

Financial Report

Year Ended September 30, 2022

Sweetwater Creek Community Development District

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Sweetwater Creek Community Development District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, and each major fund of the *Sweetwater Creek Community Development District* (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 as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, 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 thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditor's 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 related 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

The District's management is responsible for the preparation and fair presentation of the 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.

Auditor's Responsibility for the Audit of 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 judgement, 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 starting on page 3, 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 a report dated June 22, 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, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

McDermitt Davis

Orlando, Florida
June 22, 2023

Our discussion and analysis of the *Sweetwater Creek Community Development District* (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2022. Please read it in conjunction with the District's Independent Auditor's Report, financial statements and accompanying notes.

This information is being presented to provide additional information regarding the activities of the District and to meet the disclosure requirements of Government Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999.

Financial Highlights

- The assets of the District exceeded its liabilities at September 30, 2022 by \$5,759,722, a decrease in net position of \$113,756 in comparison with the prior year.
- At September 30, 2022, the District's governmental funds reported fund balances of \$2,313,315, a decrease of \$74,241 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the *Sweetwater Creek Community Development District's* financial statements. The District's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements.

Government-Wide Financial Statements

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

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

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

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include general government, maintenance and operations, and recreation facilities.

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Notes to Financial Statements

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

Government-Wide Financial Analysis

Statement of Net Position

The District's net position was \$5,759,722 at September 30, 2022. The following analysis focuses on the net position of the District's governmental activities.

	<u>2022</u>	<u>2021</u>
Assets, excluding capital assets	\$ 2,452,697	\$ 2,575,320
Capital assets, net of depreciation	<u>12,620,728</u>	<u>13,152,579</u>
Total assets	<u>15,073,425</u>	<u>15,727,899</u>
Deferred outflows of resources	<u>136,166</u>	<u>144,261</u>
Liabilities, excluding long-term liabilities	254,413	307,954
Long-term liabilities	<u>9,195,456</u>	<u>9,690,728</u>
Total liabilities	<u>9,449,869</u>	<u>9,998,682</u>
Net Position:		
Net investment in capital assets	4,976,563	5,100,285
Restricted for debt service	60,683	74,651
Restricted for capital projects	128,531	159,266
Unrestricted	<u>593,945</u>	<u>539,276</u>
Total net position	<u>\$ 5,759,722</u>	<u>\$ 5,873,478</u>

Sweetwater Creek Community Development District
Management's Discussion and Analysis

The following is a summary of the District's governmental activities for the year ended September 30, 2022.

	2022	2021
Revenues:		
Program revenues	\$ 2,357,698	\$ 2,266,919
General revenues	1,712	1,657
Total revenues	2,359,410	2,268,576
Expenses:		
General government	138,262	161,221
Maintenance and operations	632,535	522,311
Recreation facilities	664,233	668,065
Unallocated depreciation	742,294	737,010
Interest on long-term debt	295,842	308,577
Total expenses	2,473,166	2,397,184
Change in net position	(113,756)	(128,608)
Net position, beginning of year	5,873,478	6,002,086
Net position, ending	\$ 5,759,722	\$ 5,873,478

As noted above and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2022 was \$2,473,166, the majority were depreciation expenses.

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2022, the District's governmental funds reported combined ending fund balances of \$2,313,315. Of this total, \$43,826 is non-spendable, \$1,708,995 is restricted, \$110,759 is assigned and the remainder of \$449,735 is unassigned.

The General Fund increased \$65,044 due to assessment revenue exceeding expenditures. The debt service fund decreased \$20,215 because debt service payments exceeded assessment revenue. The capital projects fund decreased \$119,070 as a result of capital outlays.

General Fund Budgetary Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown on page 12. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. There were no budget amendments during the year. The legal level of budgetary control is at the fund level.

Capital Asset and Debt Administration

Capital Assets

At September 30, 2021, the District had \$12,620,728 invested in infrastructure and equipment. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Capital Debt

At September 30, 2021, the District had \$9,275,000 in bonds outstanding. More detailed information about the District's capital debt is presented in the notes to the financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact the *Sweetwater Creek Community Development District's* Finance Department at 219 E. Livingston Street, Orlando, Florida 32801.

