

**JPWard and Associates, LLC**

**STONELAKE RANCH  
COMMUNITY DEVELOPMENT DISTRICT  
REGULAR MEETING  
AGENDA**

**May 15, 2018**

**Board of Supervisor's**

**Charles B. Funk, Chairman  
Michael Gratz, Vice Chairman  
Jeff Meehan, Assistant Secretary  
Kimberly Hotalling Supervisor  
Judy George, Assistant Secretary**

James P. Ward  
District Manager  
2041 Northeast 6th Terrace  
Wilton Manors, FL. 33305

Phone: 954-658-4900  
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JimWard@JPWardAssociates.com

**Please visit our website for additional information:  
[www.stonelakeranch.org](http://www.stonelakeranch.org)**



**Prepared by:  
JPWard and Associates, LLC  
TOTAL Commitment to Excellence**

# STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

May 7, 2018

Board of Supervisors  
Stonelake Ranch  
Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Stonelake Ranch Community Development District will be held on **Tuesday, May 15, 2018 at 11:00 a.m.** at the **offices of Carlyle Investments, 601 Bayshore Blvd. Suite 650, Tampa, Florida 33606**

1. Call to Order & Roll Call.
2. Consideration of Minutes
  - a) August 15, 2017 – Regular Meeting
3. Consideration of acceptance of the Audited Financial Statements for the year ended September 30, 2017.
4. Consideration of Resolution 2018-1 Approving the Proposed Fiscal Year 2019 Budget and setting a Public Hearing for **Tuesday, August 21, 2018 at 11:00 A.M. at the offices of Carlyle Investments, 601 Bayshore Blvd. Suite 650, Tampa, Florida 33606.**
5. Consideration of Auditor Proposals for the Fiscal Years ending September 30, 2018 – September 30, 2022.
6. Staff Reports
  - a) Attorney
  - b) Engineer
  - c) Manager
    - I. Report on the Number of Registered Voters in the District
7. Supervisor's Requests and Audience Comments
8. Adjournment

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The second order of business is consideration of the minutes of the August 15, 2017 regular meeting.

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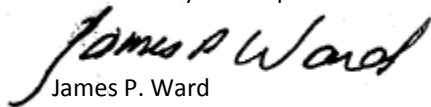
The third order of business is consideration of Resolution 2018-1 which approves the Proposed Fiscal Year 2019 Budget and sets a public hearing for **Tuesday, August 15, 2019**. The District's enabling legislation requires the District Manager to submit a Proposed Budget to the Board by June 15<sup>th</sup> of each year for your review and approval. The approval of the budget is only intended to permit the District to move through the process towards adopting the budget at a Public Hearing.

The approval of the Budget does not bind the Board to any of the costs contained in the budget, any of the programs contained in the Budget and most importantly it does not bind the Board to any of the Assessment Rates contemplated as a result of the preparation of the Budget. It does however set the maximum assessment rate for the general fund at the proposed rate of \$296.84 per unit, which is the same rate as in the current fiscal year.

Under my report, is the statutory requirement that the District determine as of April 15<sup>th</sup> of each year the number of registered voter's residing with the District. The Statute provides that the Supervisor of Elections in the County where the District is located (Hillsborough County) provides that information from the voter rolls of the County. The significance of the report is based on the transition date in the Statute for the District to begin the transition from a landowner's election to a qualified elector based election. The transition begins when two (2) thresholds are met, the first is six (6) years from the date of establishment of the District which date is November 1, 2005 and the second is when there are 250 qualified electors residing in the District. Although the District has met one of the requirements in the Statute, the District has not reached the threshold for the number of registered voters in the District. There is no required action of the Board for this item, it is provided as a matter of law and placed into the District's records.

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,  
Stonelake Ranch  
Community Development District



James P. Ward  
District Manager  
Enclosures

**MINUTES OF MEETING OF THE  
STONELAKE RANCH  
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Stonelake Ranch Community Development District's Board of Supervisors was held on **Tuesday, August 15, 2017, at 10:00 a.m.**, at the **Offices of Carlyle Investments, 601 Bayshore Boulevard, Suite 650, Tampa, FL 33606.**

**Present and constituting a quorum were:**

Charles Funk	Chairman
Michael Gratz	Vice Chairman
Judy George	Assistant Secretary

**Absent were:**

Jeff Meehan	Assistant Secretary
Kim Hotaling	Assistant Secretary

**Also present were:**

James P. Ward	District Manager
Vivek Babar (via telephone)	District Attorney

**1. Call to Order & Roll Call**

Mr. Ward called the meeting to order at 10:06 a.m., and roll call determined that all members of the Board were present with the exception of Supervisor Meehan and Supervisor Hotaling.

**2. Administration of Oath of Office for the newly elected Supervisor from the Landowners Meeting held prior to the regular meeting**

Mr. Ward stated he would administer the Oath of Office to Ms. George, who had been elected at the Landowners election held prior to the regular meeting. He said he was a Notary and authorized to administer the Oath. He did so and Ms. George signed the Oath.

**3. Consideration of Resolution 2017-5 Canvassing and Certifying the Results of the August 15, 2017 Landowners Election**



Mr. Ward said Ms. George had been elected with 21 votes, her term would be for slightly less than two years and would expire in November of 2018. He called for questions. Hearing none, he asked for a motion to adopt the Resolution.

**Motion was made by Mr. Funk and seconded by Mr. Gratz to adopt Resolution 2017-5 as described above, and with all in favor, the motion was approved.**

**4. Consideration of Resolution 2017-6 Re-Designating the Officers of the Stonelake Ranch Community Development District**

Mr. Ward explained the officer slate remained the same. He called for questions. Hearing none, he asked for a motion to adopt the Resolution.

**Motion was made by Mr. Gratz and seconded by Mr. Funk to adopt Resolution 2017-6 as described above, and with all in favor, the motion was approved.**

**5. Consideration of Minutes for the May 16, 2017 Minutes**

Mr. Ward explained that the recording equipment had been faulty, so the minutes reflected basically the items on the agenda, the motions that were made, and some written comments that had been provided to the transcriptionist. He asked for a motion to approve the minutes.

**Motion was made by Mr. Funk and seconded by Mr. Gratz to approve minutes of the May 16, 2017 meeting, and with all in favor, the motion was approved.**

**6. Public Hearings**

**a) Fiscal Year 2018 Budget**

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

**Motion was made by Mr. Gratz and seconded by Mr. Funk to open the Public Hearing, and with all in favor, the motion was approved.**

Mr. Ward stated there were no members of the public present, nor had he received written comment or testimony with respect to the budget.

**Motion was made by Mr. Gratz and seconded by Mr. Funk to close the Public Hearing, and with all in favor, the motion was approved.**

Mr. Ward called for Board comment concerning the budget. Hearing none, he called for a motion to adopt Resolution 2017-7, the annual appropriation and Budget for Fiscal Year 2018.

**Motion was made by Mr. Funk and seconded by Mr. Gratz to adopt Resolution 2017-7 as described above, and with all in favor, the motion was approved.**

**b) Fiscal Year 2018 Imposing Special Assessments; Adopting an Assessment Roll, Approving the General Fund Special Assessment Methodology**

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

**Motion was made by Mr. Funk and seconded by Mr. Gratz to open the Public Hearing, and with all in favor, the motion was approved.**

Mr. Ward stated there were no members of the public present, nor had he received written comment or testimony with respect to the budget.

**Motion was made by Mr. Gratz and seconded by Mr. Funk to close the Public Hearing, and with all in favor, the motion was approved.**

Mr. Ward stated the Resolution 2017-8 imposed the assessment, certified the roll, and adopted the General Fund special assessment methodology.

**Motion was made by Mr. Funk and seconded by Mr. Gratz to adopt Resolution 2017-8 as described above, and with all in favor, the motion was approved.**

**7. Consideration of Resolution 2017-9 Designating the Dates, Time and Location for the Regular Meetings of the District for Fiscal Year 2018.**

Mr. Ward said he had scheduled two meetings for 2018: Tuesday, May 15, 2018; and Tuesday, August 21, 2018. He said both would be at 10:00 a.m. at the Carlyle Investments, 601 Bayshore Boulevard, Suite 650, Tampa, Florida 33606.

**Motion was made by Mr. Funk and seconded by Mr. Gratz to adopt Resolution 2017-9 as described above, and with all in favor, the motion was approved.**

**8. Staff Reports**

- a) District Attorney – No report.

- b) District Manager – No report.

**7. Supervisor's Requests and Audience Comments**

Mr. Ward called for further comments from the Board, and said there was no audience present. Hearing no further comments, he called for a motion to adjourn the meeting.

**8. Adjournment**

<b>Motion was made by Mr. Funk and seconded by Mr. Gratz to adjourn the meeting, and with all in favor, the motion was approved.</b>
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The meeting was adjourned.

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

\_\_\_\_\_  
Charles Funk, Chairman

To the Board of Supervisors  
*Stonelake Ranch Community Development District*

We have audited the financial statements of Stonelake Ranch Community Development District (the "District") as of and for the year ended September 30, 2017, and have issued our report thereon dated March 22, 2018. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated January 21, 2014, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in the notes to the financial statements, as described in Note 2 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is:

Management's estimate of depreciation is based on the estimated useful lives of the capital assets. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated March 22, 2018.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report is intended solely for the information and use of the Board of Supervisors and management of the District and is not intended to be and should not be used by anyone other than these specific parties.

*McDiarmid Davis & Company, LLC*

Orlando, Florida  
March 22, 2018

# **STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT**

March 22, 2018

McDermitt Davis & Company, LLC  
934 North Magnolia Ave, Suite 100  
Orlando, FL 32803

This representation letter is provided in connection with your audit of the governmental activities and each major fund of the Stonelake Ranch Community Development District as of September 30, 2017 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, and results of operations of the various opinion units of Stonelake Ranch Community Development District in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 22, 2018.

## **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated January 21, 2014 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.



*James P. Ward*  
*District Manager*

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

PHONE (954) 658-4900

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

- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule<sup>8</sup> and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.<sup>9</sup>
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.



*James P. Ward*  
*District Manager*

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- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- We have reviewed capital assets and infrastructure for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment, if necessary.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

### Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes,<sup>7</sup> and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.



*James P. Ward*  
*District Manager*

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- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Stonelake Ranch Community Development District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Stonelake Ranch Community Development District is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.



*James P. Ward*  
*District Manager*

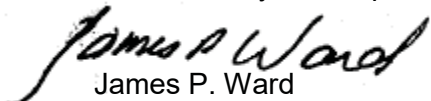
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- Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
- Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Stonelake Ranch Community Development District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Yours sincerely,  
Stonelake Ranch  
Community Development District

  
James P. Ward  
District Manager



*James P. Ward*  
*District Manager*

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The background of the cover is a stylized map of the Stonelake Ranch Community Development District, rendered in various shades of blue. The map shows the district's irregular boundary and internal road networks. On the left side, there is a vertical column of seven white-outlined squares, likely representing individual parcels or lots. In the top left corner, there are four small white circles arranged in a 2x2 grid.

# STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

FINANCIAL REPORT  
Year Ended September 30, 2017

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Supervisors  
*Stonelake Ranch Community Development District*

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, and each major fund of the *Stonelake Ranch Community Development District* (the "District"), as of and for the year ended September 30, 2017, 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**

The District's 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 principles 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.

**MCDIRMIT DAVIS & COMPANY, LLC**

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM



## **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, 2017, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 22, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*McDiarmid Davis & Company, LLC*

Orlando, Florida  
March 22, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the *Stonelake Ranch Community Development District's* (the "District") financial performance provides an overview of the District's financial activities for the fiscal years ended September 30, 2017 and 2016. Please read it in conjunction with the District's financial statements which immediately follow this discussion.

### Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2017:

- The District's total assets exceeded its liabilities at September 30, 2017 by \$1,282,364, an increase of \$182,825 in the government wide statement on page 8, in comparison with the prior year. This increase is primarily attributable to property owner's prepaying the entire special assessment for their property. Government wide statements do not consider principal to be an expense.
- At September 30, 2017, the District's governmental funds reported a combined fund balance of \$456,686, an increase of \$100,825 in comparison with the prior year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements.

### Government-Wide Financial Statements

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

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

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

The government-wide financial statements can be found on pages 7 and 8 of this report.



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has one fund type: Governmental Funds.

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

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

The governmental fund financial statements can be found on pages 9 through 12 of this report.

### Notes to Basic 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. The notes to basic financial statements can be found on pages 13 through 26 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statements of net position as of September 30, 2017 and 2016:

#### Stonelake Ranch Community Development District Statement of Net Position

	September 30, 2017	September 30, 2016
Assets, excluding capital assets	\$ 459,291	\$ 361,504
Capital Assets, net of depreciation	3,458,110	3,485,573
Total assets	3,917,401	3,847,077
Liabilities, excluding long-term liabilities	62,325	67,841
Long-term Liabilities	2,572,712	2,679,697
Total liabilities	2,635,037	2,747,538
Net Position		
Net investment in capital assets	885,398	805,876
Restricted for debt service	362,214	265,465
Unrestricted	34,752	28,198
Total net position	\$ 1,282,364	\$ 1,099,539

Governmental activities for the year ended September 30, 2017 increased the District's net position by \$182,825, as reflected in the table below:

#### Changes in Net Position Year ended September 30,

	2017	2016
Revenues:		
Program revenues	\$ 395,862	\$ 324,954
General revenues	34	20
Total revenues	395,896	324,974
Expenses:		
General government	66,413	38,342
Physical environment	-	27,463
Interest on long-term debt	146,658	152,880
Total expenses	213,071	218,685
Change in net position	182,825	106,289
Net position - beginning	1,099,539	993,250
Net position - ending	\$ 1,282,364	\$ 1,099,539

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

### **Analysis of the Government's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year. The General and Debt Service Funds comprise the total governmental funds. The fund balance of the Debt Service Fund increased by \$94,271 in the current year because assessments exceeded debt service payments. The fund balance of the General Fund increased \$6,554 from the prior year.

### **Capital Asset and Debt Administration**

The District's investment in capital assets, net of accumulated depreciation, for its governmental activities as of September 30, 2017, amounts to \$3,458,110 and consists of land and improvements, infrastructure, and machinery and equipment.

At the end of the year, the District had total bonded debt outstanding of \$2,400,106 net of unamortized discounts. The District's debt represents bonds secured solely by a specified revenue source (i.e., revenue bonds). In addition, the District has a promissory note payable of \$172,606.

Additional information on the District's long-term debt can be found in Note 5 on pages 24 through 26 of this report.

### **General Fund Budgetary Highlights**

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. There were no amendments to the general fund budget. The legal level of budgetary control is at the fund level.

### **Requests for Information**

This financial report is designed to provide a general overview of *Stonelake Ranch Community Development District's* finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Stonelake Ranch Community Development District; JPWard & Associates, LLC, 2900 Northeast 12<sup>th</sup> Terrace, Suite 1, Oakland Park, Florida 33334.

## **FINANCIAL STATEMENTS**

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**STATEMENT OF NET POSITION**

September 30, 2017

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash	\$ 37,067
Assessments receivable	1,832
Restricted assets:	
Temporarily restricted investments	420,392
Capital assets:	
Capital assets not being depreciated	2,687,669
Capital assets being depreciated, net	770,441
Total assets	<u>3,917,401</u>
<b>Liabilities:</b>	
Accounts payable and accrued expenses	2,605
Accrued interest payable	59,720
Noncurrent liabilities:	
Due within one year	85,000
Due in more than one year	2,487,712
Total liabilities	<u>2,635,037</u>
<b>Net Position:</b>	
Net investment in capital assets	885,398
Restricted for debt service	362,214
Unrestricted	34,752
Total net position	<u><u>\$ 1,282,364</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**STATEMENT OF ACTIVITIES**

Year Ended September 30, 2017

<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Program Revenue</u></b>		<b><u>Net (Expense)</u></b>
		<b><u>Charges for</u></b>	<b><u>Operating</u></b>	<b><u>Revenue and</u></b>
		<b><u>Services</u></b>	<b><u>Grants and</u></b>	<b><u>Changes in Net</u></b>
			<b><u>Contributions</u></b>	<b><u>Position</u></b>
				<b><u>Governmental</u></b>
				<b><u>Activities</u></b>
Governmental Activities:				
General government	\$ 66,413	\$ 45,470	\$ -	\$ (20,943)
Interest on long-term debt	146,658	348,416	1,976	203,734
Total governmental activities	<u>\$ 213,071</u>	<u>\$ 393,886</u>	<u>\$ 1,976</u>	<u>182,791</u>
General Revenues:				
Investment income				<u>34</u>
Change in net position				182,825
Net Position - beginning				<u>1,099,539</u>
Net Position - ending				<u><u>\$ 1,282,364</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

September 30, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash	\$ 37,067	\$ -	\$ 37,067
Investments	-	420,392	420,392
Assessments receivable	1,832	-	1,832
Due from other funds	-	1,542	1,542
Total assets	<u>\$ 38,899</u>	<u>\$ 421,934</u>	<u>\$ 460,833</u>
<b>Liabilities and Fund Balances:</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 2,605	\$ -	\$ 2,605
Due to other funds	1,542	-	1,542
Total liabilities	<u>4,147</u>	<u>-</u>	<u>4,147</u>
Fund Balances:			
Restricted for debt service	-	421,934	421,934
Unassigned	<u>34,752</u>	<u>-</u>	<u>34,752</u>
Total fund balances	<u>34,752</u>	<u>421,934</u>	<u>456,686</u>
Total liabilities and fund balances	<u>\$ 38,899</u>	<u>\$ 421,934</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

3,458,110

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

	Accrued interest payable	(59,720)	
	Bonds and note payable	<u>(2,572,712)</u>	<u>(2,632,432)</u>
<b>Net Position of Governmental Activities</b>			<u>\$ 1,282,364</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

Year Ended September 30, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Special assessments	\$ 45,470	\$ 242,133	\$ 287,603
Special assessments - prepayments	-	106,283	106,283
Investment income	34	1,976	2,010
Total revenues	<u>45,504</u>	<u>350,392</u>	<u>395,896</u>
<b>Expenditures:</b>			
Current:			
General government	38,950	-	38,950
Debt service:			
Interest	-	148,534	148,534
Principal	-	107,587	107,587
Total expenditures	<u>38,950</u>	<u>256,121</u>	<u>295,071</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	6,554	94,271	100,825
<b>Fund Balances - beginning of year</b>	<u>28,198</u>	<u>327,663</u>	<u>355,861</u>
<b>Fund Balances - end of year</b>	<u>\$ 34,752</u>	<u>\$ 421,934</u>	<u>\$ 456,686</u>

The accompanying Notes to Financial Statements are an integral part of this statement.



STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES**

Year Ended September 30, 2017

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

Net Change in Fund Balances - total governmental funds (page 10)	\$	100,825
Depreciation on capital assets is not recognized in the governmental fund statement, however, depreciation is reported as an expense in the statement of net position.		(27,463)
Repayments of long-term liabilities are reported as expenditures in governmental funds, while repayments reduce long-term liabilities in the statement of net position.		107,587

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

Change in accrued interest	2,478	
Amortization of bond discount	<u>(602)</u>	<u>1,876</u>
Change in Net Position of Governmental Activities (page 8)		<u>\$ 182,825</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**

Year Ended September 30, 2017

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>Revenues:</b>				
Special Assessments	\$ 46,955	\$ 46,955	\$ 45,470	\$ (1,485)
Investment Income	30	30	34	4
Total revenues	<u>46,985</u>	<u>46,985</u>	<u>45,504</u>	<u>(1,481)</u>
<b>Expenditures:</b>				
Current:				
General government	<u>46,985</u>	<u>46,985</u>	<u>38,950</u>	<u>8,035</u>
Total expenditures	<u>46,985</u>	<u>46,985</u>	<u>38,950</u>	<u>8,035</u>
Net change in fund balance	-	-	6,554	6,554
Fund Balance - beginning	<u>28,198</u>	<u>28,198</u>	<u>28,198</u>	<u>-</u>
Fund Balance - ending	<u><u>\$ 28,198</u></u>	<u><u>\$ 28,198</u></u>	<u><u>\$ 34,752</u></u>	<u><u>\$ 6,554</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

## **NOTES TO FINANCIAL STATEMENTS**

# STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

## **NOTES TO FINANCIAL STATEMENTS**

Year Ended September 30, 2017

### **Note 1 - Organization and Operations**

The Stonelake Ranch Community Development District (the "District") was established on September 9, 2003, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190 of the Florida Statutes by Hillsborough County Ordinance 03-24. The Act provides, among other things, the power to manage basic services for community development, the 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 purpose of planning, financing, constructing, operating and maintaining certain portions of community-wide infrastructure. The District consists of 664 acres of land and is located entirely within Hillsborough County, Florida.

The District is governed by a Board of Supervisors (the "Board"), which is composed of five members. The Supervisors are elected on an at large basis by the owners of property within the District, and ownership of land within the District entitles the owner to one vote per acre. All of the Board members are affiliated with Stonelake Ranch, LLC (the "Developer") at September 30, 2017. The District is economically dependent on the Developer. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has a final responsibility for:

- Assessing and levying special assessments
- Approving and adopting budgets
- Exercising control over facilities and property
- Controlling the use of funds generated by the District
- Hiring the District Manager, District Engineer and District Attorney
- Financing, operating and maintaining improvements.

### **Note 2 - Summary of Significant Accounting Policies:**

The accounting policies of the District conform to Generally Accepted Accounting Principles (GAAP) as applicable to governments in accordance with those promulgated by the Governmental Accounting Standards Board (GASB). The District's more significant accounting policies are described below:

#### **The Financial Reporting Entity**

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Basis of Presentation**

**Financial Statements - Government-Wide and Fund Financial Statements**

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

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2017, the District did not have any business-type activities and therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use or directly benefit from goods or services) are reported as general revenues. In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full-accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations, when and if applicable.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The net costs, by function, are also supported by general revenues. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

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

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Basis of Presentation (Continued)**

**Financial Statements - Fund Financial Statements**

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

The District reports the following governmental funds:

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

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

For the year ended September 30, 2017, the District does not report any proprietary funds.

**Measurement Focus, Basis of Accounting and Presentation**

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Budget**

A budget is adopted for the General Fund on an annual basis. Appropriations lapse at fiscal year-end. Changes or amendments to the total budgeted expenditures of the District must be approved by the District Board of Supervisors.

The 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 property owner's comments.
- c. Prior to October 1, the budget is legally adopted by the District Board.
- d. The budgets are adopted on a basis consistent with generally accepted accounting principles.

**Cash, Cash Equivalents and Investments**

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

Investments of the District are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The District's investments consist of investments authorized in accordance with Section 218.415, Florida Statutes.

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Capital Assets**

Capital assets, which include land and improvements, infrastructure and machinery and equipment, are reported in the governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$750 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

<b>Assets</b>	<b>Years</b>
Infrastructure	20 - 40
Machinery and equipment	15

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.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2017.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2017.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Special 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 provided that County taxes become due and payable on November 1 of the year when assessed or as soon thereafter as 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 an 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 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 the notices to taxpayers may result in a delay throughout this process.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Special Assessments (Continued)**

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 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 year old or older may defer taxes and assessments in their entirety.

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 Assessment due.

**Equity Classifications**

Government-wide statements:

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

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

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

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Fund Statements**

The District presents fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement requires that governmental fund financial statements presents fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has no Nonspendable fund balances as of September 30, 2017.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants.

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Supervisors (the "Board"). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed fund balance as of September 30, 2017.

Assigned - This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District did not have any assigned fund balances as of September 30, 2017.

Unassigned - This classification includes the residual fund balance for the General Fund.

When the District has expenditures for which committed, assigned or unassigned fund balance is available, the District would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**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 - Deposits and Investments:**

Deposits

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

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

Investments

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

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

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 3 - Deposits and Investments (Continued):**

The following is a summary of the District's investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
Wells Fargo Government Money Market Fund Institutional Class #1751	\$ 420,392	AAAm	31 days

The District has the following recurring fair value measurements as of September 30, 2017:

- Money market mutual funds of \$420,392 are valued using Level 2 inputs.

These deposits and investments are reflected in the accompanying statement of net position and balance sheet - governmental funds in cash and cash equivalents.

Credit Risk

Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency. The money market mutual funds held by the District are rated AAAm by Standard and Poor's and AAA-mf by Moody's Investors Service.

Custodial 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 money market mutual funds are not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk

Florida Statutes provide that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due.

Concentration Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2017, the District's investments were not subject to custodial credit risk.

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 4 - Capital Assets:**

Capital asset activity for the year ended September 30, 2017 was as follows:

	<b>Beginning Balance October 1, 2016</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at September 30, 2017</b>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land and improvements	\$ 2,687,669	\$ -	\$ -	\$ 2,687,669
Capital Assets Being Depreciated:				
Infrastructure	1,178,132	-	-	1,178,132
Machinery and equipment	950	-	-	950
Total capital assets being depreciated	1,179,082	-	-	1,179,082
Total capital assets	3,866,751	-	-	3,866,751
Less Accumulated Depreciation for:				
Infrastructure	(380,537)	(27,400)	-	(407,937)
Machinery and equipment	(641)	(63)	-	(704)
Total accumulated depreciation	(381,178)	(27,463)	-	(408,641)
Total capital assets being depreciated, net	797,904	(27,463)	-	770,441
Governmental activities capital assets, net	<u>\$ 3,485,573</u>	<u>\$ (27,463)</u>	<u>\$ -</u>	<u>\$ 3,458,110</u>

Provision for depreciation was charged to functions as follows:

Governmental Activities:

General government	<u>\$ 27,463</u>
--------------------	------------------

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 5 - Long-Term Debt:**

Summary of Long-Term Debt of Governmental Activities

Long-term debt of the governmental activities at September 30, 2017 is comprised of the following:

\$3,615,000 Special Assessment Revenue Bonds, Series 2004A; due in annual installments commencing 2005 through 2034; interest payable semi-annually at 5.9% (net of unamortized bond discounts of \$9,894).	\$ 2,400,106
Promissory note to Stonelake Ranch, LLC for the acquisition of District assets; payable from excess funds in the Bond Reserve Account, Series 2004, as provided in the Bond Indenture.	<u>172,606</u>
	<u><u>\$ 2,572,712</u></u>

The following is a summary of changes in governmental activities long-term debt for the year ended September 30, 2017:

	<u>Balance October 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Amortization</u>	<u>Balance September 30, 2017</u>	<u>Due Within One Year</u>
Special Assessment Revenue Bonds, Series 2004A	\$ 2,510,000	\$ -	\$ (100,000)	\$ -	\$ 2,410,000	\$ 85,000
Note Payable	180,193	-	(7,587)	-	172,606	-
Original Issue Discount	(10,496)	-	-	602	(9,894)	-
Total	<u>\$ 2,679,697</u>	<u>\$ -</u>	<u>\$ (107,587)</u>	<u>\$ 602</u>	<u>\$ 2,572,712</u>	<u>\$ 85,000</u>

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 5 - Long-Term Debt (Continued):**

Summary of Significant Debt Terms of Governmental Activities

\$3,615,000 Special Assessment Revenue Bonds, Series 2004A - The District previously issued \$3,615,000 Series 2004A for the purpose of funding certain capital projects within the boundaries of the District. The bonds bear interest at 5.90% and mature in May 2034. Interest is payable semi-annually on the first day of each May and November. The bonds are secured by a pledge of revenues derived from the collection of non-ad valorem special assessments.

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

The Bonds are subject to mandatory redemption at par on a schedule of annual redemptions starting May 1, 2005 through May 2034, the maturity date. The District is required to redeem the Bonds at par prior to the schedule from the proceeds of any assessments prepaid in full, or moneys received as a result of condemnation or destruction of the project. The Bonds are subject to redemption at the option of the District at a premium from May 2014 through April 2015 and at par on or after May 2015.

The Bond Indenture requires a reserve fund equal to 7.189% of the Bonds outstanding at September 30, 2017. As of September 30, 2017, the reserve fund account balance was sufficient to satisfy this requirement.

Total principal and interest remaining the Bonds is \$3,889,720. For the current year ended September 30, 2017, total principal and interest paid on the Bonds was \$248,090 and special assessment revenue pledged was \$348,416.

The annual debt service requirements for the Series 2004A Special Assessment Revenue Bonds consist of:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 85,000	\$ 142,190	\$ 227,190
2019	90,000	137,175	227,175
2020	95,000	131,865	226,865
2021	100,000	126,260	226,260
2022	105,000	120,360	225,360
2023 - 2027	645,000	499,140	1,144,140
2028 - 2032	865,000	284,675	1,149,675
2033 - 2034	425,000	38,055	463,055
	<u>\$ 2,410,000</u>	<u>\$ 1,479,720</u>	<u>\$ 3,889,720</u>



STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2017

**Note 5 - Long-Term Debt (Continued):**

\$274,655 Note Payable - The note payable is evidenced by a promissory note between the District and Stonelake Ranch, LLC, the Developer. The note obligates the District to pay the Developer for the acquisition of District assets from excess funds in the Bond Reserve Account, Series 2004, as provided for in the Bond Indenture. The promissory note bears interest at the rate earned on certain trust accounts. The District acquired assets in excess of the reserve account, including anticipated earnings. In the event of a refinancing of the Bond Reserve Account, Series 2004, the promissory note will mature and all outstanding principal and interest shall be paid to the Developer from the remaining funds in the Bond Reserve Account, Series 2004. In the current year, principal of \$7,587 and interest of \$444 was paid.

**Note 6 - 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. To mitigate this risk, the District purchases an insurance policy that provides coverage of up to a \$2,000,000 general liability for each occurrence and an annual aggregate coverage of approximately \$4,000,000 for the policy year ending September 30, 2017. Another insurance policy carried by the District during the year includes public official's liability. Deductible amounts ranged from \$0 to \$2,500. There have been no claims against the District during the last three fiscal years.

**Note 7 - Concentration:**

A significant portion of the District's activity is dependent upon the continued involvement of the Developer, Stonelake Ranch, LLC, the loss of which could have a materially adverse effect on the District's ability to pay the principal and interest on the District Series 2004 Bonds, along with the operations of the District. For the period ending September 30, 2017, the Developer's share of annual assessment revenue was 15%. Prepayment of total lot debt is not mandatory by property owners.

All of the members of the Board of Supervisors are affiliated with the Developer.

## **COMPLIANCE SECTION**

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

To the Board of Supervisors  
*Stonelake Ranch Community Development District*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the *Stonelake Ranch Community Development District* (the "District") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 22, 2018.

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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting 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 grant 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.

*McDiarmid Davis & Company, LLC*

Orlando, Florida  
March 22, 2018

## **MANAGEMENT COMMENTS**

Board of Supervisors  
*Stonelake Ranch Community Development District*

### **Report on the Financial Statements**

We have audited the financial statements of the *Stonelake Ranch Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated March 22, 2018.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 22, 2018, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Official Title and Legal Authority**

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

**MCDIRMIT DAVIS & COMPANY, LLC**

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

## **Financial Condition and Management**

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

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

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

## **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

## **Additional Matters**

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

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*McDiernit Davis & Company, LLC*

Orlando, Florida  
March 22, 2018

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

Board of Supervisors  
*Stonelake Ranch Community Development District*

We have examined Stonelake Ranch Community Development District's (the District) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2017. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

*McDirmit Davis & Company, LLC*

Orlando, Florida  
March 22, 2018

**MCDIRMIT DAVIS & COMPANY, LLC**  
934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: [INFO@MCDIRMITDAVIS.COM](mailto:INFO@MCDIRMITDAVIS.COM)

## **RESOLUTION 2018-1**

### **A RESOLUTION OF THE BOARD OF SUPERVISORS OF STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2019 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the District Manager has heretofore prepared and submitted to the Board of Supervisors of Stonelake Ranch Community Development District (the "Board") prior to June 15 of each year, a proposed Budget for the ensuing Fiscal Year; and

**WHEREAS**, the Board has considered the proposed Budget and desires to set the required public hearing thereon.

#### **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT:**

**SECTION 1.** That the foregoing whereas clauses are true and correct and incorporated herein as if written into this Section.

**SECTION 2.** The proposed Budget submitted by the District Manager for Fiscal Year 2019 and attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said budget.

**SECTION 3.** A public hearing on said approved Budget is hereby declared and set for the following date, hour and location:

<b>DATE:</b>	<b>Tuesday, August 21, 2018</b>
<b>HOUR:</b>	<b>11:00 A.M.</b>
<b>LOCATION:</b>	<b>Offices of Caryle Investments 601 Bayshore Boulevard, Suite 650 Tampa, Florida 33606</b>

**SECTION 4.** The District Manager is hereby directed to submit a copy of the approved proposed Budget to Hillsborough County at least 60 days prior to the hearing set above.

**SECTION 5.** Notice of this public hearing on the budget shall be published in a newspaper of general circulation in the area of the district once a week for two (2) consecutive weeks, except that the first publication shall not be fewer than 15 days prior to the date of the hearing. The notice shall further contain a designation of the day, time, and place of the public hearing. At the time and place designated in the notice, the Board shall hear all objections to the approved proposed Budget and may make such changes as the Board deems necessary.

**SECTION 6.** If any one of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contract to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof.



**RESOLUTION 2018-1**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2019 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.**

**SECTION 7.** That all Sections or parts of Sections of any Resolutions, Agreements or actions of the Board of Supervisor's in conflict are hereby repealed to the extent of such conflict.

**SECTION 8.** This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED** this 15<sup>th</sup> day of May, 2018.

ATTEST:

**STONELAKE RANCH COMMUNITY  
DEVELOPMENT DISTRICT**

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

\_\_\_\_\_  
Charles B. Funk, Chairman

# **BOARD OF SUPERVISOR'S**

## **EXHIBIT A**

### **STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT**

#### **PROPOSED BUDGET**

#### **FISCAL YEAR 2019**

**October 1, 2018 through September 30, 2019**

#### **Board of Supervisor's**

**Charles B. Funk, Chairman  
Michael Gratz, Vice Chairman  
Jeff Meehan, Assistant Secretary  
Kimberly Hotaling, Assistant Secretary  
Judy George, Assistant Secretary**

James P. Ward  
District Manager  
2900 Northeast 12th Terrace  
Suite 1  
Oakland Park, Florida 33334

Phone: 954-658-4900  
E-mail:  
JimWard@JPWardAssociates.com

**Please visit our web site for additional information:  
[www.stonelakeranchcdd.org](http://www.stonelakeranchcdd.org)**



**Prepared by:  
JPWard and Associates, LLC  
TOTAL Commitment to Excellence**



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**Stonelake Ranch  
Community Development District**

**General Fund - Budget  
Fiscal Year 2019**

Description	Fiscal Year 2018 Budget	Actual at March 31, 2018	Anticipated Year End 09/30/18	Fiscal Year 2019 Budget
<b>Revenues and Other Sources</b>				
Carryforward	\$ -	\$ -	\$ -	\$ -
Interest Income - General Account	\$ 30	\$ 10	\$ 50	\$ 30
<b>Special Assessment Revenue</b>				
Special Assessment - On-Roll	\$ 47,495	\$ 36,714	\$ 47,495	\$ 47,495
<b>Total Revenue &amp; Other Sources</b>	<b>\$ 47,525</b>	<b>\$ 36,724</b>	<b>\$ 47,545</b>	<b>\$ 47,525</b>
<b>Appropriations</b>				
<b>Executive</b>				
Professional - Management	\$ 21,465	\$ 10,732	\$ 21,465	\$ 21,465
<b>Financial and Administrative</b>				
Audit Services	\$ 4,600	\$ -	\$ 4,600	\$ 4,600
<b>Other Contractual Services</b>				
Recording and Transcription	\$ -	\$ -	\$ -	\$ -
Legal Advertising	\$ 550	\$ -	\$ 550	\$ 550
Trustee Services	\$ 3,500	\$ -	\$ 3,500	\$ 3,500
Dissemination Agent Services	\$ 5,000	\$ -	\$ 5,000	\$ 5,000
Bank Service Fees	\$ 460	\$ 187	\$ 460	\$ 460
<b>Travel and Per Diem</b>	\$ -	\$ -	\$ -	\$ -
<b>Rentals and Leases</b>				
Web Site Maintenance	\$ 700	\$ 50	\$ 700	\$ 950
<b>Communications and Freight Services</b>				
Telephone	\$ -	\$ -	\$ -	\$ -
Postage, Freight & Messenger	\$ 25	\$ 9	\$ 25	\$ 25
<b>Insurance</b>	\$ 6,200	\$ 6,042	\$ 6,042	\$ 6,200
<b>Printing and Binding</b>	\$ 50	\$ -	\$ 50	\$ 50
<b>Office Supplies</b>	\$ -	\$ -	\$ -	\$ -
<b>Subscriptions and Memberships</b>	\$ 175	\$ 175	\$ 175	\$ 175
<b>Legal Services</b>				
General Counsel	\$ 1,000	\$ 349	\$ 700	\$ 750
<b>Other General Government Services</b>				
Engineering Services	\$ -	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ -	\$ -
<b>Other Fees and Charges</b>				
Discounts and Tax Collector Fees	\$ 3,800	\$ -	\$ 3,800	\$ 3,800
<b>Total Appropriations</b>	<b>\$ 47,525</b>	<b>\$ 17,544</b>	<b>\$ 47,067</b>	<b>\$ 47,525</b>

**Stonelake Ranch  
Community Development District**

**General Fund - Budget**

**Fiscal Year 2019**

Description	Fiscal Year 2018 Budget	Actual at March 31, 2018	Anticipated Year End 09/30/18	Fiscal Year 2019 Budget
Net Increase/(Decrease) in Fund Balance		\$ 19,180	\$ 478	
Fund Balance - Beginning (Audited)		\$ 34,752	\$ 34,752	
Fund Balance - Ending (Projected)			\$ 35,230	
Assessment Comparison	\$ 296.84			\$ 296.84

**Stonelake Ranch  
Community Development District  
General Fund - Budget  
Fiscal Year 2019**

**Revenues and Other Sources**

<b>Carryforward</b>	\$ -
<b>Interest Income - General Account</b>	\$ 30

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**Appropriations**

**Executive**

Professional - Management	\$ 21,465
---------------------------	-----------

The District retains the services of a professional management company - **JPWard and Associates, LLC** - which specializes in Community Development Districts. The firm brings a wealth of knowledge and expertise to Stonelake Ranch.

