

**STEVENS PLANTATION COMMUNITY
DEVELOPMENT DISTRICT**

BASIC FINANCIAL STATEMENTS

September 30, 2010

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
BASIC FINANCIAL STATEMENTS
September 30, 2010

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BASIC FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Stevens Plantation Community Development District
St. Cloud, Florida

We have audited the accompanying statement of net assets (deficit) and balance sheet of the governmental activities and major funds of Stevens Plantation Community Development District (the "District") as of September 30, 2010, and the statement of activities, statement of revenues, expenditures and changes in fund balances and statement of revenues, expenditures and change in fund balance - budget and actual - General Fund for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major funds of the District as of September 30, 2010, and the changes in its financial position and budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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* and important for assessing the results of our audit.

Stevens Plantation Community Development District

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 24, 2011

**STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010**

Our discussion and analysis of Stevens Plantation Community Development District's the "District") financial performance provides an overview of the District's financial activities for the year ended September 30, 2010 and 2009. Please read it in conjunction with the District's basic financial statements, which immediately follow this discussion.

FINANCIAL HIGHLIGHTS

The following are the highlights of financial activity for the year ended September 30, 2010:

- The District's total liabilities exceeded its assets at September 30, 2010 by \$ 8,399,748. Please see Note 8 - Net Assets (Deficit) regarding conveyance of assets.
- The District's total revenues were \$ 1,081,507, \$ 1,029,090 from non-ad valorem assessments and \$ 52,417 from interest income. The District's expenses for this year were \$ 1,801,782.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of 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, which consist of the following two 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 assets (deficit) presents information on all the District's assets and liabilities, with the difference between the two reported as net assets (deficit). Over time, increases or decreases in net assets 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 District's net assets changed during the year. All changes in net assets 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 can be found on pages 7 and 8 of this report.

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 has only one fund type: governmental funds.

**STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010**

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 balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The governmental fund financial statements can be found on pages 9 through 13 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 14 through 22 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The following table reflects the condensed government-wide statements of net assets (deficit) as of September 30, 2010 and 2009:

Stevens Plantation Community Development District Statements of Net Assets (Deficit)		
	2010	2009
ASSETS:		
Current and other assets	\$ 3,838,280	\$ 4,502,759
Capital assets, net	3,740,637	3,935,697
Total assets	7,578,917	8,438,456
LIABILITIES:		
Other liabilities	578,665	557,929
Long-term liabilities	15,400,000	15,560,000
Total liabilities	15,978,665	16,117,929
NET ASSETS:		
Invested in capital assets, net of related debt	1,927,237	2,069,473
Restricted	1,221,430	1,815,684
Unrestricted (deficit)	(11,548,415)	(11,564,630)
Total net assets (deficit)	\$ (8,399,748)	\$ (7,679,473)

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

Governmental Activities

Governmental activities for the year ended September 30, 2010 decreased the District's net assets by \$ 720,275, as reflected in the table below:

Stevens Plantation Community Development District Statements of Activities		
	2010	2009
REVENUES:		
Program revenue:		
Non-ad valorem assessments	\$ 1,029,090	\$ 1,376,277
General revenue:		
Interest income (loss)	52,417	(1,522)
Total revenues	1,081,507	1,374,755
 EXPENSES:		
Physical environment	593,637	380,433
Interest expense	1,040,783	1,049,772
General government	105,489	434,191
Other debt service costs	61,873	61,873
Total expenses	1,801,782	1,926,269
Change in net assets	(720,275)	(551,514)
 NET ASSETS (DEFICIT), BEGINNING OF YEAR	 (7,679,473)	 (7,127,959)
 NET ASSETS (DEFICIT), END OF YEAR	 \$ (8,399,748)	 \$ (7,679,473)

ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, 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, unreserved fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year. The General, Debt Service and Capital Project Funds comprise the total governmental funds.

As of the end of the most current fiscal year, the District's governmental funds reported combined ending fund balance of approximately \$ 3,507,000.

**STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District's investment in capital assets for its governmental activities as of September 30, 2010 amounts to \$ 3,740,637, net of accumulated depreciation and consists of improvements and infrastructure.

At the end of the year, the District had total bonded debt outstanding of \$ 15,505,000. The District's debt represents bonds secured solely by a specified revenue source (i.e., special assessments).

