

# **AGENDA**

## **REGULAR MEETING**

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**July 8, 2020**

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# ESPLANADE LAKE CLUB COMMUNITY DEVELOPMENT DISTRICT

June 30, 2020

Board of Supervisors  
Esplanade Lake Club Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Esplanade Lake Club Community Development District will be held on **Wednesday, July 8, 2020 at 2:00 p.m.** at **Waldrop Engineering, 28100 Bonita Grande Drive, Suite 304, Bonita Springs, Florida 34135**, and can be accessed through the Web address below.

**With the State of Emergency in Florida, and pursuant to Executive Orders 20-52, 20-69, 20-112, 20-114, and 20-150 issued by Governor DeSantis on March 9, 2020, March 20, 2020, April 29, 2020, May 8, 2020, and June 23, 2020, respectively, and pursuant to Section 120.54(5)9b)2., Florida, Statutes, this meeting will be held utilizing communication media technology due to the current COVID-19 public health emergency.**

The meeting can be accessed through the Web address below

## Event address for attendees

<https://districts.webex.com/districts/onstage/g.php?MTID=e95e86cd087c7ddd3e2ddd6c33fca56c2>

**Event number:** 192 972 1898

**Event password:** Lakes1

Follow the on-screen instructions

Call in Information if you choose not to use the web link:

Phone: **408.418.9388** and enter the access code **192 972 1898** to join the meeting.

The Link to the meeting will also be posted on the District's web site:  
[www.EsplanadeLakeClubCDD.org](http://www.EsplanadeLakeClubCDD.org).



*James P. Ward*  
*District Manager*

2900 NORTHEAST 12<sup>TH</sup> TERRACE, SUITE 1  
OAKLAND PARK, FLORIDA 33334

PHONE (954) 658-4900

E-MAIL [JimWard@JPWardAssociates.com](mailto:JimWard@JPWardAssociates.com)

***The Agenda is as follows:***

1. Call to Order & Roll Call.
2. Consideration of Minutes.
  - a) May 13, 2020 Regular Meeting Minutes
3. Consideration of proposals for providing Audit Services to the District for the Fiscal Years 2021-2025.
4. Staff Reports
  - a) District Attorney
  - b) District Engineer
  - c) District Manager
    - I. Financial Statement April 30, 2020 (unaudited)
    - II. Financial Statement May 31, 2020 (unaudited)
5. Supervisor's Requests and Audience Comments
6. Adjournment

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The second order of business is the consideration of the May 13, 2020 Regular Meeting Minutes.

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The Third order of business is consideration of the request for proposals to provide independent auditing services to the District for the Fiscal Years 2021 through 2025.

Enclosed please find the following:

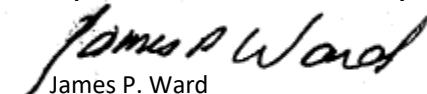
1. The District's Request for Proposals sent to auditing firms.
2. Auditor Evaluation Form.
3. Auditor Proposals – Technical and Pricing.

The evaluation form is for your use in evaluating the proposals submitted and if you could please review the proposals submitted and fill out the evaluation before the meeting that would be appreciated.

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The remainder of the Agenda is standard in nature, and in the meantime, if you have any questions or comments; please do not hesitate to contact me directly at (954) 658-4900.

**Esplanade Lake Club Community Development District**

  
James P. Ward  
District Manager



*James P. Ward*  
**District Manager**

**2900 NORTHEAST 12<sup>TH</sup> TERRACE, SUITE 1  
OAKLAND PARK, FLORIDA 33334**

PHONE (954) 658-4900

E-MAIL [JimWard@JPWardAssociates.com](mailto:JimWard@JPWardAssociates.com)

**MINUTES OF MEETING  
ESPLANADE LAKE CLUB  
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of the Esplanade Lake Club Community Development District was held on Wednesday, May 13, 2020 at 2:00 p.m. at Waldrop Engineering, 28100 Bonita Grande Drive, Suite 304, Bonita Springs, Florida 34135.

**Present and constituting a quorum:**

Charles Cook	Chairperson
Rob Summers	Vice Chairperson
Brian Keller	Assistant Secretary
Valerie McChesney	Assistant Secretary
Rebekah Norton	Assistant Secretary

**Also present were:**

James P. Ward	District Manager
Wes Haber	District Counsel

**Audience:**

All resident's names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

**PORTIONS OF THIS MEETING WERE TRANSCRIBED VERBATIM. ALL VERBATIM PORTIONS WERE  
TRANSCRIBED IN *ITALICS*.**

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

District Manager James P. Ward called the meeting to order at approximately 2:07 p.m. He reported with the State of Emergency in Florida, and pursuant to Executive Orders 20-52 and 20-69 issued by Governor DeSantis on March 9, 2020 and March 20, 2020 respectively, and pursuant to Section 120.54(5)9b)2., Florida, Statutes, this meeting was being held utilizing communication media technology due to the current COVID-19 public health emergency. He explained all Members of the Board and Staff were present via videoconference or telephone; no persons were present in the on-site meeting room location. He asked all speakers to state their names for the record prior to speaking. He conducted roll call; all Members of the Board were present, constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Consideration of Minutes**

**March 11, 2020 Regular Meeting Minutes**

Mr. Ward asked if there were any corrections, additions, or deletions for the March 11, 2020 Regular Meeting Minutes; hearing none, he called for a motion.

**On MOTION made by Mr. Brian Keller, seconded by Mr. Charles Cook, and with all in favor, the March 11, 2020 Regular Meeting Minutes were approved.**

**THIRD ORDER OF BUSINESS**

**PUBLIC HEARINGS**

Mr. Ward indicated the primary purpose of today’s Meeting was to conduct two public hearings with respect to the Fiscal Year 2021 Budget for the District.

**a. PUBLIC HEARING – FISCAL YEAR 2021 BUDGET**

**I. Public Comment and Testimony**

Mr. Ward called for a motion to open the Public Hearing.

**On MOTION made by Mr. Charles Cook, seconded by Mr. Rob Summers, and with all in favor, the Public Hearing was opened.**

Mr. Ward asked if there were any public comments or questions. He noted there were no members of the public present via telephone or video conference. He called for a motion to close the Public Hearing.

**On MOTION made by Mr. Charles Cook, seconded by Mr. Brian Keller, and with all in favor, the Public Hearing was closed.**

**II. Board Comment**

Mr. Ward indicated the Fiscal Year 2021 Budget was the same Budget reviewed at the previous meeting. He asked if there were any questions or comments from the Board; hearing none, he called for a motion.

**III. Consideration of Resolution 2020-14 adopting the annual appropriation and Budget for Fiscal Year 2021**

**On MOTION made by Mr. Brian Keller, seconded by Mr. Rob Summers, and with all in favor, Resolution 2020-14 was adopted, and the Chair was authorized to sign.**

**b. FISCAL YEAR 2021 IMPOSING SPECIAL ASSESSMENTS; ADOPTING AN ASSESSMENT ROLL, APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY AND SETTING AN OPERATIONS AND MAINTENANCE CAP FOR NOTICE PURPOSES ONLY**

**I. Public Comment and Testimony**

Mr. Ward called for a motion to open the Public Hearing.

**On MOTION made by Mr. Brian Keller, seconded by Mr. Rob Summers, and with all in favor, the Public Hearing was opened.**

Mr. Ward asked if there were any members of the public present on the phone; there were none. He noted there were no members of the public present via video conference. He called for a motion to close the Public Hearing.

**On MOTION made by Mr. Brian Keller, seconded by Mr. Rob Summers, and with all in favor, the Public Hearing was closed.**

## **II. Board Comment**

Mr. Ward reported the next two Resolutions were in respect to the adoption of the assessments related to the General Fund for Fiscal Year 2021. He explained the Budget contemplated and included the assessments for the Debt Service Fund for the Series 2019 A1 and A2 bonds. He asked if there were any questions; there were none.

## **III. Consideration of Resolution 2020-15 imposing special assessments, adopting an assessment roll, and approving the general fund special assessment methodology**

Mr. Ward stated Resolution 2020-15 would impose the special assessments and adopt an assessment roll. He stated “approving the general fund special assessment methodology” was not needed and would be eliminated. He asked if there were any questions; hearing none, he called for a motion.

**On MOTION made by Mr. Charles Cook, seconded by Mr. Brian Keller, and with all in favor, Resolution 2020-15 was adopted as amended, and the Chair was authorized to sign.**

## **IV. Consideration of Resolution 2020-16 setting an operations and maintenance cap for notice purposes only**

Mr. Ward stated Statute indicated mailed notice was required to be sent out every time the District adopted an assessment pursuant to the requirements of the law. He indicated this had been done this year and at the same time the public was notified the District intended to adopt a “cap rate.” He explained setting a cap rate prevented the District from being required to send out a mailed notice every year to all property owners within the District regarding the assessment for cost of operations. He noted if the cost of the operations of the District went above the cap rate noted on exhibit A in Resolution 2020-16, the District was then required to mail notice to all property owners within the District. He noted this was not a mandatory resolution but was recommended. He asked if there were any questions; hearing none, he called for a motion.

**On MOTION made by Mr. Brian Keller, seconded by Mr. Charles Cook, and with all in favor, Resolution 2020-16 was adopted, and the Chair was authorized to sign.**

**FOURTH ORDER OF BUSINESS****Consideration of Resolution 2020-17****Consideration of Resolution 2020-17 designating dates, time, and location for regular meeting of the Board of Supervisor's for Fiscal Year 2021**

Mr. Ward stated Resolution 2020-17 designated the Board Meeting dates, time, and locations for Fiscal Year 2021. He indicated the meetings would be held on the second Wednesday of each month at 2:00 p.m. at Waldrop Engineering, 28100 Bonita Grande Drive, Suite 304, Bonita Springs, Florida 34135. He noted adoption of this Resolution did not bind the Board to these dates; the dates, time, and locations could be changed, added to, or canceled as the Board saw fit.

**On MOTION made by Mr. Charles Cook, seconded by Mr. Brian Keller, and with all in favor, Resolution 2020-17 was adopted, and the Chair was authorized to sign.**

**FIFTH ORDER OF BUSINESS****Consideration of Landowner's Meeting date****Consideration of Setting the date, time, and location of the Landowner's Meeting to fill Seat 3 (Rebekah Norton), Seat 4 (Valerie McChesney) and Seat 5 (Brian Keller)**

Mr. Ward indicated this coming November Seat 3, Seat 4, and Seat 5 were up for election. He reported Statute required the Board to set a Landowner's Meeting date, time, and location at least 90 days in advance. He reported Statute required Board Members be provided instructions for the meeting, the Form of Ballot, and the Form of Proxy; Statute required these to be made available to the public as well. He noted members of the public were permitted to attend the Landowner's Meeting. He indicated the Landowner's Meeting was set for November 11, 2020, at 2:00 p.m. at the offices of Waldrop Engineering, 28100 Bonita Grande Drive, Suite 304, Bonita Springs, Florida 34135. He asked if there were any questions; hearing none, he called for a motion.

**On MOTION made by Mr. Brian Keller, seconded by Mr. Rob Summers, and with all in favor, the Landowner's Meeting was set for November 11, 2020 at 2:00 p.m.**

**SIXTH ORDER OF BUSINESS****Staff Reports****Staff Reports**

- a) District Attorney

*Mr. Wes Haber: As you may recall I am here while Jere is out on sabbatical. There were two resolutions that I wanted the Board to consider related to – the first one deals with a boundary amendment that this Board has previously approved. The prior resolution that you approved contemplated the addition of property to the District. I believe subsequent to the adoption of that resolution a small parcel, approximately 2 acres, was identified to be removed. We have filed a boundary amendment petition with the County to amend the District’s boundary. In abundance of caution we would like documentation that the Board has authorized the removal of the property. It’s a small slender parcel and so we’ve prepared a resolution. Essentially all the resolution does is ratify the fact that the Board has authorized the removal of that additional parcel. I’m happy to answer any questions, but I think what we’d be looking for is just a motion authorizing your Chair to execute that resolution ratifying the addition of the parcel to be removed in connection with the boundary amendment.*

Mr. Ward stated this would be Resolution 2020-18. He asked if there were any questions; hearing none, he called for a motion.

**On MOTION made by Mr. Charles Cook, seconded by Mr. Rob Summers, and with all in favor, Resolution 2020-18 was adopted, and the Chair was authorized to sign.**

Mr. Ward indicated Mr. Charles Cook left the meeting after he made the motion to adopt Resolution 2020-18.

*Mr. Haber: As you are likely aware, the Board, or the District, previously issued bonds for the purpose of acquiring certain infrastructure improvements and prior to this meeting, District Staff worked with Supervisor Cook in connection with the acquisition of utilities for Phases 1G and 1N. Essentially what that means is that certain infrastructure improvements will be paid for by the CDD, conveyed to the CDD, and then if appropriate, the CDD will convey those improvements to the appropriate governmental entity that will ultimately own and operate those improvements. The package that was reviewed included bills of sale, appropriate deeds, and a requisition, all of which was reviewed by District Engineer and District Counsel. We like to have for the District records an approval by the Board of the acquisition of those improvements and the payment of the bond funds for those improvements. So, what we’d be looking for is a motion to authorize your Chair to execute a resolution ratifying the acquisition of the utilities for Phases 1G and 1N. I’m happy to answer any questions.*

Mr. Ward asked if there were any questions; hearing none, he called for a motion to adopt Resolution 2020-19.

**On MOTION made by Mr. Brian Keller, seconded by Mr. Rob Summers, and with all in favor, Resolution 2020-19 was adopted, and the Chair was authorized to sign.**

**b) District Engineer**

There was no District Engineer present; there was no report.

**c) District Manager**



- I. Report on the Number of Registered Voters as of April 15, 2020**
- II. Financial Statement January 31, 2020 (unaudited)**
- III. Financial Statement February 29, 2020 (unaudited)**
- IV. Financial Statement March 31, 2020 (unaudited)**

*Mr. Ward: The only thing I had for you is a report on the number of registered voters within the District. The Supervisor of Elections in Lee County is required to provide that information to you as of April 15 each year. There are no registered voters in Esplanade Lake Club as of that date. It becomes significant when you hit two thresholds: One is six years from the date of establishment and two is 250 qualified electors. When you meet both thresholds, you will begin the process of transitioning to a qualified elector-based election. You were established September 27, 2018, so your 2024 timeframe is when you will begin that transition assuming you meet both of those thresholds as of the date of reporting. There is no action required of the Board.* He asked if there were any questions; there were none

**SEVENTH ORDER OF BUSINESS**

**Supervisor’s Requests and Audience Comments**

There were no Supervisor’s requests and no audience comments (no audience members were present).

**EIGHTH ORDER OF BUSINESS**

**Adjournment**

Mr. Ward adjourned the meeting at approximately 2:27 p.m.

**On MOTION made by Mr. Brian Keller, seconded by Mr. Rob Summers, and with all in favor, the Meeting was adjourned.**

**ATTEST:**

**Esplanade Lake Club Community Development District**

\_\_\_\_\_  
James P. Ward, Secretary

\_\_\_\_\_  
Charles Cook, Chairman

# ESPLANADE LAKE CLUB COMMUNITY DEVELOPMENT DISTRICT

June 11, 2020

To: Board of Supervisors

From: James P. Ward  
District Manager

Subject: Audit Proposals

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Attached is a complete unbound set of the following for the selection of the auditor for Item 3 on the Agenda.

1. Analysis of Auditor Form
2. Fee Structure for Auditors
3. Bidder's List
4. Request for Proposal Master Form
5. Grau and Associates Proposal
6. Berger Toombs Proposal

Be sure to fill out the audit analysis form before the meeting, that will be used for selection of the auditor.

Thank you and if you have any questions, please let me know.



*James P. Ward*  
*District Manager*

2900 NE 12<sup>TH</sup> TERRACE, SUITE 1  
OAKLAND PARK, FL 33334

PHONE (954) 658-4900

E-MAIL [jimward@jpwardassociates.com](mailto:jimward@jpwardassociates.com)

# Esplanade Lake Club Community Development District

## Analysis of Auditor Proposals

Firm Names:

Grau                      Berger

**1. Mandatory Elements**

a. The audit firm is independent and licensed to practice in Florida.

Y                      Y

b. The firm has no conflict of interest with regard to any other work performed by the firm for the District.

Y                      Y

c. The firm adheres to the instructions in the Request for Proposal on preparing and submitting the proposal.

Y                      Y

d. The firm submitted a copy of its last external quality control review report and the firm has a record of quality audit work.

Y                      Y

e. The firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, as well as, an explanation of all pending litigation (including all accounts of Federal indictments)

Y                      Y

Legend for Mandatory Elements:  
Y = Meets Criteria  
N = Does Not Meet Criteria

**2. Technical Qualifications:**

Point  
Range

**a. Expertise and Experience**

(1)The firm's past experience and performance on comparable government engagements.

1-5                      5                      5

(2)The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

1-5                      5                      4

(3)The firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, as well as, an explanation of all pending litigation (including all accounts of Federal indictments)

1-5                      5                      5

**b. Audit Approach**

(1) Adequacy of proposed staffing plan for various segments of the engagement

1-5                      5                      4

(2) Adequacy of sampling techniques

1-5                      5                      5

(3) Adequacy of analytical procedures

1-5                      5                      5

**Sub-Total: Technical  
Total Points: Technical**

30                      28  
30                      28

**3. Price:**

1-5                      4                      5

2019                      4000                      3985

2020                      4100                      3985

2021                      4200                      4175

2022                      4300                      4175

2023                      4400                      4365

**Total Points: Price**

21000                      20685

**Total Points: Technical/Price:**

34                      33

# Esplanade Lake Club Community Development District

## Analysis of Auditor Proposals

Firm Names:

\_\_\_\_\_

**1. Mandatory Elements**

a. The audit firm is independent and licensed to practice in Florida.

\_\_\_\_\_

b. The firm has no conflict of interest with regard to any other work performed by the firm for the District.

\_\_\_\_\_

c. The firm adheres to the instructions in the Request for Proposal on preparing and submitting the proposal.

\_\_\_\_\_

d. The firm submitted a copy of its last external quality control review report and the firm has a record of quality audit work.

\_\_\_\_\_

e. The firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, as well as, an explanation of all pending litigation (including all accounts of Federal indictments)

\_\_\_\_\_

Legend for Mandatory Elements:

Y = Meets Criteria

N = Does Not Meet Criteria

\_\_\_\_\_

**2. Technical Qualifications:**

**Point  
Range**

**a. Expertise and Experience**

(1)The firm's past experience and performance on comparable government engagements.

