



AGENDA

REGULAR MEETING



February 13, 2020



MIROMAR LAKES

COMMUNITY DEVELOPMENT DISTRICT

February 5, 2020

Board of Supervisors
Miromar Lakes Community Development District

Dear Board Members:

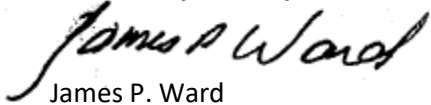
The Regular Meeting of the Board of Supervisors of the Miromar Lakes Community Development District will be held on **Thursday, February 13**, at **2:00 P.M.** at the **Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.**

1. Call to Order & Roll Call
2. Consideration of Minutes:
 - a) December 12, 2019 – Regular Meeting
 - b) January 9, 2020 – Regular Meeting
3. Staff Reports
 - a) Attorney
 - b) Engineer
 - c) Asset manager
 - I. February 2020 Report
 - d) Manager
 - I. Financial Statements for the period ending December 2019 (Unaudited)
 - II. Review of Audited Financial Statements for Fiscal Year ending Sept, 2019
4. Supervisor's Requests and Audience Comments
5. Adjournment

The balance of the Agenda is standard in nature and I look forward to seeing you at the meeting, and if you have any questions and/or comments, please do not hesitate to contact me directly at (954) 658-4900.

Yours sincerely,
Miromar Lakes

Community Development District



James P. Ward
District Manager
Enclosures

October 11, 2018	November 8, 2018
December 13, 2018	January 10, 2019
February 13, 2019	March 14, 2019
April 11, 2019	May 9, 2019
June 13, 2019	July 11, 2019
August 8, 2019	September 12, 2019

**MINUTES OF MEETING
MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of Miromar Lakes Community Development District was held on Thursday, December 12, 2019, at 2:00 P.M. at the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

Present and constituting a quorum:

David Herring	Chairman
Doug Ballinger	Vice Chairman
Alan Refkin	Assistant Secretary
Michael Weber	Assistant Secretary
Mary LeFevre	Assistant Secretary

Also present were:

James P. Ward	District Manager
Greg Urbancic	District Attorney
Charlie Krebs	District Engineer
Bruce Bernard	Asset Manager

Audience:

Tim Byal
Erin Dougherty

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.

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

District Manager James P. Ward called the meeting to order at approximately 2:00 p.m. and all Members of the Board were present at roll call.

SECOND ORDER OF BUSINESS

Consideration of Minutes

November 11, 2019 – Regular Meeting

Mr. Ward asked if there were any additions or corrections to the November 11, 2019 Regular Meeting Minutes. Mr. Ballinger noted on page 1 "Aaron" should be spelled "Erin." Mr. Weber indicated on pages 3 and 4 "Webber" should be spelled "Weber." Mr. Refkin indicated Mr. Weber's name was also spelled incorrectly on the bottom of page 2.

Mr. Ballinger asked if on page 4 the phrase which read "sending out an email about the CDD through Taylor Morrison" was correct. Mr. Ward responded in the negative.

On MOTION made by Ms. Mary LeFevre, seconded by Mr. Doug Ballinger, and with all in favor, the November 11, 2019 Regular Meeting Minutes were approved as amended.

THIRD ORDER OF BUSINESS**Staff Reports****a) Attorney**

No report.

b) Engineer

No report.

c) Asset Manager**I. November 2019 Report**

Mr. Bruce Bernard reported the Lake Bank Restoration would begin January 16, 2020 and would take approximately two and a half months to complete. He reported [REDACTED] 4:45 came up with a plan to mitigate the cane toad issue. Ms. Mary LeFevre asked if the cane toad plan included the entirety of Miromar Lakes. Mr. Bernard responded in the negative; the plan was to mitigate the toad problem in the area which was having difficulties with the toads. He explained if the toad problem spread, the plan was in place to address the toad difficulties. He noted most of the toads were emanating from the smaller lakes; the larger lakes had better flow which discouraged toad development.

Mr. Bernard indicated the depressed drainage grate in Verona Lago would be fixed tomorrow. He reported two broken drainage grates were replaced in Porto Romano this past week.

d) Manager**I. Financial Statements for the period ending November 30, 2019 (Unaudited)**

There were no questions regarding the Financial Statements. Mr. Ward had no report.

FOURTH ORDER OF BUSINESS**Supervisor's Requests and Audience Comments**

Mr. Weber reported there was a resident who was essentially building a sea wall on the lake. He recommended this be investigated. Mr. Ward indicated he would have this investigated. He noted Mr. Bernard informed him of some riprap going in around the docks on the water's edge. Discussion ensued regarding rocks being placed on the water's edge, the seawall, the resident being given notice the seawall could not be constructed due to beach maintenance easement requirements, and beach maintenance easement requirements.

Mr. Ward reported a couple of months ago he was contacted by the then owner of the undeveloped portions of the property called San Marino who wished to modify the South Florida Water Management District permit for this property. He stated the owner retained Waldrop Engineering to modify the SFWMD permit; Waldrop Engineering coordinated with the CDD team regarding this modification. He stated Mr. Charlie Krebs attended a meeting with Waldrop Engineering and SFWMD to ensure the proposed modification was consistent with CDD permits. He stated last week Miromar Development had a contract to purchase the San Marino property and closed on this purchase last week. He indicated Mr. Tim Byal wished to discuss this item with the CDD. He stated Mr. Charlie Krebs would ensure any CDD decision would be consistent with the Corp of Engineers permit. He indicated he understood the two permits (SFWMD and Corp of Engineers) were not currently consistent; however, the developer would work to ensure consistency between permits.

Mr. Tim Byal distributed a narrative and a map of the San Marino area. Mr. Refkin asked how the CDD was affected by this change. Mr. Byal responded the CDD was not affected. He explained the history of the property which led to this point and the SFWMD permit. He noted the South Florida Water Management District permit required the property owner and the CDD to be co-permittees for this corrected modified permit. He indicated there was no cost to the CDD and no work was required to be completed. He noted San Marino never transferred over the water management system to the CDD; he would work with San Marino to have these water management systems properly assigned to the CDD. He noted it was important to fix the permit situation before moving forward with the water management system transfer process. He asked for the CDD's approval to become a permit co-applicant.