Additional information on the District's long-term debt can be found in Note 5 on pages 20 and 21 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

Both revenues and expenditures were under the adopted September 30, 2010 budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Revenues and expenditures for the fiscal year 2011 adopted budget for the General Fund of the District totals approximately \$ 580,000. The major change is due to a decrease in assessments.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Stevens Plantation Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Stevens Plantation Community Development District, 210 North University Drive, Suite 702, Coral Springs, FL 33071.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF NET ASSETS (DEFICIT)
 September 30, 2010

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 3,330,303
Prepaid expenses	5,000
Accrued interest receivable	801
Due from other governments	10,580
Investments	201,754
Capital assets:	
Depreciable, net	3,740,637
Unamortized bond issuance costs	<u>289,842</u>
Total assets	<u>7,578,917</u>
 LIABILITIES:	
Accounts payable	41,846
Accrued interest payable	431,819
Bonds payable, due within one year	105,000
Bonds payable, due in more than one year	<u>15,400,000</u>
Total liabilities	<u>15,978,665</u>
 NET ASSETS:	
Invested in capital assets, net of related debt	1,927,237
Restricted for:	
Debt service	1,221,430
Unrestricted (deficit)	<u>(11,548,415)</u>
Total net assets (deficit)	<u>\$ (8,399,748)</u>

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

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Governmental Activities Net Revenue (Expense) and Change in Net Assets (Deficit)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
FUNCTIONS/PROGRAMS:					
Governmental activities:					
Physical environment	\$ 593,637	\$ 362,888	\$ -	\$ -	\$ (230,749)
Interest expense	1,040,783	589,241	-	-	(451,542)
General government	105,489	76,961	-	-	(28,528)
Other debt service cost	<u>61,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,873)</u>
 Total governmental activities	 \$ <u>1,801,782</u>	 \$ <u>1,029,090</u>	 \$ <u>-</u>	 \$ <u>-</u>	 (772,692)
 General revenues:					
Investment income					<u>52,417</u>
Change in net assets					(720,275)
Net assets (deficit), October 1, 2009					<u>(7,679,473)</u>
Net assets (deficit), September 30, 2010					\$ <u><u>(8,399,748)</u></u>

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

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2010

A S S E T S

	Major Governmental Funds			Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund	
ASSETS:				
Cash and cash equivalents	\$ 195,936	\$ 3,113,829	\$ 20,538	\$ 3,330,303
Prepaid expenses	5,000	-	-	5,000
Accrued interest receivable	-	796	5	801
Due from other governments	5,298	5,282	-	10,580
Investments	201,754	-	-	201,754
Total assets	\$ <u>407,988</u>	\$ <u>3,119,907</u>	\$ <u>20,543</u>	\$ <u>3,548,438</u>

L I A B I L I T I E S A N D F U N D B A L A N C E S

LIABILITIES:				
Accounts payable	\$ <u>41,846</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>41,846</u>
Total liabilities	<u>41,846</u>	<u>-</u>	<u>-</u>	<u>41,846</u>
FUND BALANCES:				
Reserved for prepaid expenses	5,000	-	-	5,000
Reserved for debt service	-	3,119,907	-	3,119,907
Reserved for capital projects	-	-	20,543	20,543
Unreserved	361,142	-	-	361,142
Total fund balance	<u>366,142</u>	<u>3,119,907</u>	<u>20,543</u>	<u>3,506,592</u>
Total liabilities and fund balances	\$ <u>407,988</u>	\$ <u>3,119,907</u>	\$ <u>20,543</u>	\$ <u>3,548,438</u>

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

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS (DEFICIT)
 September 30, 2010

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS (DEFICIT) ARE DIFFERENT BECAUSE:

Total fund balances of governmental funds in the balance sheet, page 9	\$ 3,506,592
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:</p>	
The costs of capital assets is	4,711,834
Less accumulated depreciation	(971,197)
<p>Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:</p>	
Deferred charge on issuance costs (to be amortized over the life of the debt)	717,796
Less accumulated amortization	(427,954)
<p>Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:</p>	
Accrued interest payable	(431,819)
Governmental revenue bonds payable	<u>(15,505,000)</u>
 NET ASSETS (DEFICIT) OF GOVERNMENTAL ACTIVITIES, PAGE 7	 \$ <u><u>(8,399,748)</u></u>