1-5

\_\_\_\_\_

(2)The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

1-5

\_\_\_\_\_

(3)The firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, as well as, an explanation of all pending litigation (including all accounts of Federal indictments)

1-5

\_\_\_\_\_

**b. Audit Approach**

(1) Adequacy of proposed staffing plan for various segments of the engagement

1-5

\_\_\_\_\_

(2) Adequacy of sampling techniques

1-5

\_\_\_\_\_

(3) Adequacy of analytical procedures

1-5

\_\_\_\_\_

**Sub-Total: Technical**

**Total Points: Technical**

\_\_\_\_\_

\_\_\_\_\_

**3. Price:**

1-5

**Total Points: Price**

\_\_\_\_\_

\_\_\_\_\_

**Total Points: Technical/Price:**

\_\_\_\_\_

**Esplanade Lake Club Community Development District  
Audit Fee Proposals**

<b>Firm</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
<b>Grau and Associates</b>	\$ 4,000.00	\$ 4,100.00	\$ 4,200.00	\$ 4,300.00	\$ 4,400.00	<b>\$ 21,000.00</b>
<b>Berger Toombs</b>	\$ 3,985.00	\$ 3,985.00	\$ 4,175.00	\$ 4,175.00	\$ 4,365.00	<b>\$ 20,685.00</b>

## Bidder's List

### Request for Proposals – Professional Audit Services For the Fiscal Year's 2020-2024

Mr. Jay Gaines  
Berger, Toombs, Elam, Gaines & Frank  
600 Citrus Avenue  
Suite 200  
Ft. Pierce, Florida 34950  
Phone: 772-461-6120  
[JGaines@BTEF-CPAS.com](mailto:JGaines@BTEF-CPAS.com)

Ms. Linda Dufresne  
Dufresne & Associates  
385 Stiles Avenue  
Orange Park, Florida 32073  
Phone: 904-278-8980  
[Linda@dufresnecpas.com](mailto:Linda@dufresnecpas.com)

Mr. Antonio Grau  
Grau and Associates  
951 Yamato Road, Suite 280  
Boca Raton, Florida 33431  
Phone 561-994-9299  
[tony@graucpa.com](mailto:tony@graucpa.com)

William Benson  
Keefe, McCullough & Company  
6550 North Federal Highway  
Suite 410  
Fort Lauderdale, Florida 33308  
Phone 954 771 0896  
[Bill.Benson@kmccpa.com](mailto:Bill.Benson@kmccpa.com)

Ms. Tammy Campbell  
McDermitt Davis & Company, LLC  
605 East Robinson Street  
Suite 635  
Orlando, Florida 32801  
Phone: (407) 843-5406  
[tcampbell@mcdermittdavis.com](mailto:tcampbell@mcdermittdavis.com)

**Bidder's List**

**Request for Proposals – Professional Audit Services  
For the Fiscal Year's 2020-2024**

Stephen C. Riggs, IV, CPA  
Carr Riggs & Ingram  
151 Mary Esther Boulevard  
Suite 301  
Mary Esther, Florida 32569  
Phone 850-244-8395  
[scriggs@cricpa.com](mailto:scriggs@cricpa.com)



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

# Proposal to Provide Financial Auditing Services:

## **ESPLANADE LAKE CLUB**

**COMMUNITY DEVELOPMENT DISTRICT**

Proposal Due: May 28, 2020  
11:00AM

**Submitted to:**

Esplanade Lake Club  
Community Development District  
c/o District Manager  
2900 Northeast 12th Terrace, Suite 1  
Oakland Park, Florida 33334

**Submitted by:**

Antonio J. Grau, Partner  
Grau & Associates  
951 Yamato Road, Suite 280  
Boca Raton, Florida 33431

**Tel** (561) 994-9299  
(800) 229-4728

**Fax** (561) 994-5823

[tgrau@graucpa.com](mailto:tgrau@graucpa.com)

[www.graucpa.com](http://www.graucpa.com)





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# Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

May 28, 2020

Esplanade Lake Club Community Development District  
c/o District Manager  
2900 Northeast 12th Terrace, Suite 1  
Oakland Park, Florida 33334

Re: Request for Proposal for Professional Auditing Services for the fiscal year ended September 30, 2020, with an option for four (4) additional annual renewals.

Grau & Associates (Grau) welcomes the opportunity to respond to the Esplanade Lake Club Community Development District's (the "District") Request for Proposal (RFP), and we look forward to working with you on your audit. We are an energetic and robust team of knowledgeable professionals and are a recognized leader of providing services to Community Development Districts. As one of Florida's few firms to primarily focus on government, we are especially equipped to provide you an effective and efficient audit.

Special district audits are at the core of our practice: **we have a total of 360 clients, 329 or 91% of which are special districts.** We know the specifics of the professional services and work products needed to meet your RFP requirements like no other firm. With this level of experience, we are able to increase efficiency, to provide immediate and continued savings, and to minimize disturbances to client operations.

## Why Grau & Associates:

### Knowledgeable Audit Team

Grau is proud that the personnel we assign to your audit are some of the most seasoned auditors in the field. Our staff performs governmental engagements year round. When not working on your audit, your team is refining their audit approach for next year's audit. Our engagement partners have decades of experience and take a hands-on approach to our assignments, which all ensures a smoother process for you.

### Servicing your Individual Needs

Our clients enjoy personalized service designed to satisfy their unique needs and requirements. First, we ensure that the transition to a new firm is as smooth and seamless as possible. Throughout the process of our audit, you will find that we welcome working with you to resolve any issues as swiftly and easily as possible. In addition, due to Grau's very low turnover rate for our industry, you also won't have to worry about retraining your auditors from year to year.

### Developing Relationships

We strive to foster mutually beneficial relationships with our clients. We stay in touch year round, updating, collaborating and assisting you in implementing new legislation, rules and standards that affect your organization. We are also available as a sounding board and assist with technical questions.

### Maintaining an Impeccable Reputation

We have never been involved in any litigation, proceeding or received any disciplinary action. Additionally, we have never been charged with, or convicted of, a public entity crime of any sort. We are financially stable and have never been involved in any bankruptcy proceedings.

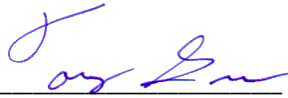
### Complying With Standards

Our audit will follow the Auditing Standards of the AICPA, Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States, and the Rules of the Auditor General of the State of Florida, and any other applicable federal, state and local regulations. We will deliver our reports in accordance with your requirements.

This proposal is a firm and irrevocable offer for 90 days. We certify this proposal is made without previous understanding, agreement or connection either with any previous firms or corporations offering a proposal for the same items. We also certify our proposal is in all respects fair, without outside control, collusion, fraud, or otherwise illegal action, and was prepared in good faith. Only the person(s), company or parties interested in the project as principals are named in the proposal. Grau has no existing or potential conflicts, and anticipates no conflicts during the engagement. Our Federal I.D. number is 20-2067322.

We would be happy to answer any questions or to provide any additional information. We are genuinely excited about the prospect of serving you and establishing a long-term relationship. Please do not hesitate to call or email either of our Partners, Antonio J. Grau, CPA ([tgrau@graucpa.com](mailto:tgrau@graucpa.com)) or Racquel McIntosh, CPA ([rmcintosh@graucpa.com](mailto:rmcintosh@graucpa.com)) at 561.994.9299. We thank you for considering our firm's qualifications and experience.

Very truly yours,  
Grau & Associates



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Antonio J. Grau

# Independence



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

Grau & Associates affirms we meet the independence requirements of the Standards for Audit of Governmental Organization Programs, Activities and Functions published by the U.S. General Accounting Office, Governmental Auditing Standards (GAS) issued by the Comptroller General of the United States and the Laws and Rules of Florida Board of Accountancy or any subsequent amendments or superseding revisions. As defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's Government Auditing Standards, Grau & Associates, their partners and employees are independent of the District.

Grau & Associates has not had professional relationships involving the District since its inception; furthermore, we shall give the District written notice of any professional relationships entered into during the period of this agreement, which could pose a potential conflict of interest.

# **License to Practice in Florida**



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

Grau & Associates is a properly registered/licensed State of Florida professional corporation. All assigned supervisory professional staff are properly registered/licensed to practice in the State of Florida.

# **Firm Qualifications and Experience**



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS



# Grau's Focus and Experience

## Our Team



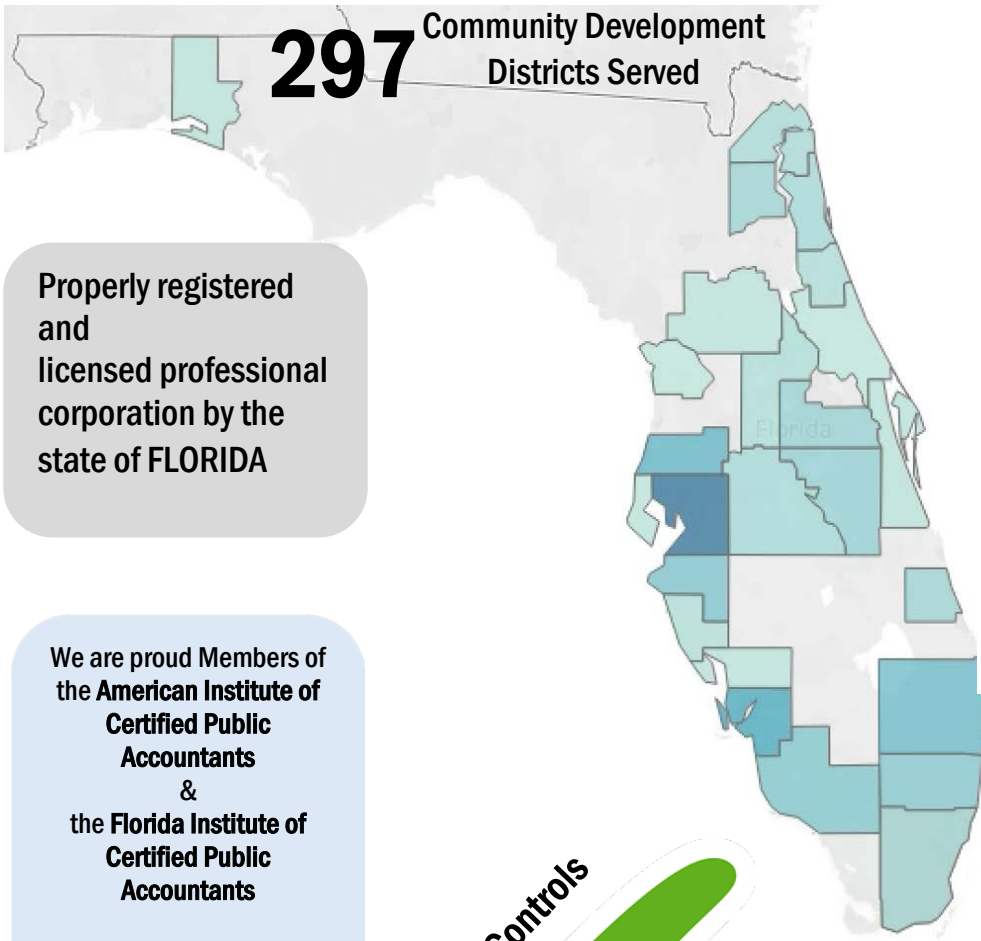
2 Partners  
13 Professional Staff  
2 Administrative Professionals



# 2005

Year founded

## Services Provided



Properly registered and licensed professional corporation by the state of FLORIDA

We are proud Members of the American Institute of Certified Public Accountants & the Florida Institute of Certified Public Accountants



- ⇒ External quality review program: consistently receives a pass
- ⇒ Internal: ongoing monitoring to maintain quality



AICPA | FICPA | GFOA | FASD | FGFOA

## **Firm Overview**

Grau & Associates is a professionally licensed local corporation in Florida certified by the State of Florida as a Minority Business Enterprise (MBE). We are a Certified Public Accounting firm providing comprehensive financial and compliance auditing, attestation and accounting, and other management consulting services.

## **Office Location & Staff**

Your audit will be performed out of our headquarters located at 951 Yamato Road, Suite 280, Boca Raton, Florida 33431. We have a total of 17 employees, 15 professional staff, including 2 Partners, 13 professionals and 2 administrative professionals. The numbers of professional staff by employee classification are as follows:

<b>Employee Classification</b>	<b>Government Auditors</b>	<b>No. of C.P.A.s</b>
<b>Partners</b>	2	2
<b>Managers</b>	4	4
<b>Advisory Consultant</b>	1	1
<b>Supervisor / Seniors</b>	3	2
<b>Staff Accountants</b>	5	1
<b>Total</b>	<b>15</b>	<b>10</b>

## **Results of State and Federal Reviews**

During the last three (3) years, all state and federal reviews of the firm's reports and working papers have been accepted without change or revision to issued reports.

## **Disciplinary Action**

During the last three (3) years, Grau & Associates has not been involved in any disciplinary action from any state or federal regulatory body or professional organizations.

## **Litigation Status**

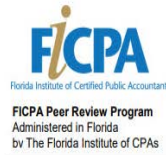
There is no current or pending litigation or proceeding. Additionally, during the last three (3) years, Grau & Associates has not been involved in any litigation or proceeding where a court or administrative agency has ruled against the firm in any manner related to its professional activities.

## **Most Recent External Peer Review**

Grau participates in an external quality review program requiring an on-site independent examination of our auditing practice. Grau has consistently received a pass rating on the quality of our audit practice. Our peer review included **mostly government engagements**. A copy of the report on the firm's most recent quality review can be found below.



**Gregory, Sharer & Stuart, P.A.**  
Certified Public Accountants and Business Consultants



### **Report on the Firm's System of Quality Control**

November 15, 2019

To the Partners of Grau & Associates  
And the Peer Review Committee of the Florida Institute of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Grau & Associates (the firm) in effect for the year ended June 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards* including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Grau & Associates in effect for the year ended June 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Grau & Associates has received a peer review rating of *pass*.

Gregory, Sharer & Stuart, P.A.

February 20, 2020

Antonio Grau  
Grau & Associates  
951 Yamato Rd Ste 280  
Boca Raton, FL 33431-1809

Dear Antonio Grau:

It is my pleasure to notify you that on February 20, 2020, the Florida Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2022. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,  
*FICPA Peer Review Committee*

Peer Review Team  
FICPA Peer Review Committee  
paul@ficpa.org  
800-342-3197 ext. 251

Florida Institute of CPAs

cc: Daniel Hevia, Racquel McIntosh

Firm Number: 900004390114

Review Number: 571202

100 Second Avenue South, Suite 600 | St. Petersburg, Florida 33701-4336  
(727) 821-6161 | Fax (727) 822-4573 | [gsscpa.com](http://gsscpa.com) | [info@gsscpa.com](mailto:info@gsscpa.com)

3800 Esplanade Way, Suite 210 | Tallahassee, FL 32311 | 800.342.3197, in Florida | 850.224.2727 | Fax: 850.222.8190 | [www.ficpa.org](http://www.ficpa.org)

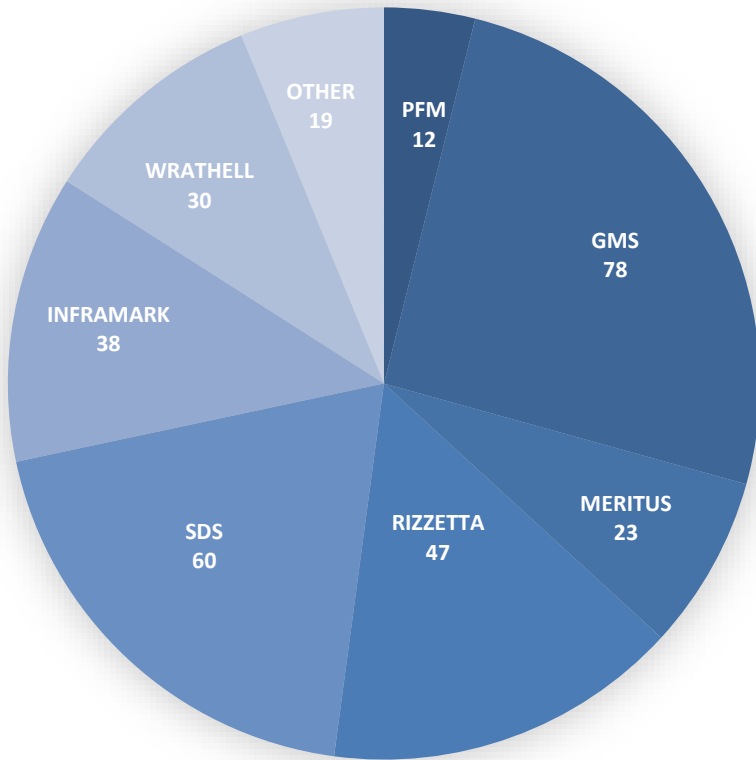
In addition to scheduled Peer Reviews, our firm continually monitors performance to ensure the highest quality of services. An Audit Partner is responsible for monitoring quality control of all appropriate engagements.

# **Partner, Supervisory and Staff Qualifications and Experience**



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

## GRAU AND ASSOCIATES COMMUNITY DEVELOPMENT DISTRICT EXPERIENCE BY MANAGEMENT COMPANY



### *Profile Briefs:*

**Antonio J GRAU, CPA (Partner)**

*Years Performing Audits: 30+*  
*CPE (last 3 years): Government Accounting, Auditing: 40 hours; Accounting, Auditing and Other: 71 hours*  
*Professional Memberships: AICPA, FICPA, FGFOA, GFOA*

**Racquel McIntosh, CPA (Partner)**

*Years Performing Audits: 14+*  
*CPE (last 3 years): Government Accounting, Auditing: 71 hours; Accounting, Auditing and Other: 74 hours*  
*Professional Memberships: AICPA, FICPA, FGFOA, FASD*

“Here at Grau & Associates, staying up to date with the current technological landscape is one of our top priorities. Not only does it provide a more positive experience for our clients, but it also allows us to perform a more effective and efficient audit. With the every changing technology available and utilized by our clients, we are constantly innovating our audit process.”

- Tony Grau

“Quality audits and exceptional client service are at the heart of every decision we make. Our clients trust us to deliver a quality audit, adhering to high standards and assisting them with improvements for their organization.”

-Racquel McIntosh



# Antonio 'Tony' J. Grau, CPA

## Partner

Contact: [tgrau@graucpa.com](mailto:tgrau@graucpa.com) | (561) 939-6672

### Experience

For over 30 years, Tony has been providing audit, accounting and consulting services to the firm's governmental, non-profit, employee benefit, overhead and arbitrage clients. He provides guidance to clients regarding complex accounting issues, internal controls and operations.