Dr. David Herring asked if Mr. Krebs felt becoming a co-applicant for the permit and modifying the permit was the right decision for the CDD. Mr. Krebs responded in the affirmative; this was the perfect scenario: modify the permit, leave the lake in its current condition, stay in compliance with the Corp permit and the mitigation permit, and there would be no impact on CDD land. Mr. Greg Urbancic concurred. Dr. Herring asked if there was a legal document which assured there would be no cost incurred by the CDD. Mr. Ward responded this would be a simple document to draw up. He indicated he had no problem with the permit modification as long as it was consistent with the Corp of Engineer's permit and there would be no cost to the CDD. Discussion ensued regarding the motion: move to authorize the District to be a co-permittee on the modification to the South Florida Water Management District permit for San Marino subject to it being consistent with the Corp of Engineers permit and a CDD agreement with Miromar to pay the costs of modifying the SFWMD permit and authorizing Mr. Ward to sign.

On MOTION made by Dr. David Herring, seconded by Mr. Alan Refkin, and with all in favor, the District was authorized to be a co-permittee on the modification to the South Florida Water Management District permit for San Marino, subject to it being consistent with the Corp of Engineers permit and subject to a CDD agreement with Miromar to pay the costs of modifying the SFWMD permit, and Mr. Ward was authorized to sign.

FIFTH ORDER OF BUSINESS

Adjournment

Mr. Ward adjourned the meeting at 2:25 p.m.

**On MOTION made by Mr. Doug Ballinger, seconded by Mr. Alan Refkin,
and with all in favor, the meeting was adjourned.**

Miromar Lakes Community Development District

James P. Ward, Secretary

David Herring, Chairman

**MINUTES OF MEETING
MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of Miromar Lakes Community Development District was held on Thursday, January 9, 2020, at 2:00 P.M. at the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

Present and constituting a quorum:

David Herring	Chairman
Doug Ballinger	Vice Chairman
Alan Refkin	Assistant Secretary
Michael Weber	Assistant Secretary
Mary LeFevre	Assistant Secretary

Also present were:

James P. Ward	District Manager
Greg Urbancic	District Attorney
Charlie Krebs	District Engineer
Bruce Bernard	Asset Manager

Audience:

Tim Byal	
Erin Dougherty	GM HOA
Heather Chapman	Property Manager HOA

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.

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

District Manager James P. Ward called the meeting to order at approximately 2:00 p.m. and all Members of the Board were present at roll call. He stated the Agenda was short today; however, there was additional information to be discussed by the Board.

Mr. Ward reported he received an email from Mr. Matt Devers (ph) (who he assumed was an HOA Manager in this Community) regarding a planting plan in a lake which he (Mr. Ward) originally believed to be under control of the District. He noted subsequently he discovered this lake was owned by Miromar Development and would be turned over to the District at some point in the immediate future. He explained the issue was residents were included on this email chain from Matt Devers and the map which showed the lake was not the actual location of the intended HOA improvements. He noted the actual lake (location of intended improvements) was in fact owned by the CDD. He stated he and Mr. Bruce Bernard had been in communication with Mr. Frank Austenfeld (ph) (on the HOA Board with Mr. Devers) regarding plantings within the road right-of-way near this particular lake. He noted the plan presented by

Mr. Devers was holistically different from the plan presented by Mr. Austenfeld. He noted no action was required but he felt the CDD should be aware.

Mr. Devers indicated he received an email from Mr. Austenfeld which included pictures illustrating this area pre- and post- Hurricane Irma. He noted he forwarded this email to the CDD. Mr. Ward stated he would review this email. He explained if this was concerning the beach area the CDD would not be involved; generally, Miromar tended to handle this type of concern. Discussion ensued regarding the situation, modifications to CDD property requiring CDD permission, the drainage rock situation, and possible uses for the rock.

Mr. Bernard reported he and Mr. Krebs met with Mr. Austenfeld, explained what land was owned by the CDD, and discussed replacement of a hedge with plantings. He indicated Mr. Austenfeld was informed the CDD might agree to the hedge replacement if the HOA would assume responsibility of maintenance of the new plantings. He noted Mr. Austenfeld agreed. He stated Mr. Austenfeld indicated the HOA also wanted additional maintenance to be performed within the Community's central wetland area; after obtaining various bids it was determined this additional maintenance would cost an additional \$1,700 dollars more per year. He indicated he instructed Mr. Austenfeld to have the HOA issue a check to Mr. Ward for the yearly maintenance amount.

Mr. Bernard reported the beach line was staked at the 18-0 elevation, one stake behind each property. He noted most properties were at the 11 or 12 mark, 7 or 8 properties were at the appropriate level and 4 or 5 properties had issues. He stated he instructed Mr. Austenfeld to go through the Master Association to develop a plan to fix the problems, have the Master Association approve the plan and then present the plan to the CDD. He stated at this point the CDD would review the plan to be certain the plan would not affect the CDD's 18-0 elevation property line. Discussion ensued regarding the importance of all verbal agreements being documented appropriately. Mr. Ward asked the Board to forward all community related emails to himself without responding; he would respond to the emails as necessary. Discussion continued regarding the importance of having all agreements in writing. Ms. LeFevre stated she felt it was important to formalize and document all communications between the CDD and HOAs or homeowners. Discussion ensued regarding the sod replacement project, resident notification not being necessary prior to utilization of maintenance easements, possible breakdowns in communication regarding the sod replacement project, and the importance of documenting communications and formalizing verbal agreements. Ms. Heather Chapman commented regarding the sod replacement project indicating the agreement was well-documented but misunderstood. Mr. Bernard stated this validated the necessity to document every communication with an HOA or a homeowner. Mr. Ward indicated the difficulty with this sod replacement project and agreement stemmed from this particular neighborhood having a much larger amount of sod which needed replacement than the neighboring areas. He stated he understood HOA Presidents and property managers changed regularly and the CDD would make better efforts to document communications.

