamortized bond discounts are netted against the applicable long-term debt.

f. Deferred Amount on Refunding

Deferred costs of refunding associated with the issuance of refunding bonds are presented on the financial statements and amortized over the life of the bonds using the straight line method of accounting. For financial reporting, the deferred costs of refunding are reported as a deferred outflow of resources on the Statement of Net Position.

Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

“Total fund balances” of the District’s governmental funds (\$3,378,661) differs from “net position” of governmental activities (\$19,078,286) reported in the 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. The effect of the differences is illustrated below.

Capital related items

When capital assets (improvements and infrastructure that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Construction in progress	\$ 2,602,063
Land and improvements	11,741,451
Improvements other than buildings	726,955
Infrastructure	36,180,705
Accumulated depreciation	<u>(12,041,295)</u>
Total	<u>\$ 39,209,879</u>

Deferred outflows of resources

Deferred outflows of resources are not current financial resources, and therefore, are not recognized at the fund level

Deferred amount on refunding, net	<u>\$ 461,808</u>
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Long-term debt transactions

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities are reported in the Statement of Net Position. Balances at September 30, 2019 were:

Bonds payable	\$ (23,715,000)
Notes payable	(75,000)
Bond discounts	52,838
Accumulated amortization	<u>(3,315)</u>
Total	<u>\$ (23,740,477)</u>

**Westside Community Development District
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2019**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Accrued interest

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to the accrued interest on bonds.

Accrued interest	\$ <u>(231,585)</u>
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2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds (\$537,794) differs from the “change in net position” for governmental activities (\$14,737,481) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation expense charged for the year.

Depreciation	\$ (1,207,946)
Capital outlay	<u>2,604,696</u>
Total	<u>\$ 1,396,750</u>

Long-term debt transactions

Repayments of principal are reported as expenditures in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Notes payable payments	\$ 53,750
Bond principal payments	15,660,000
Cancellation of debt	9,635,000
Amortization of bond discounts	<u>(66,631)</u>
Total	<u>\$ 25,282,119</u>

**Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities (Continued)

Long-term debt transactions (Continued)

The issuance of new debt provides current financial resources to governmental funds, but the issuance of new debt increases long-term liabilities

Proceeds from note payable	\$ (16,325,000)
Bond discount	<u>26,214</u>
Net proceeds	<u>\$ (16,298,786)</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in accrued interest payable	\$ 710,597
Matured interest forgiven	2,647,199
Increase in deferred amount on refunding	<u>461,808</u>
Total	<u>\$ 3,819,604</u>

NOTE C – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District follows the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2019, the District's bank balance was \$654,209 and the carrying value was \$629,048. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2019, the District had the following investments and maturities:

Investment	Maturities	Fair Value
Managed Money Markets	N/A	\$ 2,191,473
State Board of Administration Florida Prime	33 days*	<u>819,937</u>
Total		<u>\$ 3,011,410</u>

*Maturities are a weighted average maturity.

Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits (Continued)

The District categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

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

Based on the criteria in the preceding paragraph, the Managed Money Market and State Board of Administration Florida Prime investments listed above are Level 1 assets.

Interest Rate Risk

The formal investment policy of the District conforms with State statutory requirements and bond indentures for investment maturities as a means of managing its exposure to increasing interest rates.

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2019, the District's investments in the State Board of Administration Florida Prime were rated AAAM by Standard and Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one investment. The investments in Managed Money Market Accounts are 73% of the District's total investments and the investments in Florida Prime are 27% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2019 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE D – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2019 was as follows:

	Balance October 1, 2018	Additions	Deletions	Balance September 30, 2019
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land and improvements	\$ 11,741,451	\$ -	\$ -	\$ 11,741,451
Construction in progress	-	2,602,063	-	2,602,063
Total Capital Assets, Not Being Depreciated	<u>11,741,451</u>	<u>2,602,063</u>	<u>-</u>	<u>14,343,514</u>
Capital Assets, Being Depreciated:				
Infrastructure	36,178,072	2,633	-	36,180,705
Improvements other than buildings	726,955	-	-	726,955
Total Capital Assets, Being Depreciated	<u>36,905,027</u>	<u>2,633</u>	<u>-</u>	<u>36,907,660</u>
Less Accumulated Depreciation For:				
Infrastructure	(10,141,015)	(1,206,024)	-	(11,347,039)
Improvements other than buildings	(692,334)	(1,922)	-	(694,256)
Total Accumulated Depreciation	<u>(10,833,349)</u>	<u>(1,207,946)</u>	<u>-</u>	<u>(12,041,295)</u>
Total Capital Assets Depreciated, Net	<u>26,071,678</u>	<u>(1,205,313)</u>	<u>-</u>	<u>24,866,365</u>
Governmental Activities Capital Assets	<u>\$ 37,813,129</u>	<u>\$ (1,205,313)</u>	<u>\$ -</u>	<u>\$ 39,209,879</u>

Depreciation of \$1,207,946 was charged to physical environment.