**Financial and Administrative**

Audit Services	\$ 4,600
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Statutorily required for the District to undertake an independent examination of its books, records and accounting procedures.

**Other Contractual Services**

Recording and Transcription	\$ -
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Legal Advertising	\$ 550
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Trustee Services	\$ 3,500
------------------	----------

With the issuance of the District's Bonds, the District is required to maintain the accounts established for the Bond Issue with a bank that holds trust powers in the State of Florida. The primary purpose of the trustee is to safeguard the assets of the Bondholder's, to insure the timely payment of the principal and interest due on the Bonds, and to insure the investment of the funds in the trust are made pursuant to the requirements of the trust.

Dissemination Agent Services	\$ 5,000
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With the issuance of the District's Bonds, the District is required to report on a periodic basis the same information that is contained in the Official Statement that was issued for the Bonds. These requirements are pursuant to requirements of the Securities and Exchange Commission and sent to national repositories.

Bank Service Fees	\$ 460
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**Travel and Per Diem**

\$ -
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**Communications and Freight Services**

Telephone	\$ -
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Postage, Freight & Messenger	\$ 25
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**Rentals and Leases**

Web Site Maintenance	\$ 950
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In accordance with recent changes to Florida Statutes, the District has developed a web site to provide for the maintenance of certain records, as such, this is for the on-going maintenance of the web site.

<b>Insurance</b>	\$ 6,200
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<b>Printing and Binding</b>	\$ 50
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<b>Office Supplies</b>	\$ -
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<b>Subscriptions and Memberships</b>	\$ 175
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**Legal Services**

Prepared by:

**JPWARD and Associates, LLC**

**Stonelake Ranch  
Community Development District  
General Fund - Budget  
Fiscal Year 2019**

General Counsel	\$ 750
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The District's general council provides on-going legal representation relating to issues such as public finance, public bidding, rulemaking, open meetings, public records, real property dedications, conveyances and contracts. In this capacity, they provide services as "local government lawyers".

**Other General Government Services**

Engineering Services	\$ -
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The District's engineering firm provides a broad array of engineering, consulting and construction services, which assists the District in crafting solutions with sustainability for the long term interests of the Community while recognizing the needs of government, the environment and maintenance of the District's facilities.

Contingencies	\$ -
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**Other Fees and Charges**

Discounts and Other Fees	\$ 3,800
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4% Discount permitted by Law for early payment along with 2% each for the Tax Collector and Property Appraiser Fees

<b>Total Appropriations:</b>	<b><u>\$ 47,525</u></b>
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**Stonelake Ranch  
Community Development District**

**Debt Service Fund - Budget  
Fiscal Year 2019**

De	Fiscal Year 2018 Budget	Actual at March 31, 2018	Anticipated Year End 09/30/18	Fiscal Year 2019 Budget
<b>Revenues and Other Sources</b>				
<b>Carryforward</b>		\$ -	\$ -	
Deferred Cost Account	\$ 5,900	\$ -	\$ -	\$ 15,300
Prepayment Account	\$ -	\$ -	\$ -	\$ -
Revenue Account	\$ 3,000	\$ -	\$ -	\$ 3,000
<b>Interest Income</b>	\$ 45	\$ 1,970	\$ 2,940	\$ 2,900
<b>Special Assessment Revenue</b>				
Special Assessment - On-Roll	\$ 250,071	\$ 188,385	\$ 250,071	\$ 234,380
Special Assessment - Prepayments	\$ -	\$ 33,463	\$ 17,155	\$ -
<b>Total Revenue &amp; Other Sources</b>	<b>\$ 259,016</b>	<b>\$ 223,818</b>	<b>\$ 270,166</b>	<b>\$ 255,580</b>
<b>Appropriations</b>				
<b>Debt Service</b>				
<b>Principal Debt Service - Mandatory</b>				
Series 2004 Bonds	\$ 85,000	\$ -	\$ 85,000	\$ 90,000
Stonelake Ranch LLC	\$ 5,900	\$ -	\$ 15,257	\$ 15,300
<b>Principal Debt Service - Early Redemptions</b>				
Series 2004 Bonds	\$ -	\$ 90,000	\$ 35,000	\$ -
<b>Interest Expense</b>				
Series 2004 Bonds	\$ 148,090	\$ 71,095	\$ 148,090	\$ 129,800
Stonelake Ranch LLC	\$ 20	\$ 868	\$ 1,736	\$ 1,730
<b>Other Fees and Charges</b>				
Discounts and Other Fees	\$ 20,006	\$ -	\$ 20,006	\$ 18,750
<b>Total Appropriations</b>	<b>\$ 259,016</b>	<b>\$ 161,963</b>	<b>\$ 305,088</b>	<b>\$ 255,580</b>
<b>Fund Balance - Beginning</b>	\$ 421,934	\$ 421,934	\$ 421,934	\$ 387,011
<b>Fund Balance - Ending (Projected)</b>	N/A	N/A	\$ 387,011	\$ 384,011
<b>Restricted Fund Balance:</b>				
Reserve Account Requirement				\$157,963
Restricted for November 1st Interest Payment				\$ 62,245
<b>Total - Restricted Fund Balance:</b>				<b>\$ 220,208</b>
<b>Assessment Comparison</b>	<b>\$ 1,728.07</b>			<b>\$ 1,736.15</b>



**Stonelake Ranch**  
**Community Development District**  
**Debt Service Fund - Budget**  
**Series 2004 A - \$3,615,000 Special Assessment Revenue Bonds**  
**Fiscal Year 2019**

Description	Principal	Coupon Rate	Interest	Annual Debt Service
Principal Balance - October 1, 2018	\$ 2,200,000	5.90%		
11/1/2018			\$ 64,900.00	
5/1/2019	\$ 90,000	5.90%	\$ 64,900.00	\$ 219,800
11/1/2019			\$ 62,245.00	
5/1/2020	\$ 95,000	5.90%	\$ 62,245.00	\$ 219,490
11/1/2020			\$ 59,442.50	
5/1/2021	\$ 100,000	5.90%	\$ 59,442.50	\$ 218,885
11/1/2021			\$ 56,492.50	
5/1/2022	\$ 105,000	5.90%	\$ 56,492.50	\$ 217,985
11/1/2022			\$ 53,395.00	
5/1/2023	\$ 115,000	5.90%	\$ 53,395.00	\$ 221,790
11/1/2023			\$ 50,002.50	
5/1/2024	\$ 120,000	5.90%	\$ 50,002.50	\$ 220,005
11/1/2024			\$ 46,462.50	
5/1/2025	\$ 130,000	5.90%	\$ 46,462.50	\$ 222,925
11/1/2025			\$ 42,627.50	
5/1/2026	\$ 135,000	5.90%	\$ 42,627.50	\$ 220,255
11/1/2026			\$ 38,645.00	
5/1/2027	\$ 145,000	5.90%	\$ 38,645.00	\$ 222,290
11/1/2027			\$ 34,367.50	
5/1/2028	\$ 155,000	5.90%	\$ 34,367.50	\$ 223,735
11/1/2028			\$ 29,795.00	
5/1/2029	\$ 160,000	5.90%	\$ 29,795.00	\$ 219,590
11/1/2029			\$ 25,075.00	
5/1/2030	\$ 170,000	5.90%	\$ 25,075.00	\$ 220,150
11/1/2030			\$ 20,060.00	
5/1/2031	\$ 185,000	5.90%	\$ 20,060.00	\$ 225,120
11/1/2031			\$ 14,602.50	
5/1/2032	\$ 195,000	5.90%	\$ 14,602.50	\$ 224,205
11/1/2032			\$ 8,850.00	
5/1/2033	\$ 205,000	5.90%	\$ 8,850.00	\$ 222,700
11/1/2033			\$ 2,802.50	
5/1/2034	\$ 220,000	5.90%	\$ 2,802.50	\$ 225,605

**Stonelake Ranch  
Community Development District**

**Budget  
Fiscal Year 2019  
Assessment Comparison**

<b>Description</b>	<b>Fiscal Year 2018</b>	<b>Fiscal Year 2019</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
General Fund	\$ 296.84	\$ 296.84	\$ 0.00	0.00%
Debt Service Fund - Capital Assessment	\$ 1,728.07	\$ 1,736.15	\$ 8.08	0.47%
<b>Combined General Fund and Debt Service Fund</b>				
General Fund & Debt Service Fund	\$ 2,024.91	\$ 2,033.00	\$ 8.09	0.40%
<b>Debt Outstanding</b>	<b>\$ 17,676.06</b>	<b>\$ 16,296.30</b>	<b>\$ (1,379.76)</b>	<b>N/A</b>

The debt outstanding assumes that property owners do not pay off their assessment during the year. If a property owner would like to pay off the debt assessment, they must contact the District Manager for the pay off amount. The amount will change depending on the time of year that the pay off occurs and may be lower than the amount noted above.

<b>Stonelake Ranch Community Development District</b> <b>Audit Fee Proposals</b>						
<b>Firm</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
McDirmitt	\$ 4,800.00	\$ 4,900.00	\$ 5,000.00	\$ 5,100.00	\$ 5,200.00	<b>\$ 25,000.00</b>
Berger Tooms	\$ 4,045.00	\$ 4,045.00	\$ 4,045.00	\$ 4,180.00	\$ 4,180.00	<b>\$ 20,495.00</b>
Grau	\$ 3,600.00	\$ 3,700.00	\$ 3,800.00	\$ 3,900.00	\$ 4,000.00	<b>\$ 19,000.00</b>

# Stonelake Ranch Community Development District

## Analysis of Auditor Proposals

### Firm Names:

Berger

Grau

McDermitt

### 1. Mandatory Elements

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

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

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

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

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

Legend for Mandatory Elements:

Y = Meets Criteria

N = Does Not Meet Criteria

### 2. Technical Qualifications:

Point  
Range

#### a. Expertise and Experience

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

1-5

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

1-5

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

1-5

#### b. Audit Approach

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

1-5

(2) Adequacy of sampling techniques

1-5

(3) Adequacy of analytical procedures

1-5

Sub-Total: Technical  
Total Points: Technical

### 3. Price:

1-5

Total Points: Price

Total Points: Technical/Price:

**STONELAKE RANCH  
COMMUNITY DEVELOPMENT DISTRICT**

**REQUEST FOR PROPOSALS FOR  
PROFESSIONAL AUDITING SERVICES  
March 22, 2018**

**Prepared by:**  
*JPWard & Associates, LLC*  
*2900 Northeast 12<sup>th</sup> Terrace, Suite 1*  
*Oakland Park, Florida 33334*

*James P. Ward*  
*District Manager*  
**E-mail: [JimWard@JPWardAssociates.com](mailto:JimWard@JPWardAssociates.com)**  
**Phone: (954) 658-4900**

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**STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT**  
**(Hereinafter called "District")**  
**REQUEST FOR PROPOSALS**

**I. PROPOSAL REQUIREMENTS**

**A. Legal Notice**

The STONELAKE RANCH Community Development District is requesting proposals from qualified firms of certified public accountants, licensed to practice in the State of Florida, to audit its financial statements for the fiscal year ending **September 30, 2018** and in the sole and absolute discretion of the District for each fiscal year thereafter through **September 30, 2022**.

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

Sealed technical and dollar cost proposals will be received by the District Manager's office until **11:00 a.m., on April 11, 2018, located at 2900 Northeast 12<sup>th</sup> Terrace, Suite 1, Oakland Park, Florida 33334** Proposals received after this time will be returned unopened.  
**DATE DUE IS 04/18**

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

The Technical and Dollar Cost Proposal will be opened in the Office of the District Manager at **11:00 a.m., on Wednesday, April 11, 2018**.

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

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

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



B. General Information

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

It is anticipated the selection of a firm will be completed no later than May, 2018. Following the notification of the selected firm, it is expected a contract will be executed by the end of May, 2018.

C. Subcontracting

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

D. Insurance Requirements

**Worker's Compensation** – Statutory Limits of Florida Statutes.

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

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

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

**Errors and Omissions** - \$5,000,000 single limit per occurrence.

Proposer warrants that it is willing and able to obtain insurance coverage, throughout the entire term of the contract and any renewals thereof.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

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

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

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

B. Auditing Standards to be followed

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

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

C. Reports to be Issued

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

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards.
3. A Management Letter Report.

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

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

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

D. Special Considerations

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

E. Working Paper Retention and Access to Working Papers

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

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

**The electronic copy shall be in Microsoft Word or Excel.**

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

III. DESCRIPTION OF THE GOVERNMENT

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

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

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

C. Budgetary Basis of Accounting

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

D. Pension Plans - NONE

E. Blended Component Units - NONE

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

F. Joint Ventures - NONE

#### IV. TIME REQUIREMENTS

##### A. Date Audit May Commence

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

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

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

###### 1. Fieldwork

The auditor shall complete all fieldwork by November 30<sup>th</sup> of each year.

###### 2. Draft Reports

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

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

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

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

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

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

##### B. Information Solutions (IS) Assistance

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

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

#### Statement or Schedule

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

#### D. Auditor Work Location

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

#### E. Report Preparation

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

### VI. PROPOSAL REQUIREMENTS

#### A. Technical and Dollar Cost Proposal

##### 1. General Requirements

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

The Technical and Dollar Cost Proposal should address all the points outlined in the request for proposal The Proposal should be prepared simply and

economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals.

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

2. Independence

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

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

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

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

3. License to Practice in Florida

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

4. Firm Qualifications and Experience

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

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

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations, as well as,

an explanation of all pending litigation against governmental entities, including all accounts of Federal indictments for any civil or criminal matters for which the firm has been charged. The firm shall also provide information as to any and all litigation or arbitration in Florida within the last three (3) years, in which the firm is or was a Defendant.

5. Partner, Supervisory and Staff Qualifications and Experience

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

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

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

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

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

6. Prior Engagements with the District

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

7. Similar Engagements With Other Government Entities



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

8. Specific Audit Approach

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

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

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the District's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. Identification of Anticipated Potential Audit Problems

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

10. Report Format

The proposal should include sample formats for required reports.

B. Dollar Cost Proposal

1. Total All-Inclusive Maximum Price

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

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

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

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the District .
- c. A Total All-Inclusive Maximum Price for the Audited Financial Statements for each Fiscal Year.

3. Out-of-pocket Expenses must be included in the Total All-inclusive Maximum Price and Reimbursement Rates

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

5. Manner of Payment

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

## VII. EVALUATION PROCEDURES

### A. Review of Proposals

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

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

### B. Evaluation Criteria

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

#### 1. Mandatory Elements

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

#### 2. Technical Qualifications:

- a. Expertise and Experience
  - (1) The firm's past experience and performance on comparable government engagements.
  - (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
  - (3) The firm provides information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, with

state regulatory bodies or professional organizations, as well as, an explanation of all pending litigation against governmental entities, including all accounts of Federal indictments for any civil or criminal matters for which the firm has been charged. The firm also provides information as to any and all litigation or arbitration in Florida within the last three (3) years, in which the firm is or was a Defendant.

b. Audit Approach

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

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

3. Price:

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

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

C. Oral Presentations

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

D. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted

and confirmed in the contract between the District and the firm selected. The District reserves the right to reject any or all proposals.

**APPENDIX A**

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES**

**AUDITED FINANCIAL STATEMENTS**

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

Fiscal Year 2018	_____
Fiscal Year 2019	_____
Fiscal Year 2020	_____
Fiscal Year 2021	_____
Fiscal Year 2022	_____
<b>TOTAL ALL YEARS</b>	_____

**APPENDIX B**

**AUDITOR RANKING FORM**

**INCLUDED AT END OF RFP**

**APPENDIX C**

**Agreement for Auditing Services**

**AGREEMENT  
BETWEEN THE  
STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT  
AND  
\_\_\_\_\_  
FOR  
PROFESSIONAL AUDITING SERVICES**

This Agreement, is made and entered into the \_\_\_\_ day of \_\_\_\_\_, 2018 by and between the STONELAKE RANCH Community Development District , a Florida municipal corporation, ("DISTRICT"), and \_\_\_\_\_ ("AUDITOR") for the audit of the DISTRICT'S financial statements for the fiscal year ending September 30, 2018 and for each fiscal year thereafter through September 30, 2022.

**WITNESSETH:**

WHEREAS, the DISTRICT and Section 218.39, Florida Statutes, require that the DISTRICT shall provide annually for an audit of the financial statements of the DISTRICT; and

WHEREAS, the DISTRICT, undertook a selection process in seeking a firm to perform the required financial audit; and

WHEREAS, proposals were evaluated and ranked by an Auditor Selection Committee; and

WHEREAS, the District has selected the AUDITOR upon the recommendation of the Auditor Selection Committee to audit the DISTRICT'S financial statements for the Fiscal Year ending September 2018 and for each fiscal year thereafter through September 30, 2022, provided that the District Manager renews this Agreement for each subsequent fiscal year; and

WHEREAS, DISTRICT and AUDITOR desire to enter into an Agreement whereby the duties and obligations each to the other are set forth.



**IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS HEREIN EXPRESSED AND THE FAITHFUL PERFORMANCE OF ALL SUCH COVENANTS AND CONDITIONS, THE PARTIES AGREE AS FOLLOWS:**

**SECTION 1. SCOPE OF AUDIT**

1.1 The audit must meet the requirements identified in the Request for Proposals for Professional Auditing Services dated \_\_\_\_\_, ("RFP") is attached hereto and made a part hereof, as Exhibit "A," and the AUDITOR'S Technical Proposal and the Sealed Dollar Cost Proposal are attached hereto and made a part hereof as Exhibit "B." AUDITOR shall perform the scope of work, issue reports, comply with the Special Considerations and follow the auditing standards, as described in Exhibit "A," Section II, Nature of Services Required.

1.2 AUDITOR shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware of, to the District Manager and the District Attorney.

1.3 AUDITOR agrees that certain books and records may be made available prior to the time when others may be made available, and certain funds may be audited and such audit for those funds completed prior to the time that other funds are so audited and completed. It is contemplated that those funds audited separately and reported separately will be completed and the audit report furnished as soon as possible. In any event, the final audit report shall be furnished to the DISTRICT no later than January 31st of each fiscal year. The DISTRICT agrees that all records, documentation, and information requested in connection with the audit will be made available, that all material information will be disclosed, and that the AUDITOR will have the full cooperation of the DISTRICT and the District's agents. As required by generally accepted auditing standards, the AUDITOR will make specific inquiries of the DISTRICT about the representations embodied in the financial statements, the effectiveness of the internal control structure, the DISTRICT'S compliance with certain laws and regulations, and obtain a representation letter from the DISTRICT about these matters. The responses to the AUDITOR'S inquiries, the written representations and the results of audit tests comprise the evidential matter that will be relied upon in forming an opinion on the financial statements.