SECOND ORDER OF BUSINESS

Staff Reports

a) Attorney

No report.

b) Engineer

No report.

c) Asset Manager

I. December 2019 Report

Mr. Bruce Bernard reported MRI repaired twelve catch basin aprons along Miromar Lakes Boulevard which were damaged during the Hurricane. He reported Tivoli was staked and lake bank restoration would begin in Tivoli next week, followed by St. Moritz. Discussion ensued regarding regular lake maintenance.

d) Manager

I. Financial Statements for the period ending November 30, 2019 (Unaudited)

Mr. Ward indicated the Audit was 99% finished and would be presented at the next Regular Board Meeting. He asked if there were any questions; there were none.

THIRD ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

There were no Supervisor's requests or audience comments.

FOURTH ORDER OF BUSINESS

Adjournment

Mr. Ward adjourned the meeting at 2:30 p.m.

On MOTION made by Mr. Alan Refkin, seconded by Mr. Doug Ballinger, and with all in favor, the meeting was adjourned.

Miromar Lakes Community Development District

James P. Ward, Secretary

David Herring, Chairman



Civil Engineering/Roadway
& Highway Design
Coastal Engineering
Code Enforcement
Construction Engineering
& Inspection (CEI)
Construction Services
Contract Government
Services
Data Technologies &
Development
Electrical Engineering
Emergency Management
Engineering
Environmental Services
Facilities Management
Geographic Information
Systems (GIS)
Indoor Air Quality
Land Development
Landscape Architecture
Municipal Engineering
Planning
Redevelopment
Surveying & Mapping
Traffic Engineering
Transportation Planning
Urban Design
Water/Wastewater
Treatment Facilities
Website Development/
Computer Graphics

GSA Contract Holder

1800 Eller Drive
Suite 600
Fort Lauderdale, FL
33316
954.921.7781 phone
954.921.8807 fax

www.cgasolutions.com

Memorandum

Date: Feb 3, 2020
To: James P. Ward- District Manager
From: Bruce Bernard - Field Asset Manager
Subject: Miromar Lakes CDD – January 2019
CGA Project # 13-5692

Lake Maintenance

CDD staff has received the water quality analysis results from the samples taken by GHD in Nov. 2019. The results fall within lake standards for the samples taken by the Miromar Lakes CDD tri-annually.

Lake bank restoration work in the Tivoli subdivision is underway after the CDD staked lake bank property lines for Geo-Tube installation. The CDD contractor (Dragonfly) has crews beginning the installation of woven material bags along the north side of Tivoli property and has begun dredging material from Lake 1A into those bottom base bags for the first one thousand foot of lake bank restoration.

Stormwater Maintenance

M.R.I. (CDD drainage contractor) has begun this year's inspection of stormwater basins in Phase 2 of the drainage maintenance plan and will be preparing a report for staffs review of catch basins and outfalls that need to be maintained in this fiscal year.

Miromar Lakes CDD wetland maintenance contractor (Crosscreek Environmental) has been trimming all planted material within the six wetland locations this month begin monitored by the CDD staff. All wetland area's plantings will be cutback in April 2020 to allow regrowth during the upcoming summer season.



Civil Engineering/Roadway
& Highway Design
Coastal Engineering
Code Enforcement
Construction Engineering
& Inspection (CEI)
Construction Services
Contract Government
Services
Data Technologies &
Development
Electrical Engineering
Emergency Management
Engineering
Environmental Services
Facilities Management
Geographic Information
Systems (GIS)
Indoor Air Quality
Land Development
Landscape Architecture
Municipal Engineering
Planning
Redevelopment
Surveying & Mapping
Traffic Engineering
Transportation Planning
Urban Design
Water/Wastewater
Treatment Facilities
Website Development/
Computer Graphics

GSA Contract Holder

1800 Eller Drive
Suite 600
Fort Lauderdale, FL
33316
954.921.7781 phone
954.921.8807 fax

www.cgasolutions.com

Permit Compliance

SFWMD Notice of Inspection letter dated September 18, 2015, remaining open items / updates are as follows:

1. Application – Miromar Lakes Phase 1

- a. Lake bank erosion - Erosion to the lake shoreline has occurred in some areas of Lakes 6G, 6I, and 6J. Lake 6I has a drop of four (4) feet between lots. Also, erosion has occurred near control structure CS#1. Restore the lake shorelines to substantial compliance with permit.

Shoreline erosion mitigation efforts have been incorporated into the CCD Capital Improvements budget(s) from 2016-2020. The CDD itself has taken efforts to implement the maintenance repairs with prior approval from affected Homeowners Associations (HOA's) (shoreline erosion mitigation has begun and has been completed in twelve of the fourteen subdivisions to be repaired)

Miromar Lakes Community Development District

Financial Statements

December 31, 2019



Visit our web site: www.miromarlakescdd.org

Prepared by:

JPWARD AND ASSOCIATES, LLC

*2900 Northeast 12th Terrace
Suite 1*

OAKLAND PARK, FLORIDA 33334

E-MAIL: JIMWARD@JPWARDASSOCIATES.COM

PHONE: (954) 658-4900

Miromar Lakes Community Development District

Table of Contents

	<i>Page</i>
<i>Balance Sheet—All Funds</i>	<i>1-2</i>
<i>Statement of Revenue, Expenditures and Changes in Fund Balance</i>	
<i>General Fund</i>	<i>3-5</i>
<i>Debt Service Fund</i>	
<i>Series 2012 Bonds</i>	<i>6</i>
<i>Series 2015 Bonds</i>	<i>7</i>

JPWard & Associates, LLC
2900 Northeast 12th Terrace
Suite 1
Oakland Park, Florida 33334
(954) 658-4900

