



Canopy Community Development District

FINANCIAL STATEMENTS

September 30, 2022



REPORT	
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Management's Discussion And Analysis (required supplemental information).....	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	11
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	12
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	14
Notes to Financial Statements	15
Required Supplemental Information (other than MD&A)	
Budget to Actual Comparison Schedule - General Fund.....	24
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	25
Management Letter	28
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes	31



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

(850) 837-3141
(850) 654-4619 (fax)
CRLcpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Canopy Community Development District
Leon County, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Canopy Community Development District (hereinafter referred to as "District"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 - 8 and 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 27, 2023

Management's Discussion and Analysis

Canopy Community Development District Management's Discussion and Analysis

Our discussion and analysis of the Canopy Community Development District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- At September 30, 2022, the assets of the District exceeded its liabilities by approximately \$13.5 million.
- During the fiscal year ended September 30, 2022, the District constructed additional infrastructure of approximately \$3.1 million, incurred approximately \$608,000 of interest costs, and repaid principal of \$785,000.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 9 – 10 provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 5. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and related changes during the current year. You can think of the Districts' net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors; however, such as changes in the District's assessment base and the condition of the District's infrastructure, to assess the overall health of the District.

Canopy Community Development District Management's Discussion and Analysis

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 7. The fund financial statements begin on page 11 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District's funds are governmental fund-types.

- *Governmental funds* – All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

THE DISTRICT AS A WHOLE

The following table reflects the condensed Statement of Net Position and is compared to the prior year.

<i>September 30,</i>	2022	2021	Change
Assets			
Current and other assets	\$ 1,085,936	\$ 697,190	\$ 388,746
Capital assets, net	22,337,017	19,221,893	3,115,124
Total assets	\$ 23,422,953	\$ 19,919,083	\$ 3,503,870
Liabilities			
Current liabilities	\$ 856,946	\$ 7,045,981	\$ (6,189,035)
Other liabilities	9,105,000	9,885,000	(780,000)
Total liabilities	9,961,946	16,930,981	(6,969,035)
Net position			
Net investment in capital assets	12,853,026	2,783,325	10,069,701
Restricted for:			
Debt service	353,617	138,974	214,643
Unrestricted	254,364	65,803	188,561
Total net position	13,461,007	2,988,102	10,472,905
Total liabilities and net position	\$ 23,422,953	\$ 19,919,083	\$ 3,503,870

For more detailed information, see the accompanying Statement of Net Position.

Canopy Community Development District Management's Discussion and Analysis

During the fiscal year ended September 30, 2022, total assets increased by approximately \$3.5 million over while liabilities decreased by approximately \$7 million from over the prior fiscal year. The increase in total assets is due to a significant amount of Intergovernmental revenue related to infrastructure construction. The decrease in liabilities is due to decrease in amounts due to Developer.

The following schedule compares the Statement of Activities for the current and previous fiscal year.

<i>For the year ended September 30,</i>	2022	2021	Change
Revenue:			
Program revenue:			
Charges for services	\$ 1,839,795	\$ 1,194,868	\$ 644,927
Grants and contributions	285	217	68
General revenue:			
Developer contributions	53,505	88,097	(34,592)
Intergovernmental revenue	9,490,204	-	9,490,204
Total revenue	11,383,789	1,283,182	10,100,607
Expenses:			
General government	143,723	177,453	(33,730)
Maintenance and operations	119,200	74,700	44,500
Amenity center	58,895	-	58,895
Interest	589,066	626,608	(37,542)
Total expenses	910,884	878,761	32,123
Change in net assets	10,472,905	404,421	10,068,484
Net position, beginning of year	2,988,102	2,583,681	404,421
Net position, ending of year	\$ 13,461,007	\$ 2,988,102	\$ 10,472,905

For more detailed information, see the accompanying Statement of Activities.

Revenue and expenses increased approximately \$10.1 million and \$32,000, respectively, over the prior fiscal year. The increase in revenue is primarily due to Intergovernmental revenue and an increase in prepayments related to lot closures. The increase in expenses is primarily due to the opening of the amenity center. The overall result was a \$10,472,905 increase in net position for fiscal year 2022.

Canopy Community Development District Management's Discussion and Analysis

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 11) reported a combined fund balance of approximately \$604,000, which is an increase from last year's fund balance deficit that totaled approximately \$6 million. Significant transactions are discussed below.