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

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	Major Governmental Funds			Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund	
REVENUES:				
Non-ad valorem assessments	\$ 439,849	\$ 589,241	\$ -	\$ 1,029,090
Investment income	3,577	48,592	248	52,417
Total revenues	443,426	637,833	248	1,081,507
 EXPENDITURES:				
Current:				
General government	84,830	20,659	-	105,489
Physical environment	398,577	-	-	398,577
Debt service:				
Principal	-	150,000	-	150,000
Interest	-	1,045,115	-	1,045,115
Total expenditures	483,407	1,215,774	-	1,699,181
Net change in fund balances	(39,981)	(577,941)	248	(617,674)
 FUND BALANCES,				
October 1, 2009	406,123	3,697,848	20,295	4,124,266
 FUND BALANCES,				
September 30, 2010	\$ 366,142	\$ 3,119,907	\$ 20,543	\$ 3,506,592

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

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended September 30, 2010

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 11	\$ (617,674)
<p>Amounts reported for governmental activities in the statement of activities are difference because:</p>	
<p>Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.</p>	
Less current provision for depreciation	(195,060)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets (deficit).</p>	
	150,000
<p>Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:</p>	
Change in accrued interest payable	4,332
Provision for amortization of bond issuance costs	<u>(61,873)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 8	\$ <u><u>(720,275)</u></u>

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

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2010

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Non-ad valorem assessments	\$ 587,607	\$ 439,849	\$ (147,758)
Interest income	1,000	3,577	2,577
Miscellaneous income	1,000	-	(1,000)
	<u>589,607</u>	<u>443,426</u>	<u>(146,181)</u>
Total revenues			
EXPENDITURES:			
Current:			
General government:	103,164	84,830	18,334
Physical environment	486,443	398,577	87,866
	<u>589,607</u>	<u>483,407</u>	<u>106,200</u>
Total expenditures			
Net change in fund balances	-	(39,981)	(39,981)
FUND BALANCE, October 1, 2009	<u>192,320</u>	<u>406,123</u>	<u>213,803</u>
FUND BALANCE, September 30, 2010	<u>\$ 192,320</u>	<u>\$ 366,142</u>	<u>\$ 173,822</u>

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

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 - ORGANIZATION AND OPERATIONS

Stevens Plantation Community Development District (a component unit of the City of St. Cloud, Florida) (the "District") was created August 21, 2003, under the provisions of Chapter 190 of the Florida Statutes by the City of St. Cloud (the "City"). The District was created for the purpose of planning, financing, constructing, operating and maintaining certain portions of community-wide infrastructure. The District consists of 590 acres of land, which is not owned or carried as an asset of the District, and is located within the municipal boundaries of St. Cloud, Florida.

The District is governed by the Board of Supervisors (the "Board") which is composed of five members. The Board consists of the City Council members from the City. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. Further, the City owns or will own all vacant or undeveloped land within the District through a dependent special district (Stevens Plantation Improvement Project Dependent Special District) (the "DSD") created for the purpose of acquiring all lands for development (Note 7).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The District's more significant accounting policies are described below:

The financial reporting entity:

The criteria used for including component units consists of identification of legally separate organizations for which the Board of Supervisors of the District are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting District's basic financial statements to be misleading or incomplete. Based upon this review, there were no potential component units of the District.

The District is a component unit of the City of St. Cloud, Florida for financial reporting purposes and as such, the financial statements of the District will be included in the City's comprehensive annual financial report.

Basis of presentation:

FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. All of the District's activities are classified as governmental activities.

In the government-wide statement of net assets, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full-accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations, when and if applicable.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The net costs, by function, are also supported by general revenues, other revenue, etc. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflect capital-specific grants. For the year ended September 30, 2010, the District had \$ 1,029,090 in program revenues.

This government-wide focus is more on the ability to sustain the District as an entity and the change in the District's net assets resulting from the current year's activities.

FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The accounts of the District are organized on the basis of funds. The operations of the funds are accounted for with separate self-balancing accounts that comprise their assets, liabilities, fund equity, revenues and expenditures.

The District reports the following major governmental funds:

General Fund - This fund is used to account for all operating activities of the District. At this time, revenues are derived principally from non-ad valorem assessments and investment income.