**Miromar Lakes Community Development District
Balance Sheet
for the Period Ending December 31, 2019**

	Governmental Funds						Totals (Memorandum Only)
	Debt Service Funds			Account Groups			
	General Fund	Series 2012	Series 2015	General Long Term Debt	General Fixed Assets		
Assets							
Cash and Investments							
General Fund - Invested Cash	\$ 861,553	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 861,553
Debt Service Fund							
Interest Account	-	-	-	-	-	-	-
Sinking Account	-	-	-	-	-	-	-
Reserve Account	-	371,741	565,425	-	-	-	937,166
Revenue	-	739,800	689,386	-	-	-	1,429,186
Prepayment Account	-	4,211	1,847	-	-	-	6,057
Due from Other Funds							
General Fund	-	96,699	57,029	-	-	-	153,728
Debt Service Fund(s)				-	-	-	-
Market Valuation Adjustments							
Accrued Interest Receivable	-	-	-	-	-	-	-
Assessments Receivable	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-
Amount Available in Debt Service Funds	-	-	-	2,526,138	-	-	2,526,138
Amount to be Provided by Debt Service Funds	-	-	-	17,533,862	-	-	17,533,862
Investment in General Fixed Assets (net of depreciation)	-	-	-	-	36,514,917	-	36,514,917
Total Assets	\$ 861,553	\$ 1,212,451	\$ 1,313,687	\$ 20,060,000	\$ 36,514,917	\$ -	\$ 59,962,607

**Miromar Lakes Community Development District
Balance Sheet
for the Period Ending December 31, 2019**

	Governmental Funds			Account Groups		Totals (Memorandum Only)
	Debt Service Funds			General Long Term Debt	General Fixed Assets	
	General Fund	Series 2012	Series 2015			
Liabilities						
Accounts Payable & Payroll Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds						-
General Fund	-	-	-	-	-	-
Debt Service Fund(s)	153,728	-	-	-	-	153,728
Other Governments	-	-	-	-	-	-
Bonds Payable	-	-	-	-	-	-
Current Portion	-	-	-	1,005,000	-	1,005,000
Long Term	-	-	-	19,055,000	-	19,055,000
Total Liabilities	\$ 153,728	\$ -	\$ -	\$ 20,060,000	\$ -	\$ 20,213,728
Fund Equity and Other Credits						
Investment in General Fixed Assets	-	-	-	-	36,514,917	36,514,917
Fund Balance						
Restricted						
Beginning: October 1, 2018 (Audited)	-	604,977	2,660,783	-	-	3,265,760
Results from Current Operations	-	607,474	(1,347,096)	-	-	(739,623)
Unassigned						
Beginning: October 1, 2018 (Audited)	317,847	-	-	-	-	317,847
Results from Current Operations	389,977	-	-	-	-	389,977
Total Fund Equity and Other Credits	\$ 707,825	\$ 1,212,451	\$ 1,313,687	\$ -	\$ 36,514,917	\$ 39,748,879
Total Liabilities, Fund Equity and Other Credits	\$ 861,553	\$ 1,212,451	\$ 1,313,687	\$ 20,060,000	\$ 36,514,917	\$ 59,962,607

Miromar Lakes Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2019

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources						
Carryforward	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest						
Interest - General Checking	12	13	27	52	250	21%
Special Assessment Revenue						
Special Assessments - On-Roll	(2,967)	111,061	344,043	452,137	510,541	89%
Special Assessments - Off-Roll	39,152	-	-	39,152	156,608	25%
Miscellaneous Revenue						
Miscellaneous Revenue	-	-	-	-	0	N/A
State Revenue Sharing-Emergency Mgmt Assis	-	-	1,825	1,825	0	N/A
Intragovernmental Transfer In	-	-	-	-	0	N/A
Total Revenue and Other Sources:	\$ 36,197	\$ 111,074	\$ 345,895	493,166	\$ 667,399	74%
Expenditures and Other Uses						
Legislative						
Board of Supervisor's - Fees	1,000	1,000	1,000	3,000	12,000	25%
Board of Supervisor's - Taxes	77	77	77	230	918	25%
Executive						
Professional Management	3,333	3,333	3,333	10,000	40,000	25%
Financial and Administrative						
Audit Services	-	-	3,900	3,900	3,900	100%
Accounting Services	-	-	-	-	-	N/A
Assessment Roll Services	-	-	18,000	18,000	18,000	100%
Arbitrage Rebate Services	-	1,000	-	1,000	2,000	50%
Bond Re-Amortizations	600	-	-	600	-	N/A
Other Contractual Services						
Legal Advertising	-	-	-	-	1,200	0%
Trustee Services	-	-	3,400	3,400	9,500	36%
Property Appraiser/Tax Collector Fees	-	1,193	-	1,193	2,000	60%
Bank Services	33	48	34	115	550	21%
Travel and Per Diem						
Travel and Per Diem	-	-	-	-	-	N/A
Communications & Freight Services						
Postage, Freight & Messenger	56	69	60	185	800	23%
Insurance						
Insurance	-	6,568	-	6,568	5,900	111%
Printing & Binding						
Printing & Binding	85	229	76	390	2,200	18%
Website Maintenance						
Website Maintenance	50	50	50	150	2,000	8%
Office Supplies						
Office Supplies	-	-	-	-	-	N/A
Subscription & Memberships						
Subscription & Memberships	175	-	-	175	175	100%
Legal Services						