1.4 AUDITOR agrees and acknowledges that AUDITOR is prohibited from exempting provisions in the RFP or in this Agreement in any of AUDITOR'S reports prepared pursuant to this Agreement.

1.5 AUDITOR agrees and acknowledges that District Attorney shall review and approve of the litigation section of the Audited Financial Statements prior to its publication.

1.6 AUDITOR agrees and acknowledges that upon execution of this Agreement, AUDITOR shall provide in writing, to the District Manager, AUDITOR's contact person, who shall be responsible for the DISTRICT'S audit.

**SECTION 2. TERM**

2.1 The term of this Agreement shall begin on the date it is fully executed by both parties and shall extend to the completion and delivery to the DISTRICT of the audited financial statements for the Fiscal Year ending September 30, 2022, subject to the termination provisions contained herein.

2.2 The DISTRICT'S fiscal year is from October 1 through September 30. The audit field work should be substantially completed no later than November 30th of each fiscal year and the financial statements and the final signed report delivered to the DISTRICT by January 15<sup>th</sup> of each fiscal year. Time shall be deemed to be of the essence in performing the duties obligations and responsibilities required by this Agreement, however these dates may be changed each year by the District and AUDITOR. AUDITOR shall comply with all dates as described in Exhibit "A" and with the time schedules for subsequent audit years.

### SECTION 3. COMPENSATION

3.1 DISTRICT agrees to pay AUDITOR, the agreed to amount, as set forth in Exhibits "A", which amount shall be accepted by AUDITOR as full compensation for all such work, which shall include provisions for out-of-pocket expenses. It is acknowledged and agreed by AUDITOR that these amounts are the maximum payable and constitute a limitation upon DISTRICT'S obligation to compensate AUDITOR for its services related to this Agreement. This maximum amount, however, does not constitute a limitation of any sort, upon AUDITOR'S obligation to perform all items of work required by or which can be reasonably inferred from the Scope of Services.

3.2. AUDITOR may submit an invoice for compensation, developed and agreed upon by the District Manager and AUDITOR, no more often than on a monthly basis, but only after the services for which the invoices are submitted have been completed. An original invoice plus one copy are due within fifteen (15) days of the end of the month except the final invoice which must be received no later than sixty (60) days after this Agreement expires. Invoices shall designate the nature of the services performed and shall also show a summary of fees and expenses with accrual of the total and credits for portions paid previously, and shall allocate the billing costs to the appropriate fund or combination of funds. Each statement shall show the proportion of the guaranteed maximum payment that has been expended through previous billings.

3.3. DISTRICT shall pay AUDITOR within thirty (30) calendar days of receipt of AUDITOR'S proper statement. To be deemed proper, all invoices must comply with the requirements set forth in this Agreement and must be submitted on the form and pursuant to instructions prescribed by the District Manager. AUDITOR shall provide a complete copy of the working papers to DISTRICT at the completion of the audit, prior to the final payment of the auditing fees by the DISTRICT. DISTRICT shall withhold ten percent (10%) from each billing pending delivery of the AUDITOR'S final reports. Additionally, payment may be withheld by the District Manager, for failure of AUDITOR to comply with a term, condition or requirement of this Agreement.

3.4 Notwithstanding any provision of this Agreement to the contrary, District Manager, may withhold, in whole or in part, payment (in addition to the ten percent (10%) described above) to the extent necessary to protect itself from loss on account of inadequate or defective work which has not been remedied or resolved in a manner satisfactory to District Manager. The amount withheld shall not be subject to payment of interest by DISTRICT.

3.5 Payment shall be made to AUDITOR at:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3.6 AUDITOR agrees to keep such records and accounts as may be necessary in order to record complete and correct entries as to personnel hours charged and any expenses for which AUDITOR receives reimbursement for a period of at least three years after completion of the work provided for in this Agreement. Such books and records shall be available at all reasonable times for examination and audit by DISTRICT.

3.7 If it should become necessary for DISTRICT to request AUDITOR to render any additional services to either supplement the services described in the RFP or to perform additional work as a result of the specific recommendations included in any report issued pursuant to this Agreement, such additional work shall be performed only if set forth in an addendum to this Agreement. Any such additional work agreed to by both parties shall be performed at the same rate in the schedule of fees and expenses included in the sealed dollar cost bid, or if in subsequent fiscal years, at the agreed upon schedule.

#### SECTION 4. TERMINATION

4.1 This Agreement may be terminated by the District for any reason upon not less than ten (10) days written notice to Auditor in accordance with the Notices section of this Agreement.

4.4 In the event this Agreement is terminated, AUDITOR shall be paid for any services performed to the date the Agreement is terminated; however, upon being notified of DISTRICT'S election to terminate, AUDITOR shall refrain from performing further services or incurring additional expenses under the terms of this Agreement. AUDITOR acknowledges and agrees that Ten Dollars (\$10.00) of the compensation to be paid by DISTRICT, the adequacy of which is hereby acknowledged by AUDITOR, is given as specific consideration to AUDITOR for DISTRICT'S right to terminate this Agreement for convenience.

4.5 In the event this Agreement is terminated, any compensation payable by DISTRICT shall be withheld until all documents are provided to DISTRICT pursuant to Section 7.2 of this Agreement.

#### SECTION 5. INDEMNIFICATION

AUDITOR shall at all times hereafter indemnify, hold harmless and, at District's option, pay for an attorney selected by the District, after consultation with AUDITOR, to defend DISTRICT, its officers, agents servants, and employees against any and all claims, losses, liabilities, and expenditures of any kind, including attorney fees, court costs, and expenses, caused by negligent act or omission of AUDITOR, its employees, agents, servants, or officers, or accruing, resulting from, or related to the subject matter of this Agreement including, without limitation, any and all claims, demands or causes of action of any nature whatsoever resulting from injuries or damages sustained by any person or property. The provisions of this section shall survive the expiration or earlier termination of this Agreement. To the extent considered necessary by the District Manager and the District Attorney, any sums due AUDITOR under this Agreement may be retained by DISTRICT until all of DISTRICT'S claims for indemnification pursuant to this Agreement have been settled or otherwise resolved; and any amount withheld shall not be subject to payment of interest by DISTRICT.

#### SECTION 6. INSURANCE

6.1 In order to insure the indemnification obligation contained above, AUDITOR shall, as a minimum, provide, pay for, and maintain in force at all times during the term of this Agreement, the

insurance coverages and any renewals thereof, as required by the Request for Qualifications.

6.2 AUDITOR shall furnish to the District Manager, Certificates of Insurance or endorsements evidencing the insurance coverages specified by the DISTRICT, and DISTRICT shall approve such certificates prior to beginning performance of work under this Agreement.

6.3 Coverage is not to cease and is to remain in force (subject to cancellation notice) until all performance required of AUDITOR is completed. All policies must be endorsed to provide DISTRICT with at least thirty (30) days' notice of cancellation and/or material changes. If any of the insurance coverages will expire prior to the completion of the work, copies of renewal policies shall be furnished at least thirty (30) days prior to the date of their expiration.

## SECTION 7. MISCELLANEOUS

7.1 Copies of Report. AUDITOR agrees to furnish DISTRICT with copies of the Audited Financial Statements identified in the Request for Proposals.

7.2 Ownership Of Documents. Unless otherwise provided by law, any and all reports, surveys, and other data and documents provided or created in connection with this Agreement are and shall remain the property of DISTRICT. In the event of termination of this Agreement, any reports, photographs, surveys and other data and documents prepared by AUDITOR, whether finished or unfinished, shall become the property of DISTRICT and shall be delivered by AUDITOR to the District Manager within seven (7) days of termination of this Agreement by either party. Any compensation due to AUDITOR shall be withheld until all documents are received as provided herein.

7.3 Audit And Inspection Rights And Retention Of Records. DISTRICT shall have the right to audit the books, records and accounts of AUDITOR that are related to this Project. AUDITOR shall keep such books, records, and accounts as may be necessary in order to record complete and correct entries related to the Project.

AUDITOR shall preserve and make available, at reasonable times for examination and audit by DISTRICT, all financial records, supporting documents, statistical records, and any other documents pertinent to this Agreement for the required retention period of the Florida Public Records Act (Chapter 119, Fla. Stat.), if applicable, or, if the Florida Public Records Act is not applicable, for a minimum period of three (3) years after termination of this Agreement, unless AUDITOR is notified in writing by DISTRICT of the need to extend the retention period. Such retention of such records and documents shall be at AUDITOR'S expense. If any audit has been initiated and audit findings have not been resolved at the end of the retention period or three (3) years, whichever is longer, the books, records, and accounts shall be retained until resolution of the audit findings. If the Florida Public Records Act is determined by DISTRICT to be applicable to AUDITOR'S records, AUDITOR shall comply with all requirements thereof; however, no confidentiality or non-disclosure requirement of either federal or state law shall be violated by AUDITOR. Any incomplete or incorrect entry in such books, records, and accounts shall be a basis for DISTRICT'S disallowance and recovery of any payment upon such entry.

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

In addition, AUDITOR shall provide a complete copy of all working papers to the DISTRICT, prior to final payment by the DISTRICT, in accordance with the RFP for AUDITOR services.

AUDITOR shall affirmatively comply with all applicable provisions of federal, state and local equal employment laws and shall not engage in or commit any discriminatory practice against any person based on race, age, religion, color, gender, sexual orientation, national origin, marital status, physical or mental disability, political affiliation or any other factor which cannot be lawfully used as a basis for service delivery.

7.4 Policy Of Non-Discrimination. AUDITOR shall not discriminate against any person in its operations, activities or delivery of services under this Agreement.

AUDITOR shall affirmatively comply with all applicable provisions of federal, state and local equal employment laws.

7.5 Public Entity Crime Act. AUDITOR represents that the execution of this Agreement will not violate the Public Entity Crime Act (Section 287.133, Florida Statutes), which essentially provides that a person or affiliate who is a contractor, consultant or other provider and who has been placed on the convicted vendor list following a conviction for a Public Entity Crime may not submit a bid on a contract to provide any goods or services to DISTRICT, may not submit a bid on a contract with DISTRICT for the construction or repair of a public building or public work, may not submit bids on leases of real property to DISTRICT, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with DISTRICT, and may not transact any business with DISTRICT in excess of the threshold amount provided in Section 287.017, Florida Statutes, for category two purchases for a period of thirty six (36) months from the date of being placed on the convicted vendor list. Violation of this section shall result in termination of this Agreement and recovery of all monies paid hereto, and may result in debarment from DISTRICT'S competitive procurement activities.

In addition to the foregoing. AUDITOR further represents that there has been no determination, based on an audit, that it committed an act defined by Section 287.133, Florida Statutes, as a "public entity crime" and that it has not been formally charged with committing an act defined as a "public entity crime" regardless of the amount of money involved or whether AUDITOR has been placed on the convicted vendor list.

7.6 Independent Contractor. AUDITOR is an independent contractor under this Agreement. Services provided by AUDITOR pursuant to this Agreement shall be subject to the supervision of AUDITOR. In providing such services, neither AUDITOR nor its agents shall act as officers, employees or agents of the DISTRICT. Personnel policies, tax responsibilities, social security and health insurance, employee benefits, purchasing policies and other similar administrative procedures applicable to services rendered under this Agreement shall be those of AUDITOR. This Agreement shall not constitute or make the parties a partnership or joint venture.

7.7 Third Party Beneficiaries. Neither AUDITOR nor DISTRICT intends to directly or substantially benefit a third party by this Agreement. Therefore, the parties agree that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a claim against either of them based upon this Agreement the parties expressly acknowledge that it is not their intent to create any rights or obligations in any third person or entity under this Agreement.

7.8 Notices. Whenever either party desires to give notice to the other, such notice must be in writing, sent by certified United States Mail postage prepaid return receipt requested or by hand delivery with a request for a written receipt of acknowledgment of delivery, addressed to the party for whom it is intended at the place last specified. The place for giving notice shall remain the same as set

forth herein until changed in writing in the manner provided in this section for the present, the parties designate the following:

**As to District:**

STONELAKE RANCH Community Development District  
2900 Northeast 12<sup>th</sup> Terrace, Suite 1  
Wilton Manors, Florida 33334  
Attention: James P. Ward, District Manager

**With a Copy to:**

Straley Robin Vericker  
1510 W. Cleveland Street  
Tampa, Florida 33606  
Attention: Mr. Mark Straley, District Attorney

**As to Auditor:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7.9 Assignment And Performance. Neither this Agreement nor any interest herein shall be assigned, transferred, or encumbered by either party. In addition, AUDITOR shall not subcontract any portion of the work required by this Agreement.

AUDITOR represents that all persons delivering the services required by this Agreement have the knowledge and skills, either by training, experience, education, or a combination thereof, to adequately and competently perform the duties, obligations, and services set forth in Exhibit "F" and to provide and perform such services to DISTRICT'S satisfaction for the agreed compensation.

AUDITOR shall perform its duties, obligations and services under this Agreement in a skillful and respectable manner. The quality of AUDITOR'S performance and all interim and final product(s) provided to or on behalf of DISTRICT shall be comparable to the best local and national standards.

7.10 Conflicts. Neither AUDITOR nor its employees shall have or hold any continuing or frequently recurring employment or contractual relationship that is substantially antagonistic or incompatible with AUDITOR'S loyal and conscientious exercise of judgment related to its performance under this Agreement.

AUDITOR agrees that none of its officers or employees shall, during the term of this Agreement, serve as an expert witness against DISTRICT in any legal or administrative proceeding in which he or she is not a party, unless compelled by court process. Further, AUDITOR agrees that such persons shall not give sworn testimony or issue a report or writing, as an expression of his or her expert opinion, which is adverse or prejudicial to the interests of DISTRICT in connection with any such pending or threatened legal or administrative proceeding. The limitations of this section shall not preclude AUDITOR or any

other persons from representing themselves in any action or in any administrative or legal proceeding.

In the event AUDITOR is permitted to utilize subcontractors to perform any services required by this Agreement, AUDITOR agrees to prohibit such subcontractors, by written contract, from having any conflicts within the meaning of this section.

7.11 Contingency Fee. AUDITOR warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for AUDITOR, to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for AUDITOR, any fee, , percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For a breach or violation of this provision, DISTRICT shall have the right to terminate this Agreement without liability at its discretion or to deduct from the Agreement price or otherwise recover the full amount of such fee, , percentage, gift or consideration.

7.12 Materiality And Waiver Of Breach. DISTRICT and AUDITOR agree that each requirement, duty, and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term hereof.

DISTRICT'S failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

7.13 Compliance With Laws. AUDITOR shall comply with all federal, state, and local laws, codes, ordinances, rules, and regulations in performing its duties, responsibilities, and obligations pursuant to this Agreement.

7.14 Severance. In the event a portion of this Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective unless DISTRICT or AUDITOR elects to terminate this Agreement. An election to terminate this Agreement based upon this provision shall be made within seven (7) days after the finding by the court becomes final.

7.15 Joint Preparation. The parties acknowledge that they have sought and received whatever competent advice and counsel as was necessary for them to form a full and complete understanding of all rights and obligations herein and that the preparation of this Agreement has been their joint effort. The language agreed to expresses their mutual intent and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

7.16 Priority Of Provisions. If there is a conflict or inconsistency between any term, statement, requirement, or provision of any exhibit attached hereto, any document or events referred to herein, or any document incorporated into this Agreement by reference and a term, statement, requirement, or provision of this Agreement, the term, statement, requirement, or provision contained in Articles 1 through 7 of this Agreement shall prevail and be given effect.

7.17 Applicable Law And Venue. This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Any controversies or legal problems arising out of this Agreement and any action involving the enforcement or interpretation of any rights

hereunder shall be submitted to the jurisdiction of the courts in Lee County, Florida.

7.18 Amendments. No modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement.

7.19 Drug-Free Workplace. AUDITOR shall maintain a Drug Free Workplace.

7.20 Prior Agreements. This Agreement and its attachments constitute the entire agreement between AUDITOR and DISTRICT, and this document incorporates and includes all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written. It is further agreed that no modification, amendment or alteration in the terms or conditions contained herein shall be effective unless set forth in writing in accordance with Section 7.18 above.

7.21 Incorporation By Reference. The truth and accuracy of each "Whereas" clause set forth above is acknowledged by the parties. The attached Exhibits "A" and "B" are incorporated hereto and made a part of this Agreement.

7.22 Multiple Originals. This Agreement may be fully executed in FIVE (5) copies by all parties each of which, bearing original signatures, shall have the force and effect of an original document.

7.23 Headings. Headings are for convenience of reference only and shall not be considered in any interpretation of this Agreement.

7.24 Binding Authority. Each person signing this Agreement on behalf of either party individually warrants that he or she has full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Agreement.

7.25 Survival Of Provisions. Any terms or conditions of this Agreement that require acts beyond the date of its termination shall survive the termination of this Agreement, shall remain in full force and effect unless and until the terms of conditions are completed, and shall be fully enforceable by either party.



AGREEMENT BETWEEN THE DISTRICT AND \_\_\_\_\_ FOR PROFESSIONAL AUDITING SERVICES.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature: the District signing by and through its Chairman, authorized to execute same by action on the \_\_\_\_ day of \_\_\_\_\_, 2018; and \_\_\_\_\_ authorized to execute same, through its \_\_\_\_\_.

**STONELAKE RANCH COMMUNITY  
DEVELOPMENT DISTRICT**

ATTEST:

By: \_\_\_\_\_  
Charles B Funk, Chairman

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

\_\_\_\_ day of \_\_\_\_\_, 2018

WITNESS:

**AUDITOR**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Print Name

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
\_\_\_\_ day of \_\_\_\_\_, 2018

\_\_\_\_\_  
Print Name

# Stonelake Ranch Community Development District

## Analysis of Auditor Proposals

Firm Names:

### 1. Mandatory Elements

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

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

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

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

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

Legend for Mandatory Elements:

Y = Meets Criteria

N = Does Not Meet Criteria

### 2. Technical Qualifications:

Point  
Range

#### a. Expertise and Experience

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

1-5

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

1-5

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

1-5

#### b. Audit Approach

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

1-5

(2) Adequacy of sampling techniques

1-5

(3) Adequacy of analytical procedures

1-5

Sub-Total: Technical  
Total Points: Technical

### 3. Price:

1-5

Total Points: Price

Total Points: Technical/Price:

**STONELAKE RANCH COMMUNITY  
DEVELOPMENT DISTRICT  
PROPOSAL FOR AUDIT SERVICES**

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**PROPOSED BY:**

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

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600 Citrus Avenue, Suite 200  
Fort Pierce, Florida 34950

(772) 461-6120

**CONTACT PERSON:**

J. W. Gaines, CPA, Director

**DATE OF PROPOSAL:**

April 11, 2018



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# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

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

April 11, 2018

Stonelake Ranch Community Development District  
James Ward, District Manager  
2900 NE 12<sup>th</sup> Terrace, Suite 1  
Oakland Park, FL 33334

Dear District Manager:

Thank you very much for the opportunity to present our professional credentials to provide audit services for Stonelake Ranch Community Development District.