As a member of the Government Finance Officers Association Special Review Committee, Tony participated in the review process for awarding the GFOA Certificate of Achievement in Financial Reporting. Tony was also the review team leader for the Quality Review of the Office of Management Audits of School Board of Miami-Dade County. Tony received the AICPA advanced level certificate for governmental single audits.

### Education

University of South Florida (1983)  
 Bachelor of Arts  
 Business Administration

### Clients Served (partial list)

(>300) Various Special Districts, including:

- |  |  |
|--|--|
| Bayside Improvement Community Development District   | St. Lucie West Services District                 |
| Dunes Community Development District                 | Ave Maria Stewardship Community District         |
| Fishhawk Community Development District (I,II,IV)    | Rivers Edge II Community Development District    |
| Grand Bay at Doral Community Development District    | Bartram Park Community Development District      |
| Heritage Harbor North Community Development District | Bay Laurel Center Community Development District |
| Boca Raton Airport Authority                         |  |
| Greater Naples Fire Rescue District                  |  |
| Key Largo Wastewater Treatment District              |  |
| Lake Worth Drainage District                         |  |
| South Indian River Water Control                     |  |

### Professional Associations/Memberships

- |  |   |
|--|---|
| American Institute of Certified Public Accountants | Florida Government Finance Officers Association |
| Florida Institute of Certified Public Accountants  | Government Finance Officers Association Member  |
| City of Boca Raton Financial Advisory Board Member |   |

### Professional Education (over the last three years)

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	40
Accounting, Auditing and Other	<u>71</u>
Total Hours	<u>111</u> (includes of 8 hours of Ethics CPE)





# Racquel C. McIntosh, CPA

## Partner

Contact : [rmcintosh@graucpa.com](mailto:rmcintosh@graucpa.com) | (561) 939-6669

### Experience

Racquel has been providing government audit, accounting and advisory services to our clients for over 14 years. She serves as the firm’s quality control partner; in this capacity she closely monitors engagement quality ensuring standards are followed and maintained throughout the audit.

Racquel develops in-house training seminars on current government auditing, accounting, and legislative topics and also provides seminars for various government organizations. In addition, she assists clients with implementing new accounting software, legislation, and standards.

### Education

Florida Atlantic University (2004)  
Master of Accounting  
Florida Atlantic University (2003)  
Bachelor of Arts:  
Finance, Accounting

### Clients Served (partial list)

(>300) Various Special Districts, including:

Carlton Lakes Community Development District  
Golden Lakes Community Development District  
Rivercrest Community Development District  
South Fork III Community Development District  
TPOST Community Development District

Westchase Community Development District  
Monterra Community Development District  
Palm Coast Park Community Development District  
Long Leaf Community Development District  
Watergrass Community Development District

East Central Regional Wastewater Treatment Facilities  
Indian Trail Improvement District  
Pinellas Park Water Management District  
Ranger Drainage District  
South Trail Fire Protection and Rescue Service District

### Professional Associations/ Memberships

American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants

FICPA State & Local Government Committee  
FGFOA Palm Beach Chapter

### Professional Education (over the last three years)

#### Course

Government Accounting and Auditing  
Accounting, Auditing and Other  
Total Hours

#### Hours

71  
74  
145 (includes of 8 hours of Ethics CPE)

# **Prior Engagements with the District**



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS



Grau & Associates has not had prior engagements with the District since its inception.

# **Similar Engagements with other Government Entities**



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

We have included three references of government engagements that require compliance with laws and regulations, follow fund accounting, and have financing requirements, which we believe are similar to the District.

## Dunes Community Development District

<b>Scope of Work</b>	Financial audit
<b>Engagement Partner</b>	Antonio J. Grau
<b>Dates</b>	Annually since 1998
<b>Total Hours</b>	56
<b>Client Contact</b>	Darrin Mossing, Finance Director 475 W. Town Place, Suite 114 St. Augustine, Florida 32092 904-940-5850

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## Two Creeks Community Development District

<b>Scope of Work</b>	Financial audit
<b>Engagement Partner</b>	Antonio J. Grau
<b>Dates</b>	Annually since 2007
<b>Total Hours</b>	36
<b>Client Contact</b>	William Rizzetta, President 3434 Colwell Avenue, Suite 200 Tampa, Florida 33614 813-933-5571

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## Journey's End Community Development District

<b>Scope of Work</b>	Financial audit
<b>Engagement Partner</b>	Antonio J. Grau
<b>Dates</b>	Annually since 2004
<b>Total Hours</b>	20
<b>Client Contact</b>	Todd Wodraska, Vice President 2501 A Burns Road Palm Beach Gardens, Florida 33410 561-630-4922

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# **Specific Audit Approach**



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

## Grau's Understanding of Work Product / Scope of Services:

We recognize the District is an important entity and we are confident our firm is eminently qualified to meet the challenges of this engagement and deliver quality audit services. ***You would be a valued client of our firm and we pledge to commit all firm resources to provide the level and quality of services (as described below) which not only meet the requirements set forth in the RFP but will exceed those expectations.*** Grau & Associates fully understands the scope of professional services and work products requested. Our audit will follow the Auditing Standards of the AICPA, *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States, and the Rules of the Auditor General of the State of Florida and any other applicable Federal, State or Local regulations. **We will deliver our reports in accordance with your requirements.**

### A. Proposed segmentation of the engagement

Our approach to the audit engagement is a risk-based approach which integrates the best of traditional auditing techniques and a total systems concept to enable the team to conduct a more efficient and effective audit. The audit will be conducted in three phases, which are as follows:



#### Phase I - Preliminary Planning

A thorough understanding of your organization, service objectives and operating environment is essential for the development of an audit plan and for an efficient, cost-effective audit. During this phase, we will meet with appropriate personnel to obtain and document our understanding of your operations and service objectives and, at the same time, give you the opportunity to express your expectations with respect to the services that we will provide. Our work effort will be coordinated so that there will be minimal disruption to your staff.

#### **During this phase we will perform the following activities:**

- » Review the regulatory, statutory and compliance requirements. This will include a review of applicable federal and state statutes, resolutions, bond documents, contracts, and other agreements;
- » Read minutes of meetings;
- » Review major sources of information such as budgets, organization charts, procedures, manuals, financial systems, and management information systems;
- » Obtain an understanding of fraud detection and prevention systems;
- » Obtain and document an understanding of internal control, including knowledge about the design of relevant policies, procedures, and records, and whether they have been placed in operation;
- » Assess risk and determine what controls we are to rely upon and what tests we are going to perform and perform test of controls;
- » Develop audit programs to incorporate the consideration of financial statement assertions, specific audit objectives, and appropriate audit procedures to achieve the specified objectives;
- » Discuss and resolve any accounting, auditing and reporting matters which have been identified.

#### Phase II - Execution of Audit Plan

The audit team will complete a major portion of transaction testing and audit requirements during this phase. The procedures performed during this period will enable us to identify any matter that may impact the completion of our work or require the attention of management. Tasks to be performed in Phase II include, but are not limited to the following:

- » Apply analytical procedures to further assist in the determination of the nature, timing, and extent of auditing procedures used to obtain evidential matter for specific account balances or classes of transactions;
- » Perform tests of account balances and transactions through sampling, vouching, confirmation and other analytical procedures; and
- » Perform tests of compliance.

### Phase III - Completion and Delivery

In this phase of the audit, we will complete the tasks related to year-end balances and financial reporting. All reports will be reviewed with management before issuance, and the partners will be available to meet and discuss our report and address any questions. Tasks to be performed in Phase III include, but are not limited to the following:

- » Perform final analytical procedures;
- » Review information and make inquiries for subsequent events; and
- » Meeting with Management to discuss preparation of draft financial statements and any potential findings or recommendations.

You should expect more from your accounting firm than a signature in your annual financial report. Our concept of truly responsive professional service emphasizes taking an active interest in the issues of concern to our clients and serving as an effective resource in dealing with those issues. In following this approach, we not only audit financial information with hindsight but also consider the foresight you apply in managing operations.

Application of this approach in developing our management letter is particularly important given the increasing financial pressures and public scrutiny facing today's public officials. We will prepare the management letter at the completion of our final procedures.

In preparing this management letter, we will initially review any draft comments or recommendations with management. In addition, we will take necessary steps to ensure that matters are communicated to those charged with governance.

In addition to communicating any recommendations, we will also communicate the following, if any:

- » Significant audit adjustments;
- » Significant deficiencies or material weaknesses;
- » Disagreements with management; and
- » Difficulties encountered in performing the audit.

Our findings will contain a statement of condition describing the situation and the area that needs strengthening, what should be corrected and why. Our suggestions will withstand the basic tests of corrective action:

Is the recommendation cost effective?

Is the recommendation the simplest to effectuate in order to correct a problem?

Is the recommendation at the heart of the problem and not just correcting a symptomatic matter?

Is the corrective action taking into account why the deficiency occurred?

To assure full agreement with facts and circumstances, we will fully discuss each item with Management prior to the final exit conference. This policy means there will be no "surprises" in the management letter and fosters a professional, cooperative atmosphere.

## **Communications**

We emphasize a continuous, year-round dialogue between the District and our management team. We typically begin our audit process with an entrance conference before the onsite fieldwork begins. We regularly communicate through personal telephone calls and electronic mail throughout the audit and on a regular basis. Our clients have the ability to transmit information to us on our secure client portal with the ability to assign different staff with separate log on and viewing capability. This further facilitates efficiency as all assigned users receive electronic mail notification as soon as new information has been posted into the portal. We strive to continue to keep an open line of communication through the fieldwork and ending with an exit conference.

### **B. Level of staff and number of hours to be assigned to each proposed segment of the engagement**

	Partners	Seniors	Total
Preliminary Planning	2	4	6
Perform Audit Plan		16	16
Completion and Delivery	2	4	6
Total	4	24	28

### **C. Sample size and the extent to which statistical sampling is to be used in the engagement**

Our sampling procedures performed during the audit engagement will be identified during the planning stage of the audit and will be coordinated with other audit procedures to ensure a timely and efficient audit.

*Audit Sampling:* Grau uses a nonstatistical approach to sampling and follows the guidance of the AICPA on the use of sampling in governmental audit engagements. In applying these AICPA pronouncements, we would first consider the effectiveness of alternative approaches before concluding that sampling is necessary. Our professional judgment will be used to determine what areas sampling is deemed appropriate and includes assessing inherent risk, control risk, and combined audit risk. Audit areas that may involve the use of sampling include:

- » Substantive tests of balance sheet accounts
- » Substantive test of details of transactions
- » Tests of controls, which may be done as a “dual-purpose test” utilizing the same sample as test of details of transactions
- » Tests of compliance with laws and regulations

Sample Size: Our sample size will vary depending on our risk assessment, the size of the population being examined and whether we are testing for compliance or substantive testing. **If a firm states a specific number of items they will examine for their sample size, they are not utilizing professional judgment.** Determination of the sample size should be dependent on quantitative and qualitative factors such as: number of transactions, type of transaction, expectation of how well controls work, results from preliminary risk assessment and whether a sample will be used for substantive procedures. After these factors are taken into account, then a sample size determination should be made. The results of our testing will be integrated into the other audit procedures performed to enhance audit efficiency and identify any additional risk factors.

### **D. Extent of use of EDP software in the engagement**

#### *Automated Workpapers*

Our firm utilizes ProSystem fx Engagement electronic software, which allows us to conduct a true paperless audit.

#### *Communications*

Our clients are able to transmit information to us on our secure client portal with the ability to assign different staff with separate log on and viewing capability.



This further facilitates efficiency as all assigned users receive electronic mail notification as soon as new

information has been posted into the portal.

#### *Accounting Research*

We utilize Accounting Research Manager by Wolters Kluwers, which is a comprehensive online database providing leading industry guidance on analytical accounting and auditing. It includes full publications from the Governmental Accounting Standards Board, the Financial Accounting Standards Board, Emerging Issues Task Force, GAO, AICPA and International Accounting Standards Board. In addition, Accounting Research Manager provides intelligent links to the original source documents.

#### *Computer-Assisted Audit Techniques (CAAT)'s*

It is our firm's policy to design our audit procedures to maximize the application of computer-assisted audit procedures (CAAP) in order to increase efficiency. Our firm uses Active Data mining software that enables us to use data from your financial reporting package to perform CAAT's. Some examples of taking an output file format and converting it into a usable data format for our audit team to perform CAAT's include:

- » Trends in number and amounts paid to vendors
- » Search for false employees
- » Sorting payments to identify items that fall under the threshold of financial control or contract limits
- » Analyzing sequence in a population for missing or duplicated items
- » Comparison of vendors and employee addresses

CAAT's are also useful in performing a variety of time consuming tests such as: footing files, testing for incomplete data, and sorting. CAAT's are also used to perform a variety of tests of controls such as: selecting a sample for inspection or re-performance of procedures, testing access to critical files and programs, and testing program application controls.

**Network Detective** – this program is utilized to assess the information technology security risks related to the District's network as a whole. Risk scores range from low to high, allowing us to inform the District of critical issues that should be addressed immediately versus those that can be put on the IT project list.

### **E. Type and extent of Analytical Procedures to be used in the engagement**

Understanding financial relationships is crucial to planning and evaluating the results of analytical procedures and requires knowledge of the District. The full extent to which analytical procedures are utilized is based upon the auditor's professional judgment and the overall risk assessment results. Analytical procedures are required in the planning and overall review stages of the audit, and will be used in the following areas:

#### *Audit Planning*

Analytical procedures provide great insight in our planning. These analyses can enhance our understanding of transactions and events that have occurred during the year under audit. Analytical procedures in the planning phase are also performed to identify any unusual and unexpected relationship that may warrant further investigation. For example, rate changes have a direct relationship with revenue. As such, if stormwater rates increase, we would expect that revenues would also increase.

#### *Fieldwork*

Analytical procedures are used as effective substantive tests in certain circumstances. For example, using the millage adopted by Commission to recalculate taxes levied or comparing actual current year results to the adopted budget and prior year amounts. During the course of our year end fieldwork we utilize analytical procedures to support the results of our other audit procedures.

#### *Overall Review*

Analytical procedures used at the conclusion of the audit are designed to assess the conclusions reached and evaluate the overall financial statement presentation. For example, we will review the financial statements and compare the numbers to prior year and see if variances make sense based upon the work performed. We would determine if sufficient work was done in a particular area. Any variances would need to be substantiated.



## **F. Approach to be taken to gain and document an understanding of the District's internal control structure**

Control activities are procedures and policies that help ensure that management's directives are being carried out and the District's objectives are being met.

We want to ensure that controls are appropriately designed before we perform any tests of controls for reliance in the audit. Our steps in Phase I will determine how well the controls are designed and which ones we may be able to place reliance on for the audit. After making that determination, those controls are tested for operating effectiveness. The results of this evaluation will influence the nature, timing and extent of our substantive audit procedures.

This approach ensures that we achieve maximum efficiency and provides valuable feedback to management regarding the effectiveness of controls being relied upon throughout the year. See Phase I for details.

We will document our understanding using memos, checklists, flowcharts, District manuals, etc., and store all information electronically.

## **G. Approach to be taken in determining laws and regulations that will be subject to audit test work**

Due to the special nature of governments, the traditional audit scope has been broadened to encompass determination of what laws and regulations have a direct and material impact on the financial statements. Identifying applicable laws and regulations is fundamental to fulfilling the responsibility of understanding their effects. We will obtain this knowledge from various sources including:

- Review of federal and state laws
- Review of contracts
- Inquires of management and staff
- Review of resolutions and policies
- Review of grant agreements
- Review of debt covenants
- Review of prior financial statements
- Review of internal controls over compliance

## **H. Approach to be taken in drawing audit samples for purposes of tests of compliance**

Once significant laws and regulations that affect the District are identified, we will design compliance procedures to provide reasonable assurance that your financial statements are free of material misstatements resulting from violations of these laws and regulations. In addition, tests will be performed to attain a low level of risk as required by the Uniform Guidance.

Tests of compliance with laws and regulations will be incorporated with samples selected for tests of transactions and controls, when practical. Additional samples are sometimes necessary to test specific laws and regulations as well as for testing federal and state awards. We will work with District staff, as well as our analysis of the District's internal control structure, to ensure completeness of our population.

Our sampling procedures performed during the audit engagement will be identified during the planning stage of the audit and will be coordinated with other audit procedures to ensure a timely and efficient audit. Also refer to item c. above for additional details.

# Identification of Anticipated Potential Audit Problems



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

Grau & Associates is aware of the uniqueness of the District and will address issues in their early stages. We do not anticipate any potential audit problems. We want to help you solve problems before they become critical and this is why we will be involved throughout the entire year, at no extra cost, providing assistance in current and new issues.

# Report Format



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Esplanade Lake Club Community Development District  
Lee County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund, of Esplanade Lake Club Community Development District, Lee County, Florida ("District") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2020, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated xxx, 20xx, 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, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

XXXX, 20xx

**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  
Esplanade Lake Club Community Development District  
Lee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Esplanade Lake Club Community Development District, Lee County, Florida ("District") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated XXXX, 20xx.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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.

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

XXXX, 20xx

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors  
Esplanade Lake Club Community Development District  
Lee County, Florida

We have examined Esplanade Lake Club Community Development District, Lee County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2020. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. 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 fiscal year ended September 30, 2020.

This report 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, management, and the Board of Supervisors of Esplanade Lake Club Community Development District, Lee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

XXXX, 20xx



**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors  
Esplanade Lake Club Community Development District  
Lee County, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Esplanade Lake Club Community Development District, Lee County, Florida ("District") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated XXXX, 20xx.

**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 Florida Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the 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 XXXX, 20xx, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Supervisors of Esplanade Lake Club Community Development District, Lee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Esplanade Lake Club Community Development District, Lee County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

XXXX, 20xx

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Not applicable

### III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Not applicable. First year Audit.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2020.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2020.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2020. It is management's responsibility to monitor 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.

# Cost of Services



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

**Grau & Associates - Total All-Inclusive Maximum Price**

Our proposed all-inclusive fees for the financial audit for the fiscal years ended September 30, 2020-2024 are as follows:

<u>Year Ended September 30,</u>	<u>Fee</u>
2020	\$4,000
2021	\$4,100
2022	\$4,200
2023	\$4,300
2024	<u>\$4,400</u>
<b>TOTAL (2020-2024)</b>	<b><u>\$21,000</u></b>

Fee shall include all services, including but not limited to Out-of-Pocket expenses, meals and lodging, transportation, printing and binding, telephone, fax, copies.