Miromar Lakes Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2019

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Legal - General Counsel	-	-	1,934	1,934	30,000	6%
Legal - Litigation	-	-	-	-	-	N/A
Legal - Center Place - Special Counsel	-	-	-	-	-	N/A
Legal - Center Place	-	-	-	-	-	N/A
Land Exchange - Salerno	-	-	-	-	-	N/A
Other General Government Services						
Engineering Services - General Fund	-	288	-	288	7,000	4%
NPDES	-	-	-	-	2,000	0%
Asset Administration Services	-	-	-	-	10,000	0%
Center Place	-	-	-	-	-	N/A
GIS Services	-	-	-	-	-	N/A
Sub-Total:	5,409	13,855	31,863	51,127	150,143	34%
Hurricane Relief Services						
Engineering Services						
General Engineering	-	-	-	-	-	N/A
Water Mgt - Debris Removal						
Lake Bank Erosion	-	-	-	-	-	N/A
Landscaping - Debris Removal						
Landscaping Removal	-	-	-	-	-	N/A
Sub-Total:	-	-	-	-	-	
Stormwater Management Services						
Professional Services						
Asset Management	-	9,746	-	9,746	35,800	27%
Mitigation Monitoring	-	-	-	-	500	0%
Utility Services						
Electric - Aeration Systems	-	1,079	-	1,079	4,800	22%
Lake System						
Aquatic Weed Control	-	4,162	4,162	8,324	61,000	14%
Lake Bank Maintenance	-	-	-	-	3,000	0%
Water Quality Testing	-	-	251	251	13,840	2%
Water Control Structures	-	4,800	3,800	8,600	24,000	36%
Grass Carp Installation	-	-	-	-	-	N/A
Litoral Shelf Barrier/Replanting	-	-	-	-	-	N/A
Aeration System	-	4,864	-	4,864	2,000	243%
Wetland System						
Routine Maintenance	-	3,384	4,564	7,948	42,100	19%
Other Current Charges	-	-	-	-	-	N/A
Capital Outlay						

**Miromar Lakes Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2019**

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Aeration Systems	-	-	-	-	11,750	0%
Littortal Shelf Replanting/Barrier	-	4,275	-	4,275	15,000	29%
Lake Bank Restoration	-	-	-	-	-	N/A
Turbidity Screens	-	-	-	-	-	N/A
Erosion Restoration	-	-	2,600	2,600	200,466	1%
Contingencies	-	-	-	-	3,000	0%
Sub-Total:	-	32,309	15,377	47,687	417,256	11%
Landscaping Services						
Professional Management						
Asset Management	-	-	3,817	3,817	-	N/A
Utility Services						
Electric	-	-	-	-	-	N/A
Irrigation Water	-	-	-	-	-	N/A
Repairs & Maintenance						
Public Area Landscaping	-	-	-	-	-	N/A
Irrigation System	-	-	-	-	-	N/A
Well System	-	-	-	-	-	N/A
Plant Replacement	-	-	-	-	-	N/A
Other Current Charges						
Lee County Assessments	-	-	-	-	-	N/A
Charlotte County Assessments	-	559	-	559	-	N/A
Hendry County - Panther Habitat Taxes	-	-	-	-	-	N/A
Operating Supplies						
Mulch	-	-	-	-	-	N/A
Capital Outlay	-	-	-	-	-	N/A
Reserves for General Fund						
Water Management System	-	-	-	-	50,000	0%
Disaster Relief Reserve	-	-	-	-	50,000	0%
Sub-Total:	-	559	3,817	4,375	100,000	4%
Total Expenditures and Other Uses:	\$ 5,409	\$ 46,723	\$ 51,057	\$ 103,189	\$ 667,399	15%
Net Increase/ (Decrease) in Fund Balance	30,788	64,351	294,838	389,977	-	
Fund Balance - Beginning	317,847	348,636	412,987	317,847	317,847	
Fund Balance - Ending	\$ 348,636	\$ 412,987	\$ 707,825	707,825	\$ 317,847	

Miromar Lakes Community Development District
Debt Service Fund - Series 2012 Bonds
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2019

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources						
Carryforward	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest Income						
Reserve Account	3,675	1	0	3,676	7,200	51%
Prepayment Account	1	6	4	11	-	N/A
Revenue Account	309	292	2	602	4,500	13%
Interest Account	-	-	-	-	-	N/A
Special Assessment Revenue						
Special Assessments - On-Roll	4,834	203,823	631,397	840,054	937,038	90%
Special Assessments - Off-Roll	-	-	-	-	-	N/A
Special Assessments - Prepayments	-	-	-	-	-	N/A
Operating Transfers In (From Other Funds)	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 8,819	\$ 204,121	\$ 631,403	844,343	\$ 948,738	N/A
Expenditures and Other Uses						
Debt Service						
Principal Debt Service - Mandatory						
Series 2012 Bonds	-	-	-	-	\$ 485,000	0%
Principal Debt Service - Early Redemptions						
Series 2012 Bonds	-	5,000	-	5,000	-	N/A
Interest Expense						
Series 2012 Bonds	-	231,869	-	231,869	463,738	50%
Operating Transfers Out (To Other Funds)	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$ -	\$ 236,869	\$ -	236,869	\$ 948,738	N/A
Net Increase/ (Decrease) in Fund Balance	8,819	(32,748)	631,403	607,474	-	
Fund Balance - Beginning	604,977	613,796	581,048	604,977	870,552	
Fund Balance - Ending	\$ 613,796	\$ 581,048	\$ 1,212,451	1,212,451	\$ 870,552	

Miromar Lakes Community Development District
Debt Service Fund - Series 2015 Bonds
Statement of Revenues, Expenditures and Changes in Fund Balance
Through December 31, 2019