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

## Experience

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

Stonelake Ranch Community Development District  
April 11, 2018


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

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

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

Thank you again for the opportunity to submit this proposal to Stonelake Ranch Community Development District.

Very truly yours,



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

## **PROFILE OF THE PROPOSER**

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

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

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

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

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

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

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



## Professional Staff Resources

**Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL** has a total of 27 professional and administrative staff (including 12 professional staff with extensive experience servicing government entities). The work will be performed out of our Fort Pierce office with a proposed staff of one senior accountant and one or two staff accountants supervised by an audit manager and audit partner. With the exception of the directors of the firm's offices, the professional staff is not specifically assigned to any of our individual offices. The professional and administrative staff resources available to you through Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL are as follows:

	<u>Total</u>
Partners/Directors (CPA's)	5
Principals (CPA)	1
Managers (CPA)	1
Senior/Supervisor Accountants (1 CPA)	3
Staff Accountants	6
Computer Specialist	1
Paraprofessional	6
Administrative	<u>4</u>
Total – all personnel	27

Following is a brief description of each employee classification:

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

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

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

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

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

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

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

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

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

Chapter 21A-1, Florida Administrative Code;

Section 473.315, Florida Statutes; and,

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

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

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

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

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

## **ADDITIONAL SERVICES PROVIDED**

### **Arbitrage Rebate Services**

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

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

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

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

## **GOVERNMENTAL AUDITING EXPERIENCE**

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

The current members of our firm have performed audits of over 900 community development districts, and over 1,800 audits of municipalities, counties and other governmental entities such as the City of Fort Pierce and St. Lucie County.

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

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

## **Continuing Professional Education**

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

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

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

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

### **Quality Control Program**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **References**

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

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

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

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

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

### **Community Development Districts**

Aberdeen Community Development  
District

Celebration Pointe Community  
Development District

Amelia Concourse Community  
Development District

Channing Park Community  
Development District

Anthem Park Community  
Development District

Cheval West Community  
Development District

Arborwood Community Development  
District

City Center Community Development  
District

Bannon Lakes Community  
Development District

Colonial Country Club Community  
Development District

Beacon Lakes Community  
Development District

Creeside at Twin Creeks Community  
Development District

Candler Hills East Community  
Development District

Deer Run Community Development  
District

Capron Trail Community Development  
District

Diamond Hill Community  
Development District

Cedar Hammock Community  
Development District

Eagle Point Community Development  
District

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

Eastlake Oaks Community Development District	Legends Bay Community Development District
Easton Park Community Development District	Live Oak No 2 Community Development District
Estancia @ Wiregrass Community Development District	Marshall Creek Community Development District
Forest Brooke Community Development District	Meadow View at Twin Lakes Community Development District
Gramercy Park Community Development District	Meadow Point III Community Development District
Greyhawk Landing Community Development District	Meadow Point IV Community Development District
Griffin Lakes Community Development District	Midtown Miami Community Development District
Habitat Community Development District	Mira Lago Community Development District
Harmony Community Development District	Narcoossee Community Development District
Heritage Harbor Community Development District	New Port Tampa Bay Community Development District
Heritage Isles Community Development District	Overoaks Community Development District
Heritage Lake Park Community Development District	Panther Trace 2 Community Development District
Heritage Palms Community Development District	Pine Island Community Development District
Julington Creek Community Development District	Pine Ridge Community Development District
Lake Bernadette Community Development District	Piney-Z Community Development District



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

Remington Community Development  
District

Renaissance Commons Community  
Development District

Reserve Community Development  
District

Reserve at Pradera Community  
Development District

Ridgewood Trails Community  
Development District

River Hall Community Development  
District

River Place on the St. Lucie Community  
Development District

Riverwood Community Development  
District

Riverwood Estates Community  
Development District

Rolling Hills Community Development  
District

Sampson Creek Community  
Development District

Seminole Improvement District

Solterra Resort Community  
Development District

South Village Community  
Development District

Southern Hills Plantation I Community  
District

Southern Hills Plantation III Community  
Development District

St. John's Forest Community  
Development District

Stoneybrook West Community  
Development District

Tern Bay Community Development  
District

Terracina Community Development  
District

Twin Creeks North Community  
Development District

Valencia Acres Community  
Development District

Villages of Bloomingdale Community  
Development District

Westside Community Development  
District

Willow Creek Community Development  
District

Winston Trails Community  
Development District

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

### Other Governmental Organizations

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

### Current or Recent Single Audits.

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

Members of our audit team have acquired extensive experience from performing or participating in over 1,800 audits of governments, independent special taxing districts, school boards, and other agencies that receive public money and utilize fund accounting.

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

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

### Counties

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

Indian River  
Martin  
Okeechobee  
Palm Beach

### Municipalities

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

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

### **Special Districts**

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

### **Schools and Colleges**

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

### **State and County Agencies**

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

## **FEE SCHEDULE**

We propose the fee for our audit services described below to be \$4,045 for the years ended September 30, 2018, 2019, and 2020, \$4,180 for the years ended September 30, 2021 and 2022. The fee is contingent upon the financial records and accounting systems of Stonelake Ranch Community Development District being "audit ready" and the financial activity for the District is not materially increased. If we discover that additional preparation work or subsidiary schedules are needed, we will consult with your authorized representative. We can assist with this additional work at our standard rates should you desire.

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

If selected as the District's auditors, we will perform a financial and compliance audit in accordance with Section 11.45, Florida Statutes, in order to express an opinion on an annual basis on the financial statements of Stonelake Ranch Community Development District as of September 30, 2018, 2019, 2020, 2021, and 2022. The audits will be performed to the extent necessary to express an opinion on the fairness in all material respects with which the financial statements present the financial position, results of operations and changes in financial position in conformity with generally accepted accounting principles and to determine whether, for selected transactions, operations are properly conducted in accordance with legal and regulatory requirements. Reportable conditions that are also material weaknesses shall be identified as such in the Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Other (non-reportable) conditions discovered during the course of the audit will be reported in a separate letter to management, which will be referred to in the Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters.

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

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

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

### **Personnel Qualifications and Experience**

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

Director – 38 years

#### **Education**

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

#### **Registrations**

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

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

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

#### **Professional Experience**

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

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

### **Personnel Qualifications and Experience**

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

#### **Continuing Professional Education**

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

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

### **Personnel Qualifications and Experience**

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

Accounting and Audit Principal – 9 years

Accounting and Audit Manager – 4 years

Staff Accountant – 11 years

#### **Education**

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

#### **Registrations**

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

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

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

#### **Professional Experience**

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

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

### **Personnel Qualifications and Experience**

**David S. McGuire, CPA, CITP (Continued)**  
Accounting and Audit Principal

#### **Continuing Professional Education**

- ◆ Mr. McGuire has attended numerous continuing professional education courses and seminars taught by nationally recognized sponsors in the accounting auditing and single audit compliance areas. He has attended courses over the last two years in those areas as follows:
  - Not-for-Profit Auditing Financial Results and Compliance Requirements
  - Update: Government Accounting Reporting and Auditing
  - Annual Update for Accountants and Auditors



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

### **Personnel Qualifications and Experience**

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

Accounting and Audit Manager – 27 years

#### **Education**

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

#### **Registrations**

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

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

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

#### **Professional Experience**

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

##### **Counties:**

St. Lucie County

##### **Municipalities:**

City of Fort Pierce

City of Stuart

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

### **Personnel Qualifications and Experience**

**David F. Haughton, CPA (Continued)**  
Accounting and Audit Manager

#### **Professional Experience (Continued)**

##### **Special Districts:**

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

##### **Non-Profits:**

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

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

#### **Continuing Professional Education**

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

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

### **Personnel Qualifications and Experience**

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

Senior Staff Accountant – 7 years

#### **Education**

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

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

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

#### **Professional Experience**

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

#### **Continuing Professional Education**

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

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

<b>Personnel Qualifications and Experience</b>
--

**Paul Daly**

Staff Accountant – 6 years

**Education**

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

**Professional Experience**

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

**Continuing Professional Education**

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

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

### **Personnel Qualifications and Experience**

#### **Melissa Arnold**

Senior Staff Accountant – 4 years

#### **Education**

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

#### **Professional Experience**

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

#### **Continuing Professional Education**

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

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

<b>Personnel Qualifications and Experience</b>
--

### **Bryan Snyder**

Staff Accountant – 3 years

#### **Education**

- ♦ Florida Atlantic University, B.B.A. - Accounting

#### **Professional Experience**

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

#### **Continuing Professional Education**

- ♦ Mr. Snyder participates in numerous continuing education courses and plans on working to acquire his CPA certificate.

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

<b>Personnel Qualifications and Experience</b>
--

### **Maritza Stonebraker**

Staff Accountant – 2 years

#### **Education**

- ♦ Indian River State College, B.S.A. - Accounting

#### **Professional Experience**

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

#### **Continuing Professional Education**

- ♦ Ms. Stonebraker participates in numerous continuing education courses and plans on acquiring her CPA.

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

<b>Personnel Qualifications and Experience</b>
--

### **Jonathan Herman**

Senior Staff Accountant – 4 years

#### **Education**

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

#### **Professional Experience**

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

#### **Continuing Professional Education**

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



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

<b>Personnel Qualifications and Experience</b>
--

**Sean Stanton**  
Staff Accountant

**Education**

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

**Professional Experience**

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

**Continuing Professional Education**

- ◆ Mr. Stanton is working towards passing the CPA exam.

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

<b>Personnel Qualifications and Experience</b>
--

**Brianne Davies**  
Staff Accountant

**Education**

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

**Professional Experience**

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

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

<b>Personnel Qualifications and Experience</b>
--

**Taylor Nuccio**  
Staff Accountant

**Education**

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

**Professional Experience**

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



Judson B. Baggett  
MBA, CPA, CVA, Partner  
Marci Reutimann  
CPA, Partner

6815 Dairy Road  
Zephyrhills, FL 33542  
(813) 788-2155  
(813) 782-8606

## System Review Report

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

November 2, 2016

We have reviewed the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs PL (the firm), in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control, and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and *audits of employee benefit plans*.

In our opinion, the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs PL in effect for the year ended May 31, 2016 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Berger, Toombs, Elam, Gaines & Frank, CPAs PL, has received a peer review rating of *pass*.

  
Baggett, Reutimann & Associates, CPAs, PA

(BERGER REPORT16)

Member American Institute of Certified Public Accountants (AICPA) and Florida Institute of Certified Public Accountants (FICPA)  
National Association of Certified Valuation Analysts (NACVA)



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

# Proposal to Provide Financial Auditing Services

## **STONELAKE RANCH** **COMMUNITY DEVELOPMENT DISTRICT**

Proposal Due: April 18, 2018, 11:00AM

**Submitted to:**

Stonelake Ranch Community Development District  
2900 Northeast 12<sup>th</sup> Terrace, Suite 1  
Oakland Park, FL 33334

**Submitted by:**

Antonio J. Grau, Partner  
Grau & Associates  
2700 North Military Trail, Suite 350  
Boca Raton, Florida 33431  
Tel (561) 994-9299 / (800) 229-5728  
Fax (561) 994-5823  
[tony@graucpa.com](mailto:tony@graucpa.com) / [www.graucpa.com](http://www.graucpa.com)

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**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

2700 North Military Trail, Suite 350  
Boca Raton, Florida 33431  
(561) 994-9299 • (800) 299-4728  
Fax (561) 994-5823

April 18, 2018

Stonelake Ranch Community Development District  
2900 Northeast 12<sup>th</sup> Terrace, Suite 1  
Oakland Park, FL 33334

Re: Request for Proposal for Professional Auditing Services for the fiscal years ended September 30, 2018, with annual renewal options thereafter until 2022

Grau & Associates (Grau) is pleased to respond to Stonelake Ranch Community Development District's (the "District") Request for Proposal (RFP), and look forward to working with you on your audit. We are a team of knowledgeable professionals with extensive experience in audits for organizations just like yours, and we know how to work with you to complete an effective and efficient audit.

**Since our focus is on government, we fully understand the professional services and work products required to meet your RFP requirements.** Our team provided services in excess of 19,000 hours for our public sector clients last year, and we currently audit over 300 governmental entities. Our practice is unique as 98% of work is either audit or work related to government and non-profit entities.

**In addition to our firm's focus, Grau & Associates is a great fit for your audit for a variety of other reasons, including:**

- **Experience**

Grau is proud of the fact that the personnel we assign to your audit are some of the most experienced auditors in the field. Unlike many other firms, our auditors work almost exclusively with governmental entities, which mean they are more knowledgeable and efficient on audits like yours. Our engagement partners have decades of experience and take a hands-on approach to our assignments, which all ensures a smoother process for you. Also, due to Grau's very low turnover rate for our industry, you won't have to worry about retraining your auditors from year to year.

- **Service**

Our clients are pleased with the level of personalized service they receive from our talented professionals. Because of our extensive experience, we are adept at making the transition to a new firm as smooth as possible. We work with you to resolve any issues and keep in regular contact so there are no surprises when the final report delivers. In fact, your engagement team will report any potential audit adjustments to you on a regular basis so you will have adequate time to research and respond. Additionally, we have a disaster recovery plan that includes daily data back-ups and offsite file storage, so in the case of an emergency, your records would be safe.

- **Responsiveness**

We pride ourselves on our high level of responsiveness. We answer emails and telephone calls within 24 hours, and usually right away. We are always accessible to clients during business hours, and make every effort to answer any questions as they arise. Additionally, we don't just complete your audit and disappear. We understand the "big picture" and think beyond the traditional auditor's perspective. We remain in touch for the entire year, suggesting ways you can improve your District's performance, procedures and controls. We will update, advise and educate you on new or revised reporting requirements so you are sure to always remain compliant.

- **Reputation**

Our reputation in our field is impeccable. **We have never been involved in any litigation, proceeding or received any disciplinary action. Additionally, we have never been charged with, or convicted of, a public entity crime of any sort.** We have the professional staff available to perform the engagement and resources required to complete the work. We are financially stable and have never been involved in any bankruptcy proceedings.

- **Standards**

Grau & Associates is a professional association / licensed certified public accounting firm serving clients through the state of Florida. We are a member of the American Institute of Certified Public Accountants (AICPA) and the Florida Institute of Certified Public Accountants (FICPA). Additionally, individuals are members of both the (GFOA) and (FGFOA). Grau is also a member of the Governmental Audit Quality Center (GAQC). Our audit will follow the Auditing Standards of the AICPA, Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States, and the Rules of the Auditor General of the State of Florida, and any other applicable federal, state and local regulations. We will deliver our reports in accordance with your requirements.

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

We would be happy to answer any questions or provide additional information as needed. Please do not hesitate to call or email either of our Partners, Antonio J. Grau, CPA ([tgrau@graucpa.com](mailto:tgrau@graucpa.com)) or Racquel McIntosh, CPA ([rmcintosh@graucpa.com](mailto:rmcintosh@graucpa.com)) at 561.994.9299. We thank you for considering our firm's qualifications and experience, and look forward to serving you.

Very truly yours,

Grau & Associates



---

Antonio J. Grau



## **INDEPENDENCE**

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

In addition, we affirm that we have not had any relationships with the District for the past five years.

## **LICENSE TO PRACTICE IN FLORIDA**

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



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

## **Firm Qualifications & Experience**

Grau & Associates is a medium-sized accounting firm providing comprehensive financial and compliance auditing, attestation and accounting, and other management consulting services and we are properly registered and licensed by the State of Florida. The Partners, Consultant and Managers of Grau are members of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

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

### **Grau's Focus and Experience**

- We are dedicated to serving **Special Districts**.
- We currently audit over **300 Special Districts**.
- Last year, Grau performed in excess of 19,000 **hours** of services for our Public Sector Clients under *Governmental Auditing Standards*.
- Grau currently **only** provides **audit and attestation** services principally for governmental and non-profit entities under government auditing standards. The firm and staff are 100% dedicated to the audit practice.

*During Grau's history we have consistently focused on providing service to the public sector. By focusing our resources on this industry, we provide the highest level of services to our Public Sector Clients.*

Grau & Associates has a total of 17 employees, 15 professional staff, including 2 *Partners* and 13 *professionals* who specialize in providing auditing, accounting, consulting, and monitoring services to the *Public Sector* and 2 *administrative professionals*. The number of professional staff by employee classification is as follows:

Team Member	Total Professional Staff	Total CPAs	Total Government Audit Staff
Partners *	2	2	2
Managers *	3	3	3
Advisory Consultant	1	1	1
Supervisor / Seniors *	4	3	4
Staff Accountants *	5	2	5
<b>Total</b>	<b>15</b>	<b>11</b>	<b>15</b>

**\*ALL FULL TIME EMPLOYEES**

### **Compliance with Government Education Requirements**

In order to maintain our high level of technical competence, we provide continuing professional education programs for all partners and professional staff members, which exceed national and state standards. **All of the audit professionals of Grau & Associates exceed the education requirements as set forth in *Government Auditing Standards*, published by the Comptroller General of the United States, and our continuing professional education programs ensure that all audit professionals meet the requirements to participate in audits of government agencies.**

## **Professional Staff Training**

**Partners** - All of our Partners are CPA's and have diversified public accounting experience. They are responsible for overall engagement performance, policy, direction and quality control and have ***far exceeded minimum CPE requirements***.

**Managers** - All of our Audit Managers are CPA's who have demonstrated the ability to plan audit engagements, supervise personnel and maintain frequent contact with clients. They continually upgrade their skills through the firm's continuing education programs and courses sponsored by the AICPA, FICPA and GFOA. They have ***far exceeded minimum CPE Requirements***.

**Seniors** - All of our Seniors have a minimum of 3 years of diversified public accounting experience. They perform audits, evaluate staff, review findings and prepare audit reports. They possess the potential for upward mobility and have ***far exceeded minimum CPE requirements***.

## **Memberships**

All of the firm's CPA's are properly licensed as CPA's and members in good standing of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. In addition, certain firm professionals are members or have been members of the following professional groups:

- FICPA Committee on State and Local Government
- Florida Government Finance Officers Association (FGOA)
- Special Review Committee of the Government Finance Officers Association
- Florida Institute of CPA Non-Profit Conference Committee
- Florida Association of Special Districts (FASD)
- FGFOA Annual Conference Program Committee
- FASD Finance Committee
- FICPA Young CPAs Committee
- FICPA Accounting Careers Committee

In addition, we have an ongoing recruitment program that seeks only those accountants with a proven record of academic success. When we recruit at the senior and manager level, we select CPA's with proven governmental accounting and auditing experience.