FINANCIAL STATEMENTS

Statement of Net Position

September 30, 2022

	Governmental Activities
Assets	
Cash	\$ 341,367
Investments	458,784
Assessments receivable	22,912
Accounts receivable	2,329
Prepaid costs	43,826
Restricted assets:	
Temporarily restricted investments	1,583,479
Capital Assets:	
Capital assets not being depreciated	214,810
Capital assets being depreciated, net	12,405,918
Total assets	15,073,425
Deferred Outflow of Resources:	
Deferred charges on refunding	136,166
Liabilities	
Accounts payable and accrued expenses	139,382
Accrued interest payable	115,031
Noncurrent liabilities:	
Due within one year	480,000
Due in more than one year	8,715,456
Total liabilities	9,449,869
Net Position	
Net investment in capital assets	4,976,563
Restricted for debt service	60,683
Restricted for capital projects	128,531
Unrestricted	593,945
Total net position	\$ 5,759,722

Sweetwater Creek Community Development District
Statement of Activities
Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenue		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		Governmental Activities
Governmental Activities:					
General government	\$ 138,262	\$ 152,949	\$ -	\$ -	\$ 14,687
Maintenance and operations	632,535	699,726	-	-	67,191
Recreation facilities	664,233	736,212	-	-	71,979
Unallocated depreciation	742,294	-	-	-	(742,294)
Interest on long-term debt	295,842	767,665	298	848	472,969
Total governmental activities	\$ 2,473,166	\$ 2,356,552	\$ 298	\$ 848	(115,468)
General Revenues:					
Miscellaneous					1,712
Change in net position					(113,756)
Net position, beginning					5,873,478
Net position - ending					\$ 5,759,722

Balance Sheet - Governmental Funds

September 30, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 168,157	\$ -	\$ 173,210	\$ 341,367
Investments	458,784	411,824	1,171,655	2,042,263
Assessment receivable	15,552	7,360	-	22,912
Due from Other	596	-	1,733	2,329
Prepaid expenses	43,826	-	-	43,826
Total assets	<u>\$ 686,915</u>	<u>\$ 419,184</u>	<u>\$ 1,346,598</u>	<u>\$ 2,452,697</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued expenses	\$ 82,595	\$ -	\$ 56,787	\$ 139,382
Total liabilities	<u>82,595</u>	<u>-</u>	<u>56,787</u>	<u>139,382</u>
Fund Balances:				
Nonspendable	43,826	-	-	43,826
Restricted for:				
Debt service	-	419,184	-	419,184
Capital projects	-	-	1,289,811	1,289,811
Assigned for subsequent years expenditures	110,759	-	-	110,759
Unassigned	449,735	-	-	449,735
Total fund balances	<u>604,320</u>	<u>419,184</u>	<u>1,289,811</u>	<u>2,313,315</u>
Total liabilities and fund balances	<u>\$ 686,915</u>	<u>\$ 419,184</u>	<u>\$ 1,346,598</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				12,620,728
Deferred charges on refunding are not financial resources and, therefore are not reported as assets in governmental funds.				136,166
Liabilities not due and payable from current available resources are not reported in governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.				
Accrued interest payable			(115,031)	
Bonds payable			(9,195,456)	(9,310,487)
Net position of governmental activities				<u>\$ 5,759,722</u>

Sweetwater Creek Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues				
Assessments	\$ 1,587,467	\$ 751,249	\$ -	\$ 2,338,716
Prepayment assessments	-	16,416	-	16,416
Investment income	1,712	298	848	2,858
Miscellaneous income	1,420	-	-	1,420
Total revenues	<u>1,590,599</u>	<u>767,963</u>	<u>848</u>	<u>2,359,410</u>
Expenditures				
Current:				
General government	137,822	-	440	138,262
Maintenance and operations	613,500	-	19,035	632,535
Recreational facilities	664,233	-	-	664,233
Debt Service:				
Interest	-	288,178	-	288,178
Principal	-	500,000	-	500,000
Capital Outlay	-	-	210,443	210,443
Total expenditures	<u>1,415,555</u>	<u>788,178</u>	<u>229,918</u>	<u>2,433,651</u>
Excess (Deficit) of Revenues Over expenditures	<u>175,044</u>	<u>(20,215)</u>	<u>(229,070)</u>	<u>(74,241)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	110,000	110,000
Transfers Out	(110,000)	-	-	(110,000)
Total other financing sources (uses)	<u>(110,000)</u>	<u>-</u>	<u>110,000</u>	<u>-</u>
Net change in fund balance	65,044	(20,215)	(119,070)	(74,241)
Fund balances, beginning of year	539,276	439,399	1,408,881	2,387,556
Fund balances, end of year	<u>\$ 604,320</u>	<u>\$ 419,184</u>	<u>\$ 1,289,811</u>	<u>\$ 2,313,315</u>