Description	October	November	December	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources						
Carryforward	\$ -	\$ -	\$ -	-	\$ 1,498,639	N/A
Interest Income						
Reserve Account	8,212	8	2	8,222	12,000	69%
Interest Account	-	-	-	-	-	N/A
Prepayment Account	1,408	1,902	2	3,312	5,600	N/A
Revenue Account	828	743	263	1,834	9,400	N/A
Special Assessment Revenue						
Special Assessments - On-Roll	463	120,821	374,276	495,560	555,367	89%
Special Assessments - Off-Roll	-	-	-	-	582,633	0%
Special Assessments - Prepayments	-	-	-	-	-	N/A
Operating Transfers In (From Other Funds)	-	-	-	-	-	N/A
Bond Proceeds	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 10,911	\$ 123,474	\$ 374,544	\$ 508,929	\$ 2,663,639	N/A
Expenditures and Other Uses						
Debt Service						
Principal Debt Service - Mandatory						
Series 2015 Bonds	-	-	-	-	\$ 520,000	0%
Principal Debt Service - Early Redemptions						
Series 2015 Bonds	-	1,515,000	-	1,515,000	1,500,000	N/A
Interest Expense						
Series 2015 Bonds	-	341,025	-	341,025	645,000	53%
Operating Transfers Out (To Other Funds)	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$ -	\$ 1,856,025	\$ -	1,856,025	\$ 2,665,000	N/A
Net Increase/ (Decrease) in Fund Balance	10,911	(1,732,551)	374,544	(1,347,096)	(1,361)	
Fund Balance - Beginning	2,660,783	2,671,694	939,143	2,660,783	-	
Fund Balance - Ending	\$ 2,671,694	\$ 939,143	\$ 1,313,687	1,313,687	\$ (1,361)	

**MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019**

**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-6
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet – Governmental Funds	9
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Notes to the Financial Statements	13-22
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	23
Notes to Required Supplementary Information	24
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	25-26
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	27
MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	28-29



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Miromar Lakes 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 Miromar Lakes Community Development District, Lee County, Florida ("District") as of and for the fiscal year ended September 30, 2019, 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, 2019, 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 December 17, 2019, 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.



December 17, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Miromar Lakes Community Development District, Lee County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2019. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$15,891,078.
- The change in the District's total net position in comparison with the prior fiscal year was \$2,182,415, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2019, the District's governmental funds reported combined ending fund balances of \$3,614,165, a decrease of (\$135,145) in comparison with the prior fiscal year. A portion of the fund balance is restricted for debt service, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

Fund Financial Statements

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

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

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

The District maintains two governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the debt service fund, both of which are considered major funds.

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

	NET POSITION	
	SEPTEMBER 30,	
	2019	2018
Current and other assets	\$ 3,623,795	\$ 3,749,784
Capital assets, net of depreciation	35,169,070	35,615,061
Total assets	<u>38,792,865</u>	<u>39,364,845</u>
Deferred amount on refunding	170,255	183,875
Current liabilities	487,042	515,057
Long-term liabilities	22,585,000	25,325,000
Total liabilities	<u>23,072,042</u>	<u>25,840,057</u>
Net Position		
Net investment in capital assets	12,754,325	10,473,936
Restricted	2,823,398	3,043,222
Unrestricted	313,355	191,505
Total net position	<u>\$ 15,891,078</u>	<u>\$ 13,708,663</u>

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing program revenues exceeded the cost of operations and depreciation expense.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION		
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2019	2018
Revenues:		
Program revenues		
Charges for services	\$ 4,548,183	\$ 5,306,860
Operating grants and contributions	78,110	18,782
Capital grants and contributions	9,123	-
General revenues	226	288
Total revenues	<u>4,635,642</u>	<u>5,325,930</u>
Expenses:		
General government	127,298	139,610
Maintenance and operations	1,119,123	1,885,709
Interest	1,206,806	1,311,739
Total expenses	<u>2,453,227</u>	<u>3,337,058</u>
Change in net position	<u>2,182,415</u>	<u>1,988,872</u>
Net position - beginning	<u>13,708,663</u>	<u>11,719,791</u>
Net position - ending	<u>\$ 15,891,078</u>	<u>\$ 13,708,663</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2019 was \$2,453,227. The costs of the District's activities were primarily funded by program revenues. Program revenues, comprised primarily of assessments, decreased during the fiscal year as a result of a decrease in prepayment revenue. In total, expenses, including depreciation, decreased from the prior fiscal year, the majority of the decrease is associated with clean-up costs from Hurricane Irma incurred in the prior fiscal year.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2019, the District had \$44,115,413 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$8,946,343 has been taken, which resulted in a net book value of \$35,169,070. More detailed information about the District's capital assets is presented in the notes of the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Debt

At September 30, 2019, the District had \$22,585,000 in Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Miromar Lakes Community Development District at the office of the District Manager, James P. Ward at 2900 Northeast 12th Terrace, Suite 1, Oakland Park, Florida 33334, (954) 658-4900.

**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 327,638
Restricted assets:	
Investments	3,296,157
Capital assets:	
Nondepreciable	30,196,507
Depreciable, net	<u>4,972,563</u>
Total assets	<u>38,792,865</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	<u>170,255</u>
Total deferred outflows of resources	<u>170,255</u>
 LIABILITIES	
Accounts payable	9,630
Accrued interest payable	477,412
Non-current liabilities:	
Due within one year	2,505,000
Due in more than one year	<u>20,080,000</u>
Total liabilities	<u>23,072,042</u>
 NET POSITION	
Net investment in capital assets	12,754,325
Restricted for debt service	2,823,398
Unrestricted	<u>313,355</u>
Total net position	<u>\$ 15,891,078</u>

See notes to the financial statements

**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 127,298	\$ 912,931	\$ -	\$ -	\$ 785,633
Maintenance and operations	1,119,123	-	-	9,123	(1,110,000)
Interest on long-term debt	1,206,806	3,635,252	78,110	-	2,506,556
Total governmental activities	2,453,227	4,548,183	78,110	9,123	2,182,189
General revenues:					
Investment earnings					226
Total general revenues					226
Change in net position					2,182,415
Net position - beginning					13,708,663
Net position - ending					\$ 15,891,078

See notes to the financial statements

**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Major Funds		Total Governmental Funds
	General	Debt Service	
ASSETS			
Cash and cash equivalents	\$ 327,638	\$ -	\$ 327,638
Investments	-	3,296,157	3,296,157
Due from other funds	-	4,653	4,653
Total assets	\$ 327,638	\$ 3,300,810	\$ 3,628,448
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 9,630	\$ -	\$ 9,630
Due to other funds	4,653	-	4,653
Total liabilities	14,283	-	14,283
Fund balances:			
Restricted for:			
Debt service	-	3,300,810	3,300,810
Unassigned	313,355	-	313,355
Total fund balances	313,355	3,300,810	3,614,165
Total liabilities and fund balances	\$ 327,638	\$ 3,300,810	\$ 3,628,448