- During the year ended September 30, 2022, the District received approximately \$9.5 million of Intergovernmental revenue.
- During the year ended September 30, 2022, the District established additional infrastructure of approximately \$3.1 million, incurred approximately \$608,000 of interest expenditures, and repaid principal of \$785,000.

The overall increase in fund balance for the year ended September 30, 2022 totaled \$6,554,151.

GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

An Operating budget was established by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown at page 24.

The District experienced an unfavorable variance in revenue as compared to the budget in the amount of approximately \$289,000. Conversely, the District has a favorable variance in expenditures as compared to the budget in the amount of approximately \$284,000. The variance in revenue occurred primarily due to a reduction of anticipated developer contributions. The variance in expenditures occurred primarily due to anticipated maintenance and operations and amenity center expenditures that were not incurred in the current year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2022, the District had approximately \$22.3 million invested in capital assets. This amount represents an increase of approximately \$9.8 million over the fiscal year 2021 total.

A listing of capital assets by major category for the current and prior year follows:

<i>September 30,</i>	2022	2021	Change
Capital assets not being depreciated	\$ 22,337,017	\$ 12,571,627	\$ 9,765,390

More information about the District's capital assets is presented in Note 3 to the financial statements.

Canopy Community Development District Management’s Discussion and Analysis

Debt

At September 30, 2022, the District had approximately \$9.2 million of bonds outstanding. This amount represents a net decrease of \$785,000 from the fiscal year 2021 total.

A listing of debt amounts outstanding for the current and prior year is as follows:

<i>September 30,</i>	2022	2021	Change
Series 2018 A-1	\$ 2,085,000	\$ 2,170,000	\$ (85,000)
Series 2018 A-2	3,540,000	4,190,000	(650,000)
Series 2018 A-3	2,700,000	2,735,000	(35,000)
Series 2018 A-4	920,000	935,000	(15,000)
Total bonds payable	\$ 9,245,000	\$ 10,030,000	\$ (785,000)

More information about the District’s long-term debt is presented in Note 4 to the financial statements.

FUTURE FINANCIAL FACTORS

Canopy Community Development District is an independent special district that operates under the provisions of Chapter 190, Florida Statutes. The District operates under an elected Board of Supervisors, which establishes policy and sets assessment rates. Assessment rates for fiscal year 2023 were established to provide for the operations of the District as well as the necessary debt service requirements.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District’s finances. If you have questions about this report or need additional financial information, contact the Canopy Community Development District’s management company at 393 Palm Coast Parkway SW, #4, Palm Coast, FL, 32137.

Basic Financial Statements

**Canopy Community Development District
Statement of Net Position**

<i>September 30,</i>	2022
	Governmental Activities
Assets	
Cash and cash equivalents	\$ 772,499
Accounts receivable	297,585
Prepaid expenses	15,852
Capital assets:	
Not being depreciated	22,337,017
<hr/>	
Total assets	23,422,953
<hr/>	
Liabilities	
Accounts payable	23,574
Contracts payable	380,372
Retainage payable	78,167
Accrued interest payable	234,833
Non-current liabilities:	
Due within one year	140,000
Due in more than one year	9,105,000
<hr/>	
Total liabilities	9,961,946
<hr/>	
Net position	
Net investment in capital assets	12,853,026
Restricted for:	
Debt service	353,617
Unrestricted	254,364
<hr/>	
Total net position	\$ 13,461,007
<hr/> <hr/>	

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

Canopy Community Development District Statement of Activities

For the year ended September 30,

2022

Functions/Programs	Expenses	Charges for Services	Grants and Contributions	Program Revenue Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Primary government:						
Governmental activities:						
General government	\$ (143,723)	\$ 112,186	\$ -	\$ -	\$ -	\$ (31,537)
Maintenance and operations	(119,200)	93,044	-	-	-	(26,156)
Amenity center	(58,895)	45,971	-	-	-	(12,924)
Interest	(589,066)	1,588,594	281	-	4	999,813
Total governmental activities	\$ (910,884)	\$ 1,839,795	\$ 281	\$ -	\$ 4	929,196