Sweetwater Creek Community Development District
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities**
 Year Ended September 30, 2022

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

Net change in fund balances - total governmental funds \$ (74,241)

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources; however, in the statement of net position the cost of those assets is recorded as capital assets:

Capital outlay	\$ 210,443	
Depreciation expense	<u>(742,294)</u>	(531,851)

Repayments of long-term liabilities are reported as expenditures in governmental funds, while repayments reduce long-term liabilities in the statement of net position. 500,000

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

Change in accrued interest	5,159	
Amortization of bond discount	(4,728)	
Amortization of deferred charge on refunding	<u>(8,095)</u>	<u>(7,664)</u>

Change in net position of governmental activities \$ (113,756)

Sweetwater Creek Community Development District
**Statement of Revenues, Expenditures and Changes in
Fund Balance Budget and Actual - General Fund**
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Assessments	\$ 1,587,595	\$ 1,587,595	1,587,467	\$ (128)
Investment income	-	-	1,712	1,712
Fees and fines	13,875	13,875	1,420	(12,455)
Total revenues	1,601,470	1,601,470	1,590,599	(10,871)
Expenditures				
Current:				
General government	131,316	131,316	137,822	(6,506)
Recreational facilities	784,955	784,955	664,233	120,722
Maintenance and operations	632,406	632,406	613,500	18,906
Total expenditures	1,548,677	1,548,677	1,415,555	133,122
Excess (Deficit) of Revenues Over Expenditures	52,793	52,793	175,044	122,251
Other Financing Sources (Uses)				
Transfers out	(110,000)	(110,000)	(110,000)	-
Total other financing sources (uses)	(110,000)	(110,000)	(110,000)	-
Net change in fund balance	(57,207)	(57,207)	65,044	122,251
Fund balance, beginning	539,276	539,276	539,276	-
Fund balance, ending	\$ 482,069	\$ 482,069	\$ 604,320	\$ 122,251

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The *Sweetwater Creek Community Development District*, (the “District”) was established on May 24, 2006 by the St Johns County, Florida Ordinance No. 2006-59, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and the power to levy and collect non-ad valorem assessments for the financing and delivery of capital infrastructure. The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors (the “Board”), which is composed of five members. All supervisors are elected by qualified electors of the District. 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, among other things:

1. Allocating 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.

The financial statements were prepared in accordance with Governmental Accounting Standards Board (“GASB”) Statements 14, 39 and 61. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

Government-Wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants, contributions and investment income that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) operating-type special assessments that are treated as charges for services (including assessments for maintenance and debt service). Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. Operation and maintenance assessments are levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. These 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 and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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 - Is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund - Accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Restricted Assets

These assets represent cash and investments set aside pursuant to bond covenants.

Deposits and Investments

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

Investments of the District are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The District had investments for the year ended September 30, 2022.

Prepaid Items

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

Accounts Receivable

All receivables are shown net of an allowance for uncollectibles.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

Assets	Years
Entrance road/spine road	30
Neighborhood infrastructure	30
Master stormwater	30
Entry features	25
Recreational facility	30
Other infrastructure	10-30
Equipment	7

Long Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of premiums or discounts.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category: the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any imitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes fund balance amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the government that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has authorized the District Manager to assign amounts for specific purposes. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above an additional action is essential to either remove or revise a commitment.

Other Disclosures

Use of Estimates

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

New Accounting Standards

In fiscal year 2022, the District has not implemented any new accounting standards with a material effect on the District's financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District is required to establish a budgetary system and an approved annual budget for the General Fund. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at the fiscal year end. The legal level of budgetary control is at the fund level. Any budget amendments that increase the aggregate budgeted appropriations, at the fund level, must be approved by the Board of Supervisors.