See notes to the financial statements

**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

Fund balance - governmental funds \$ 3,614,165

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	44,115,413	
Accumulated depreciation	<u>(8,946,343)</u>	35,169,070

Deferred amount on refunding of debt are not reported as assets in the governmental funds. The statements of net position includes these costs, net of amortization. 170,255

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Accrued interest payable	(477,412)	
Bonds payable	<u>(22,585,000)</u>	<u>(23,062,412)</u>
Net position of governmental activities		<u><u>\$ 15,891,078</u></u>

See notes to the financial statements

**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Major Funds		Total Governmental Funds
	General	Debt Service	
REVENUES			
Special assessments	\$ 912,931	\$ 3,635,252	\$ 4,548,183
Grant revenue	9,123	-	9,123
Interest earnings	226	78,110	78,336
Total revenues	922,280	3,713,362	4,635,642
EXPENDITURES			
Current:			
General government	127,298	-	127,298
Maintenance and operations	673,132	-	673,132
Debt service:			
Principal	-	2,740,000	2,740,000
Interest	-	1,230,357	1,230,357
Total expenditures	800,430	3,970,357	4,770,787
Excess (deficiency) of revenues over (under) expenditures	121,850	(256,995)	(135,145)
Fund balances - beginning	191,505	3,557,805	3,749,310
Fund balances - ending	\$ 313,355	\$ 3,300,810	\$ 3,614,165

See notes to the financial statements

**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

Net change in fund balances - total governmental funds	\$ (135,145)
--	--------------

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

Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	2,740,000
---	-----------

Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(445,991)
---	-----------

Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds. The details of the differences are as follows:

Amortization of deferred amount on refunding	(13,620)
--	----------

The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities, but not in the governmental fund financial statements.	<u>37,171</u>
--	---------------

Change in net position of governmental activities	<u><u>\$ 2,182,415</u></u>
---	----------------------------

See notes to the financial statements

**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - NATURE OF ORGANIZATION AND REPORTING ENTITY

Miromar Lakes Community Development District (the "District") was created on September 21, 2000 by Ordinance 2000-17 of Lee County, Florida pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by qualified electors within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the responsibility for:

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

The District's Assessments are included on the property tax bill that all landowner's receive. The Florida Statutes provide that special assessments may be collected by using the Uniform Method. Under the Uniform Method, the District's Assessments will be collected together with County and other taxes. These Assessments will appear on a single tax bill issued to each landowner subject to such. The statutes relating to enforcement of County taxes provide that County taxes become due and payable on November 1 of the year when assessed or soon thereafter as the certified tax roll is received by the Tax Collector and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes (together with any assessments, being collected by the Uniform Method) are to be billed, and landowners in the District are required to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the District's Assessments. Upon any receipt of moneys by the Tax Collector from the Assessments, such moneys will be delivered to the District.

All city, county, school and special district ad valorem taxes, non-ad valorem special assessments and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the District Assessments, that are collected by the Uniform Method are payable at one time. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full and such partial payment is not to be accepted and is to be returned to the taxpayer, provided, however that a taxpayer may contest a tax assessment pursuant to certain conditions in Florida Statutes and other applicable law.

Under the Uniform Method, if the Assessments are paid during November when due or at any time within thirty (30) days after the mailing of the original tax notice or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. March payments are without discount. Pursuant to Section 197.222, Florida Statutes, taxpayers may elect to pay estimated taxes, which may include non-ad valorem special assessments such as the District's Assessments in quarterly installments with a variable discount equal to 6% on June 30 decreasing to 3% on December 31, with no discount on March 31. All unpaid taxes and assessments become delinquent on April 1 of the year following assessment, and the Tax Collector is required to collect taxes prior to April 1 and after that date to institute statutory procedures upon delinquency to collect assessed taxes. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Certain taxpayers that are entitled to claim homestead tax exemption under Section 196.031(1), Florida Statutes may defer payment of a portion of the taxes and non-ad valorem assessments and interest accumulated on a tax certificate, which may include non-ad valorem special assessments. Deferred taxes and assessments bear interest at a variable rate not to exceed 7%. The amount that may be deferred varies based on whether the applicant is younger than age 65 or is 65 years old or older; provided that applicants with a household income for the previous calendar year of less than \$10,000 or applicants with less than the designated amount for the additional homestead exemption under Section 196.075, Florida Statutes that are 65 years old or older may defer taxes and assessments in their entirety.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Assessments (Continued)

Collection of Delinquent Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Assessments due.

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

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

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

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured and any unspent Bond proceeds are required to be held in investments as specified in the Bond Indenture.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets

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

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

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	10 - 30
Improvements Other Than Buildings	10

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

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Refundings of Debt

For current refundings and advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized ratably as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. In connection with the refunding, \$13,620 was recognized as a component of interest expense in the current fiscal year.

Fund Equity/Net Position

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

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Other Disclosures

Use of Estimates

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

NOTE 3 - BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

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

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) A public hearing is conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriations for annually budgeted funds lapse at the end of the year.

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits

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

Investments

The District’s investments were held as follows at September 30, 2019:

	Fair Value / Amortized Cost	Credit Risk	Maturities
First American Government Obligation Fund	\$ 2,265,184	AAA	24 Days
FNMA Fannie Mae	1,030,973	AA+	April 5, 2022
	<u>\$ 3,296,157</u>		

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk.

The District’s investments are held by the trustee or agent but not in the District’s name.

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

Interest rate risk – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

However, the Bond Indenture limits the type of investments held using unspent proceeds.