General Revenue

Developer contributions	53,505
Intergovernmental revenue	9,490,204
Total general revenue	9,543,709
Change in net position	10,472,905
Net position - beginning of year	2,988,102
Net position - end of year	\$ 13,461,007

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

**Canopy Community Development District
Balance Sheet – Governmental Funds**

September 30,

2022

	General Fund	Debt Service	Capital Project Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,637	\$ 510,413	\$ 260,449	\$ 772,499
Accounts receivable	-	297,585	-	297,585
Prepaid expenditures	15,852	-	-	15,852
Total assets	\$ 17,489	\$ 807,998	\$ 260,449	\$ 1,085,936
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 23,574	\$ -	\$ -	\$ 23,574
Contracts payable	-	-	380,372	380,372
Retainage payable	-	-	78,167	78,167
Total liabilities	23,574	-	458,539	482,113
Fund balances				
Nonspendable	15,852	-	-	15,852
Restricted for debt service	-	807,998	-	807,998
Unassigned	(21,937)	-	(198,090)	(220,027)
Total fund balances (deficit)	(6,085)	807,998	(198,090)	603,823
Total liabilities and fund balances	\$ 17,489	\$ 807,998	\$ 260,449	\$ 1,085,936

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

**Canopy Community Development District
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of
Net Position**

<i>September 30,</i>	2022
Total fund balances, governmental funds	\$ 603,823
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements.	22,337,017
Liabilities not due and payable from current resources, including accrued interest, are not reported in the fund financial statements.	(9,479,833)
Total net position - governmental activities	\$ 13,461,007

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

Canopy Community Development District
Statement of Revenue, Expenditures and Changes in Fund Balances –
Governmental Funds

For the year ended September 30,

2022

	General Fund	Debt Service	Capital Project Fund	Total Governmental Funds
Revenue				
Assessments	\$ 251,201	\$ 767,102	\$ -	\$ 1,018,303
Developer contributions	53,505	-	-	53,505
Intergovernmental revenue	-	-	9,490,204	9,490,204
Prepayment revenue	-	821,492	-	821,492
Interest	-	281	4	285
Total revenue	304,706	1,588,875	9,490,208	11,383,789
Expenditures				
Current:				
General government	132,235	-	11,488	143,723
Maintenance and operations	119,200	-	-	119,200
Amenity center	58,895	-	-	58,895
Debt service:				
Principal	-	785,000	-	785,000
Interest	-	607,696	-	607,696
Capital outlay	-	-	3,115,124	3,115,124
Total expenditures	310,330	1,392,696	3,126,612	4,829,638
Excess (deficit) of revenue over expenditures	(5,624)	196,179	6,363,596	6,554,151
Other Financing Sources (Uses)				
Transfers in	-	-	166	166
Transfers out	-	(166)	-	(166)
Total other financing sources (uses)	-	(166)	166	-
Net change in fund balances	(5,624)	196,013	6,363,762	6,554,151
Fund balances (deficit), beginning of year	(461)	611,985	(6,561,852)	(5,950,328)
Fund balances (deficit), end of year	\$ (6,085)	\$ 807,998	\$ (198,090)	\$ 603,823

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

**Canopy Community Development District
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities**

<i>For the year ended September 30,</i>	2022
Net change in fund balances - governmental fund	\$ 6,554,151
Capital outlay, reported as expenditures in the governmental funds, is shown as capital assets on the Statement of Net Position.	3,115,124
Governmental funds report principal payments on bonds when debt is paid, whereas these payments are eliminated in the Statement of Activities and recognized as a decrease in bonds payable in the Statement of Net Position.	785,000
The change in accrued interest between the current and prior year is recorded on the Statement of Activities but not on the fund financial statements.	18,630
Change in net position of governmental activities	\$ 10,472,905

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

Canopy Community Development District Notes to the Financial Statements

NOTE 1: NATURE OF ORGANIZATION

The Canopy Community Development District (the “District”) was established on May 24, 2017 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by the City of Tallahassee Ordinance No. 17-O-08, and by the Boundary Amendment: Ordinance No. 21-O-05. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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

The District is governed by a Board of Supervisors (“Board”), which is comprised of five members. The Supervisors are elected by the owners of property within the District. At September 30, 2022, one Board member is affiliated with the Developer, Ox Bottom Mortgage Holdings, LLC. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

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

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth by Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB). Based on the foregoing criteria, no potential component units were found.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to GAAP as applicable to governments in accordance with those promulgated by GASB. The following is a summary of the more significant policies:

Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government.