The above fees are based on the assumption that the District maintains its current level of operations. Should conditions change or additional Bonds are issued the fees would be adjusted accordingly upon approval from all parties concerned.

We certify that Antonio J. Grau is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the District.

# Supplemental Information



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

## **PARTIAL LIST OF CLIENTS**

<b>SPECIAL DISTRICTS</b>	<b>Governmental Audit</b>	<b>Single Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
Boca Raton Airport Authority	✓	✓		✓	9/30
Captain's Key Dependent District	✓			✓	9/30
Central Broward Water Control District	✓			✓	9/30
Coquina Water Control District	✓			✓	9/30
East Central Regional Wastewater Treatment Facility	✓		✓	✓	9/30
Florida Green Finance Authority	✓				9/30
Greater Boca Raton Beach and Park District	✓			✓	9/30
Greater Naples Fire Control and Rescue District	✓	✓		✓	9/30
Green Corridor P.A.C.E. District	✓			✓	9/30
Hobe-St. Lucie Conservancy District	✓			✓	9/30
Indian River Mosquito Control District	✓				9/30
Indian Trail Improvement District	✓			✓	9/30
Key Largo Waste Water Treatment District	✓	✓	✓	✓	9/30
Lake Padgett Estates Independent District	✓			✓	9/30
Lake Worth Drainage District	✓			✓	9/30
Loxahatchee Groves Water Control District	✓				9/30
Old Plantation Control District	✓			✓	9/30
Pal Mar Water Control District	✓			✓	9/30
Pinellas Park Water Management District	✓			✓	9/30
Pine Tree Water Control District (Broward)	✓			✓	9/30
Pinetree Water Control District (Wellington)	✓				9/30
Ranger Drainage District	✓	✓		✓	9/30
Renaissance Improvement District	✓			✓	9/30
San Carlos Park Fire Protection and Rescue Service District	✓			✓	9/30
Sanibel Fire and Rescue District	✓			✓	9/30
South Central Regional Wastewater Treatment and Disposal Board	✓			✓	9/30
South-Dade Venture Development District	✓			✓	9/30
South Indian River Water Control District	✓	✓		✓	9/30
South Trail Fire Protection & Rescue District	✓			✓	9/30
Spring Lake Improvement District	✓			✓	9/30
St. Lucie West Services District	✓		✓	✓	9/30
Sunshine Water Control District	✓			✓	9/30
West Villages Improvement District	✓			✓	9/30
Various Community Development Districts (297)	✓			✓	9/30
<b>TOTAL</b>	<b>331</b>	<b>5</b>	<b>3</b>	<b>327</b>	

# **ADDITIONAL SERVICES**

## **CONSULTING / MANAGEMENT ADVISORY SERVICES**

Grau & Associates also provide a broad range of other management consulting services. Our expertise has been consistently utilized by Governmental and Non-Profit entities throughout Florida. Examples of engagements performed are as follows:

- Accounting systems
- Development of budgets
- Organizational structures
- Financing alternatives
- IT Auditing
- Fixed asset records
- Cost reimbursement
- Indirect cost allocation
- Grant administration and compliance

## **ARBITRAGE**

The federal government has imposed complex rules to restrict the use of tax-exempt financing. Their principal purpose is to eliminate any significant arbitrage incentives in a tax-exempt issue. We have determined the applicability of these requirements and performed the rebate calculations for more than 150 bond issues, including both fixed and variable rate bonds.

**73** Current  
Arbitrage  
Calculations

**We look forward to providing Esplanade Lake Club Community Development District with our resources and experience to accomplish not only those minimum requirements set forth in your Request for Proposal, but to exceed those expectations!**

**For even more information on Grau & Associates  
please visit us on [www.graucpa.com](http://www.graucpa.com).**

**ESPLANADE LAKE CLUB COMMUNITY  
DEVELOPMENT DISTRICT**

**PROPOSAL FOR AUDIT SERVICES**

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**PROPOSED BY:**

Berger, Toombs, Elam, Gaines & Frank  
CERTIFIED PUBLIC ACCOUNTANTS, PL

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600 Citrus Avenue, Suite 200  
Fort Pierce, Florida 34950

(772) 461-6120

**CONTACT PERSON:**

J. W. Gaines, CPA, Director

**DATE OF PROPOSAL:**

May 28, 2020



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# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

May 28, 2020

James P. Ward  
Esplanade Lake Club Community Development District  
2900 Northeast 12<sup>th</sup> Terrace, Suite 1  
Oakland Park, FL 33334

Dear Mr. Ward:

Thank you very much for the opportunity to present our professional credentials to provide audit services for Esplanade Lake Club Community Development District.

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL has assembled a team of governmental and nonprofit specialists second to none to serve our clients. Our firm has the necessary qualifications and experience to serve as the independent auditors for Esplanade Lake Club Community Development District. We will provide you with top quality, responsive service.

## **Experience**

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL is a recognized leader in providing services to governmental and nonprofit agencies throughout Florida. We have been the independent auditors for a number of local governmental agencies and through our experience in performing their audits, we have been able to increase our audit efficiency and; therefore, reduce costs. We have continually passed this cost savings on to our clients and will continue to do so in the future. As a result of our experience and expertise, we have developed an effective and efficient audit approach designed to meet or exceed the performance specifications 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 the standards for financial and compliance audits. We will conduct the audit in accordance with auditing standards generally accepted in the United States of America; "Government Auditing Standards" issued by the Comptroller General of the United States; the provisions of the Single Audit Act, Subpart F of Title 2 US Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, with minimal disruption to your operations. Our firm has frequent technical updates to keep our personnel informed and up-to-date on all changes that are occurring within the industry.

Fort Pierce / Stuart

Esplanade Lake Club Community Development District  
May 28, 2020

Our firm is a member of the Government Audit Quality Center, an organization dedicated to improving government audit quality. We also utilize the audit program software of a nationally recognized CPA firm to assure us that we are up to date with all auditing standards and to assist us maintain maximum audit efficiencies.

To facilitate your evaluation of our qualifications and experience, we have arranged this proposal to include a resume of our firm, including our available staff, our extensive prior governmental and nonprofit auditing experience and clients to be contacted.

You need a firm that will provide an efficient, cost-effective, high-quality audit within critical time constraints. You need a firm with the prerequisite governmental and nonprofit experience to perform your audit according to stringent legal and regulatory requirements, a firm that understands the complex nature of community development districts and their unique compliance requirements. You need a firm with recognized governmental and nonprofit specialists within the finance and governmental communities. And, certainly, you need a firm that will provide you with valuable feedback to enhance your current and future operations. Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL is that firm. J. W. Gaines is the person authorized to make representations for the firm.

Thank you again for the opportunity to submit this proposal to Esplanade Lake Club Community Development District.

Very truly yours,

*Berger Toombs Elam  
Gaines + Frank*

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

## **PROFILE OF THE PROPOSER**

### **Description and History of Audit Firm**

**Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL** is a Treasure Coast public accounting firm, which qualifies as a small business firm, as established by the Small Business Administration (13 CFR 121.38), with offices in Fort Pierce and Stuart. We are a member of the Florida Institute of Certified Public Accountants and the American Institute of Certified Public Accountants. The firm was formed from the merger of Edwards, Berger, Harris & Company (originated in 1972) and McAlpin, Curtis & Associates (originated in 1949). J. W. Gaines and Associates (originated in 1979) merged with the firm in 2004. Our tremendous growth rate experienced over the last 69 years is directly attributable to the firm's unrelenting dedication to providing the highest quality, responsive professional services attainable to its clients.

We are a member of the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants (AICPA) to assure we meet the highest standards. Membership in this practice section requires that our firm meet more stringent standards than standard AICPA membership. These rigorous requirements include the requirement of a triennial peer review of our firm's auditing and accounting practice and annual Continuing Professional Education (CPE) for all accounting staff (whether CPA or non-CPA). For standard AICPA membership, only a quality review is required and only CPAs must meet CPE requirements.

We are also a member of the Government Audit Quality Center ("the Center") of the American Institute of Certified Public Accountants to assure the quality of our government audits. Membership in the Center, which is voluntary, requires our firm to comply with additional standards to promote the quality of government audits.

We have been extensively involved in serving local government entities with professional accounting, auditing and consulting services throughout the entire 69 year history of our firm. Our substantial experience over the years makes us uniquely qualified to provide accounting, auditing, and consulting services to these clients. We are a recognized leader in providing services to governmental and nonprofit agencies on the Treasure Coast and in Central and South Florida, with extensive experience in auditing community development districts and water control districts. We were the independent auditors of the City of Fort Pierce for over 37 years and currently, we are the independent auditors for St. Lucie County since 2002, and for 34 of the 38 years that the county has been audited by CPA firms. Additionally, we have performed audits of the City of Stuart, the City of Vero Beach, Indian River County and Martin County. We also presently audit over 75 Community Development Districts throughout Florida.

Our firm was founded on the belief that we are better able to respond to our clients needs through education, experience, independence, quality control, and personal service. Our firm's commitment to quality is reflected in our endeavor of professional excellence via continuing education, the use of the latest computer technology, professional membership in PCPS and peer review.

We believe our approach to audit engagements, intelligence and innovation teamed with sound professional judgment enables us to explore new concepts while remaining sensitive to the fundamental need for practical solutions. We take pride in giving you the assurance that the personal assistance you receive comes from years of advanced training, technical experience and financial acumen.

## Professional Staff Resources

**Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL** has a total of 28 professional and administrative staff (including 12 professional staff with extensive experience servicing government entities). The work will be performed out of our Fort Pierce office with a proposed staff of one senior accountant and one or two staff accountants supervised by an audit manager and audit partner. With the exception of the directors of the firm's offices, the professional staff is not specifically assigned to any of our individual offices. The professional and administrative staff resources available to you through Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL are as follows:

	<u>Total</u>
Partners/Directors (CPA's)	5
Principals (CPA)	1
Managers (CPA)	1
Senior/Supervisor Accountants (2 CPAs)	3
Staff Accountants (1 CPA)	7
Computer Specialist	1
Paraprofessional	8
Administrative	<u>4</u>
Total – all personnel	30

Following is a brief description of each employee classification:

**Staff Accountant** – Staff accountants work directly under the constant supervision of the auditor-in-charge and, are responsible for the various testing of documents, account analysis and any other duties as his/her supervisor believes appropriate. Minimum qualification for a staff accountant is graduation from an accredited university or college with a master's degree in accounting or equivalent.

**Senior Accountant** – A senior accountant must possess all the qualifications of the staff accountant, in addition to being able to draft the necessary reports and financial statements, and supervise other staff accountants when necessary.

**Managers** – A manager must possess the qualifications of the senior accountant, plus be able to work without extensive supervision from the auditor-in-charge. The manager should be able to draft audit reports from start to finish and to supervise the audit team, if necessary.

**Principal** – A principal is a partner/director in training. He has been a manager for several years and possesses the technical skills to act as the auditor –in-charge. A principal has no financial interest in the firm.

**Partner/Director** – The director has extensive governmental auditing experience and acts as the auditor-in-charge. Directors have a financial interest in the firm.

## **Professional Staff Resources (Continued)**

**Independence** – Independence of the public accounting firm, with respect to the audit client, is the foundation from which the public gains its trust in the opinion issued by the public accounting firm at the end of the audit process. This independence must be in appearance as well as in fact. The public must perceive that the accounting firm is independent of the audit entity to insure that nothing would compromise the opinion issued by the public accounting firm. **Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL** is independent of Esplanade Lake Club Community Development District, including its elected officials and related parties, at the date of this proposal, as defined by the following rules, regulations, and standards:

AuSection 220 – Statements on Auditing Standards issued by the American Institute of Certified Public Accountants;

ET Sections 101 and 102 – Code of Professional Conduct of the American Institute of Certified Public Accountants;

Chapter 21A-1, Florida Administrative Code;

Section 473.315, Florida Statutes; and,

Government Auditing Standards, issued by the Comptroller General of the United States.

On an annual basis, all members of the firm are required to confirm, in writing, that they have no personal or financial relationships or holding that would impair their independence with regard to the firm's clients.

Independence is a hallmark of our profession. We encourage our staff to use professional judgment in situations where our independence could be impaired or the perception of a conflict of interest might exist. In the governmental sector, public perception is as important as professional standards. Therefore, the utmost care must be exercised by independent auditors in the performance of their duties.

## **Ability to Furnish the Required Services**

As previously noted in the Profile of the Proposer section of this document, our firm has been in existence for over 69 years. We have provided audit services to some clients for over 30 years continually. Our firm is insured against physical loss through commercial insurance and we also carry liability insurance. The majority of our audit documentation is stored electronically, both on our office network and on each employee laptop or computer assigned to each specific job. Our office computer network is backed up on tape, so in the event of a total equipment loss, we can restore all data as soon as replacement equipment is acquired. In addition, our field laptop computers carry the same data and can be used in the event of emergency with virtually no delay in completing the required services.

## **ADDITIONAL SERVICES PROVIDED**

### **Arbitrage Rebate Services**

**Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL** also provides arbitrage rebate compliance and related services to governmental issuers. The Tax Reform Act of 1986 requires issuers of most tax-exempt obligations to pay (i.e., “rebate”) to the United States government any arbitrage profits. Arbitrage profits are earnings on the investment of bond proceeds and certain other monies in excess of what would have been earned had such monies been invested at a yield equal to the yield on the bonds.

Federal tax law requires that interim rebate calculations and payments are due at the end of every fifth bond year. Final payment is required upon redemption of the bonds. More frequent calculations may be deemed advisable by an issuer’s auditor, trustee or bond counsel or to assure that accurate and current records are available. These more frequent requirements are usually contained in the Arbitrage or Rebate Certificate with respect to the bonds.

Our firm performs a comprehensive rebate analysis and includes the following:

- Verifying that the issue is subject to rebate;
- Calculating the bond yield;
- Identifying, and separately accounting for, all “Gross Proceeds” (as that term is defined in the Code) of the bond issue, including those requiring analysis due to “transferred proceeds” and/or “commingled funds” circumstances;
- Determining what general and/or elective options are available to Gross proceeds of the issue;
- Calculating the issue’s excess investment earning (rebate liability), if any;
- Delivering appropriate documentation to support all calculations;
- Providing an executive summary identifying the methodology employed, major assumptions, conclusions, and any other recommendations for changes in recordkeeping and investment policies;
- Assisting as necessary in the event of an Internal Revenue Service inquiry; and,
- Consulting with issue staff, as necessary, regarding arbitrage related matters.

## **GOVERNMENTAL AUDITING EXPERIENCE**

**Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL** has been practicing public accounting in Florida for 69 years. Our success over the years has been the result of a strong commitment to providing personalized quality service to our clients.

The current members of our firm have performed audits of over 750 community development districts, and over 1,500 audits of municipalities, counties and other governmental entities such as the City of Fort Pierce and St. Lucie County.

Our firm provides a variety of accounting, auditing, tax litigation support, and consulting services. Some of the professional accounting, auditing and management consulting services that are provided by our firm are listed below:

- Performance of annual financial and compliance audits, including Single Audits of state and federal financial assistance programs, under the provisions of the Single Audit Act, Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), with minimal disruptions to your operations;
- Performance of special compliance audits to ascertain compliance with the applicable local, state and federal laws and regulations;
- Issuance of comfort letters and consent letters in conjunction with the issuance of tax-exempt debt obligations, including compiling financial data and interim period financial statement reviews;
- Calculation of estimated and actual federal arbitrage rebates;
- Assistance in compiling historical financial data for first-time and supplemental submissions for GFOA Certificate of Achievement for Excellence in Financial Reporting;
- Preparation of indirect cost allocation systems in accordance with Federal and State regulatory requirements;
- Providing human resource and employee benefit consulting;
- Performance of automation feasibility studies and disaster recovery plans;
- Performance feasibility studies concerning major fixed asset acquisitions and utility plant expansion plans (including electric, water, pollution control, and sanitation utilities); and
- Assistance in litigation, including testimony in civil and criminal court.
- Assist clients who utilize QuickBooks software with their software needs. Our Certified QuickBooks Advisor has undergone extensive training through QuickBooks and has passed several exams to attain this Certification.

### **Continuing Professional Education**

All members of the governmental audit staff of our firm, and audit team members assigned to this engagement, are in compliance with the Continuing Professional Education (CPE) requirements set forth in Government Auditing Standards issued by the Comptroller General of the United States. In addition, our firm is in compliance with the applicable provisions of the Florida Statutes that require CPA's to have met certain CPE requirements prior to proposing on governmental audit engagements.



## GOVERNMENTAL AUDITING EXPERIENCE (CONTINUED)

The audit team has extensive experience in performing governmental audits and is exposed to intensive and continuing concentration on these types of audits. Due to the total number of governmental audits our team performs, each member of our governmental staff must understand and be able to perform several types of governmental audits. It is our objective to provide each professional employee fifty hours or more of comprehensive continuing professional education each year. This is accomplished through attending seminars throughout Florida and is reinforced through in-house training.

Our firm has made a steadfast commitment to professional education. Our active attendance and participation in continuing professional education is a major part of our objective to obtain the most recent knowledge on issues which are of importance to our clients. We are growing on the reputation for work that our firm is providing today.

### Quality Control Program

Quality control requires continuing commitment to professional excellence. **Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL** is formally dedicated to that commitment.

To ensure maintaining the standards of working excellence required by our firm, we joined the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants (AICPA). To be a participating member firm of this practice section, a firm must obtain an independent Peer Review of its quality control policies and procedures to ascertain the firm's compliance with existing auditing standards on the applicable engagements.

The scope of the Peer Review is comprehensive in that it specifically reviews the following quality control policies and procedures of the participating firm:

- Professional, economic, and administrative independence;
- Assignment of professional personnel to engagements;
- Consultation on technical matters;
- Supervision of engagement personnel;
- Hiring and employment of personnel;
- Professional development;
- Advancement;
- Acceptance and continuation of clients; and,
- Inspection and review system.

We believe that our commitment to the program is rewarding not only to our firm, but primarily to our clients.

The external independent Peer Review of the elements of our quality control policies and procedures performed by an independent certified public accountant, approved by the PCPS of the AICPA, provides you with the assurance that we continue to conform to standards of the profession in the conduct of our accounting and auditing practice.

## **GOVERNMENTAL AUDITING EXPERIENCE (CONTINUED)**

Our firm is also a member of Governmental Audit Quality Center (GAQC), a voluntary membership center for CPA firms that perform governmental audits. This center promotes the quality of governmental audits.