Debt Service Fund - This fund is used to account for the accumulation of resources for the payment of long-term debt principal and interest.

Capital Projects Fund - This fund is used to account for financial resources segregated for the acquisition or construction of capital facilities.

Measurement focus, basis of accounting and presentation:

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the government-wide statements use the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current year.

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

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Budget:

Prior to August 15 of each year, the District management submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means for financing these expenditures. During September, public hearings are conducted to obtain public comments. The budget for each fund is adopted by resolution of the Board of Supervisors prior to September 30.

A budget is adopted for the General Fund and Debt Service Fund on an annual basis. Appropriations lapse at fiscal year end. Changes or amendments to the total budgeted expenditures of the District must be approved by the District Board of Supervisors. The legal level of budgetary control is at the total fund level.

The District prepared the annual budget on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

Cash and cash equivalents:

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments:

Investments, if held, are stated at their fair value, which is based on quoted market prices. Unrealized gains and losses in fair value are recognized. Certain money market investments are stated at amortized cost if they have a remaining maturity of one year or less when purchased.

Capital assets:

Capital assets are reported in the governmental activities column in the government-wide financial statements. The government defines capital assets 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 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.

Special assessments:

The District's special assessment revenue (non ad-valorem) is levied through Osceola County based on the approved budget submitted to the County by the District on or before September 15 of each tax year. The assessment is included in the County's property tax levy each November 1 and is due on or before March 31.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The District is required to impose special assessments on each parcel of benefitted land within the District in accordance with the Bond Indenture. Certain assessments are collected upon closing on each lot sold and are used to prepay a portion of the Bonds and to pay a portion of the interest owed. The District must also levy and collect additional annual assessments to provide funds for additional debt service on the portion of the Bonds which are not paid for from the prepaid assessments.

Equity classifications:

Government-wide statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets - consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund statements

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

Bond issuance costs:

In the government-wide financial statements, bond issuance costs will be amortized over the life of the applicable bond issue using the straight-line method.

Date of management review:

Subsequent events have been evaluated through (Date), which is the date the financial statements were available to be issued.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits:

The District's deposits must be placed with banks and savings and loans which are qualified as public depositories under Chapter 280, Florida Statutes. These deposits are insured by the FDIC up to \$ 250,000. Monies deposited in amounts greater than the insurance coverage are secured by the banks pledging securities with the State Treasurer in the collateral pool. At year end, the carrying amount of the District's General Fund deposits were \$ 95,418 and the bank balance was \$ 112,168.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Investments:

The investment of funds is authorized by Florida Statutes, which allows the District to invest in the Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, SEC registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the U.S. Treasury. Investments of the Debt Service and Capital Projects Funds are governed by the Bond Indenture.

The District invests surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the "State Pool"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. The State Pool is structured into two separate pools ("Florida PRIME" and "Fund B").

The Florida PRIME has adopted operating procedures consistent with the requirement for a 2a7-like fund. The District's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

The Fund B is reported at fair value, determined by the fair value per share of the pool's underlying portfolio.

Investments as of September 30, 2010 were as follows:

	Reported Amount - Fair Value or Amortized Cost
Money market mutual funds	\$ 100,518
Certificates of deposit	201,754
Florida PRIME	3,035,319
Fund B	99,048
	\$ 3,436,639

These deposits and investments are reflected in the accompanying statement of net assets and balance sheet - governmental funds as cash and cash equivalents except for the certificates of deposit because their maturity is greater than 90 days after date of purchase.

Credit risk:

Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency. The money market mutual funds held by the District are rated AAAM by Standard and Poor's and Aaa by Moody's Investors Service. The Florida PRIME is rated AAAM by Standard and Poors at September 30, 2010 and Fund B is not rated by any nationally recognized statistical rating agency.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Interest rate risk:

Florida Statutes state that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. The weighted average days to maturity of Florida PRIME at September 30, 2010 was 52 days and the weighted average life of Fund B is estimated at 7.49 years. The certificates of deposit will mature March and June 2011.