Canopy Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2022, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

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

Measurement Focus, Basis of Accounting and Basis of 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 the related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and other similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. However, debt service expenditures are recorded only when payment is due.

Assessments, including debt service assessments along with operation and maintenance assessments, are non-ad valorem special assessments imposed on lands located within the District and benefited by the District's activities, operation and maintenance. Assessments are levied and certified for collection by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. Operation and maintenance special assessments are imposed upon all benefited lands located in the District. Debt service special assessments are imposed upon certain lots and lands as described in each resolution imposing the special assessment for each series of bonds issued by the District.

Assessments, developer contributions, intergovernmental revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Canopy Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund – The Capital Projects Fund is used to account for the financial resources to be used in the acquisition or construction of major infrastructure within the District.

For the year ended September 30, 2022, the District does not report any proprietary funds.

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in the governmental fund financial statements, it is the government's policy to use committed resources first, followed by assigned resources, then unassigned resources as needed.

Cash, Deposits and Investments

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

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

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. The authorized investments include among others direct obligations of the U.S. Treasury; the Local Government Surplus Trust Funds as created by Section 218.405, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions.

Canopy Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include primarily infrastructure assets (e.g., roads, sidewalks, water management systems and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial/individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation.

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

Property, plant and equipment of the primary government will be depreciated using the straight-line method over the estimated useful lives. Estimated useful lives for financial reporting purposes are as follows:

Asset	Years
Infrastructure	25

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet – governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any of this type of item at September 30, 2022.

In addition to liabilities, the statement of financial position and balance sheet – governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any of this type of item at September 30, 2022.

Canopy Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity

Net position in the government-wide financial statements represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to infrastructure and property, plant and equipment, net of any related debt. Restricted net position represents the assets restricted by the District's bond covenants.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the District board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Budgets

The District is required to establish a budgetary system and an approved annual budget. Annual budgets are legally adopted on a basis consistent with GAAP for the General Fund. Any revision to the budget must be approved by the District Board. The budgets are compared to actual expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorization amounts.

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

- A. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- B. A public hearing is conducted to obtain comments.
- C. Prior to October 1, the budget is legally adopted by the District Board.
- D. All budget changes must be approved by the District Board.
- E. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 27, 2023, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Canopy Community Development District Notes to Financial Statements

NOTE 3: CAPITAL ASSETS

The District encompasses approximately 414 acres. The Development plan for the proposed lands within the District includes approximately 900 single family residential units to be constructed in approximately seven phases. In addition to the single family residential units, the project plans to include parks and a central amenity center in the form of a clubhouse. The estimated cost of the project is \$90.9 million.

The following is a summary of changes in the capital assets for the year ended September 30, 2022:

	Beginning Balance	Additions	Transfers and Conveyances	Ending Balance
Governmental Activities:				
<i>Capital assets not being depreciated</i>				
Infrastructure under construction	\$ 19,221,893	\$ 3,115,124	\$ -	\$ 22,337,017
Total capital assets, not being depreciated	19,221,893	3,115,124	-	22,337,017
Governmental activities capital assets, net	\$ 19,221,893	\$ 3,115,124	\$ -	\$ 22,337,017

NOTE 4: BONDS PAYABLE

In October 2018, the District issued \$11,405,000 of Special Assessment Bonds, Series 2018, consisting of \$2,225,000 of Series 2018 A-1 Bonds, \$5,480,000 of Series 2018 A-2 Bonds, \$2,735,000 of Series 2018 A-3 Bonds, and \$965,000 of Series 2018 A-4 Bonds with interest rates ranging from 5.00% to 6.25%. The Bonds were issued to finance the acquisition and construction of the 2019 project. Interest is paid semiannually on each May 1 and November 1. Principal payments on the Series 2018 A-1 and Series 2018 A-4 Bonds are made serially commencing on May 1, 2020 through May 1, 2049. Principal payments on the Series 2018 A-2 and Series 2018 A-3 Bonds are made serially commencing on May 1, 2022 through May 1, 2049.