Our firm has completed successive Peer Reviews. These reviews included a representative sample of our firm's local governmental auditing engagements. As a result of these reviews, our firm obtained an unqualified opinion on our quality control program and work procedures. On page 31 is a copy of our most recent Peer Review report. It should be noted that we received an unqualified report.

Our firm has never had any disciplinary actions by state regulatory bodies or professional organizations.

As our firm performs approximately seventy five audits each year that are reviewed by federal, state or local entities, we are constantly dealing with questions from these entities about our audits. We are pleased to say that any questions that have been raised were minor issues and were easily resolved without re-issuing any reports.

### **Certificate of Achievement for Excellence in Financial Reporting (CAFR)**

We are proud and honored to have been involved with the City of Fort Pierce and the Fort Pierce Utilities Authority when they received their first Certificates of Achievement for Excellence in Financial Reporting for the fiscal years ended September 30, 1988 and 1994, respectively. We were also instrumental in the City of Stuart receiving the award, in our first year of performing their audit, for the year ended September 30, 1999.

We also assisted St. Lucie County, Florida for the year ended September 30, 2003, in preparing their first Comprehensive Annual Financial Report, and St. Lucie County has received their Certificate of Achievement for Excellence in Financial Reporting every year since.

As continued commitment to insuring that we are providing the highest level of experience, we have had at least one employee of our firm serve on the GFOA – Special Review Committee since the mid-1980s. This committee is made up of selective Certified Public Accountants throughout the United States who have demonstrated their high level of knowledge and expertise in governmental accounting. Each committee member attends a special review meeting at the Annual GFOA Conference. At this meeting, the committee reports on the Certificate of Achievement Program's most recent results, future goals, and common reporting deficiencies.

We feel that our previous experience in assisting the City of Fort Pierce, the Fort Pierce Utilities Authority and St. Lucie County obtain their first CAFRs, and the City of Stuart in continuing to receive a CAFR and our firm's continued involvement with the GFOA, and the CAFR review committee make us a valued asset for any client in the field of governmental financial reporting.

## **GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)**

### References

Capron Trail Community Development  
District  
Jeff Walker, Special District Services  
(561) 630-4922

Gateway Community Development  
District  
Stephen Bloom, Severn Trent Management  
(954) 753-5841

The Reserve Community Development District  
  
Darrin Mossing, Governmental Management  
Services LLC  
(407) 841-5524

Port of the Islands Community Development  
District  
Cal Teague, Premier District Management  
  
(239) 690-7100 ext 101

In addition to the above, we have the following additional governmental audit experience:

### Community Development Districts

Aberdeen Community Development  
District

Cedar Hammock Community  
Development District

Amelia Concourse Community  
Development District

Celebration Pointe Community  
Development District

Anthem Park Community  
Development District

Channing Park Community  
Development District

Arborwood Community Development  
District

Cheval West Community  
Development District

Bannon Lakes Community  
Development District

City Center Community Development  
District

Beacon Lakes Community  
Development District

Colonial Country Club Community  
Development District

Boggy Creek Community  
Development District

Creekside at Twin Creeks Community  
Development District

Candler Hills East Community  
Development District

Deer Run Community Development  
District

Capron Trail Community Development  
District

Diamond Hill Community  
Development District

## GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)

Dovera Community Development District	Heritage Lake Park Community Development District
Durbin Crossing Community Development District	Heritage Palms Community Development District
Eagle Point Community Development District	Julington Creek Community Development District
Eastlake Oaks Community Development District	Lake Bernadette Community Development District
Easton Park Community Development District	Legends Bay Community Development District
Estancia @ Wiregrass Community Development District	Live Oak No 2 Community Development District
Forest Brooke Community Development District	Marshall Creek Community Development District
Golden Lakes Community Development District	Meadow View at Twin Lakes Community Development District
Gramercy Park Community Development District	Meadow Point III Community Development District
Greyhawk Landing Community Development District	Meadow Point IV Community Development District
Griffin Lakes Community Development District	Midtown Miami Community Development District
Habitat Community Development District	Mira Lago Community Development District
Harmony Community Development District	Myrtle Creek Community Development District
Heritage Harbor Community Development District	Narcoossee Community Development District
Heritage Isles Community Development District	New Port Tampa Bay Community Development District

**GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)**

Overoaks Community Development District	Seminole Improvement District
Panther Trace 2 Community Development District	Solterra Resort Community Development District
Pine Island Community Development District	South Village Community Development District
Pine Ridge Community Development District	Southern Hills Plantation I Community District
Piney-Z Community Development District	Southern Hills Plantation III Community Development District
Remington Community Development District	St. John's Forest Community Development District
Renaissance Commons Community Development District	Stoneybrook West Community Development District
Reserve Community Development District	Tern Bay Community Development District
Reserve at Pradera Community Development District	Terracina Community Development District
Ridgewood Trails Community Development District	Twin Creeks North Community Development District
River Hall Community Development District	Valencia Acres Community Development District
River Place on the St. Lucie Community Development District	Villages of Bloomingdale Community Development District
Riverwood Community Development District	Westside Community Development District
Riverwood Estates Community Development District	Willow Creek Community Development District
Rolling Hills Community Development District	Winston Trails Community Development District
Sampson Creek Community Development District	

## **GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)**

### Other Governmental Organizations

City of Westlake	Office of the Medical Examiner, District 19
Coquina Water Control District	Rupert J. Smith Law Library of St. Lucie County
Florida Inland Navigation District	St. Lucie Education Foundation
Fort Pierce Farms Water Control District	Town of Ocean Breeze Park
Indian River Regional Crime Laboratory, District 19, Florida	Troup Indiantown Water Control District
Jobs and Education Partnership	

### Current or Recent Single Audits.

St. Lucie County, Florida  
Early Learning Coalition, Inc.  
Treasure Coast Food Bank, Inc.

Members of our audit team have acquired extensive experience from performing or participating in over 1,500 audits of governments, independent special taxing districts, school boards, and other agencies that receive public money and utilize fund accounting.

Much of our firm's auditing experience is with compliance auditing, which is required for publicly financed agencies. In this type of audit, we do a financial examination and also confirm compliance with various statutory and regulatory guidelines.

Following is a summary of our other experience, including Auditor General experience, as it pertains to other governmental and fund accounting audits.

### Counties

(Includes elected constitutional officers, utilities and dependent taxing districts)

Indian River  
Martin  
Okeechobee  
Palm Beach

### Municipalities

City of Port St. Lucie  
City of Vero Beach  
Town of Orchid

## **GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)**

### Special Districts

Lakewood Ranch Community Development District  
Martin Soil and Water Conservation District  
St. Lucie County – Fort Pierce Fire District  
The Crossings at Fleming Island  
St. Lucie West Services District  
Indian River County Mosquito Control District  
St. John's Water Control District  
Westchase and Westchase East Community Development Districts  
Pier Park Community Development District  
Verandahs Community Development District  
Turnbull Creek Community Development District  
Magnolia Park Community Development District

### Schools and Colleges

Federal Student Aid Programs – Indian River Community College  
Indian River Community College  
Okeechobee County District School Board  
St. Lucie County District School Board

### State and County Agencies

Central Florida Foreign-Trade Zone, Inc. (a nonprofit organization affiliated with the St. Lucie County Board of County Commissioners)  
Florida School for Boys at Okeechobee  
Indian River Community College Crime Laboratory  
Indian River Correctional Institution

## **FEE SCHEDULE**

We propose the fee for our audit services described below to be \$3,985 for the years ended September 30, 2020 and 2021, \$4,175 for the years ended 2022 and 2023, and \$4,365 for the year ending September 30, 2024. These fees are contingent upon the financial records and accounting systems of Esplanade Lake Club Community Development District being “audit ready”. If we discover that additional preparation work or subsidiary schedules are needed, we will consult with your authorized representative. We can assist with this additional work at our standard rates should you desire.

## **SCOPE OF WORK TO BE PERFORMED**

If selected as the District's auditors, we will perform a financial and compliance audit in accordance with Section 11.45, Florida Statutes, in order to express an opinion on an annual basis on the financial statements of Esplanade Lake Club Community Development District as of September 30, 2020, with four subsequent annual renewals. The audits will be performed to the extent necessary to express an opinion on the fairness in all material respects with which the financial statements present the financial position, results of operations and changes in financial position in conformity with generally accepted accounting principles and to determine whether, for selected transactions, operations are properly conducted in accordance with legal and regulatory requirements. Reportable conditions that are also material weaknesses shall be identified as such in the Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Other (non-reportable) conditions discovered during the course of the audit will be reported in a separate letter to management, which will be referred to in the Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters.

Our audit will be performed in accordance with standards for financial and compliance audits contained in *Government Auditing Standards*, as well as in compliance with rules and regulations of audits of special districts as set forth by the State Auditor General in Chapter 10.550, Local Governmental Entity Audits, and other relevant federal, state and county orders, statutes, ordinances, charter, resolutions, bond covenants, Administrative Code and procedures, or rules and regulations which may pertain to the work required in the engagement.

The primary purpose of our audit will be to express an opinion on the financial statements discussed above. It should be noted that such audits are subject to the inherent risk that errors or irregularities may not be detected. However, if conditions are discovered which lead to the belief that material errors, defalcations or other irregularities may exist or if other circumstances are encountered that require extended services, we will promptly notify the appropriate individual.



## SPECIFIC AUDIT APPROACH

We utilize proprietary audit program software developed by a nationally recognized CPA firm. Our audit approach is a risk based audit approach where we determine significant accounts and assess risk and then we concentrate our audit on the areas identified.

We would utilize the prior audit report to preliminarily identify the significant accounts.

We would also utilize the internal control, engagement planning questionnaires developed for our audit program to design our audit programs. Our audit programs have the following general segmentation:

<ul style="list-style-type: none"> <li>• Financial Reports</li> <li>• 8 hours</li> <li>• Audit Director/In charge Staff accountant</li> </ul>	In this section, we prepare our working trial balances for each fund and assimilate the financial statements and various reports required.
<ul style="list-style-type: none"> <li>• Engagement Planning</li> <li>• 8 hours</li> <li>• Audit Director/In charge Staff accountant</li> </ul>	This is the section where we identify significant accounts, assess risk, analyze and obtain an understanding of your internal control and develop audit programs.
<ul style="list-style-type: none"> <li>• Engagement Administration</li> <li>• 2 hours</li> <li>• In charge accountant/ Staff accountants</li> </ul>	In this section, we develop and track our audit plan hours and document our review of your minutes.
<ul style="list-style-type: none"> <li>• Audit Field Work</li> <li>• 24 hours</li> <li>• In charge accountant/ Staff accountant</li> </ul>	In this section, we develop and audit specific areas such as assets, liabilities, revenues, expenses/expenditures and your budget.
<ul style="list-style-type: none"> <li>• Closing the audit</li> <li>• 6 hours</li> <li>• Audit Director/Principal</li> <li>• In charge accountant</li> </ul>	In this area, all workpapers are reviewed, the financial statements are prepared/reviewed and we perform a disclosure checklist.

We utilize certain audit programs to determine our sample sizes which are randomly generated and the size is determined based on the parameters entered for the area tested. Most of our testing is non-statistical sampling.

We utilize various software programs during the audit process, including data extraction software.

We utilize various analytical procedures during the entire audit process to reduce testing, maintain audit efficiencies and analyze audit testing results.

We utilize internal control questionnaires to understand and document the District's internal controls. Generally, these questionnaires deal with cycles such as revenues, capital assets and expenses/expenditures.

### **SPECIFIC AUDIT APPROACH – (Continued)**

We have a working knowledge of the various Florida Statutes that impact the financial statements from our extensive experience in the audits of Community Development Districts and our compliance tests of applicable statutes is integrated into our audit processes and programs.

### **Anticipated Potential Audit Problems**

There are no significant potential audit problems we see for the fiscal year ended September 30, 2020. There have been no new GASB pronouncements that impact the District nor have there been any significant changes in compliance areas.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **J. W. Gaines, CPA, CITP**

Director – 40 years

#### **Education**

- ◆ Stetson University, B.B.A. – Accounting

#### **Registrations**

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy
- ◆ Certified Information Technology Professional (CITP) – American Institute of Certified Public Accountants

#### **Professional Affiliations/Community Service**

- ◆ Member of the American and Florida Institutes of Certified Public Accountants
- ◆ Affiliate member Government Finance Officers Association
- ◆ Past President, Vice President-Campaign Chairman, Vice President and Board Member of United Way of St. Lucie County, 1989 - 1994
- ◆ Past President, President Elect, Secretary and Treasurer of the Treasure Coast Chapter of the Florida Institute of Certified Public Accountants, 1988 - 1991
- ◆ Past President of Ft. Pierce Kiwanis Club, 1994 - 95, Member/Board Member since 1982
- ◆ Past President, Vice President and Treasurer of St. Lucie County Chapter of the American Cancer Society, 1980 -1986
- ◆ Member of the St. Lucie County Chamber of Commerce, Member Board of Directors, Treasurer, September 2002 - 2006, Chairman Elect 2007, Chairman 2008, Past Chairman 2009
- ◆ Member Lawnwood Regional Medical Center Board of Trustees, 2000 – Present, Chairman 2013 - Present
- ◆ Member of St. Lucie County Citizens Budget Committee, 2001 – 2002
- ◆ Member of Ft. Pierce Citizens Budget Advisory Committee, 2010 – 2011
- ◆ Member of Ft. Pierce Civil Service Appeals Board, 2013 - Present

#### **Professional Experience**

- ◆ Miles Grant Development/Country Club – Stuart, Florida, July 1975 – October 1976
- ◆ State Auditor General's Office – Public Accounts Auditor – November 1976 through September 1979
- ◆ Director - Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL, responsible for numerous government and nonprofit audits.
- ◆ Over 30 years experience in all phases of public accounting and auditing experience, with a concentration in financial and compliance audits. Mr. Gaines has been involved in all phases of the audits listed on the preceding pages.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

**J. W. Gaines, CPA, CITP (Continued)**

Director

#### **Continuing Professional Education**

- ◆ Has participated in numerous continuing professional education courses provided by nationally recognized sponsors over the last two years to keep abreast of the latest developments in accounting and auditing such as:
  - Governmental Accounting Report and Audit Update
  - Analytical Procedures, FICPA
  - Annual Update for Accountants and Auditors
  - Single Audit Sampling and Other Considerations

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **David S. McGuire, CPA, CITP**

Accounting and Audit Principal – 11 years

Accounting and Audit Manager – 4 years

Staff Accountant – 11 years

#### **Education**

- ◆ University of Central Florida, B.A. – Accounting
- ◆ Barry University – Master of Professional Accountancy

#### **Registrations**

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy
- ◆ Certified Information Technology Professional (CITP) – American Institute of Certified Public Accountants
- ◆ Certified Not-For-Profit Core Concepts 2018

#### **Professional Affiliations/Community Service**

- ◆ Member of the American and Florida Institutes of Certified Public Accountants
- ◆ Associate Member, Florida Government Finance Office Associates
- ◆ Assistant Coach – St. Lucie County Youth Football Organization (1994 – 2005)
- ◆ Assistant Coach – Greater Port St. Lucie Football League, Inc. (2006 – 2010)
- ◆ Board Member – Greater Port St. Lucie Football League, Inc. (2011 – present)
- ◆ Treasurer, AIDS Research and Treatment Center of the Treasure Coast, Inc. (2000 – 2003)
- ◆ Board Member/Treasurer, North Treasure Coast Chapter, American Red Cross (2004 – 2010)
- ◆ Member/Board Member of Port St. Lucie Kiwanis (1994 – 2001)
- ◆ President (2014/15) of Sunrise Kiwanis of Fort Pierce (2004 – present)
- ◆ St. Lucie District School Board Superintendent Search Committee (2013 – present)

#### **Professional Experience**

- ◆ Twenty-four years public accounting experience with an emphasis on nonprofit and governmental organizations.
- ◆ Audit Manager in-charge on a variety of audit and review engagements within several industries, including the following government and nonprofit organizations:
  - St. Lucie County, Florida
  - 19<sup>th</sup> Circuit Office of Medical Examiner
  - Troup Indiantown Water Control District
  - Exchange Club Center for the Prevention of Child Abuse, Inc.
  - Healthy Kids of St. Lucie County
  - Mustard Seed Ministries of Ft. Pierce, Inc.
  - Reaching Our Community Kids, Inc.
  - Reaching Our Community Kids - South
  - St. Lucie County Education Foundation, Inc.
  - Treasure Coast Food Bank, Inc.
  - North Springs Improvement District
- ◆ Four years of service in the United States Air Force in computer operations, with a top secret (SCI/SBI) security clearance.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **David S. McGuire, CPA, CITP (Continued)**

Accounting and Audit Principal

#### **Continuing Professional Education**

- ◆ Mr. McGuire has attended numerous continuing professional education courses and seminars taught by nationally recognized sponsors in the accounting auditing and single audit compliance areas. He has attended courses over the last two years in those areas as follows:

Not-for-Profit Auditing Financial Results and Compliance Requirements

Update: Government Accounting Reporting and Auditing

Annual Update for Accountants and Auditors

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **David F. Haughton, CPA**

Accounting and Audit Manager – 28 years

#### **Education**

- ◆ Stetson University, B.B.A. – Accounting

#### **Registrations**

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy

#### **Professional Affiliations/Community Service**

- ◆ Member of the American and Florida Institutes of Certified Public Accountants
- ◆ Former Member of Florida Institute of Certified Public Accountants Committee on State and Local Government
- ◆ Affiliate Member Government Finance Officers Association (GFOA) for over 10 years
- ◆ Affiliate Member Florida Government Finance Officers Association (FGFOA) for over 10 years
- ◆ Technical Review – 1997 FICPA Course on State and Local Governments in Florida
- ◆ Board of Directors – Kiwanis of Ft. Pierce, Treasurer – 1994-1999; Vice President – 1999-2001

#### **Professional Experience**

- ◆ Twenty-seven years public accounting experience with an emphasis on governmental and nonprofit organizations.
- ◆ State Auditor General's Office – West Palm Beach, Staff Auditor, June 1985 to September 1985
- ◆ Accounting and Audit Manager of Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL, responsible for audit and accounting services including governmental and not-for-profit audits.
- ◆ Over 20 years of public accounting and governmental experience, specializing in governmental and nonprofit organizations with concentration in special districts, including Community Development Districts which provide services including water and sewer utilities. Governmental and non-profit entities served include the following:

##### **Counties:**

St. Lucie County

##### **Municipalities:**

City of Fort Pierce

City of Stuart

# ***Commitment to Quality Service***

<b>Personnel Qualifications and Experience</b>
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**David F. Haughton, CPA (Continued)**  
Accounting and Audit Manager

**Professional Experience (Continued)**

**Special Districts:**

- Bluewaters Community Development District
- Country Club of Mount Dora Community Development District
- Fiddler’s Creek Community Development District #1 and #2
- Indigo Community Development District
- North Springs Improvement District
- Renaissance Commons Community Development District
- St. Lucie West Services District
- Stoneybrook Community Development District
- Summerville Community Development District
- Terracina Community Development District
- Thousand Oaks Community Development District
- Tree Island Estates Community Development District
- Valencia Acres Community Development District

**Non-Profits:**

- The Dunbar Center, Inc.
- Hibiscus Children’s Foundation, Inc.
- Hope Rural School, Inc.
- Maritime and Yachting Museum of Florida, Inc.
- Tykes and Teens, Inc.
- United Way of Martin County, Inc.
- Workforce Development Board of the Treasure Coast, Inc.