NOTE E – LONG-TERM DEBT

The following is a summary of debt activity for the District for the year ended September 30, 2019:

Bonds/notes payable at October 1, 2018	\$ 32,813,750
Additions to bonds payable	16,325,000
Principal payments	(15,713,750)
Cancellation of bonds payable	<u>(9,635,000)</u>
Bonds/notes payable at September 30, 2019	<u>\$ 23,790,000</u>

**Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

NOTE E – LONG-TERM DEBT (CONTINUED)

In April 2019, the District bifurcated the Series 2005 Bonds by issuing \$6,945,000 Series 2005-1 Bonds and \$2,285,000 Series 2005-2 Bonds and \$500,000 of the Series 2005 Bonds will remain outstanding. After the bifurcation \$3,425,000 of Series 2005 Bonds and all matured interest still outstanding were cancelled. It is anticipated that the \$500,000 of Series 2005 Bonds still outstanding will be cancelled by April 1, 2022.

In April 2019, the District bifurcated the Series 2007 Bonds by issuing \$6,610,000 Series 2007-1 Bonds and \$715,000 Series 2007-2 Bonds and \$500,000 of the Series 2007 Bonds will remain outstanding. After the bifurcation \$6,210,000 of Series 2007 Bonds and all matured interest still outstanding were cancelled. It is anticipated that the \$500,000 of Series 2007 Bonds still outstanding will be cancelled by April 1, 2022.

During the year, the scheduled debt service payments on the Series 2005 Bond and Series 2007 Bond, \$14,125 and \$18,000, respectively, were not paid by the District. These amounts are reflected in the balance of matured interest payable in the accompanying financial statements.

District debt is comprised of the following at September 30, 2019:

Special Assessment Revenue Bonds

\$500,000 Series 2005 Special Assessment Revenue Bonds, interest at 5.65%, maturing thru May 1, 2037, payable on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.	\$ 500,000
\$2,285,000 Series 2005-2 Special Assessment Revenue Bonds, interest at 5.65%, maturing thru May 1, 2037, payable on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.	2,245,000
\$500,000 Series 2007 Special Assessment Revenue Bonds, interest at 7.20%, maturing thru May 1, 2038, payable on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.	500,000
\$715,000 Series 2007-2 Special Assessment Revenue Bonds, interest at 7.2%, maturing thru May 1, 2038, payable on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.	705,000

**Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

NOTE E – LONG-TERM DEBT (CONTINUED)

Special Assessment Revenue Bonds (Continued)

\$3,490,000 Series 2018 Special Assessment Revenue Bonds due in annual principal installments beginning in May 2019 through May 2048. Interest from 5.00% to 5.20% due May 1 and November 1 starting in May 2019. 3,440,000

\$13,095,000 Series 2019 Special Assessment Revenue Refunding Bonds due in annual principal installments beginning in May 2020 through May 2038. Interest from 4.10% to 4.125% due May 1 and November 1 starting in November 2019. 13,095,000

\$3,230,000 Series 2019 Special Assessment Revenue Bonds due in annual principal installments beginning in May 2020 through May 2049. Interest from 3.625% to 4.85% due May 1 and November 1 starting in November 2019. 3,230,000

Less bond discount, net (49,523)

Net Bonds Outstanding \$ 23,665,477

Note Payable

\$365,000 note payable to contractor per agreement for work performed for the District, payable over seven years with no interest. \$ 75,000

The annual requirements to amortize the principal and interest of long term debt as of September 30, 2019 are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 700,000	\$ 1,097,274	\$ 1,797,274
2021	730,000	1,047,597	1,777,597
2022	765,000	1,018,693	1,783,693
2023	785,000	988,376	1,773,376
2024	820,000	957,358	1,777,358
2025-2029	4,665,000	4,249,527	8,914,527
2030-2034	5,820,000	3,141,815	8,961,815
2035-2039	6,205,000	1,632,901	7,837,901
2040-2044	1,515,000	665,831	2,180,831
2045-2049	1,710,000	242,818	1,952,818
Totals	<u>\$ 23,715,000</u>	<u>\$ 15,042,190</u>	<u>\$ 38,757,190</u>

**Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019**

NOTE E – LONG-TERM DEBT (CONTINUED)

Summary of Significant Bonds Resolution Terms and Covenants

Special Assessment Revenue Bonds

The Series 2005, 2005-2, 2007, 2007-2, 2018, 2019 and 2019 Refunding Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, in the manner provided by the Bond Indentures. The Series 2019 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Trust Indentures establish certain amounts be maintained in a reserve account. In addition, the Trust Indentures have certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements.