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

1. Each year the District Manager submits to the District Board proposed budgets for the fiscal year commencing the following October 1.
2. A public hearing is conducted to obtain public comments.
3. Prior to October 1, the budget is legally adopted by the District Board.
4. Subject to certain limited exceptions set forth in the District's appropriation resolutions adopted each year, all budget changes must be approved by the District Board.
5. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits

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

Investments

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

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

Instead of establishing a written investment policy, the District elected to limit investments to those approved by Florida Statutes and the District Trust Indenture. Authorized District investments include, but are not limited to:

1. The State Board of Administration Local Government Investment Pool (SBA);
2. Securities and Exchange Commission Registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency;
3. Interest-bearing savings accounts and certificates of deposit in state-certified qualified public depositories;
4. Direct obligations of the U.S. Treasury.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
U.S. Bank Money Market	\$ 1,865,601	N/A	N/A
Florida Prime	176,662	AAAm	21 days
Total	\$ 2,042,263		

Credit Risk:

For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Investments in U.S. Government securities and agencies must be backed by the full faith and credit of the United States Government. Short term bond funds shall be rated by a nationally recognized ratings agency and shall maintain the highest credit quality rating. Investment ratings by investment type are included in the preceding summary of investments.

Custodial Credit Risk:

In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2022, all of the District's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2022, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

The District's investment policy does not specify limits on the amount the District may invest in any one issuer.

Interest Rate Risk:

The District's investment policy does not specifically address interest rate risk; however, the general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of less than three months.

NOTE 4 TRANSFERS

During the year ended September 30, 2022, the general fund transferred \$110,000 to the capital projects fund for amenity projects.

NOTE 5 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Construction in progress	\$ 97,345	\$ 117,465	\$ -	\$ 214,810
Total capital assets, not being depreciated	<u>97,345</u>	<u>117,465</u>	<u>-</u>	<u>214,810</u>
Capital assets being depreciated:				
Entrance road/spine road	6,795,572	-	-	6,795,572
Neighborhood infrastructure	5,797,708	-	-	5,797,708
Master stormwater	3,063,807	-	-	3,063,807
Entry features	1,368,959	-	-	1,368,959
Recreational facilities	2,988,612	-	-	2,988,612
Equipment	17,764	70,086	-	87,850
Other infrastructure	1,754,365	22,892	-	1,777,257
Total capital assets, being depreciated	<u>21,786,787</u>	<u>92,978</u>	<u>-</u>	<u>21,879,765</u>
Less Accumulated Depreciation for:				
Entrance road/spine road	(2,944,747)	(226,519)	-	(3,171,266)
Neighborhood infrastructure	(2,512,341)	(193,257)	-	(2,705,598)
Master stormwater	(1,327,651)	(102,127)	-	(1,429,778)
Entry features	(547,580)	(54,758)	-	(602,338)
Recreational facilities	(930,532)	(99,620)	-	(1,030,152)
Equipment	(4,584)	(7,280)	-	(11,864)
Other infrastructure	(464,118)	(58,733)	-	(522,851)
Total accumulated depreciation	<u>(8,731,553)</u>	<u>(742,294)</u>	<u>-</u>	<u>(9,473,847)</u>
Total capital assets being depreciated, net	<u>13,055,234</u>	<u>(649,316)</u>	<u>-</u>	<u>12,405,918</u>
Governmental activities capital assets, net	<u>\$ 13,152,579</u>	<u>\$ (531,851)</u>	<u>\$ -</u>	<u>\$ 12,620,728</u>

NOTE 6 LONG-TERM LIABILITIES

In July 2019, the District issued \$10,805,000 of Capital Improvement Revenue and Refunding Bonds, Series 2019 consisting of \$7,825,000 of Series 2019A-1 Bonds and \$2,980,000 of Series 2019A-2 Bonds. The Series 2019A-1 Bonds consist of \$3,645,000 Serial Bonds maturing May 1, 2020 through 2029 with fixed interest rates ranging from 2% to 2.5%, \$1,725,000 Term Bonds due on May 1, 2033 with a fixed interest rate of 2.875% and \$2,455,000 Term Bonds due May 1, 2038 with a fixed interest rate of 3.0%. The Series 2019A-2 Bonds consist of \$1,300,000 Term Bonds due on May 1, 2029 with a fixed interest rate of 3.5% and \$1,680,000 Term Bonds due May 1, 2038 with a fixed interest rate of 4.0%. The Bonds were issued to refund the remaining balance on the Series 2007A Bonds and fund improvements to existing facilities, including various recreational improvements. Interest on the Bonds is due serially commencing on May 1, 2020 through May 1, 2038.