- ◆ While with the Auditor General’s Office he was on the staff for the state audits of the Martin County School District and Okeechobee County School District.
- ◆ During 1997 he performed a technical review of the Florida Institute of Certified Public Accountants state CPE course on Audits of State and Local Governments in Florida. His comments were well received by the author and were utilized in future updates to the course.

**Continuing Professional Education**

- ◆ During the past several years, he has participated in numerous professional development training programs sponsored by the AICPA and FICPA, including state conferences on special districts and governmental auditing in Florida. He averages in excess of 100 hours bi-annually of advanced training which exceeds the 80 hours required in accordance with the continuing professional education requirements of the Florida State Board of accountancy and the AICPA Private Companies Practice Section. He has over 75 hours of governmental CPE credit within the past two years.



## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Matthew Gonano, CPA**

Senior Staff Accountant – 8 years

#### **Education**

- ◆ University of North Florida, B.B.A. – Accounting
- ◆ University of Alicante, Spain – International Business
- ◆ Florida Atlantic University – Masters of Accounting

#### **Professional Affiliations/Community Service**

- ◆ American Institute of Certified Public Accountants
- ◆ Florida Institute of Certified Public Accountants

#### **Professional Experience**

- ◆ Senior Accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.
- ◆ Performed audits of nonprofit and governmental organizations in accordance with Governmental Accounting Auditing Standards (GAAS)
- ◆ Performed Single Audits of nonprofit organizations in accordance with OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations.

#### **Continuing Professional Education**

- ◆ Mr. Gonano has participated in numerous continuing professional education courses.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Paul Daly**

Staff Accountant – 7 years

#### **Education**

- ◆ Florida Atlantic University, B.S. – Accounting

#### **Professional Experience**

- ◆ Staff Accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

#### **Continuing Professional Education**

- ◆ Working to attain the requirements to take the Certified Public Accounting (CPA) exam.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Melissa Marlin**

Senior Staff Accountant – 5 years

#### **Education**

- ◆ Indian River State College, A.A. – Accounting
- ◆ Florida Atlantic University, B.B.A. – Accounting

#### **Professional Experience**

- ◆ Staff accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

#### **Continuing Professional Education**

- ◆ Mrs. Marlin participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.
- ◆ Mrs. Marlin is currently studying to pass the CPA exam.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Bryan Snyder**

Staff Accountant – 4 years

#### **Education**

- ◆ Florida Atlantic University, B.B.A. – Accounting

#### **Professional Experience**

- ◆ Accountant beginning his professional auditing career with Berger, Toombs, Elam, Gaines, & Frank.
- ◆ Mr. Snyder is gaining experience auditing governmental & nonprofit entities.

#### **Continuing Professional Education**

- ◆ Mr. Snyder participates in numerous continuing education courses and plans on working to acquire his CPA certificate.
- ◆ Mr. Snyder is currently studying to pass the CPA exam.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Maritza Stonebraker**

Staff Accountant – 3 years

#### **Education**

- ◆ Indian River State College, B.S.A. – Accounting

#### **Professional Experience**

- ◆ Staff Accountant beginning her professional auditing career with Berger, Toombs, Elam, Gaines, & Frank.

#### **Continuing Professional Education**

- ◆ Mrs. Stonebraker participates in numerous continuing education courses and plans on acquiring her CPA.
- ◆ Mrs. Stonebraker is currently studying to pass the CPA exam.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Jonathan Herman, CPA**

Senior Staff Accountant – 5 years

#### **Education**

- ◆ University of Central Florida, B.S. – Accounting
- ◆ Florida Atlantic University, MACC

#### **Professional Experience**

- ◆ Accounting graduate with five years experience with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

#### **Continuing Professional Education**

- ◆ Mr. Herman participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Sean Stanton, CPA**

Staff Accountant – 3 years

#### **Education**

- ◆ University of South Florida, B.S. – Accounting
- ◆ Florida Atlantic University, M.B.A. – Accounting

#### **Professional Experience**

- ◆ Staff accountant with Berger, Toombs, Elam, Gaines, & Frank auditing governmental and non-profit entities.

#### **Continuing Professional Education**

- ◆ Mr. Stanton participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.

## ***Commitment to Quality Service***

<b>Personnel Qualifications and Experience</b>
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### **Taylor Nuccio**

Staff Accountant – 1 year

#### **Education**

- ◆ Indian River State College, B.S.A. – Accounting

#### **Professional Experience**

- ◆ Staff Accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

#### **Continuing Professional Education**

- ◆ Ms. Nuccio participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.
- ◆ Ms. Nuccio is currently working towards completing an additional 30 hours of education to qualify to sit for CPA exam.



## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Kirk Vasser**

Staff Accountant

#### **Education**

- ◆ Indian River State College, B.S.A. – Accounting

#### **Professional Experience**

- ◆ Staff Accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

#### **Continuing Professional Education**

- ◆ Mr. Vasser participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.
- ◆ Mr. Vasser is currently working towards completing an additional 30 hours of education to qualify to sit for CPA exam.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Madison Ballash**

Staff Accountant

#### **Education**

- ◆ Indian River State College, B.S.A. – Accounting (May 2020)

#### **Professional Experience**

- ◆ Staff Accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

#### **Continuing Professional Education**

- ◆ Ms. Ballash participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.
- ◆ Ms. Ballash is currently working towards completing an additional 30 hours of education to qualify to sit for CPA exam.



Judson B. Baggett    6815 Dairy Road  
MBA, CPA, CVA, Partner    Zephyrhills, FL 33542  
Marci Reutimann    (813) 788-2155  
CPA, Partner    (813) 782-8606

### Report on the Firm's System of Quality Control

To the Partners  
Berger, Toombs, Elam, Gaines & Frank, CPAs, PL  
and the Peer Review Committee of the Florida Institute of Certified Public Accountants

October 30, 2019

We have reviewed the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs, PL, (the firm), in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [aicpa.org/prsummary](http://aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control, and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs, PL, in effect for the year ended May 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Berger, Toombs, Elam, Gaines & Frank, CPAs, PL has received a peer review rating of *pass*.

*Baggett, Reutimann & Associates, CPAs, PA*  
BAGGETT, REUTIMANN & ASSOCIATES, CPAs, PA  
Signed Electronically by: Judson B. Baggett, Reutimann & Associates, CPAs, PA, 1/31/2019 email: jbb@baggettspa.com

**ESPLANADE LAKE CLUB COMMUNITY DEVELOPMENT DISTRICT  
(Hereinafter called "District")  
REQUEST FOR PROPOSALS**

**I. PROPOSAL REQUIREMENTS**

- A. Legal Notice The Esplanade Lake Club Community Development District is requesting proposals from qualified firms of certified public accountants, licensed to practice in the State of Florida, to audit its financial statements for the fiscal year ending September 30, 2020 and in the sole and absolute discretion of the District for each fiscal year thereafter through September 30, 2024.

There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Sealed technical and dollar cost proposals will be received by the District Manager's office until 11:00 a.m., on May 28, 2020, located at 2900 Northeast 12th Terrace, Suite 1, Oakland Park, Florida 33334. Proposals received after this time will be returned unopened.

The Proposer shall submit a sealed and clearly marked envelope that includes both a pdf file along with seven (7) printed Technical and Dollar Cost Proposals to be marked as follows: "Esplanade Lake Club Community Development District, Professional Auditing Services Proposal."

The Technical and Dollar Cost Proposal will be opened in the Office of the District Manager at 11:00 a.m., on Thursday, May 28, 2020.

Proposals submitted will be evaluated by a five (5) member Auditor Selection Committee, ("Selection Committee"). The Audit Selection Committee consists of the five (5) members' of the Board of Supervisor's, who will review submissions.

The District reserves the right to retain all proposals submitted and to use, without compensation, any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District of and the firm selected.

The District reserves the right to reject any or all proposals submitted or to retain all proposals submitted and to use without compensation any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of all of the conditions contained this Request for Proposal.

## B. General Information

During the evaluation process, the Selection Committee and the District reserve the right, where it may serve the District best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the District or the Selection Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

It is anticipated the selection of a firm will be completed no later than August 2020. Following the notification of the selected firm, it is expected a contract will be executed by the end of August 2020.

## C. Subcontracting

No subcontracting will be permitted. Any firm who submits a proposal, which contains any subcontracting work, shall be considered non-responsive and the District will not give any further consideration to the proposal.

## D. Insurance Requirements

Worker's Compensation – Statutory Limits of Florida Statutes.

Commercial General Liability – Occurrence Form patterned after the current I.S.O. form with no limiting endorsements. Bodily Injury & Property Damage at \$1,000,000 single limit per occurrence

Automobile Liability – \$500,000 each Occurrence Owned/Non-owned/Hired Automobile Included.

The District, its agents and employee's must be named as "ADDITIONAL INSURED" on the insurance Certificate for Commercial General Liability.

Errors and Omissions – \$5,000,000 single limit per occurrence. Proposer warrants that it is willing and able to obtain insurance coverage, throughout the entire term of the contract and any renewals thereof.

## II. NATURE OF SERVICES REQUIRED

### A. Scope of Work to be Performed

The District desires the auditor to express an opinion on the fair presentation of its general-purpose financial statements in conformity with generally accepted accounting principles. The District also desires the auditor to express an opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

## B. Auditing Standards to be followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with the following standards:

- 1) Generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants.
- 2) The standards for financial audits set forth in the most current applicable U.S. General Accounting Office's (GAO) Government Auditing Standards.
- 3) The most current applicable provisions of the Federal Single Audit Act of 1984 (as amended).
- 4) The most current applicable provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and NonProfit Organizations, Audits of State and Local Governments.
- 5) The most current applicable Codification of Governmental Accounting and Financial Reporting Standards as promulgated by the Governmental Accounting Standards Board The most current applicable Statements on Auditing Standards issued by the American Institute of Certified Public Accountants.
- 6) The most current applicable Government Auditing Standards published by the Comptroller General of the United States.
- 7) The most current applicable Audit and Accounting Guide-Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.
- 8) The most current applicable Statements and interpretations issued by the Financial Accounting Standards Board.
- 9) Applicable Florida Statutes.
- 10) Regulations of the State of Florida Department of Financial Services
- 11) Rules of the Auditor General, State of Florida, Chapter 10-550 (Local Government Audits)
- 12) Any other applicable federal, state, local regulations or professional guidance not specifically listed above as well as any additional requirements which may be adopted by these organizations in the future.

## C. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and 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.

3. A Management Letter Report.

In the required report(s) on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report. No reportable conditions discovered by the auditors shall be reported to management.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware of, to the Board of Supervisor's, the District Manager and a copy to the District Attorney.

D. Special Considerations

1. The District currently, may prepare one or more official statements in connection with the sale of debt securities, which will contain the general-purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
2. The District retains the right to use any audited financial statements in any Official Statement issued by the District without the express consent of the Auditor.

E. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the District of the need to extend the retention period.

THE AUDITOR SHALL PROVIDE A COMPLETE ELECTRONIC COPY OF THE WORKING PAPERS TO THE DISTRICT MANAGER AT THE COMPLETION OF THE AUDIT, PRIOR TO THE FINAL PAYMENT OF THE AUDITING FEES, BY THE DISTRICT.

The electronic copy shall be in Microsoft Word or Excel.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

### III. DESCRIPTION OF THE GOVERNMENT

#### A. Name and Telephone Number of Contact Persons/Location of Offices

The auditor's principal contact with the District will be James P. Ward, District Manager or a designated representative, who will coordinate the assistance to be provided by the District to the auditor.

#### B. A copy of the District's Budget for the audit period and the Audited Financial Statements for the prior Fiscal Year is available by contacting the District Manager.

#### C. Budgetary Basis of Accounting

The District prepares its budgets on a basis consistent with generally accepted accounting principles.

#### D. Pension Plans - NONE

#### E. Blended Component Units - NONE

The District is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. Using these criteria, there are no blended component units included in the District financial statements.

#### F. Joint Ventures - NONE 9

### IV. TIME REQUIREMENTS

#### A. Date Audit May Commence

The District will have all records ready for audit for by October 15th of each Fiscal Year.

#### B. Schedule for each Fiscal Year Audit

Each of the following should be completed by the auditor, no later than the dates indicated.

##### 1. Fieldwork

The auditor shall complete all fieldwork by November 30th of each year.

##### 2. Draft Reports

The auditor shall have drafts of the audit report[s] and recommendations to management available for review by December of each year.



C. Date Final Report is Due - 1 business day from Management Approval

The Auditor shall prepare draft financial statements, notes and all required supplementary information.

The final report should be delivered to the District Manager at 2900 Northeast 12th Terrace, Suite 1, Oakland Park, Florida 33334.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. The District staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of District and provided to the auditor to transmit. In addition any required hours of clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

B. Information Solutions (IS) Assistance

The District Manager also be available to provide systems documentation and explanations. The auditor will be provided computer time and limited read only access to the use of the District computer hardware and software.

C. Statements and Schedules to be Prepared by the District.

Statement or Schedule

Bank Confirmations  
Construction in Progress  
GFA Roll Forward  
Contract/Retainage Payable  
Accounts Payable  
Accounts Receivable  
Investments/Accrued Interest Receivable  
Operating Transfers  
Equity Accounts Detail  
Bond Reserve Requirements  
Amortization/Depreciation Schedules  
Interest Expense  
Debt Amortization Schedules

D. Auditor Work Location

All work must be handled at the office of the Auditor and the District will provide all files to the Auditor electronically and the Auditor will be provided limited read only access to the District's electronic system.

## E. Report Preparation

Report preparation and editing shall be the responsibility of the auditor and the Auditor shall deliver 1 printed original of the Audited Financial Statements and one (1) electronic file in word and one (1) electronic file in pdf format.

## VI. PROPOSAL REQUIREMENTS

### A. Technical and Dollar Cost Proposal

#### 1. General Requirements

The purpose of the Technical and Dollar Cost Proposal is to demonstrate the qualifications, competence and capability of the firms seeking to undertake an independent audit of the District in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical and Dollar Cost Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The Technical and Dollar Cost Proposal should address all the points outlined in the request for proposal. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals.

While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

#### 2. Independence

The firm should provide an affirmative statement that is independent of the District as defined by generally accepted auditing standards/the most current applicable U.S. General Accounting Office's *Government Auditing Standards*.

The firm also should provide an affirmative statement that it is independent of all of the component units of the District as defined by those same standards.

The firm should also list and describe the firm's professional relationships involving the District for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the District written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Florida

An affirmative statement should be included that the firm and all assigned key professional staff are properly registered/licensed to practice in the State of Florida.

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations, as well as, 12 | Page an explanation of all pending litigation against governmental entities, including all accounts of Federal indictments for any civil or criminal matters for which the firm has been charged. The firm shall also provide information as to any and all litigation or arbitration in Florida within the last three (3) years, in which the firm is or was a Defendant.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Florida. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the District. However, in either case, the District retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the District, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the District

List separately all engagements within the last five years, ranked on the basis of total staff hours, by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as District's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the District's internal control structure

- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
  - h. Approach to be taken in drawing audit samples for purposes of tests of compliance
9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the District.

10. Report Format

The proposal should include sample formats for required reports.

B. Dollar Cost Proposal

1. Total All-Inclusive Maximum Price

The dollar cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be proposal is to contain all direct and indirect costs including all out-of-pocket expenses.

The District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost proposal. Such costs should not be included in the proposal.

The first page of the dollar cost proposal should include the following information:

- a. Name of Firm
  - b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the District.
  - c. A Total All-Inclusive Maximum Price for the Audited Financial Statements for each Fiscal Year.
2. Out-of-pocket Expenses must be included in the Total All-inclusive Maximum Price and Reimbursement Rates.

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates in Florida Statutes.

3. Manner of Payment

Progress payments will be made in accordance with the Florida Prompt Payment Act.

## VII. EVALUATION PROCEDURES

### A. Review of Proposals

The SELECTION COMMITTEE will evaluate and rank the proposals. Each member of the SELECTION COMMITTEE will evaluate and rank each technical proposal by each of the criteria described in Section VII B below.

After the rankings for the firms have been established, the sealed dollar cost proposal will be opened and will be utilized for the ranking of the firms.

### B. Evaluation Criteria Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals ranked for both technical qualifications. The following represent the principal selection criteria, which will be considered during the evaluation process.

#### 1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Florida
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the District
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work

#### 2. Technical Qualifications:

##### a. Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements.
- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- (3) The firm provides information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, with state regulatory bodies or professional organizations, as well as, an explanation of all pending litigation against governmental entities, including all accounts of Federal indictments for any civil or criminal matters for which the firm has been charged. The firm also provides information as to any and all litigation or arbitration in Florida within the last three (3) years, in which the firm is or was a Defendant.

b. Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement
- (2) Adequacy of sampling techniques
- (3) Adequacy of analytical procedures

Proposals shall be ranked on the basis of their Technical Qualifications by each member of the SELECTION COMMITTEE who will assign each of the top five proposals a number of one (1) through five (5), with one (1) signifying the highest rated proposal and five (5) signifying the lowest rated proposal.

3. Price:

Proposals shall be ranked on the basis of their price by the SELECTION COMMITTEE who will assign each of the top five proposals a number of one (1) through five (5), with one (1) signifying the lowest price and five (5) signifying the highest price.

Upon reconciliation of the weighted scores defined above, the proposal with the lowest average ranking score will be ranked one (1), the proposal with the second lowest average ranking score will be ranked two (2), and so on until all proposals are scored and ranked. The proposal ranked one (1), in the ranking form provided in the attachment (Appendix C), will be recommended by the SELECTION COMMITTEE to the District for award of the contract.