**Canopy Community Development District
Notes to Financial Statements**

NOTE 4: BONDS PAYABLE (Continued)

Long-term liability activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
Bonds Payable:					
Series 2018 A-1	\$ 2,170,000	\$ -	\$ (85,000)	\$ 2,085,000	\$ 35,000
Series 2018 A-2	4,190,000	-	(650,000)	3,540,000	50,000
Series 2018 A-3	2,735,000	-	(35,000)	2,700,000	40,000
Series 2018 A-4	935,000	-	(15,000)	920,000	15,000
	\$ 10,030,000	\$ -	\$ (785,000)	\$ 9,245,000	\$ 140,000

The Bond Indenture requires that the District maintain adequate funds in reserve accounts to meet the debt service reserve requirements as defined in the Indenture. The requirements have been met for the fiscal year ended September 30, 2022.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedure to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with the requirements of the Bond Indenture.

At September 30, 2022, the scheduled debt service requirements on bonds payable were as follows:

<i>For the Year Ending September 30,</i>	Principal	Interest	Total Debt Service
2023	\$ 140,000	\$ 560,216	\$ 700,216
2024	145,000	551,791	696,791
2025	160,000	543,058	703,058
2026	175,000	533,456	708,456
2027	175,000	522,933	697,933
2028 - 2032	1,065,000	2,441,652	3,506,652
2033 - 2037	1,455,000	2,076,971	3,531,971
2038 - 2042	1,960,000	1,579,413	3,539,413
2043 - 2047	2,435,000	858,964	3,293,964
2048 - 2049	1,535,000	164,841	1,699,841
	\$ 9,245,000	\$ 9,833,295	\$ 19,078,295

Canopy Community Development District Notes to Financial Statements

NOTE 5: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There have not been any claims filed on this commercial coverage since inception.

NOTE 6: MANAGEMENT COMPANY

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

NOTE 7: RELATED PARTY TRANSACTIONS

A significant portion of the District's activity is dependent upon the continued involvement of the Developer, Ox Bottom Mortgage Holdings, LLC, the loss of which could have a material adverse effect on the District's operations.

For the fiscal year ended September 30, 2022, the Developer was directly assessed \$136,292 and \$651,511 for operations and maintenance and debt service costs, respectively. As of September 30, 2022, the Developer owed \$297,585 to the District in debt service direct assessments, which is recorded as Accounts receivable on the accompanying Statement of Net Position and Balance Sheet – Governmental Funds.

During the year ended September 30, 2022, the Developer paid for certain infrastructure costs and professional fees as they have in the years since inception. Per the terms of the agreement outlined in Note 9 below, upon receiving funding from the City of Tallahassee, the Developer was reimbursed directly, and as such, the amounts previously recorded as Due from Developer are reported as Intergovernmental revenue in the current year in the accompanying Statement of Activities and Statement of Revenue, Expenses and Changes in Fund Balances – Governmental Funds.

NOTE 8: COMMITMENTS

At September 30, 2022, the District had approximately \$326,000 remaining on a construction contract for Welaunee Boulevard Segment 3B. The project is expected to be completed during fiscal year 2023.

Canopy Community Development District Notes to Financial Statements

NOTE 9: INTERGOVERNMENTAL REVENUE

In March 2019, the District entered into an interlocal agreement with the City of Tallahassee and Leon County-City of Tallahassee Blueprint Intergovernmental Agency. This agreement was amended and restated in September 2020. The District has agreed to construct part of segment 3 of Welaunee Boulevard and the accompanying sidewalks and multipurpose trails, along with the turn lane portion of segment 2 (the "Project"). The Agency has included Welaunee Boulevard as part of the Blueprint 2020 Infrastructure project 25, Northeast Gateway: Welaunee Critical Area Plan Regional Infrastructure Phase 1. In accordance with the agreement, the City will reimburse actual construction costs of the Project incurred by the District subject to (a) completion of an entire phase of the Project; (b) acceptance of completed phases of the Project by the City, subject to compliance with all approved plans and specifications and permitting conditions, which acceptance will not be unreasonably withheld by the City; (c) dedication of the completed phase or phases of the Project to the City; and (d) submission and acceptance by the City of the Project documentation. No payment shall be due from the City to the District prior to October 1, 2019. The District shall complete construction of the Project, and all roadway constituting the Project, shall be dedicated and accepted by the City, by or before December 31, 2022. The City and Agency funding for the Project will not exceed \$5,813,124.