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at September 30, 2019 were as follows:

Fund	Receivable	Payable
General	\$ -	\$ 4,653
Debt service	4,653	-
Total	\$ 4,653	\$ 4,653

The outstanding balances between funds result primarily from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. In the case of the District, the balances between the general fund and the debt service fund relate to assessments collected in the general fund that have not yet been transferred to the debt service fund.

NOTE 6 - CAPITAL ASSETS

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

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 30,196,507	\$ -	\$ -	\$ 30,196,507
Total capital assets, not being depreciated	30,196,507	-	-	30,196,507
Capital assets, being depreciated				
Infrastructure	11,841,145	-	-	11,841,145
Improvements other than buildings	2,077,761	-	-	2,077,761
Total capital assets, being depreciated	13,918,906	-	-	13,918,906
Less accumulated depreciation for:				
Infrastructure	6,422,591	445,991		6,868,582
Improvements other than buildings	2,077,761	-	-	2,077,761
Total accumulated depreciation	8,500,352	445,991	-	8,946,343
Total capital assets, being depreciated, net	5,418,554	(445,991)	-	4,972,563
Governmental activities capital assets, net	\$ 35,615,061	\$ (445,991)	\$ -	\$ 35,169,070

Depreciation was charged to the maintenance and operations function.

NOTE 7 - LONG TERM LIABILITIES

Series 2012

On August 28, 2012, the District issued \$12,345,000 of Capital Improvement Revenue Refunding Bonds, Series 2012 consisting of two different terms, \$4,630,000 and \$7,715,000 which bear interest at 4.875% and 5.375%, and mature in May 2022 and May 2032, respectively. The Bonds were issued to refund District's outstanding Capital Improvement Revenue Bonds, Series 2000A (the "Refunded Bonds"), pay certain costs associated with the issuance of the Bonds, and make a deposit into the Series 2012 Reserve Account. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2013 through May 1, 2032.

The Series 2012 Bonds are subject to redemption at the option of the District prior to maturity. The Series 2012 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. During the current fiscal year the District prepaid \$410,000 of the Bonds.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2019.

NOTE 7 - LONG TERM LIABILITIES (Continued)

Series 2015

On February 10, 2015, the District issued \$19,165,000 of Capital Improvement Revenue Refunding Bonds, Series 2015 consisting of three different terms, \$3,265,000, \$6,995,000, and \$8,905,000 which bear interest at 3.5%, 5%, and 5% and mature in May 2020, May 2028, and May 2035, respectively. The Bonds were issued to refund the District's outstanding Capital Improvement Revenue Bonds, Series 2003A (the "Refunded Bonds"), pay certain costs associated with the issuance of the Bonds, and make a deposit into the Series 2015 Reserve Account. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2016 through May 1, 2035.

The Series 2015 Bonds are subject to redemption at the option of the District prior to maturity. The Series 2015 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. During the current fiscal year the District prepaid \$1,310,000 of the Bonds.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2019.

Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2019 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2012	\$ 9,640,000	\$ -	\$ 870,000	\$ 8,770,000	\$ 485,000
Series 2015	15,685,000	-	1,870,000	13,815,000	2,020,000
Total	<u>\$ 25,325,000</u>	<u>\$ -</u>	<u>\$ 2,740,000</u>	<u>\$ 22,585,000</u>	<u>\$ 2,505,000</u>

At September 30, 2019, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2020	\$ 2,505,000	\$ 1,108,738	\$ 3,613,738
2021	1,050,000	1,029,844	2,079,844
2022	1,105,000	977,981	2,082,981
2023	1,160,000	923,400	2,083,400
2024	1,225,000	863,300	2,088,300
2025-2029	7,155,000	3,296,325	10,451,325
2030-2034	7,295,000	1,284,550	8,579,550
2035	1,090,000	54,500	1,144,500
	<u>\$ 22,585,000</u>	<u>\$ 9,538,638</u>	<u>\$ 32,123,638</u>

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

NOTE 9 – GRANT REVENUE

In the current fiscal year the District recognized grant revenue in the form of FEMA reimbursement funds relating to the clean-up of damages from Hurricane Irma. The District received \$9,123 in the current fiscal year.

NOTE 10 – DEVELOPER TRANSACTIONS & CONCENTRATION

The Developer owns a portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by the Developer.

The District’s activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District’s operations.

NOTE 11 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management services, which include financial and accounting services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

NOTE 12 – SUBSEQUENT EVENTS

Bond Payments

Subsequent to fiscal year end, the District prepaid a total of \$1,515,000 of the Series 2015 Bonds. The prepayments were considered extraordinary mandatory redemptions as outlined in the Bond Indenture.

**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Assessments	\$ 940,018	\$ 912,931	\$ (27,087)
Grant revenue	-	9,123	9,123
Interest earnings	300	226	(74)
Total revenues	940,318	922,280	(18,038)
EXPENDITURES			
Current:			
General government	182,993	127,298	55,695
Maintenance and operations	757,324	673,132	84,192
Total expenditures	940,317	800,430	139,887
Excess (deficiency) of revenues over (under) expenditures	\$ 1	121,850	\$ 121,849
Fund balance - beginning		191,505	
Fund balance - ending		\$ 313,355	

See notes to required supplementary information

**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors.



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

**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
Miromar Lakes 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 Miromar Lakes Community Development District, Lee County, Florida ("District") as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated December 17, 2019.

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.

B *Law & Associates*

December 17, 2019



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

**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
Miromar Lakes Community Development District
Lee County, Florida

We have examined Miromar Lakes 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, 2019. 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, 2019.

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 Miromar Lakes Community Development District, Lee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

December 17, 2019



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

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

To the Board of Supervisors
Miromar Lakes Community Development District
Lee County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Miromar Lakes Community Development District, Lee County, Florida ("District") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated December 17, 2019.

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 December 17, 2019, 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 Miromar Lakes 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 Miromar Lakes 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.

Grau & Associates

December 17, 2019

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2018.

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, 2019.

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, 2019.

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, 2019. 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.