C. Oral Presentations

During the evaluation process, the SELECTION COMMITTEE may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the SELECTION COMMITTEE may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted 17 | Page and confirmed in the contract between the District and the firm selected. The District reserves the right to reject any or all proposals.

**APPENDIX A  
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES  
AUDITED FINANCIAL STATEMENTS**

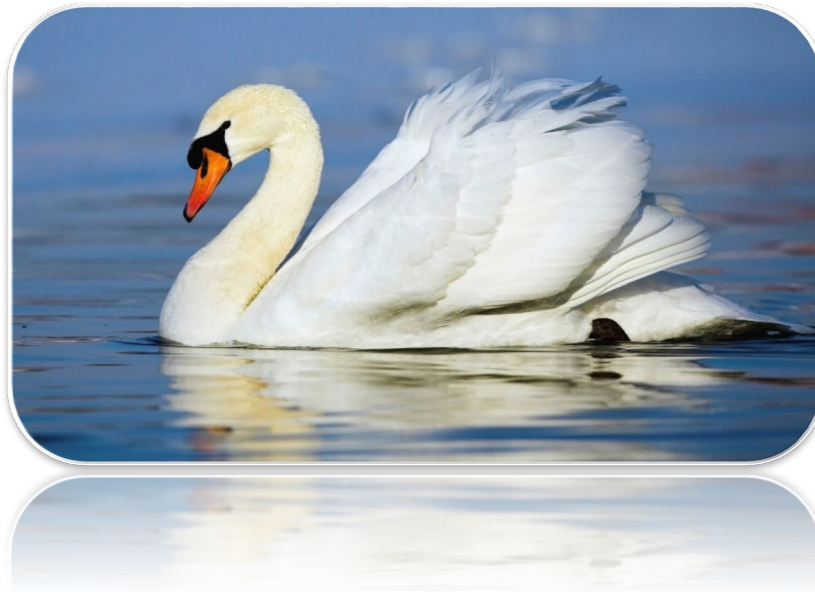
Fee shall include all services, including but not limited to Out-of-Pocket expenses, meals and lodging, transportation, printing and binding, telephone, fax, copies.

Fiscal Year 2020	_____ \$3,985 _____
Fiscal Year 2021	_____ \$3,985 _____
Fiscal Year 2022	_____ \$4,175 _____
Fiscal Year 2023	_____ \$4,175 _____
Fiscal Year 2024	_____ \$4,365 _____
 TOTAL ALL YEARS	 _____ \$20,685 _____



# ESPLANADE LAKE CLUB COMMUNITY DEVELOPMENT DISTRICT

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## FINANCIAL STATEMENTS - APRIL, 2020

FISCAL YEAR 2021

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PREPARED BY:

JPWARD & ASSOCIATES, LLC, 2900 NORTHEAST 12<sup>TH</sup> TERRACE, SUITE 1, OAKLAND PARK, FL 33334

T: 954-658-4900 E: [JimWard@JPWardAssociates.com](mailto:JimWard@JPWardAssociates.com)

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*Esplanade Lake Club Community Development District*

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*JPWard & Associates LLC*

*2900 Northeast 12th Terrace*

*Suite 1*

*Oakland Park, Florida 33334*

*Phone: (954) 658-4900*

**Esplanade Lake Club Community Development District  
Balance Sheet  
for the Period Ending April 30, 2020**

	Governmental Funds					Totals (Memorandum Only)
	General Fund	Debt Service Fund	Capital Projects Fund		Account Groups	
		Series 2019A-1 & 2019A12	Series 2019A-1 & 2019A12	General Long Term Debt		
<b>Assets</b>						
<b>Cash and Investments</b>						
General Fund - Invested Cash	\$ 19,830	\$ -	\$ -	\$ -	\$ -	\$ 19,830
Debt Service Fund						
Interest Account						
Series 2019A-1	-	-	-	-	-	-
Series 2019A-2	-	-	-	-	-	-
Sinking Account						
Series 2019A-1	-	-	-	-	-	-
Series 2019A-2	-	-	-	-	-	-
Reserve Account						
Series 2019A-1	-	432,147	-	-	-	432,147
Series 2019A-2	-	217,684	-	-	-	217,684
Revenue						
Series 2019A-1	-	-	-	-	-	-
Series 2019A-2	-	-	-	-	-	-
Prepayment Account						
Series 2019A-1	-	-	-	-	-	-
Series 2019A-2	-	-	-	-	-	-
General Redemption Account						
Series 2019A-1	-	-	-	-	-	-
Series 2019A-2	-	-	-	-	-	-
Capitalized Interest						
Series 2019A-1	-	505,402	-	-	-	505,402
Series 2019A-2	-	254,176	-	-	-	254,176
Retainage Account						
Series 2019A-1	-	-	1,124,701	-	-	1,124,701
Series 2019A-2	-	-	778,434	-	-	778,434

Prepared by:

**JWARD and Associates, LLC**

**Esplanade Lake Club Community Development District  
Balance Sheet  
for the Period Ending April 30, 2020**

	Governmental Funds				Totals (Memorandum Only)
	General Fund	Debt Service Fund	Capital Projects Fund	Account Groups	
		Series 2019A-1 & 2019A12	Series 2019A-1 & 2019A12	General Long Term Debt	
Construction					
Series 2019A-1	-	-	4,402,056	-	4,402,056
Series 2019A-2	-	-	5,969,614	-	5,969,614
Cost of Issuance					
Series 2019A-1	-	-	10,738	-	10,738
Series 2019A-2	-	-	3,953	-	3,953
<b>Due from Other Funds</b>					
General Fund	-	-	-	-	-
Debt Service Fund(s)	-	-	-	-	-
Capital Projects Fund(s)	-	-	-	-	-
<b>Market Valuation Adjustments</b>	-	-	-	-	-
<b>Accrued Interest Receivable</b>	-	-	-	-	-
<b>Assessments Receivable/Deposits</b>	-	-	-	-	-
<b>Amount Available in Debt Service Funds</b>	-	-	-	1,409,409	1,409,409
<b>Amount to be Provided by Debt Service Funds</b>	-	-	-	20,895,591	20,895,591
<b>Investment in General Fixed Assets (net of depreciation)</b>	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 19,830</b>	<b>\$ 1,409,409</b>	<b>\$ 12,289,496</b>	<b>\$ 22,305,000</b>	<b>\$ 36,023,735</b>

**Esplanade Lake Club Community Development District  
Balance Sheet  
for the Period Ending April 30, 2020**

	Governmental Funds				
	General Fund	Debt Service Fund	Capital Projects Fund	Account Groups	
		Series 2019A-1 & 2019A12	Series 2019A-1 & 2019A12	General Long Term Debt	Totals (Memorandum Only)
<b>Liabilities</b>					
<b>Accounts Payable &amp; Payroll Liabilities</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Due to Other Funds</b>					
General Fund	-	-	-	-	-
Debt Service Fund(s)	-	-	-	-	-
Capital Projects Fund(s)	-	-	-	-	-
<b>Bonds Payable</b>					
Current Portion	-	-	-	-	-
Long Term	-	-	-	22,305,000	22,305,000
Unamortized Prem/Disc on Bds Pybl	-	-	-	-	-
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,305,000</u>	<u>\$ 22,305,000</u>
<b>Fund Equity and Other Credits</b>					
<b>Investment in General Fixed Assets</b>	-	-	-	-	-
<b>Unamortized Premium/Discount on Bonds</b>					
<b>Series 2019A-1</b>	-	-	(30,463)	-	(30,463)
<b>Series 2019A-2</b>	-	-	(15,308)	-	(15,308)
<b>Fund Balance</b>					
<b>Restricted</b>					
Beginning: October 1, 2019 (Unaudited)	-	-	-	-	-
Results from Current Operations	-	1,409,409	12,335,267	-	13,744,676
<b>Unassigned</b>					
Beginning: October 1, 2019 (Unaudited)	10,194	-	-	-	10,194
Results from Current Operations	9,636	-	-	-	9,636
<b>Total Fund Equity and Other Credits</b>	<u>\$ 19,830</u>	<u>\$ 1,409,409</u>	<u>\$ 12,289,496</u>	<u>\$ -</u>	<u>\$ 13,718,735</u>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<u>\$ 19,830</u>	<u>\$ 1,409,409</u>	<u>\$ 12,289,496</u>	<u>\$ 22,305,000</u>	<u>\$ 36,023,735</u>

**Esplanade Lake Club Community Development District**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through April 30, 2020**

Description	December	January	February	March	April	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>								
<b>Carryforward</b>	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
<b>Interest</b>								
Interest - General Checking	-	-	-	-	-	-	-	N/A
<b>Special Assessment Revenue</b>								
Special Assessments - On-Roll	-	-	-	-	-	-	-	N/A
Special Assessments - Off-Roll	-	-	-	-	-	-	-	N/A
<b>Developer Contribution</b>	35,000			30,000		65,000		N/A
<b>Intragovernmental Transfer In</b>	-	-	-	-	-	-	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>65,000</b>	<b>\$ -</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>								
<b>Executive</b>								
Professional Management	3,333	3,333	3,333	3,333	3,333	23,333	-	N/A
<b>Financial and Administrative</b>								
Audit Services	-	-	-	-	-	-	-	N/A
Accounting Services	667	667	667	667	3,333	7,333	-	N/A
Assessment Roll Services	-	-	-	-	-	-	-	N/A
Arbitrage Rebate Services	-	-	-	-	-	-	-	N/A
<b>Other Contractual Services</b>								
Legal Advertising	1,844	-	580	-	-	2,724	-	N/A
Trustee Services	-	-	-	-	-	-	-	N/A
Dissemination Agent Services	-	-	-	-	-	-	-	N/A
Property Appraiser Fees	-	-	-	-	-	-	-	N/A
Bank Service Fees	25	24	24	25	23	171	-	N/A
<b>Communications &amp; Freight Services</b>								
Postage, Freight & Messenger	30	-	30	38	-	126	-	N/A

**Esplanade Lake Club Community Development District  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Through April 30, 2020**

Description	December	January	February	March	April	Year to Date	Total Annual Budget	% of Budget
<b>Computer Services - Website Development</b>	100	50	50	50	-	300	-	N/A
<b>Insurance</b>	-	-	-	-	-	5,125	-	N/A
<b>Printing &amp; Binding</b>	294	-	-	-	-	638	-	N/A
<b>Subscription &amp; Memberships</b>	-	-	-	-	-	175	-	N/A
<b>Legal Services</b>								
Legal - General Counsel	4,190	-	8,669	1,656	-	14,516	-	N/A
Legal - Series 2019 Bonds	-	-	540	-	-	540	-	N/A
Legal - Boundary Amendment	213	-	-	-	171	384	-	N/A
<b>Other General Government Services</b>								
Engineering Services	-	-	-	-	-	-	-	N/A
Contingencies	-	-	-	-	-	-	-	N/A
Other Current Charges	-	-	-	-	-	-	-	N/A
<b>Other Fees and Charges</b>	-	-	-	-	-	-	-	N/A
Discounts/Collection Fees	-	-	-	-	-	-	-	-
<b>Sub-Total:</b>	<b>10,696</b>	<b>4,074</b>	<b>13,892</b>	<b>5,769</b>	<b>6,862</b>	<b>55,364</b>	-	<b>N/A</b>
<b>Total Expenditures and Other Uses:</b>	<b>\$ 10,696</b>	<b>\$ 4,074</b>	<b>\$ 13,892</b>	<b>\$ 5,769</b>	<b>\$ 6,862</b>	<b>\$ 55,364</b>	<b>\$ -</b>	<b>N/A</b>
Net Increase/ (Decrease) in Fund Balance	24,304	(4,074)	(13,892)	24,231	(6,862)	9,636	-	
Fund Balance - Beginning	(3,877)	20,426	16,352	2,460	26,692	10,194	-	
<b>Fund Balance - Ending</b>	<b>\$ 20,426</b>	<b>\$ 16,352</b>	<b>\$ 2,460</b>	<b>\$ 26,692</b>	<b>\$ 19,830</b>	<b>19,830</b>	<b>\$ -</b>	

**Esplanade Lake Club Community Development District**  
**Debt Service Fund - Series 2019A-1**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through April 30, 2020**

Description	December	January	February	March	April	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>								
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
<b>Interest Income</b>								
Interest Account								
Series 2019A-1	-	-	-	-	-	-	-	N/A
Series 2019A-2	-	-	-	-	-	-	-	N/A
Sinking Fund								
Series 2019A-1	-	-	-	-	-	-	-	N/A
Series 2019A-2	-	-	-	-	-	-	-	N/A
Reserve Account								
Series 2019A-1	-	16	55	45	20	137	-	N/A
Series 2019A-2	-	11	28	23	10	72	-	N/A
Prepayment Account								
Series 2019A-1	-	-	-	-	-	-	-	N/A
Series 2019A-2	-	-	-	-	-	-	-	N/A
Revenue Account								
Series 2019A-1	-	-	-	-	-	-	-	N/A
Series 2019A-2	-	-	-	-	-	-	-	N/A
Capitalized Interest								
Series 2019A-1	-	19	64	53	24	160	-	N/A
Series 2019A-2	-	13	32	27	12	84	-	N/A
<b>Special Assessment Revenue</b>								
Special Assessments - On-Roll	-	-	-	-	-	-	-	N/A
Special Assessments - Off-Roll	-	-	-	-	-	-	-	N/A
Special Assessments - Prepayment	-	-	-	-	-	-	-	N/A
Intragovernmental Transfers In	-	-	-	-	-	-	-	N/A
<b>Debt Proceeds</b>								
Debt Proceeds Series 2019A-1	937,252	-	-	-	-	937,252	-	N/A
Debt Proceeds Series 2019A-2	471,706	-	-	-	-	471,706	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ 1,408,957</b>	<b>\$ 58</b>	<b>\$ 179</b>	<b>\$ 148</b>	<b>\$ 67</b>	<b>1,409,409</b>	<b>\$ -</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>								
<b>Debt Service</b>								
<b>Principal Debt Service - Mandatory</b>								
Series 2019A-1 Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
Series 2019A-2 Bonds	-	-	-	-	-	-	-	N/A
<b>Principal Debt Service - Early Redemptions</b>								
Series 2019A-1 Bonds	-	-	-	-	-	-	-	N/A
Series 2019A-2 Bonds	-	-	-	-	-	-	-	N/A
<b>Interest Expense</b>								
Series 2019A-1 Bonds	-	-	-	-	-	-	-	N/A
Series 2019A-2 Bonds	-	-	-	-	-	-	-	N/A
Operating Transfers Out (To Other Funds)	-	-	-	-	-	-	-	N/A
<b>Total Expenditures and Other Uses:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>N/A</b>
Net Increase/ (Decrease) in Fund Balance	1,408,957	58	179	148	67	1,409,409	-	
Fund Balance - Beginning	-	1,408,957	1,409,015	1,409,194	1,409,343	-	-	
<b>Fund Balance - Ending</b>	<b>\$ 1,408,957</b>	<b>\$ 1,409,015</b>	<b>\$ 1,409,194</b>	<b>\$ 1,409,343</b>	<b>\$ 1,409,409</b>	<b>1,409,409</b>	<b>\$ -</b>	

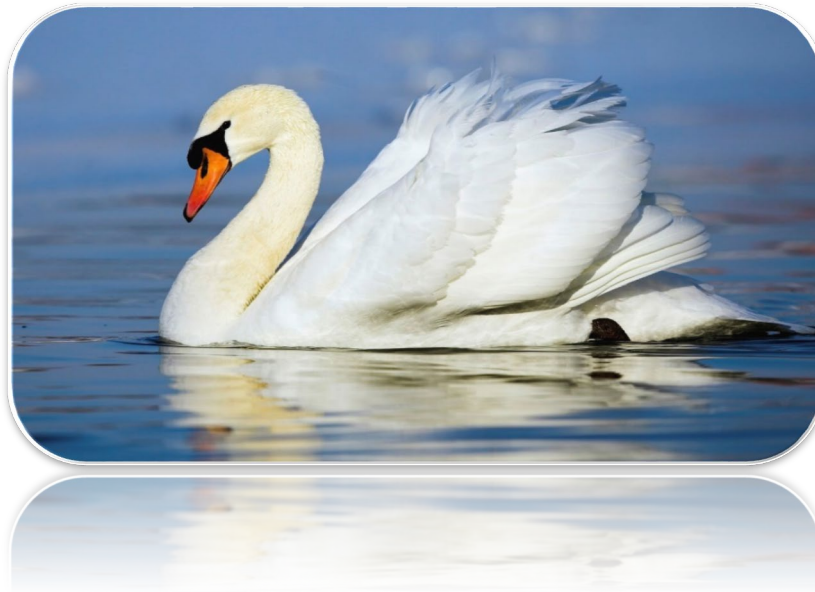


**Esplanade Lake Club Community Development District**  
**Capital Project Fund - Series 2019A-1**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through April 30, 2020**