## **Quality Control and Confidentiality**

Grau participates in an external quality review program requiring an on-site independent examination of our auditing practice. Grau has consistently received an unqualified opinion on the quality of our audit practice. During our firm's last external quality control review, six audits were reviewed, including five government audits. *A copy of the report on the firm's most recent quality review can be found on the following page.*

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

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

All state and federal reviews of the firm's reports and working papers have been accepted without change or revision to issued reports.



**FICPA Peer Review Program**  
Administered in Florida by the  
Florida Institute of CPAs



**AICPA Peer Review Program**  
Administered in Florida by the  
Florida Institute of CPAs

March 2, 2017

Antonio Jose Grau Jr, CPA  
Grau & Associates  
2700 N Military Trl Ste 350  
Boca Raton, FL 33431

Dear Mr. Grau:

It is my pleasure to notify you that on March 2, 2017 the Florida Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is December 31, 2019. This is the date by which all review documents should be completed and submitted to the administering entity.

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

Sincerely,

Paul N. Brown, CPA, CGMA  
Director of Technical Services

cc: Daniel Joseph Hevia, CPA

Firm Number: 4390114

Review Number: 474720

325 W. College Ave. | P.O. Box 5437 | Tallahassee, FL 32314 | (850) 224-2727 | (800) 342-3197 | Fax: (850) 222-8190 | [www.ficpa.org](http://www.ficpa.org)



## PEER REVIEW PROGRAM

is proud to present this

### Certificate of Recognition

to

## Grau & Associates

For having a system of quality control for its accounting and auditing practice in effect for the year ended June 30, 2016 which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

Anita Ford, Chair  
AICPA Peer Review Board  
2016

## Partial List of Clients

The following is a partial list of clients served and related experience:

<b>COMMUNITY DEVELOPMENT DISTRICTS</b>	<b>Governmental Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
Aberdeen Community Development District	✓			9/30
Allen Plantation Community Development District	✓			9/30
Amelia Concourse Community Development District	✓			9/30
Amelia National Community Development District	✓			9/30
Amelia Walk Community Development District	✓			9/30
Anthem Park Community Development District	✓			9/30
Antigua at St. Augustine Community District	✓			9/30
Aqua One Community Development District	✓			9/30
Arbor Green Community Development District	✓		✓	9/30
Arbor Green Community Development District	✓		✓	9/30
Arlington Ridge Community Development District	✓			9/30
Armstrong Community Development District	✓		✓	9/30
Artisan Lakes Community Development District	✓			9/30
Asturia Community Development District	✓		✓	9/30
Ave Maria Stewardship Community Development District	✓		✓	9/30
Aventura Isles Community Development District	✓		✓	9/30
Bahia Lakes Community Development District	✓		✓	9/30
Ballantrae Community Development District	✓		✓	9/30
Ballantrae Hillsborough Community Development District	✓		✓	9/30
Bartram Park Community Development District	✓		✓	9/30
Bartram Springs Community Development District	✓		✓	9/30
Bay Creek Community Development District	✓		✓	9/30
Bay Laurel Community Development District	✓	✓	✓	9/30
Bay Tree Community Development District	✓		✓	9/30
Bayside Improvement Development District	✓		✓	9/30
Baywinds Community Development District	✓			9/30
Beach Community Development District	✓			9/30
Beacon Tradeport Community Development District	✓			9/30
Beeline Community Development District	✓		✓	9/30
Bella Verda East Community Development District	✓			9/30
Bella Verda Lake Community Development District	✓			9/30
Bella Vida Community Development District	✓		✓	9/30
Bellagio Community Development District	✓		✓	9/30
Belmont Community Development District	✓			9/30
Belmont Lakes Community Development District	✓		✓	9/30
Bexley Community Development District	✓		✓	9/30
Blackburn Creek Community Development District	✓			9/30
Bluewaters Community Development District	✓		✓	9/30

<b>COMMUNITY DEVELOPMENT DISTRICTS</b>	<b>Governmental Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
Bobcat Trail Community Development District	✓		✓	9/30
Boggy Creek Community Development District	✓			9/30
Bonita Landing Community Development District	✓		✓	9/30
Bonita Village Community Development District	✓		✓	9/30
Bonnett Creek Resort Community Development District	✓		✓	9/30
Bonterra Community Development District	✓		✓	9/30
Brandy Creek Community Development District	✓		✓	9/30
Bridgewater Community Development District	✓		✓	9/30
Bridgewater of Wesley Chapel Community Development District	✓			9/30
Briger Community Development District	✓		✓	9/30
Brighton Lakes Community Development District	✓		✓	9/30
Brooks of Bonita Springs I Community Development District	✓		✓	9/30
Brooks of Bonita Springs II Community Development District	✓		✓	9/30
Bull Frog Creek Community Development District	✓		✓	9/30
Candler Hills East Community Development District	✓			9/30
Capital Region Community Development District	✓			9/30
Captain's Key Dependent District	✓		✓	9/30
Caribe Palm Community Development District	✓		✓	9/30
Carlton Lakes Community Development District	✓		✓	9/30
Cascades at Groveland Community Development District	✓			9/30
Catalina at Winkler Preserve Community Development District	✓		✓	9/30
CBL/BM Port Orange West Community Development District	✓			9/30
Cedar Pointe Community Development District	✓			9/30
Celebration Point Community Development District	✓		✓	9/30
Central Lake Community Development District	✓		✓	9/30
Century Gardens Community Development District	✓		✓	9/30
Century Gardens at Tamiami Community Development District	✓		✓	9/30
Century Gardens Village Community Development District	✓		✓	9/30
Century Parc Community Development District	✓		✓	9/30
CFM (Coolidge Fort Myers) Community Development District	✓			9/30
Chapel Creek Community Development District	✓			9/30
Champions Gate Community Development District	✓		✓	9/30
Champion's Reserve Community Development District	✓		✓	9/30
Channing Park Community Development District	✓			9/30
City Center Community Development District	✓			9/30
City Place Community Development District	✓		✓	9/30
Clearwater Cay Community Development District	✓			9/30
Coastal Lake Community Development District	✓			9/30
Cocot Palms Community Development District	✓		✓	9/30
Coconut Cay Community Development District	✓		✓	9/30
Concorde Estates Community Development District	✓			9/30
Concorde Station Community Development District	✓		✓	9/30

<b>COMMUNITY DEVELOPMENT DISTRICTS</b>	<b>Governmental Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
Connerton West Community Development District	✓			9/30
Copper Creek Community Development District	✓		✓	9/30
Copper Oaks Community Development District	✓		✓	9/30
Copperstone Community Development District	✓		✓	9/30
Coral Bay Community Development District	✓		✓	9/30
Coral Keys Homes Community Development District	✓			9/30
Coral Town Park Community Development District	✓			9/30
Cordoba Ranch Community Development District	✓		✓	9/30
Corkscrew Farms Community Development District	✓		✓	9/30
Coronado Community Development District	✓		✓	9/30
Cory Lakes Community Development District	✓		✓	9/30
Country Club of Mount Dora Community Development District	✓			9/30
Country Greens Community Development District	✓		✓	9/30
Country Walk Community Development District	✓		✓	9/30
Covington Park Community Development District	✓		✓	9/30
Creeside Community Development District	✓		✓	9/30
Crestview II Community Development District	✓		✓	9/30
Crestview West Community Development District	✓		✓	9/30
Cross Country Home Services Community Development District	✓			9/30
Cross Creek Community Development District	✓			9/30
Cutler Cay Community Development District	✓			9/30
Cypress Cove Community Development District	✓		✓	9/30
Cypress Grove Community Development District	✓		✓	9/30
Cypress Lakes Community Development District	✓		✓	9/30
Cypress Shadows Community Development District	✓		✓	9/30
Deer Island Community Development District	✓			9/30
Deer Run Community Development District	✓			9/30
Diamond Hill Community Development District	✓			9/30
Double Branch Community Development District	✓		✓	9/30
Dove Pond Community Development District	✓			9/30
Downtown Doral Community Development District	✓		✓	9/30
Dunes Community Development District	✓	✓	✓	9/30
Dupree Lakes Community Development District	✓		✓	9/30
Eagle Point Community Development District	✓			9/30
East Bonita Bridge Road Community Development District	✓		✓	9/30
East Park Community Development District	✓		✓	9/30
Easton Park Community Development District	✓			9/30
Enclave at Black Point Marina Community Development District	✓		✓	9/30
Encore Community Development District	✓		✓	9/30
Enterprise Community Development District	✓	✓	✓	9/30
Epperson Ranch Community Development District	✓		✓	9/30
Estancia at Wiregrass Community Development District	✓			9/30



<b>COMMUNITY DEVELOPMENT DISTRICTS</b>	<b>Governmental Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
Estates at Cherry Lake Community Development District	✓		✓	9/30
Estuary Community Development District	✓			9/30
Falcon Trace Community Development District	✓		✓	9/30
Fallschase Community Development District	✓		✓	9/30
Fiddler's Creek Community Development District	✓			9/30
Fishhawk I Community Development District	✓		✓	9/30
Fishhawk II Community Development District	✓		✓	9/30
Fishhawk III Community Development District	✓			9/30
Fishhawk IV Community Development District	✓		✓	9/30
Fleming Island Plantation Community Development District	✓		✓	9/30
Florida Green Finance Authority	✓		✓	9/30
Founder's Ridge Community Development District	✓			9/30
Fountainbleau Lakes Community Development District	✓		✓	9/30
Forest Creek Community Development District	✓			9/30
Gardens at Millenia Community Development District	✓			9/30
Glen St. Johns Community Development District	✓			9/30
Gramercy Farms Community Development District	✓			9/30
Grand Bay at Doral Community Development District	✓		✓	9/30
Grand Hampton Community Development District	✓		✓	9/30
Grand Haven Community Development District	✓		✓	9/30
Greater Lakes/Sawgrass Community Development District	✓		✓	9/30
Green Corridor PACE District	✓		✓	9/30
Greyhawk Landing Community Development District	✓			9/30
Groves Community Development District	✓		✓	9/30
Habitat Community Development District	✓			9/30
Hacienda Lakes Community Development District	✓		✓	9/30
Hamal Community Development District	✓		✓	9/30
Hammocks Community Development District	✓		✓	9/30
Harbor Bay Community Development District	✓			9/30
Harbour Isles Community Development District	✓			9/30
Harbourage at Braden River Community Development District	✓		✓	9/30
Harmony Community Development District	✓			9/30
Harrison Ranch Community Development District	✓			9/30
Hawk's Point Community Development District	✓			9/30
Hemmingway Point Community Development District	✓		✓	9/30
Heritage Bay Community Development District	✓		✓	9/30
Heritage Greens Community Development District	✓		✓	9/30
Heritage Harbor Community Development District	✓			9/30
Heritage Harbor at Braden River Community Development District	✓			9/30
Heritage Harbour Market Place Community Development District	✓			9/30
Heritage Harbour South Community Development District	✓			9/30
Heritage Isles at Viera Community Development District	✓			9/30

<b>COMMUNITY DEVELOPMENT DISTRICTS</b>	<b>Governmental Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
Heritage Isles Community Development District	✓			9/30
Heritage Landing Community Development District	✓		✓	9/30
Heritage Oak Park Community Development District	✓		✓	9/30
Heritage Park Community Development District	✓		✓	9/30
Heritage Plantation Community Development District	✓		✓	9/30
Heritage Springs Community Development District	✓		✓	9/30
Heron Isles Community Development District	✓			9/30
Hickory Hammock Community Development District	✓			9/30
High Ridge/Quantum Community Development District	✓			9/30
Highlands Community Development District	✓		✓	9/30
Hollywood Beach Community Development District	✓		✓	9/30
Homestead 50 Community Development District	✓			9/30
Hypoluxo-Haverhill Community Development District	✓		✓	9/30
Independence Park Community Development District	✓			9/30
Indigo Community Development District	✓		✓	9/30
Indigo East Community Development District	✓		✓	9/30
Interlaken Community Development District	✓			9/30
Islands at Doral III Community Development District	✓		✓	9/30
Islands at Doral (NE) Community Development District	✓		✓	9/30
Islands at Doral (SW) Community Development District	✓		✓	9/30
Islands at Doral Townhomes Community Development District	✓		✓	9/30
Isles of Bartram Park Community Development District	✓		✓	9/30
Journey's End Community Development District	✓		✓	9/30
Jurlington Creek Plantation Community Development District	✓			9/30
K-Bar Ranch Community Development District	✓		✓	9/30
Kendall Breeze Community Development District	✓		✓	9/30
Kendall Breeze West Community Development District	✓		✓	9/30
Key Marco Community Development District	✓		✓	9/30
Keys Cove Community Development District	✓		✓	9/30
Keys Cove II Community Development District	✓		✓	9/30
La Collina Community Development District	✓		✓	9/30
Laguna Estates Community Development District	✓			9/30
Laguna Lakes Community Development District	✓		✓	9/30
Lake Ashton Community Development District	✓		✓	9/30
Lake Ashton II Community Development District	✓		✓	9/30
Lake Francis Community Development District	✓		✓	9/30
Lake Padgett Estates Independent District	✓		✓	9/30
Lake Powell Residential Golf Community Development District	✓			9/30
Lakes by the Bay South Community Development District	✓		✓	9/30
Lakeshore Ranch Community Development District	✓			9/30
Lakeside Community Development District	✓			9/30
Lakeside Landings Community Development District	✓			9/30

<b>COMMUNITY DEVELOPMENT DISTRICTS</b>	<b>Governmental Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
Lakeside Plantation Community Development District	✓		✓	9/30
Lakewood Ranch 1 Community Development District	✓			9/30
Lakewood Ranch 2 Community Development District	✓			9/30
Lakewood Ranch 3 Community Development District	✓			9/30
Lakewood Ranch 4 Community Development District	✓			9/30
Lakewood Ranch 5 Community Development District	✓			9/30
Lakewood Ranch 6 Community Development District	✓			9/30
Legacy Springs Community Development District	✓			9/30
Legends Bay Community Development District	✓			9/30
Lexington Community Development District	✓		✓	9/30
Live Oak Lake Community Development District	✓		✓	9/30
Live Oak No. 1 Community Development District	✓		✓	9/30
Long Lake Ranch Community Development District	✓		✓	9/30
Longleaf Community Development District	✓			9/30
Lucaya Community Development District	✓		✓	9/30
Madeira Community Development District	✓			9/30
Magnolia Park Community Development District	✓			9/30
Magnolia West Community Development District	✓			9/30
Main Street Community Development District	✓			9/30
Mainstreet Community Development District	✓			9/30
Majorca Isles Community Development District	✓		✓	9/30
Maple Ridge Community Development District	✓		✓	9/30
Marsh Harbour Community Development District	✓			9/30
Marshall Creek Community Development District	✓			9/30
Mayfair Community Development District	✓			9/30
Meadow Pines Community Development District	✓		✓	9/30
Meadow Point I Community Development District	✓		✓	9/30
Meadow Point III Community Development District	✓			9/30
Meadow Point IV Community Development District	✓			9/30
Meadow Woods Community Development District	✓			9/30
Mediterra North Community Development District	✓		✓	9/30
Mediterra South Community Development District	✓		✓	9/30
Mediterranea Community Development District	✓		✓	9/30
Middle Village Community Development District	✓		✓	9/30
Mira Lago West Community Development District	✓			9/30
Mirada Community Development District	✓		✓	9/30
Miromar Lakes Community Development District	✓			9/30
Montecito Community Development District	✓		✓	9/30
Monterey/Congress Community Development District	✓		✓	9/30
Myakka Community Development District	✓		✓	9/30
Moody River Estates Community Development District	✓			9/30
Myakka Ranch Community Development District	✓		✓	9/30

<b>COMMUNITY DEVELOPMENT DISTRICTS</b>	<b>Governmental Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
Myrtle Creek Community Development District	✓			9/30
Naples Heritage Community Development District	✓		✓	9/30
Narcoossee Community Development District	✓			9/30
Newport Tampa Bay Community Development District	✓			9/30
North Dade Community Development District	✓		✓	9/30
Northern Riverwalk Community Development District	✓		✓	9/30
Northwood Community Development District	✓			9/30
Oak Creek Community Development District	✓		✓	9/30
Oakridge Community Development District	✓		✓	9/30
Oaks at Shady Creek, The Community Development District	✓		✓	9/30
Oakstead Community Development District	✓		✓	9/30
Old Palm Community Development District	✓		✓	9/30
Orchid Grove Community Development District	✓		✓	9/30
Osprey Oaks Community Development District	✓		✓	9/30
OTC Community Development District	✓		✓	9/30
Palm Bay Community Development District	✓		✓	9/30
Palm Beach Plantation Community Development District	✓			9/30
Palm Coast Park Community Development District	✓		✓	9/30
Palm Glades Community Development District	✓			9/30
Palma Sola Trace Community Development District	✓		✓	9/30
Palms of Terra Ceia Bay Community Development District	✓		✓	9/30
Pan American West Community Development District	✓			9/30
Panther Trace I Community Development District	✓		✓	9/30
Panther Trace II Community Development District	✓			9/30
Panther Trails Community Development District	✓		✓	9/30
Parker Road Community Development District	✓			9/30
Parklands Lee Community Development District	✓		✓	9/30
Parklands West Community Development District	✓		✓	9/30
Parkway Center Community Development District	✓			9/30
Paseo Community Development District	✓			9/30
PBR Community Development District	✓			9/30
Pebblewalk Village Community Development District	✓			9/30
Pelican Marsh Community Development District	✓			9/30
Pembroke Harbor Community Development District	✓		✓	9/30
Pentathlon Community Development District	✓		✓	9/30
Pine Air Lakes Community Development District	✓		✓	9/30
Pine Island Community Development District	✓			9/30
Pine Island South Community Development District	✓			9/30
Piney-Z Community Development District	✓			9/30
Pioneer Community Development District	✓			9/30
Poinciana Community Development District	✓			9/30
Poinciana West Community Development District	✓		✓	9/30

<b>COMMUNITY DEVELOPMENT DISTRICTS</b>	<b>Governmental Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
Portico Community Development District	✓		✓	9/30
Portofino Cove Community Development District	✓		✓	9/30
Portofino Isles Community Development District	✓		✓	9/30
Portofino Landings Community Development District	✓		✓	9/30
Portofino Shores Community Development District	✓		✓	9/30
Portofino Springs Community Development District	✓			9/30
Portofino Vineyards Community Development District	✓			9/30
Portofino Vista Community Development District	✓		✓	9/30
Preserve at Wilderness Lake Community Development District	✓			9/30
Principal One Community Development District	✓		✓	9/30
Quantum Community Development District	✓			9/30
Quantum Park Overlay Community Development District	✓		✓	9/30
Quarry Community Development District	✓		✓	9/30
Randal Park Community Development District	✓		✓	9/30
Remington Community Development District	✓			9/30
Renaissance Community Development District	✓		✓	9/30
Reserve Community Development District	✓			9/30
Reserve 2 Community Development District	✓		✓	9/30
Reunion East Community Development District	✓			9/30
Reunion West Community Development District	✓			9/30
River Bend Community Development District	✓			9/30
River Glen Community Development District	✓			9/30
River Hall Community Development District	✓			9/30
River Place on the St. Lucie Community Development District	✓			9/30
River Ridge Community Development District	✓		✓	9/30
Rivercrest Community Development District	✓			9/30
Rivers Edge Community Development District	✓			9/30
Sable Palm Community Development District	✓		✓	9/30
Sail Harbour Community Development District	✓		✓	9/30
Sampson Creek Community Development District	✓			9/30
Sandy Creek Community Development District	✓		✓	9/30
Sausalito Bay Community Development District	✓		✓	9/30
Seven Oaks I Community Development District	✓			9/30
Seven Oaks II Community Development District	✓			9/30
Silver Palms Community Development District	✓		✓	9/30
Silverado Community Development District	✓		✓	9/30
Six Mile Creek Community Development District	✓		✓	9/30
Somerset Community Development District	✓			9/30
Sonoma Bay Community Development District	✓		✓	9/30
South Bay Community Development District	✓			9/30
South Fork Community Development District	✓			9/30
South Fork East Community Development District	✓		✓	9/30