Custodial credit risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District 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, 2010, the District has no investments that are subject to custodial credit risk.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010 was as follows:

	<u>Balance at October 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at September 30 2010</u>
Governmental Activities:				
Capital assets, being depreciated				
Improvements	\$ 2,279,907	\$ -	\$ -	\$ 2,279,907
Infrastructure	<u>2,431,927</u>	<u>-</u>	<u>-</u>	<u>2,431,927</u>
 Total capital assets, being depreciated	 <u>4,711,834</u>	 <u>-</u>	 <u>-</u>	 <u>4,711,834</u>
 Total capital assets	 <u>4,711,834</u>	 <u>-</u>	 <u>-</u>	 <u>4,711,834</u>
Less accumulated depreciation for:				
Improvements	452,693	113,996	-	566,689
Infrastructure	<u>323,444</u>	<u>81,064</u>	<u>-</u>	<u>404,508</u>
 Total accumulated depreciation	 <u>776,137</u>	 <u>195,060</u>	 <u>-</u>	 <u>971,197</u>
 Total capital assets, being depreciated, net	 <u>3,935,697</u>	 <u>195,060</u>	 <u>-</u>	 <u>3,740,637</u>
Governmental activities: capital assets, net	 <u>\$ 3,935,697</u>	 <u>\$ 195,060</u>	 <u>\$ -</u>	 <u>\$ 3,740,637</u>

Provision for depreciation was charged to functions as follows:

Governmental Activities:	
Physical environment	\$ <u>195,060</u>

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 5 - LONG-TERM DEBT

a. Summary of Long-Term Debt of Governmental Activities

Long-term debt of the governmental activities at September 30, 2010 is comprised of the following bond issue:

\$ 7,055,000 Special Assessment Revenue Bonds, Series 2003A; due in annual installments commencing 2006 through 2035; interest payable semiannually at 7.10%.	\$ 6,610,000
\$ 20,150,000 Special Assessment Revenue Bonds, Series 2003B; final installment due in 2013; interest payable semiannually at 6.375%.	<u>8,895,000</u>
	<u>\$ 15,505,000</u>

The following is a summary of changes in governmental activities long-term debt for the year ended September 30, 2010:

	Balance October 1, 2009	Additions	Deletions	Balance September 30, 2010	Due Within One Year
Special Assessment Revenue Bonds, Series 2003A	\$ 6,725,000	\$ -	\$ 115,000	\$ 6,610,000	\$ 105,000
Special Assessment Revenue Bonds, Series 2003B	<u>8,930,000</u>	<u>-</u>	<u>35,000</u>	<u>8,895,000</u>	<u>-</u>
	<u>\$ 15,655,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ 15,505,000</u>	<u>\$ 105,000</u>

b. Summary of Significant Debt Terms of Governmental Activities

\$ 7,055,000 Special Assessment Revenue Bonds, Series 2003A - The District previously issued \$ 7,055,000 in Special Assessment Revenue Bonds, Series 2003A for the purpose of funding certain projects within the boundaries of the District. The bonds are payable in annual principal installments commencing 2006 through 2035. Interest at 7.10% is payable semiannually on the first day of each May and November.

The District is required by the bond indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments is restricted and applied to the debt service requirements of the bond issue. Further, the District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds as they become due.

The bonds are subject to mandatory redemption at par on a schedule of annual redemptions commencing in May 2006 through May 2035, the maturity date. The District is required to redeem the bonds at par prior to schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture. The bonds are subject to redemption at the option of the District at par at any time on or after May 1, 2014.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2010

NOTE 5 - LONG-TERM DEBT (continued)

The indenture requires a reserve fund equal to \$ 573,518. As of September 30, 2010, the reserve fund account balance was sufficient to satisfy this requirement.

\$ 20,150,000 Special Assessment Revenue Bonds, Series 2003B - The District previously issued \$ 20,150,000 in Special Assessment Revenue Bonds, Series 2003B for the purpose of funding certain projects within the boundaries of the District. The final principal installment is due in 2013. Interest at 6.375% is payable semiannually on the first day of each May and November.

The District is required by the bond indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments is restricted and applied to the debt service requirements of the bond issue. Further, the District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds as they become due.

The bonds are subject to mandatory redemption at par. The District is required to redeem the bonds at par prior to schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture. The bonds are not subject to redemption prior to maturity at the option of the District.