Depository Funds – The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

1. Reserve Funds – The 2005, 2007 and 2018 Reserve Accounts are funded from the proceeds of the Series 2005 Bonds, the Series 2007 Bonds and the Series 2018 Bonds in an amount equal to the highest remaining debt service payment. The Series 2019 and 2019 Refunding Reserve accounts are funded from the proceeds of the Series 2019 and Series 2019 Refunding Bonds in an amount equal to 50% of the highest remaining debt service payment. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

	Reserve Balance	Reserve Requirement
Special Assessment Revenue Bonds, Series 2005	\$ 102,200	\$ 34,650
Special Assessment Revenue Bonds, Series 2005-2	\$ 100,342	\$ 100,342
Special Assessment Revenue Bonds, Series 2007	\$ 37,820	\$ 40,750
Special Assessment Revenue Bonds, Series 2007-2	\$ 36,260	\$ 35,760
Special Assessment Revenue Bonds, Series 2018	\$ 115,065	\$ 115,065
Special Assessment Revenue Bonds, Series 2019	\$ 101,595	\$ 101,595
Special Assessment Revenue Refunding Bonds, Series 2019	\$ 503,604	\$ 503,479

Westside Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE E – LONG-TERM DEBT (CONTINUED)

In September 2019, the District issued \$13,095,000 of Series 2019 Special Assessment Revenue Refunding Bonds which retire the Series 2005-1 and 2007-1 Special Assessment Revenue Bonds. The current refunding of the Series 2005-1 and 2007-1 Special Assessment Revenue Bonds resulted in a deferred amount on refunding of \$461,808. As a result of this transaction, the District decreases its aggregate debt payment for the Series 2019 Refunding Bonds by \$3,121,979 over the next 19 years and realized an economic gain of approximately \$1,811,869. The funds to retire the Series 2005-1 and 2007-1 Bonds were deposited in escrow at September 30, 2019. The funds were used to redeem the Series 2005-1 and 2007-1 Bonds on November 1, 2019.

NOTE F – 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 for which the government carries commercial insurance. The District has not filed any claims under this commercial coverage.

NOTE G – SUBSEQUENT EVENTS

Subsequent to year end, in December 2019, the District issued Special Assessment Revenue Bonds, Series 2019 (Windsor Parcel K) in the amount of \$1,860,000. The Bonds were issued to finance the costs of a portion of the Series 2019 Project.

Additionally, subsequent to year end, Westside CDD Holdings, LLC was dissolved.



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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
Westside Community Development District
Osceola 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 Westside Community Development District, as of and for the year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Westside Community Development District's internal control over financial reporting 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 Westside Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Westside Community Development District's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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.

Board of Supervisors
Westside Community Development District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Westside Community Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Westside Community Development District in a separate letter dated June 23, 2020.

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.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 23, 2020



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MANAGEMENT LETTER

To the Board of Supervisors
Westside Community Development District
Osceola County, Florida

Report on the Financial Statements

We have audited the financial statements of the Westside Community Development District as of and for the year ended September 30, 2019, and have issued our report thereon dated June 23, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; 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 Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant'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 June 23, 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 financial audit report. The current status of the prior findings is as follows:

Finding 2011-01

The District continues to be unable to make certain scheduled debt service payments and meet debt service reserve requirements on the Series 2005 Special Assessment Revenue Bonds and Series 2007 Special Assessment Revenue Bonds.

Management Response

During the current year, property held by the SPE was sold and a portion of the proceeds was provided to the District as landholder contributions. The District made unscheduled debt service payments to pay off certain matured principal and interest on the Series 2005 and Series 2007 Bonds with the proceeds from the landholder contributions. The Series 2005 and 2007 Bonds were bifurcated, and a portion of the bifurcated Bonds were cancelled in the current year. The District is making all scheduled payments on the Series 2005-2 and 2007-2 Bonds.

To the Board of Supervisors
Westside Community Development District

Current Status

The District made all scheduled debt service payments for the Series 2005-2 and 2007-2 Bonds; however, the District was unable to make the current year debt service payments for the unexchanged Series 2005 and 2007 Bonds. It is anticipated that the unexchanged Series 2005 and 2007 Bonds will be forgiven if they are still outstanding on April 1, 2022.

Finding 2012-01

The District reported a fund balance deficit in the Series 2005 Debt Service Fund and Series 2007 Debt Service Fund for which sufficient resources were not available to cover the deficit.

Management Response

During the current year, property held by the SPE was sold and a portion of the proceeds was provided to the District as landholder contributions. The District made unscheduled debt service payments to pay off certain matured principal and interest on the Series 2005 and Series 2007 Bonds with the proceeds from the landholder contributions. Additionally, the Series 2005 and 2007 Bonds were bifurcated, and a portion of the bifurcated Bonds were cancelled in the current year. All funds reported a positive fund balance at September 30, 2019.

Current Status

The SPE sold the remaining properties in the current year and a portion of the proceeds were provided to the District. Certain matured principal and interest were paid with the proceeds and the Bonds in default were bifurcated and refunded in the current year. All funds have a positive fund balance at September 30, 2019.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Westside Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the Westside Community Development District did meet one of the conditions described in Section 218.503(1), Florida Statutes in that the District did not make certain scheduled debt service payments and did not meet debt service reserve requirements.

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

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

To the Board of Supervisors
Westside Community Development District

Additional Matters

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 findings in addition to the current status of prior audit findings noted above.

Purpose of this Letter

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

*Berger Toombs Elam
Gaines + Frank*

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June 23, 2020



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**INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Westside Community Development District
Osceola County, Florida

We have examined Westside Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2019. Management is responsible for Westside Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Westside 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 Westside 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 Westside Community Development District's compliance with the specified requirements.

In our opinion, Westside Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2019.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 23, 2020