<b>COMMUNITY DEVELOPMENT DISTRICTS</b>	<b>Governmental Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
South Fork III Community Development District	✓		✓	9/30
South Kendall Community Development District	✓			9/30
South Shore Corporate Park Industrial Community Development District	✓		✓	9/30
South-Dade Venture Development District	✓		✓	9/30
South Village Community Development District	✓			9/30
Southaven Community Development District	✓			9/30
Southern Hills Plantation I Community Development District	✓			9/30
Southern Hills Plantation II Community Development District	✓			9/30
Southern Hills Plantation III Community Development District	✓			9/30
Spicewood Community Development District	✓		✓	9/30
Split Pine Community Development District	✓			9/30
Springridge Community Development District (formerly Killarney)	✓		✓	9/30
St. John's Forest Community Development District	✓			9/30
Sterling Hill Community Development District	✓			9/30
Stevens Plantation Community Development District	✓		✓	9/30
Stonebrier Community Development District	✓			9/30
Stonegate Community Development District	✓		✓	9/30
Stoneybrook at Venice Community Development District	✓		✓	9/30
Stoneybrook Community Development District	✓		✓	9/30
Stoneybrook Oaks Community Development District	✓			9/30
Storey Park Community Development District	✓		✓	9/30
Summerville Community Development District	✓		✓	9/30
Summit at Fern Hill Community Development District	✓		✓	9/30
Sunny Hills Units 12-15 Dependent District	✓			9/30
SWI Community Development District	✓			9/30
Talavera Community Development District	✓		✓	9/30
Talis Park Community Development District	✓		✓	9/30
Tampa Palms Community Development District	✓		✓	9/30
Tampa Palms Open Space and Transport Community Development District	✓		✓	9/30
Tapestry Community Development District	✓		✓	9/30
Tara Community Development District	✓			9/30
Terra Bella Community Development District	✓			9/30
Tesoro Community Development District	✓		✓	9/30
Thousand Oaks Community Development District	✓		✓	9/30
Tison's Landing Community Development District	✓			9/30
Tolomato Community Development District	✓		✓	9/30
Tomoka Community Development District	✓		✓	9/30
Toscana Isles Community Development District	✓			9/30
Town Center at Palm Coast Community Development District	✓		✓	9/30
Tradition Community Development District	✓			9/30
Trails Community Development District	✓			9/30
Trails at Monterey Community Development District	✓		✓	9/30

<b>COMMUNITY DEVELOPMENT DISTRICTS</b>	<b>Governmental Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
Treaty Oaks Community Development District	✓			9/30
Tree Island Estates Community Development District	✓		✓	9/30
Treeline Preserve Community Development District	✓			9/30
Trevesta Community Development District	✓		✓	9/30
Triple Creek Community Development District	✓		✓	9/30
TSR Community Development District	✓		✓	9/30
Turnbull Creek Community Development District	✓		✓	9/30
Turtle Run Community Development District	✓			9/30
Tuscany Reserve Community Development District	✓			9/30
Twelve Oaks Community Development District	✓			9/30
Two Creeks Community Development District	✓		✓	9/30
University Place Community Development District	✓		✓	9/30
University Square Community Development District	✓			9/30
Urban Orlando Community Development District	✓		✓	9/30
Valencia Acres Community Development District	✓			9/30
Vasari Community Development District	✓		✓	9/30
Venetian Community Development District	✓			9/30
Venetian Isles Community Development District	✓		✓	9/30
Venetian Parc Community Development District	✓		✓	9/30
Verandah Community Development District	✓		✓	9/30
Verandah East Community Development District	✓		✓	9/30
Verandah West Community Development District	✓		✓	9/30
Verandahs Community Development District	✓		✓	9/30
Verano #1 Community Development District	✓		✓	9/30
Verano Center Community Development District	✓		✓	9/30
Verona Walk Community Development District	✓			9/30
Viera East Community Development District	✓		✓	9/30
Villa Portofino East Community Development District	✓		✓	9/30
Villa Portofino West Community Development District	✓		✓	9/30
Villa Vizcaya Community Development District	✓		✓	9/30
Village Walk of Bonita Springs Community Development District	✓			9/30
Villages at Bloomingdale Community Development District	✓			9/30
Village at Gulfstream Park Community Development District	✓		✓	9/30
Villages of Glen Creek Community Development District	✓		✓	9/30
Villages of Westport Community Development District	✓			9/30
Vista Community Development District	✓		✓	9/30
Vista Lakes Community Development District	✓		✓	9/30
Vizcaya in Kendall Community Development District	✓		✓	9/30
Walnut Creek Community Development District	✓		✓	9/30
Waterchase Community Development District	✓		✓	9/30
Waterford Estates Community Development District	✓		✓	9/30
Waterford Landing Community Development District	✓		✓	9/30



<b>COMMUNITY DEVELOPMENT DISTRICTS</b>	<b>Governmental Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
Watergrass Community Development District	✓		✓	9/30
Waterlefe Community Development District	✓			9/30
Water's Edge Community Development District	✓		✓	9/30
Waterset North Community Development District	✓			9/30
Waterstone Community Development District	✓		✓	9/30
Wentworth Estates Community Development District	✓			9/30
West Lake Community Development District	✓		✓	9/30
West Villages Independent District	✓		✓	9/30
Westchase Community Development District	✓		✓	9/30
Westchester Community Development District	✓			9/30
Westridge Community Development District	✓			9/30
Willow Creek Community Development District	✓			9/30
Winding Cypress Community Development District	✓		✓	9/30
Windsor at Westside Community Development District	✓		✓	9/30
Winston Trails East Community Development District	✓			9/30
Winter Garden Village at Fowler Groves Community Development District	✓			9/30
Woodlands Community Development District	✓			9/30
World Commerce Community Development District	✓			9/30
Wyndam Park Community Development District	✓		✓	9/30
Wynnfield Lakes Community Development District	✓			9/30
Wynnmere West Community Development District	✓		✓	9/30
<b>TOTAL</b>	<b>437</b>	<b>3</b>	<b>255</b>	

<b>OTHER GOVERNMENTAL ENTITIES</b>	<b>Attestation Services</b>	<b>Consulting Services</b>	<b>Governmental Audit</b>	<b>Single Audit</b>	<b>CAFR</b>	<b>Current Client</b>	<b>Year End</b>
Broward County School District (Joint Venture) (Assessment of Maintenance Operations)		✓					N/A
Broward County School District (Joint Venture, 20%)			✓	✓	✓		6/30
Florida Community College at Jacksonville (Internal Audit)	✓						6/30
Florida Transit Association Finance Corporation		✓	✓			✓	6/30
Highland County School District (Internal Funds Audit)			✓				6/30
Palm Beach County School District (Assessment of maintenance for Facility and Property Management) (Internal Funds Audit)		✓	✓				6/30
Palm Beach County School District (Joint Venture, 20%)			✓	✓	✓		6/30
Migrant Health Services of Palm Beach County			✓	✓			N/A
South Florida Water Management District				✓			9/30
South Florida Water Management District CERP Program Management Services (Joint Venture)	✓						N/A
State of Florida Department of Management Services (Construction)			✓				N/A
State of Florida Department of Transportation (Overhead Audits - Various)			✓			✓	N/A
<b>TOTAL</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>4</b>	<b>2</b>	<b>2</b>	



<b>NON-PROFIT CLIENTS SERVED AND RELATED EXPERIENCE</b>	<b>Attestation Services</b>	<b>Financial Audit</b>	<b>Consulting Services</b>	<b>Governmental Audit</b>	<b>Single Audit</b>	<b>Tax Services</b>	<b>Current Client</b>	<b>Year End</b>
Aid to Victims of Domestic Abuse, Inc.		✓		✓	✓	✓	✓	6/30
Alliance for Human Services, Inc.		✓				✓		6/30
Brevard Workforce Development Board, Inc.				✓	✓			6/30
Broward County Human Rights Board/Division (Joint Venture, 30%)	✓		✓					N/A
Broward Education Foundation		✓		✓	✓	✓		6/30
CareerSource Broward		✓					✓	9/30
Christian Manor	✓	✓	✓	✓	✓	✓		12/31
Delray Beach Community Land Trust				✓		✓		9/30
Family Promise	✓			✓				12/31
Florida Public Transportation Association, Inc.	✓	✓				✓		9/30
Florida Transit Association Finance Corporation		✓				✓		9/30
Hispanic Human Resources Council	✓	✓	✓	✓	✓	✓	✓	9/30
Mae Volen Senior Center	✓	✓		✓	✓	✓	✓	6/30
National Board for Registration of Registrars		✓				✓		3/31
National Cancer Registration Board		✓				✓		6/30
North Lauderdale Academy High School	✓			✓				6/30
Northwood Development Corporation	✓	✓	✓	✓	✓	✓		9/30
Palm Beach Community College Foundation			✓	✓		✓		6/30
Palm Beach County Workforce Development Board (Joint Venture, 25%)	✓							6/30
Pasco-Hernando Workforce Board		✓					✓	6/30
Southwest Florida Workforce Development Board				✓	✓		✓	6/30
Urban League of Palm Beach County				✓	✓			6/30
<b>TOTAL</b>	<b>9</b>	<b>13</b>	<b>5</b>	<b>13</b>	<b>9</b>	<b>13</b>	<b>6</b>	

<b>RETIREMENT PLANS</b>	<b>Financial Audit</b>	<b>ERISA/DOL</b>	<b>Current Client</b>	<b>Year End</b>
Campbell Property Management 401(k)	✓	✓	✓	12/31
City of Cooper City General Employee Retirement Plan	✓		✓	9/30
City of Lauderhill General Employee Retirement Plan	✓		✓	9/30
City of Parkland Police Pension Fund	✓		✓	9/30
City of Sunrise General Employees' Retirement System	✓		✓	9/30
Cross County Home Services and Affiliates 401(k) Plan	✓	✓	✓	9/30
Danmar Corporation 401(k) Plan	✓	✓		12/31
Florida Public Utilities 401(k) and Pension Plans	✓	✓		12/31
Jacksonville Police and Fire Pension Fund	✓			9/30
Pinetree Water Control District Defined Contribution Retirement Plan	✓			9/30
San Carlos Park Fire Protection and Rescue Service District	✓		✓	9/30
Town of Davie General Employees Retirement Plan	✓			9/30
Town of Hypoluxo Defined Contribution Retirement Plan	✓		✓	9/30
Town of Lauderdale By The Sea Volunteer Firefighters Pension Plan	✓		✓	9/30
<b>TOTAL</b>	<b>14</b>	<b>4</b>	<b>9</b>	

<b>SPECIAL DISTRICTS</b>	<b>Governmental Audit</b>	<b>Single Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
Belle Fontaine Improvement District	✓				9/30
Boca Raton Airport Authority	✓			✓	9/30
Central Broward Water Control District	✓			✓	9/30
Central County Water Control District	✓				9/30
Citrus County Mosquito Control District	✓				9/30
Coquina Water Control District	✓			✓	9/30
East Central Regional Wastewater Treatment Facility	✓		✓	✓	9/30
East Naples Fire Control and Rescue District	✓			✓	9/30
Greater Boca Raton Beach and Park District	✓			✓	9/30
Greeneway Improvement District	✓				9/30
Hobe-St. Lucie Conservancy District	✓			✓	9/30
Homestead Educational Facilities Benefits District	✓				9/30
Horizons Improvement District	✓				9/30
Indian Trail Improvement District	✓			✓	9/30
Key Largo Waste Water Treatment District	✓	✓	✓	✓	9/30
Lake Padgett Estates Independent Special District	✓				9/30
Lakewood Ranch Inter-District Authority	✓				9/30
Lost Rabbit Public Improvement District	✓				9/30
Loxahatchee Groves Water Control District	✓			✓	9/30
Myakka City Fire Control District	✓				9/30
Old Plantation Control District	✓			✓	9/30
Pal Mar Water Control District	✓			✓	9/30
Palm Beach Soil and Water Conservation District	✓				9/30
Pinellas Park Water Management District	✓			✓	9/30
Pine Tree Water Control District (Broward)	✓			✓	9/30
Pinetree Water Control District (Wellington)	✓			✓	9/30
Ranger Drainage District	✓			✓	9/30
Renaissance Improvement District	✓			✓	9/30
San Carlos Park Fire Protection and Rescue Service District	✓			✓	9/30
South Central Regional Wastewater Treatment and Disposal Board	✓	✓		✓	9/30
South Indian River Water Control District	✓	✓		✓	9/30
South Trail Fire Protection & Rescue District	✓			✓	9/30
St. Lucie West Services District	✓			✓	9/30
Sun 'N Lake of Sebring Improvement District	✓		✓		9/30
Sunshine Water Control District	✓			✓	9/30
Twelve Oaks Improvement District	✓				9/30
West Lakeland Water Control District	✓				9/30
West Villages Independent District	✓			✓	9/30
<b>TOTAL</b>	<b>38</b>	<b>3</b>	<b>3</b>	<b>24</b>	

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**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

# **Staff Qualifications, Experience & Resumes**

## **QUALITY AND EXPERIENCE OF FIRM'S ASSIGNED AUDITING PERSONNEL**

You will have two partners available and our consultant for any technical assistance. In addition, an audit manager will be available for the engagement and a senior will be assigned to the engagement that will perform the majority of fieldwork. Additional staff are available to assist with the engagement should the need arise.

<b>Name</b>	<b>Years performing government audits</b>	<b>CPE within last 2 years</b>	<b>Professional Memberships</b>
<b>ANTONIO J. GRAU, CPA</b> (Partner)	Over 30	Government Accounting, Auditing: 63 hours  Accounting, Auditing and Other: 62 hours	AICPA FICPA FGFOA GFOA
<b>ANTONIO S. GRAU, CPA</b> (Concurring Review Consultant)	Over 40	Government Accounting and Auditing: 32 hours  Accounting, Auditing and Other: 62 hours	AICPA FICPA ICPA
<b>RACQUEL MCINTOSH, CPA</b> (Partner)	Over 10	Government Accounting and Auditing hours:61  Accounting, Auditing and Other: 41 hours	AICPA FICPA FGFOA FASD

## **POSITION DESCRIPTIONS**

### **Engagement Partner**

The engagement will be performed under the direct supervision of an Engagement Partner. The Engagement Partner will participate extensively during the various stages of the engagement and has direct responsibility for engagement policy, direction, supervision, quality control, security, confidentiality of information of the engagement and communication with client personnel.

The Engagement Partner will also be involved in:

- ❖ coordinating all services;
- ❖ directing the development of the overall audit approach and plan;
- ❖ performing an overriding review of work papers;
- ❖ resolving technical accounting and reporting issues;
- ❖ reviewing, approving and signing reports, management letters, and other audit engagement products; and,
- ❖ ascertaining client satisfaction with all aspects of our engagement, such as services and the personnel assigned.



### **Concurring Review and Advisory Consultant**

A Concurring Review Consultant will be available as a sounding board to advise in those areas where problems are encountered. He will also perform a second review of all reports to be issued by Grau & Associates.

### **Audit Manager and Senior**

The assigned personnel will work closely with the partner and the District to ensure that the financial statements and all other reports are prepared in accordance with professional standards and firm policy. Responsibilities will include:

- ❖ planning the audit;
- ❖ preparing or modifying audit programs, as needed;
- ❖ evaluating internal control and assessing risk;
- ❖ communicating with the client and the partners the progress of the audit; and
- ❖ determining that financial statements and all reports issued by the firm for accuracy, completeness and that they are prepared in accordance with professional standards and firm policy.

### **Information Technology Consultants and Personnel**

In addition to the assigned personnel above, Grau and Associates has staff with significant IT auditing experience that will assist in the evaluation and testing of internal controls. Because our staff has both a financial audit and IT background, they are able to communicate effectively all IT related concerns to management. In addition, Grau contracts with an outside group of IT management consultants to assist with matters including, but not limited to; network and database security, internet security and vulnerability testing.

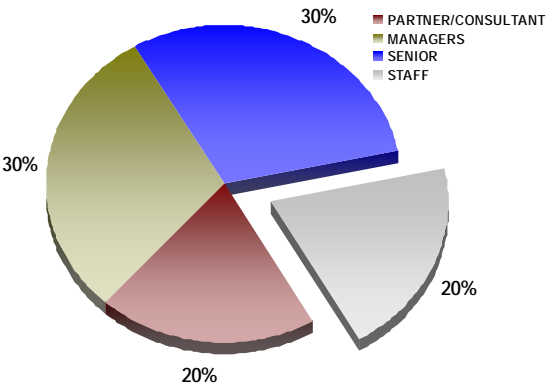
#### **CONTINUITY OF STAFF AND AUDIT TEAM**

Grau's engagement team's workload is organized in such a way that additional activities brought about by this engagement will not impact our current commitments to our clients. We have sufficient staff capacity to integrate these professional services into our present operations, while continuing to maintain the highest standards of quality and time lines for our clients.