In August 2019, the District entered into a construction funding agreement with the Developer. The Developer agreed to provide the funding to the District necessary to complete the Project as discussed in the interlocal agreement above. The funds provided by the Developer are expected to be reimbursed from the City of Tallahassee through the District up to \$7.05 million, within 90 days of final completion of the Project and acceptance by the City, as provided for in the interlocal agreement. Within 45 days of receipt of funds by the District from the City, the District shall reimburse the Developer until full reimbursement is made or until all funds received from the City are exhausted; provided, however, that the Developer recognizes the Project may exceed the amount of the City reimbursed funds and the District shall not be required to reimburse the Developer for any amounts above those reimbursed by the City to the District for the Project.

In November 2020, the District entered into an escrow agreement with the Developer, Capital City Bank, and Ausley & McMullen, P.A. ("Escrow Agent"). The parties agreed that the reimbursement funds remitted to the District pursuant to the interlocal agreement should be paid directly to Capital City Bank in order to repay the Developer's loan from this bank in the amount of \$4 million. This loan was obtained by the Developer in order to meet its funding obligations under the construction funding agreement as provided above. The reimbursement funds have been placed in a designated escrow account. During the current fiscal year, approximately \$3.9 million was reimbursed to the Developer from the City for this Project. Subsequent to fiscal year-end, in April 2023, the Developer received an additional reimbursement totaling approximately \$1.8 million.

**Required Supplemental Information
(Other than MD&A)**

**Canopy Community Development District
Budget to Actual Comparison Schedule – General Fund**

For the year ended September 30,

	2022		
	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenue			
Assessments	\$ 248,831	\$ 251,201	\$ 2,370
Developer contributions	342,545	53,505	(289,040)
Interest and other revenue	2,500	-	(2,500)
Total revenue	593,876	304,706	(289,170)
Expenditures			
General government	127,876	132,235	(4,359)
Maintenance and operations	235,900	119,200	116,700
Amenity center	230,100	58,895	171,205
Total expenditures	593,876	310,330	283,546
Deficit of revenue over expenditures	\$ -	\$ (5,624)	\$ (5,624)

**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
Canopy Community Development District
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Canopy Community Development District (hereinafter referred to as the “District”), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated June 27, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing 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 the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control described below as IC2022-001 that we consider to be a material weakness.

IC 2022-001: Financial Statement Close

- Condition: The District did not accrue approximately \$11,000 of maintenance and operations expenditures as of September 30, 2022, although the work was performed prior to year-end.
- Criteria: Internal controls should be in place to provide reasonable assurance that payables and the related expenditures are appropriate and properly accrued.
- Cause: The expenditures and payables appear to have been overlooked when the District staff was preparing its annual financial report.
- Effect: Accounts payable was understated by approximately \$11,000 and maintenance and operations expenditures were understated by approximately \$11,000.
- Recommendation: We recommend the District review the general vendor activity within a reasonable timeframe from year-end to ensure that all applicable liabilities are identified and recorded in the proper period.

The District's response to the finding identified in our audit is described below. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

- Management response: The District has already taken further steps to ensure that this oversight is avoided in the future.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

June 27, 2023



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

(850) 837-3141
(850) 654-4619 (fax)
CRIcpa.com

MANAGEMENT LETTER

To the Board of Supervisors
Canopy Community Development District
Leon County, Florida

Report on the Financial Statements

We have audited the financial statements of the Canopy Community Development District (“District”) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 27, 2023.

Auditors’ Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ 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*, 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 27, 2023, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Canopy Community Development District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as \$1,889,187.
- f. The District did not amend its final adopted budget under Section 189.016(6), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Canopy Community Development District reported:

- a. The rate or rates of non-ad valorem special assessments imposed by the District as \$994 to \$1,194 per lot.
- b. The total amount of special assessment collected by or on behalf of the district as \$1,018,303.

c. The total amount of outstanding bonds issued by the district as \$9,245,000.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 27, 2023



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

(850) 837-3141
(850) 654-4619 (fax)
CRlcpa.com

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Supervisors
Canopy Community Development District
Leon County, Florida

We have examined Canopy Community Development District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and performed the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 27, 2023