The indenture requires a reserve fund equal to 10.0% of the 2003B Bonds deemed outstanding. As of September 30, 2010, the reserve fund account balance was sufficient to satisfy this requirement.

The annual debt service requirements for the Special Assessment Revenue Bonds, Series 2003A and B consist of:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 105,000	\$ 1,036,366	\$ 1,141,366
2012	110,000	1,028,911	1,138,911
2013	9,015,000	1,021,101	10,036,101
2014	130,000	445,525	575,525
2015	140,000	436,295	576,295
2016-2020	860,000	2,017,820	2,877,820
2021-2025	1,220,000	1,665,660	2,885,660
2026-2030	1,750,000	1,162,625	2,912,625
2031-2035	<u>2,175,000</u>	<u>443,750</u>	<u>2,618,750</u>
	<u>\$ 15,505,000</u>	<u>\$ 9,258,053</u>	<u>\$ 24,763,053</u>

The Bond Indenture, Series 2003A and B, required that certain amounts from the sale of land within the District be utilized to establish a land sales reserve fund and a customer retention reserve fund. In addition, all future land sales to private developers were to be allocated to the District and the DSD at 50% each. At the time of the Bond issuance, Series 2003, the DSD transferred \$ 2,520,000 to the District for the creation of the customer retention reserve funds and \$ 582,352 for the creation of the land sale reserve funds.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2010

NOTE 6 - RISK MANAGEMENT

The District purchased an insurance policy that provided coverage of up to a \$ 1,000,000 maximum for each general liability occurrence in combination with a maximum annual aggregate coverage of approximately \$ 2,000,000 for the policy year ending September 30, 2010. Other insurance policies carried by the District during the year included automobile, public officials liability and employment practices liability. Deductible amounts ranged from \$ 0 to \$ 2,500. Settlement amounts have not exceeded insurance coverage during the last three (3) fiscal years.

NOTE 7 - RELATED PARTIES

The District is a related component unit to the City of St. Cloud as the City Council also serves as the District's Board of Supervisors. The City Council serves in the same capacity for Stevens Plantation Improvement Project Dependent Special District (DSD). The DSD was created by the City on August 21, 2003, via City Ordinance 2003-47, pursuant to section 189.4041 of the Florida Statutes. The purpose of the DSD is to acquire land within a geographical boundary from the proceeds of Bonds for resale to developers in association with the District. The DSD is included in the government wide financial statements of the City. Further information on the DSD can be obtained from the City.

In addition, the District also reimbursed or paid the City approximately \$ 119,000 for electricity and the use of potable water. As of September 30, 2010, the District owed the City \$ 12,479.

NOTE 8 - NET ASSETS (DEFICIT)

The District has a government-wide net assets deficit of \$ 8,399,748 as of September 30, 2010. There is no such deficit reflected in the governmental fund statements. The deficit primarily relates to various infrastructure improvements which have been financed through the issuance of long-term debt, but were conveyed to other entities. The deficit also relates to the accrual of certain expenses, principally interest, which are not currently recorded in the fund statements. When recognized as expenditures in the fund statements, they will be recovered from the City of St. Cloud or through assessment to benefitted property owners.

**OTHER REPORTS OF
INDEPENDENT AUDITORS**



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 *GOVERNMENT AUDITING STANDARDS*

To the Board of Supervisors
Stevens Plantation Community Development District
St. Cloud, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Stevens Plantation Community Development District (the "District") as of and for the year ended September 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 24, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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

Compliance and Other Matters

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

Stevens Plantation Community Development District

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

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 24, 2011



INDEPENDENT AUDITORS' REPORT TO DISTRICT MANAGEMENT

To the Board of Supervisors
Stevens Plantation Community Development District
St. Cloud, Florida

We have audited the basic financial statements of Stevens Plantation Community Development District (the "District"), as of and for the year ended September 30, 2010, and have issued our report thereon dated January 24, 2011.

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. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report, which is dated January 24, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of 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 more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Stevens Plantation Community Development District

Section 10.554(1)(i)6., 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. Stevens Plantation Community Development District was established August 21, 2003 by Ordinance No. 2003-46 of the City of St. Cloud, Florida, pursuant to the provisions of Chapter 190, of the laws of the State of Florida. The District does not have any component units.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions of financial emergency described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2010, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2010. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 24, 2011