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

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

The Bond Indenture also has certain restrictions and requirements relating principally to the use of the 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. The District is in compliance with the requirements of the Bond Indenture.

As of September 30, 2022, total principal and interest remaining on the Series 2019 Bonds was \$11,922,907. For the fiscal year ended September 30, 2022, principal and interest paid was \$788,178, and special assessment revenue pledged was \$767,665.

The balance of the long-term bonds at September 30, 2022 is summarized as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable- Public Offering:					
Series 2019 A-1	\$ 7,060,000	\$ -	\$ (355,000)	\$ 6,705,000	\$ 355,000
Series 2019 A-2	2,715,000	-	(145,000)	2,570,000	125,000
Less:					
Original issue discount	<u>(84,272)</u>	-	<u>4,728</u>	<u>(79,544)</u>	<u>-</u>
Total	<u><u>\$ 9,690,728</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (495,272)</u></u>	<u><u>\$ 9,195,456</u></u>	<u><u>\$ 480,000</u></u>

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 480,000	\$ 276,075
2024	490,000	264,600
2025	475,000	252,850
2026	505,000	241,400
2027	515,000	228,813
2027 - 2031	2,835,000	920,694
2032 - 2036	3,325,000	442,175
2037 - 2038	<u>650,000</u>	<u>21,300</u>
	<u><u>\$ 9,275,000</u></u>	<u><u>\$ 2,647,907</u></u>

NOTE 7 MANAGEMENT COMPANY

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

NOTE 8 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. These risks are covered by commercial insurance from independent third parties. The District did not file any claims under this commercial coverage during the last three years.

NOTE 9 COST SHARING AGREEMENT

The District has entered into a cost sharing agreement with Marshall Creek Community Development District ("Marshall Creek"), whereby the Districts share certain costs associated with the maintenance, operation, upkeep, repair and replacement of reciprocally used facilities. The Districts each pay a portion of the costs and all costs are shared 66.7% Marshall Creek and 33.3% Sweetwater Creek, which is based on a formula set forth in the cost sharing agreement. Each District's respective portion is subject to change based on the number of platted lots in each District, as set forth in more detail in the cost sharing agreement. In connection with the agreement, the District paid approximately \$8,000 to Marshall Creek which is included in recreation facilities expenditures on the accompanying Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

COMPLIANCE SECTION

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

To the Board of Supervisors
Sweetwater Creek Community Development District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the *Sweetwater Creek Community Development District* (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 financial statements and have issued our report thereon dated June 22, 2023.

Report on 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 procedures that are appropriate in the circumstances for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

Our consideration of internal control 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 a material weakness or significant deficiency. 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.

Report on 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, 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*.

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.

McDermitt Davis

Orlando, Florida
June 22, 2023

MANAGEMENT LETTER

Board of Supervisors
Sweetwater Creek Community Development District

Report on the Financial Statements

We have audited the financial statements of *Sweetwater Creek Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 22, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 22, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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 (Unaudited)

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

- a. The total number of District employees compensated in the last pay period of the District's fiscal year as 0. The employees reported herein are the elected supervisors of the District receiving statutory payment pursuant to Section 190.006, Florida Statutes, and are reported as employees for purposes of this audit only.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as 19. Independent contractors include contractors that received nonemployee compensation.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$1,485,068.

- 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 project as none
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final budget under Section 189.016(6), Florida Statutes, as included in the budget statement.

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

- a. The rate or rates of non-ad valorem special assessments imposed by the District as:

Operations and Maintenance	\$2,069.13 - \$3,289.92
Debt Service Series 2019 A-1	\$791.70 - \$1,443.50
Debt Service Series 2019 A-2	\$165.05 - \$231.06
- b. The total amount of special assessments collected by or on behalf of the District as \$2,338,716.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds as disclosed in the notes.

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 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.

McDermitt Davis

Orlando, Florida
June 22, 2023



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

Board of Supervisors
Sweetwater Creek Community Development District

We have examined *Sweetwater Creek Community Development District's* (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

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

McDermitt Davis

Orlando, Florida
June 22, 2023