Description	December	January	February	March	April	Year to Date	Total Annual Budget
<b>Revenue and Other Sources</b>							
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Interest Income</b>							
Construction Account							
Series 2019A-1	-	217	559	463	209	1,448	-
Series 2019A-2	-	294	758	628	283	1,963	-
Cost of Issuance							
Series 2019A-1	-	0	2	1	1	4	-
Series 2019A-2	-	0	1	0	0	2	-
Retainage Account							
Series 2019A-1	-	42	143	118	53	356	-
Series 2019A-2	-	38	99	82	37	256	-
<b>Debt Proceeds</b>							
Debt Proceeds Series 2019A-1	13,902,748	-	-	-	-	13,902,748	-
Debt Proceeds Series 2019A-2	6,993,294	-	-	-	-	6,993,294	-
<b>Operating Transfers In (From Other Funds)</b>							
Total Revenue and Other Sources:	<u>\$ 20,896,043</u>	<u>\$ 592</u>	<u>\$ 1,561</u>	<u>\$ 1,293</u>	<u>\$ 583</u>	<u>\$ 20,900,071</u>	<u>\$ -</u>
<b>Expenditures and Other Uses</b>							
<b>Executive</b>							
Professional Management	50,000	-	-	-	-	\$ 50,000	\$ -
<b>Other Contractual Services</b>							
Trustee Services	10,350	-	-	-	-	\$ 10,350	\$ -
<b>Printing &amp; Binding</b>							
Printing & Binding	-	-	1,500	-	-	\$ 1,500	\$ -
<b>Legal Services</b>							
Legal - Series 2019	170,500	-	540	-	-	\$ 171,040	-
<b>Capital Outlay</b>							
Water-Sewer Combination-Construction	4,635,734	-	-	-	-	\$ 4,635,734	\$ -
Stormwater Mgmt-Construction	2,250,934	-	-	-	-	\$ 2,250,934	\$ -
Engineering Services	494,481	-	-	-	-	\$ 494,481	\$ -
Road Improvements	504,665	-	-	-	-	\$ 504,665	-
<b>Underwriters Discount</b>							
Series 2019A-1	296,800	-	-	-	-	\$ 296,800	\$ -
Series 2019A-2	149,300	-	-	-	-	\$ 149,300	\$ -
<b>Cost of Issuance</b>							
Series 2019A-1	-	-	-	-	-	\$ -	\$ -
Series 2019aA-2	-	-	-	-	-	\$ -	\$ -
<b>Operating Transfers Out (To Other Funds)</b>							
Total Expenditures and Other Uses:	<u>\$ 8,562,765</u>	<u>\$ -</u>	<u>\$ 2,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,564,804</u>	<u>\$ -</u>
Net Increase/ (Decrease) in Fund Balance	\$ 12,333,278	\$ 592	\$ (479)	\$ 1,293	\$ 583	\$ 12,335,267	-
Fund Balance - Beginning	\$ -	\$ 12,333,278	\$ 12,333,870	\$ 12,333,391	\$ 12,334,684	-	-
<b>Fund Balance - Ending</b>	<u>\$ 12,333,278</u>	<u>\$ 12,333,870</u>	<u>\$ 12,333,391</u>	<u>\$ 12,334,684</u>	<u>\$ 12,335,267</u>	<u>\$ 12,335,267</u>	<u>\$ -</u>

# ESPLANADE LAKE CLUB COMMUNITY DEVELOPMENT DISTRICT

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## FINANCIAL STATEMENTS - MAY, 2020

FISCAL YEAR 2020

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PREPARED BY:

JPWARD & ASSOCIATES, LLC, 2900 NORTHEAST 12<sup>TH</sup> TERRACE, SUITE 1, OAKLAND PARK, FL 33334

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*Esplanade Lake Club Community Development District*

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*JPWard & Associates LLC*

*2900 Northeast 12th Terrace*

*Suite 1*

*Oakland Park, Florida 33334*

*Phone: (954) 658-4900*

**Esplanade Lake Club Community Development District**  
**Balance Sheet**  
**for the Period Ending May 31, 2020**

	Governmental Funds					Totals (Memorandum Only)
	General Fund	Debt Service Fund	Capital Projects Fund		Account Groups	
		Series 2019A-1 & 2019A12	Series 2019A-1 & 2019A12	General Long Term Debt		
<b>Assets</b>						
<b>Cash and Investments</b>						
General Fund - Invested Cash	\$ 10,513	\$ -	\$ -	\$ -	\$ -	\$ 10,513
Debt Service Fund						
Interest Account						
Series 2019A-1	-	-	-	-	-	-
Series 2019A-2	-	-	-	-	-	-
Sinking Account						
Series 2019A-1	-	-	-	-	-	-
Series 2019A-2	-	-	-	-	-	-
Reserve Account						
Series 2019A-1	-	432,147	-	-	-	432,147
Series 2019A-2	-	217,684	-	-	-	217,684
Revenue						
Series 2019A-1	-	-	-	-	-	-
Series 2019A-2	-	-	-	-	-	-
Prepayment Account						
Series 2019A-1	-	-	-	-	-	-
Series 2019A-2	-	-	-	-	-	-
General Redemption Account						
Series 2019A-1	-	-	-	-	-	-
Series 2019A-2	-	-	-	-	-	-
Capitalized Interest						
Series 2019A-1	-	292,648	-	-	-	292,648
Series 2019A-2	-	147,181	-	-	-	147,181
Retainage Account						
Series 2019A-1	-	-	1,124,710	-	-	1,124,710
Series 2019A-2	-	-	778,440	-	-	778,440

Prepared by:

**JWARD and Associates, LLC**

**Esplanade Lake Club Community Development District  
Balance Sheet  
for the Period Ending May 31, 2020**

	Governmental Funds				Totals (Memorandum Only)
	General Fund	Debt Service Fund	Capital Projects Fund	Account Groups	
		Series 2019A-1 & 2019A12	Series 2019A-1 & 2019A12	General Long Term Debt	
Construction					
Series 2019A-1	-	-	3,674,193	-	3,674,193
Series 2019A-2	-	-	5,969,663	-	5,969,663
Cost of Issuance					
Series 2019A-1	-	-	10,738	-	10,738
Series 2019A-2	-	-	3,953	-	3,953
<b>Due from Other Funds</b>					
General Fund	-	-	-	-	-
Debt Service Fund(s)	-	-	-	-	-
Capital Projects Fund(s)	-	-	-	-	-
<b>Market Valuation Adjustments</b>	-	-	-	-	-
<b>Accrued Interest Receivable</b>	-	-	-	-	-
<b>Assessments Receivable/Deposits</b>	-	-	-	-	-
<b>Amount Available in Debt Service Funds</b>	-	-	-	1,089,660	1,089,660
<b>Amount to be Provided by Debt Service Funds</b>	-	-	-	21,215,340	21,215,340
<b>Investment in General Fixed Assets (net of depreciation)</b>	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 10,513</b>	<b>\$ 1,089,660</b>	<b>\$ 11,561,697</b>	<b>\$ 22,305,000</b>	<b>\$ 34,966,870</b>

**Esplanade Lake Club Community Development District**  
**Balance Sheet**  
**for the Period Ending May 31, 2020**

	Governmental Funds					
	General Fund	Debt Service Fund	Capital Projects Fund		Account Groups	Totals (Memorandum Only)
		Series 2019A-1 & 2019A12	Series 2019A-1 & 2019A12	Series 2019A-1 & 2019A12	General Long Term Debt	
<b>Liabilities</b>						
<b>Accounts Payable &amp; Payroll Liabilities</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Due to Other Funds</b>						
General Fund	-	-	-	-	-	-
Debt Service Fund(s)	-	-	-	-	-	-
Capital Projects Fund(s)	-	-	-	-	-	-
<b>Bonds Payable</b>						
Current Portion	-	-	-	-	-	-
Long Term	-	-	-	22,305,000	22,305,000	-
Unamortized Prem/Disc on Bds Pybl	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,305,000</u>	<u>\$ 22,305,000</u>	<u>\$ -</u>
<b>Fund Equity and Other Credits</b>						
<b>Investment in General Fixed Assets</b>	-	-	-	-	-	-
<b>Unamortized Premium/Discount on Bonds</b>						
<b>Series 2019A-1</b>	-	-	(30,463)	-	-	(30,463)
<b>Series 2019A-2</b>	-	-	(15,308)	-	-	(15,308)
<b>Fund Balance</b>						
<b>Restricted</b>						
Beginning: October 1, 2019 (Unaudited)	-	-	-	-	-	-
Results from Current Operations	-	1,089,660	11,607,468	-	-	12,697,127
<b>Unassigned</b>						
Beginning: October 1, 2019 (Unaudited)	10,194	-	-	-	-	10,194
Results from Current Operations	319	-	-	-	-	319
<b>Total Fund Equity and Other Credits</b>	<u>\$ 10,513</u>	<u>\$ 1,089,660</u>	<u>\$ 11,561,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,661,869</u>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<u>\$ 10,513</u>	<u>\$ 1,089,660</u>	<u>\$ 11,561,697</u>	<u>\$ 22,305,000</u>	<u>\$ 34,966,869</u>	<u>\$ -</u>

**Esplanade Lake Club Community Development District  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Through May 31, 2020**

Description	December	January	February	March	April	May	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>									
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
<b>Interest</b>									
Interest - General Checking	-	-	-	-	-	-	-	-	N/A
<b>Special Assessment Revenue</b>									
Special Assessments - On-Roll	-	-	-	-	-	-	-	-	N/A
Special Assessments - Off-Roll	-	-	-	-	-	-	-	-	N/A
Developer Contribution	35,000			30,000			65,000	-	N/A
Intragovernmental Transfer In	-	-	-	-	-	-	-	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>65,000</b>	<b>\$ -</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>									
<b>Executive</b>									
Professional Management	3,333	3,333	3,333	3,333	3,333	3,333	26,667	-	N/A
<b>Financial and Administrative</b>									
Audit Services	-	-	-	-	-	-	-	-	N/A
Accounting Services	667	667	667	667	3,333	1,333	8,667	-	N/A
Assessment Roll Services	-	-	-	-	-	-	-	-	N/A
Arbitrage Rebate Services	-	-	-	-	-	-	-	-	N/A
<b>Other Contractual Services</b>									
Legal Advertising	1,844	-	580	-	-	-	2,724	-	N/A
Trustee Services	-	-	-	-	-	-	-	-	N/A
Dissemination Agent Services	-	-	-	-	-	-	-	-	N/A
Property Appraiser Fees	-	-	-	-	-	-	-	-	N/A
Bank Service Fees	25	24	24	25	23	23	193	-	N/A
<b>Communications &amp; Freight Services</b>									
Postage, Freight & Messenger	30	-	30	38	-	-	126	-	N/A

**Esplanade Lake Club Community Development District**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through May 31, 2020**

Description	December	January	February	March	April	May	Year to Date	Total Annual Budget	% of Budget
<b>Computer Services - Website Development</b>	100	50	50	50	-	100	400	-	N/A
<b>Insurance</b>	-	-	-	-	-	-	5,125	-	N/A
<b>Printing &amp; Binding</b>	294	-	-	-	-	179	817	-	N/A
<b>Subscription &amp; Memberships</b>	-	-	-	-	-	-	175	-	N/A
<b>Legal Services</b>									
Legal - General Counsel	4,190	-	8,669	1,656	-	4,006	18,522	-	N/A
Legal - Series 2019 Bonds	-	-	540	-	-	-	540	-	N/A
Legal - Boundary Amendment	213	-	-	-	171	343	726	-	N/A
<b>Other General Government Services</b>									
Engineering Services	-	-	-	-	-	-	-	-	N/A
Contingencies	-	-	-	-	-	-	-	-	N/A
Other Current Charges	-	-	-	-	-	-	-	-	N/A
<b>Other Fees and Charges</b>	-	-	-	-	-	-	-	-	N/A
Discounts/Collection Fees	-	-	-	-	-	-	-	-	-
<b>Sub-Total:</b>	<b>10,696</b>	<b>4,074</b>	<b>13,892</b>	<b>5,769</b>	<b>6,862</b>	<b>9,317</b>	<b>64,681</b>	-	<b>N/A</b>
<b>Total Expenditures and Other Uses:</b>	<b>\$ 10,696</b>	<b>\$ 4,074</b>	<b>\$ 13,892</b>	<b>\$ 5,769</b>	<b>\$ 6,862</b>	<b>\$ 9,317</b>	<b>\$ 64,681</b>	<b>\$ -</b>	<b>N/A</b>
Net Increase/ (Decrease) in Fund Balance	24,304	(4,074)	(13,892)	24,231	(6,862)	(9,317)	319	-	
Fund Balance - Beginning	(3,877)	20,426	16,352	2,460	26,692	19,830	10,194	-	
<b>Fund Balance - Ending</b>	<b>\$ 20,426</b>	<b>\$ 16,352</b>	<b>\$ 2,460</b>	<b>\$ 26,692</b>	<b>\$ 19,830</b>	<b>\$ 10,513</b>	<b>10,513</b>	<b>\$ -</b>	



**Esplanade Lake Club Community Development District**  
**Debt Service Fund - Series 2019A-1**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through May 31, 2020**

Description	December	January	February	March	April	May	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>									
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
<b>Interest Income</b>									
Interest Account									
Series 2019A-1	-	-	-	-	-	-	-	-	N/A
Series 2019A-2	-	-	-	-	-	-	-	-	N/A
Sinking Fund									
Series 2019A-1	-	-	-	-	-	-	-	-	N/A
Series 2019A-2	-	-	-	-	-	-	-	-	N/A
Reserve Account									
Series 2019A-1	-	16	55	45	20	4	140	-	N/A
Series 2019A-2	-	11	28	23	10	2	73	-	N/A
Prepayment Account									
Series 2019A-1	-	-	-	-	-	-	-	-	N/A
Series 2019A-2	-	-	-	-	-	-	-	-	N/A
Revenue Account									
Series 2019A-1	-	-	-	-	-	-	-	-	N/A
Series 2019A-2	-	-	-	-	-	-	-	-	N/A
Capitalized Interest									
Series 2019A-1	-	19	64	53	24	4	163	-	N/A
Series 2019A-2	-	13	32	27	12	2	86	-	N/A
<b>Special Assessment Revenue</b>									
Special Assessments - On-Roll	-	-	-	-	-	-	-	-	N/A
Special Assessments - Off-Roll	-	-	-	-	-	-	-	-	N/A
Special Assessments - Prepayment	-	-	-	-	-	-	-	-	N/A
Intragovernmental Transfers In	-	-	-	-	-	-	-	-	N/A
<b>Debt Proceeds</b>									
Debt Proceeds Series 2019A-1	937,252	-	-	-	-	-	937,252	-	N/A
Debt Proceeds Series 2019A-2	471,706	-	-	-	-	-	471,706	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ 1,408,957</b>	<b>\$ 58</b>	<b>\$ 179</b>	<b>\$ 148</b>	<b>\$ 67</b>	<b>\$ 11</b>	<b>1,409,420</b>	<b>\$ -</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>									
<b>Debt Service</b>									
<b>Principal Debt Service - Mandatory</b>									
Series 2019A-1 Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
Series 2019A-2 Bonds	-	-	-	-	-	-	-	-	N/A
<b>Principal Debt Service - Early Redemptions</b>									
Series 2019A-1 Bonds	-	-	-	-	-	-	-	-	N/A
Series 2019A-2 Bonds	-	-	-	-	-	-	-	-	N/A
<b>Interest Expense</b>									
Series 2019A-1 Bonds	-	-	-	-	-	212,761	212,761	-	N/A
Series 2019A-2 Bonds	-	-	-	-	-	106,999	106,999	-	N/A
Operating Transfers Out (To Other Funds)	-	-	-	-	-	-	-	-	N/A
<b>Total Expenditures and Other Uses:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 319,761</b>	<b>319,761</b>	<b>\$ -</b>	<b>N/A</b>
Net Increase/ (Decrease) in Fund Balance	1,408,957	58	179	148	67	(319,750)	1,089,660	-	
Fund Balance - Beginning	-	1,408,957	1,409,015	1,409,194	1,409,343	1,409,409	-	-	
<b>Fund Balance - Ending</b>	<b>\$ 1,408,957</b>	<b>\$ 1,409,015</b>	<b>\$ 1,409,194</b>	<b>\$ 1,409,343</b>	<b>\$ 1,409,409</b>	<b>\$ 1,089,660</b>	<b>1,089,660</b>	<b>\$ -</b>	

**Esplanade Lake Club Community Development District**  
**Capital Project Fund - Series 2019A-1**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through May 31, 2020**

Description	December	January	February	March	April	May	Year to Date	Total Annual Budget
<b>Revenue and Other Sources</b>								
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -
<b>Interest Income</b>								
Construction Account								
Series 2019A-1	-	217	559	463	209	36	1,484	-
Series 2019A-2	-	294	758	628	283	49	2,012	-
Cost of Issuance								
Series 2019A-1	-	0	2	1	1	0	4	-
Series 2019A-2	-	0	1	0	0	0	2	-
Retainage Account								
Series 2019A-1	-	42	143	118	53	9	365	-
Series 2019A-2	-	38	99	82	37	6	262	-
<b>Debt Proceeds</b>								
Debt Proceeds Series 2019A-1	13,902,748	-	-	-	-	-	13,902,748	-
Debt Proceeds Series 2019A-2	6,993,294	-	-	-	-	-	6,993,294	-
<b>Operating Transfers In (From Other Funds)</b>								
	-	-	-	-	-	-	-	-
<b>Total Revenue and Other Sources:</b>	<b>\$ 20,896,043</b>	<b>\$ 592</b>	<b>\$ 1,561</b>	<b>\$ 1,293</b>	<b>\$ 583</b>	<b>\$ 101</b>	<b>\$ 20,900,172</b>	<b>\$ -</b>
<b>Expenditures and Other Uses</b>								
<b>Executive</b>								
Professional Management	50,000	-	-	-	-	-	\$ 50,000	\$ -
<b>Other Contractual Services</b>								
Trustee Services	10,350	-	-	-	-	-	\$ 10,350	\$ -
<b>Printing &amp; Binding</b>								
	-	-	1,500	-	-	-	\$ 1,500	\$ -
<b>Legal Services</b>								
Legal - Series 2019	170,500	-	540	-	-	-	\$ 171,040	-
<b>Capital Outlay</b>								
Water-Sewer Combination-Construction	4,635,734	-	-	-	-	727,900	\$ 5,363,634	\$ -
Stormwater Mgmt-Construction	2,250,934	-	-	-	-	-	\$ 2,250,934	\$ -
Engineering Services	494,481	-	-	-	-	-	\$ 494,481	\$ -
Road Improvements	504,665	-	-	-	-	-	\$ 504,665	\$ -
<b>Underwriters Discount</b>								
Series 2019A-1	296,800	-	-	-	-	-	\$ 296,800	\$ -
Series 2019A-2	149,300	-	-	-	-	-	\$ 149,300	\$ -
<b>Cost of Issuance</b>								
Series 2019A-1	-	-	-	-	-	-	\$ -	\$ -
Series 2019aA-2	-	-	-	-	-	-	\$ -	\$ -
<b>Operating Transfers Out (To Other Funds)</b>								
	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures and Other Uses:</b>	<b>\$ 8,562,765</b>	<b>\$ -</b>	<b>\$ 2,040</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 727,900</b>	<b>\$ 9,292,704</b>	<b>\$ -</b>
Net Increase/ (Decrease) in Fund Balance	\$ 12,333,278	\$ 592	\$ (479)	\$ 1,293	\$ 583	\$ (727,799)	\$ 11,607,468	-
Fund Balance - Beginning	\$ -	\$ 12,333,278	\$ 12,333,870	\$ 12,333,391	\$ 12,334,684	\$ 12,335,267	-	-
<b>Fund Balance - Ending</b>	<b>\$ 12,333,278</b>	<b>\$ 12,333,870</b>	<b>\$ 12,333,391</b>	<b>\$ 12,334,684</b>	<b>\$ 12,335,267</b>	<b>\$ 11,607,468</b>	<b>\$ 11,607,468</b>	<b>\$ -</b>