**COMPOSITION OF ENGAGEMENT TEAM**

*In contrast to the majority of both national and local firms, **Grau’s proposed engagement team is comprised** of an exceptionally large percentage of high-level audit professionals. This gives us the ability to quickly recognize problems and be more efficient as a result of our Team’s **DECADES** of governmental auditing experience.*

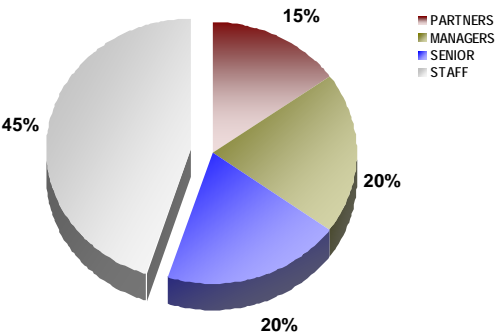
**Grau & Associates**



**80 percent of engagement will be performed by  
*Partners, Management and Senior Staff***

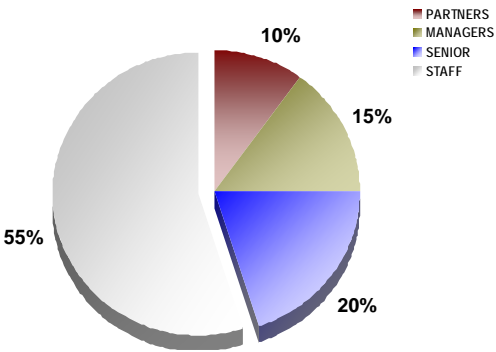
**VS.**

**Typical Local CPA Firm:**



**Fifty-five percent of engagement is performed by “Management”**

**Typical National CPA Firm**



**Forty-five percent of engagement is performed by “Management”**

# Antonio J. Grau, CPA, Partner

e-mail: [tgrau@graucpa.com](mailto:tgrau@graucpa.com)

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## Education

Bachelor of Arts, Business Administration, 1983 University of South Florida; Certificate of Educational Achievement from the AICPA in Governmental Single Audits, 2016

## Professional History

CPA, in Florida since February 28, 1985, Certificate No. 15330

Grau & Associates	Partner	2005-Present
Grau & Company	Partner	1995-2005
Grau & Company	Audit Manager	1987-1995
International Firm	Auditor	1985-1986
Grau & Company	Staff Accountant	1983-1984

## Clients Served (partial list)

(>300) Various Special Districts	Key Largo Water Treatment District
Brevard Workforce Board	Mae Volen Senior Center, Inc.
Broward Education Foundation	North Lauderdale Academy High School
City of Cooper City	Orlando Housing Authority
City of Lauderdale Lakes	Palm Beach County Workforce Development Board
City of Lauderhill	Peninsula Housing Programs
City of Lauderhill General Pension	School Board of Broward County
City of North Lauderdale	School Board of Miami-Dade County
City of Oakland Park	School Board of Palm Beach County
City of Weston	South Florida Water Management District
Delray Beach Housing Authority	Southwest Florida Workforce Development Board
East Central Regional Wastewater Treatment Fac.	Town of Davie
Florida Community College at Jacksonville	Town of Highland Beach
Florida Department of Management Services	Town of Hypoluxo
Greater Boca Raton Park & Beach District	Village of Golf
Highland County School District	Village of Wellington
Hispanic Human Resource Council	West Palm Beach Housing Authority

## Professional Education (over the last two years)

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	63
Accounting, Auditing and Other	62
Total Hours	<u>125</u> (includes of 4 hours of Ethics CPE)

## Other Qualifications

As a member of the Government Finance Officers Association Special Review Committee, Mr. Grau participated in the review process for awarding the GFOA Certificate of Achievement in Financial Reporting. Mr. Grau was the review team leader for the Quality Review of the Office of Management Audits of School Board of Miami-Dade County.

## Professional Associations/Memberships

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



# Antonio S. Grau, CPA, Concurring Review Consultant

e-mail: [asgrau@graucpa.com](mailto:asgrau@graucpa.com)

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## Education

Bachelor Degree, Business Administration, 1966, University of Miami, Certificate of Educational Achievement from the AICPA in Governmental and Not-For-Profit Accounting and Auditing, 1994/1995

## Professional History

CPA in Florida since April 29, 1970, Certificate No. 2623

Grau & Company	Partner	1977-2004
Public Company	Financial Officer	1972-1976
International Firm	Auditor	1966-1972

## Clients Served *(partial list)*

Mr. Grau was the head of the governmental audit department of Grau & Company, and performs the concurring review and advises on all the governmental audits of the firm.

Atlanta Housing Authority	Hispanic Human Resource Council
Broward County Housing Authority	Mae Volen Senior Center, Inc.
City of Dania Beach	Miami Beach Housing Authority
City of Lauderdale Lakes	North Lauderdale Academy High School
City of Lauderhill	Palm Beach County Workforce Development Board
City of Lauderhill General Pension	School Board of Miami-Dade County
City of Miami Springs	South Florida Water Management District
City of Oakland Park	Town of Hypoluxo
City of Sweetwater Pension	Town of Lauderdale-By-The-Sea
Florida Community College at Jacksonville	Town of Miami Lakes
Highland County School District	Town of Southwest Ranches
Downtown Development Authority of the City of	Village of Biscayne Park
Miami / Community Development Block Grants	West Palm Beach Housing Authority

## Professional Education *(over the last two years)*

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	32
Accounting, Auditing and Other	62
Total Hours	94 <i>(includes of 4 hours of Ethics CPE)</i>

## Other Qualifications

Mr. Grau was the review team leader for the Quality Review of the Office of Management Audits of School Board of Miami-Dade County.

## Professional Associations/Memberships

Member, American Institute of Certified Public Accountants  
Member, Florida Institute of Certified Public Accountants  
Past member, State and Local Government Committee, Florida  
Past member, Quality Review Acceptance Committee, Florida  
Past member of BKR International Committee on Government and Non-Profit Accounting and Auditing

# Racquel C. McIntosh, CPA, Partner

e-mail: [rmcintosh@graucpa.com](mailto:rmcintosh@graucpa.com) / 561-939-6669

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## Education

Master of Accounting, MACC; Florida Atlantic University, December 2004;

Bachelor of Arts – Majors: Accounting and Finance; Florida Atlantic University, May 2003

## Professional History

Grau & Associates	Partner	2014-Present
Grau & Associates	Manager	2009-2014
Grau & Associates	Senior Auditor	2007-2009
Grau & Associates	Staff Auditor	2006-2007
Grau & Company	Staff Auditor	2005-2006

## Clients Served *(partial list)*

(>300) Various Special Districts	Pinetree Water Control District (Broward/Palm Beach)
Boca Raton Airport Authority	Ranger Drainage District
Brevard Workforce Development Board	San Carlos Park Fire Protection & Rescue District
Broward Education Foundation	South Central Reg. Wastewater Treatment & Disposal Bd.
Central Broward Water Control District	South Trail Fire Protection & Rescue
City of Cooper City	Southwest Florida Workforce Development Board
City of Pompano Beach (Joint Venture)	Sun N Lake of Sebring Improvement District
City of West Park	Town of Highland Beach
City of Weston	Town of Hypoluxo
East Central Reg. Wastewater Treatment Fac.	Town of Lantana
East Naples Fire Control & Rescue District	Town of Hillsboro Beach
Greater Boca Raton Beach & Park District	Village of Golf
Key Largo Wastewater Treatment District	Village of Wellington

## Professional Education *(over the last two years)*

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	61
Accounting, Auditing and Other	<u>41</u>
Total Hours	<u>102</u> <i>(includes of 4 hours of Ethics CPE)</i>

## Professional Associations/ Memberships

American Institute of Certified Public Accountants	FICPA State & Local Government Committee
Florida Institute of Certified Public Accountants	FICPA Atlantic Chapter Board Member
FICPA Young CPAs Committee	FGFOA Palm Beach Chapter



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## References

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

### **Two Creeks Community Development District**

Scope of Work	<b>Financial audit</b>
Engagement Partner	<b>Racquel McIntosh</b>
Dates	<b>Annually since 2007</b>
Client Contact	<b>William Rizzetta, President 12750 Citrus Park Lane, Suite 115 Tampa, Florida 33625 813-933-5571</b>

### **Dunes Community Development District**

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

### **Journey's End Community Development District**

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



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## **Cost of Services**

Our proposed all-inclusive fees for the financial audit for the fiscal years ended September 30, 2018-2022 are as follows:

<u>Year Ended September 30,</u>	<u>Fee</u>
2018	\$3,600
2019	\$3,700
2020	\$3,800
2021	\$3,900
2022	<u>\$4,000</u>
<b>TOTAL</b>	<b><u>\$19,000</u></b>

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



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# **Supplemental Information**

# Specific Audit Approach

## SCOPE / WORK PRODUCTS / RESULTS

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

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

### Proposed segmentation of the engagement

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

#### **Phase I - Preliminary Planning**

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

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

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



## **Phase II – Execution of Audit Plan**

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

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

## **Phase III - Completion and Delivery**

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

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

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

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

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

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

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

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

- The recommendation must be cost effective;
- The recommendations are to be the simplest to effectuate in order to correct a problem;
- The recommendation must go to the heart of the problem and not just correct symptomatic matter; and
- The corrective action must take into account why the deficiency occurred.

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

## **Communications**

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

## **Extent of use of electronic data processing (EDP) software in the engagement**

### **Automated Workpapers**

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

## **Additional Services**

### **CONSULTING / MANAGEMENT ADVISORY SERVICES**

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

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

### **ARBITRAGE**

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

***GRAU HAS PROVIDED ARBITRAGE SERVICES FOR  
GOVERNMENTAL CLIENTS INCLUDING:***

- Aberdeen Community Development District
- Amelia Walk Community Development District
- Arlington Ridge Community Development District
- Bartram Park Community Development District
- Bartram Springs Community Development District
- Bayside Improvement District
- Baywinds Community Development District
- Beacon Lakes Community Development District
- Beacon Tradeport Community Development District
- Bobcat Trail Community Development District
- Boynton Village Community Development District
- Brandy Creek Community Development District
- Briger Community Development District
- Brighton Lakes Community Development District
- Brooks of Bonita Springs Community Development District
- Candler Hills East Community Development District
- Capital Region Community Development District
- Cedar Pointe Community Development District
- Championsgate Community Development District
- Chevel West Community Development District
- City Place Community Development District
- Coconut Cay Community Development District
- Colonial Country Club Community Development District
- Cory Lakes Community Development District
- Country Greens Community Development District
- Creekside Community Development District
- Double Branch Community Development District
- Dunes Community Development District
- Durbin Crossing Community Development District
- East Bonita Beach Road Plantation Comm. Development District
- East Homestead Community Development District
- East Park Community Development District
- Enclave at Black Point Marina Community Development District
- Falcon Trace Community Development District
- Fiddler's Creek Community Development District I
- Fiddler's Creek Community Development District II
- Fleming Island Plantation Comm. Dev. District
- Grand Haven Community Development District
- Griffin Lakes Community Development District
- Habitat Community Development District
- Hamal Community Development District
- Hammocks Community Development District
- Harbour Lakes Estates Comm. Development District
- Harmony Community Development District
- Heritage Bay Community Development District
- Heritage Palms Community Development District
- Heritage Pines Community Development District
- Heritage Springs Community Development District
- Huntington Community Development District
- Indigo East Community Development District
- Islands of Doral III Community Development District
- Julington Creek Plantation Comm. Dev. District
- Laguna Lakes Community Development District
- Lake Ashton Community Development District
- Lake Ashton II Community Development District
- Lake Powell Residential Golf Community Dev. District
- Lakes By The Bay South Community Dev. District
- Lakewood Ranch 1 Community Development District
- Landmark at Doral Community Development District
- Jurlington Creek Plantation Community Dev. District
- Lakewood Ranch 2 Community Development District
- Lakewood Ranch 3 Community Development District
- Lakewood Ranch 4 Community Development District
- Lakewood Ranch 5 Community Development District
- Lakewood Ranch 6 Community Development District
- Legacy Springs Improvement District No. 1
- Live Oak Community Development District
- Main Street Community Development District
- Marshall Creek Community Development District
- Meadow Pointe II Community Development District
- Mediterra North Community Development District
- Mediterra South Community Development District
- Mediterranean Community Development District
- Midtown Miami Community Development District
- Moody River Community Development District
- Monterra Community Development District
- Narcossee Community Development District
- North Springs Improvement District
- Oakstead Community Development District
- Old Palm Community Development District
- Orchid Grove Community Development District
- OTC Community Development District
- Overoaks Community Development District
- Palm Glades Community Development District
- Parklands Lee Community Development District
- Parklands West Community Development District
- Parkway Center Community Development District
- Pine Air Lakes Community Development District
- Pine Island Community Development District
- Pine Ridge Plantation Community Development District

## ***ARBITRAGE SERVICES (Continued)***

- Portofino Cove Community Development District
- Portofino Isles Community Development District
- Portofino Landings Community Development District
- Portofino Shores Community Development District
- Portofino Vista Community Development District
- Reunion East Community Development District
- Reunion West Community Development District
- Ridgewood Trails Community Development District
- River Place on the St. Lucie Community Dev. District
- Rolling Hills Community Development District
- Sampson Creek Community Development District
- South Dade Venture Community Development District
- South Village Community Development District
- Spicewood Community Development District
- Split Pine Community Development District
- Stonegate Community Development District
- Stoneybrook Community Development District
- Stoneybrook West Community Development District
- The Crossings at Fleming Island Comm. Dev. District
- Tison's Landing Community Development District
- Treeline Preserve Community Development District
- Turnbull Creek Community Development District
- Tuscany Reserve Community Development District
- University Place Community Development District
- Urban Orlando Community Development District
- Vasari Community Development District
- Verandah East Community Development District
- Verandah West Community Development District
- Verano Center Community Development District
- Villa Portofino East Community Development District
- Villa Vizcaya Community Development District
- Villages of Westport Comm. Development District
- Villasol Community Development District
- Vista Lakes Community Development District
- Vizcaya Community Development District
- Vizcaya in Kendall Community Development District
- Walnut Creek Community Development District
- Waterchase Community Development District
- Waterford Estates Community Development District
- Waterstone Community Development District
- Wentworth Estates Community Development District
- Westchester Community Development District #1
- Woodlands Community Development District
- Wynnfield Lakes Community Development District

**Grau provides value and services  
above and beyond  
the traditional auditor's "product"**

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

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

**PROPOSAL TO PROVIDE  
AUDITING SERVICES TO THE**

**STONELAKE RANCH  
COMMUNITY  
DEVELOPMENT DISTRICT**

**FOR THE FISCAL YEARS ENDING**

**SEPTEMBER 30, 2018**

**With the option for four additional annual renewals**

**REQUEST FOR PROPOSAL - AUDIT SERVICES**

**April 18, 2018**

**Submitted by:**



**934 NORTH MAGNOLIA AVENUE  
SUITE 100  
ORLANDO, FLORIDA 32803  
(407) 615-8237**

**CONTACT: Tamara Campbell, C.P.A.**

[tcampbell@mcdirmitdavis.com](mailto:tcampbell@mcdirmitdavis.com)  
[www.mcdirmitdavis.com](http://www.mcdirmitdavis.com)

**PROPOSAL FOR AUDIT SERVICES TO  
STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT**

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## LETTER OF INTEREST



April 18, 2018

James P. Ward, District Manager  
*Stonelake Ranch Community Development District*  
2900 Northeast 12<sup>th</sup> Terrace, Suite 1  
Oakland Park, FL 33334

Thank you for the opportunity to submit our qualifications and experience to serve as independent auditors of *Stonelake Ranch Community Development District*. The accompanying proposal will provide you detailed information regarding the scope of services to be provided, as well as a profile of the firm, the individuals who will serve you, our qualifications and experience, and representative clients, including specific references.

It is our understanding that we will provide the following services:

1. Financial audit as defined in Sec. 11.45(l)(b), Florida Statutes, of the basic financial statements of *Stonelake Ranch Community Development District* for the fiscal year ending September 30, 2018, with the option for four additional annual renewals. We will commit to maintain staff required to conclude the audits within the time constraints indicated in the RFP.
2. The audit will be performed in accordance with generally accepted auditing standards, *Governmental Auditing Standards* and the Rules of the Auditor General of the State of Florida.

We believe we are the best-qualified firm to perform the engagement for the following reasons:

- We presently audit **sixty-seven Community Development Districts**, fourteen municipalities and one water authority and have an excellent working knowledge of generally accepted accounting principles related to governmental entities. We assist in the preparation of the CAFR for most of these governmental entities.
- We have assisted nine municipalities in receiving the GFOA "Certificate of Achievement for Excellence in Financial Reporting". Most of these municipalities have been receiving the "Certificate of Achievement" for between ten and twenty years. Tamara Campbell is active as a national review team member of the GFOA's "Certificate of Achievement for Excellence in Financial Reporting" program. As a review team member, Ms. Campbell reviews and evaluates financial reports submitted by cities and counties to determine whether the financial reports meet the stringent requirements to receive the GFOA'S prestigious award. Participating as a review team member, Ms. Campbell has demonstrated her expertise in governmental accounting and auditing.
- We have strong information technology ability and will input the District's general ledger balances into our ProSystem fx Engagement software and perform a virtually "paperless" audit. The District's CAFR is linked to the general ledger; therefore, the likelihood of errors on the financial statements is reduced.

MCDIRMIT DAVIS & COMPANY, LLC

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803

TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

MEMBERS: PRIVATE COMPANIES PRACTICE SECTION AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

- We have recent and continuous experience, and have devoted a great deal of our continuing education to the governmental auditing and accounting field. Our firm meets the independence and education requirements of the *Government Auditing Standards* issued by the Comptroller General of the United States. Our firm is independent of *Stonelake Ranch Community Development District* as defined by *Government Auditing Standards*.
- We believe in continuing client contact throughout the year, not just during the audit. We encourage on-going client contact by not charging any fee for phone calls.
- We are members of the American and Florida Institutes of Certified Public Accountants and an Associate member of the Governmental Finance Officers Association. Our firm is active in governmental organizations throughout Central Florida and serves on governmental committees of the Florida Institute of CPA's.
- We are a local firm with personnel committed to quality and professional performance, accustomed to providing a high level of client satisfaction. We believe that our firm is part of a team effort to assist the District in developing the best financial reporting possible.
- We have a history of continuity of personnel assigned to the engagement. Our single office firm and low personnel turnover assures uninterrupted services from our partners and staff. We have a staff of 26 people and **10 of those are governmental audit staff**.
- We certify that we do not discriminate on the basis of race, color, sex, religion, disability, national origin, ancestry, sexual orientation, familial status, age, or any other protected characteristic as established in the Equal Employment Opportunity law.

McDirmitt Davis and Company, LLC has not colluded with any of the Proposers, and we have not defaulted on any previous contract, and are not in arrears on any previous or existing contract, and are properly licensed.

Because of our unique qualifications and a philosophy based on complete dedication to client service, we feel confident that we can provide you with responsiveness and a range of experience that will best serve your needs.

Either Ms. Tamara Campbell, partner, or Mr. Elden G. McDirmitt, partner is authorized to represent the firm and may be contacted at 934 North Magnolia Avenue, Suite 100, Orlando, Florida 32803, or phone (407) 615-8237.

We would consider it a privilege to serve as independent auditors for *Stonelake Ranch Community Development District*.

Sincerely,

McDIRMIT DAVIS & COMPANY, LLC



Tamara Campbell, C.P.A.

## COMPANY BACKGROUND

## Company Background

### Description and History of Audit Firm

McDermitt Davis & Company, LLC was incorporated in the State of Florida in August 1984 and serves Central Florida from its centrally located office in Orlando, Florida. The partners have over 150 years of combined experience in public accounting, and our firm has grown to be ranked as one of the top 10 accounting firms in Central Florida by the Orlando Business Journal.

Our firm now consists of the following staff:

Partners	4
Managers	3
Seniors	4
Staff Accountants/Paraprofessionals	12
Support Staff	2
Information Systems	
Technology Staff	<u>1</u>
	<u>26</u>

The total number of governmental audit staff is ten (10). We are members of the American and Florida Institutes of Certified Public Accountants and an associate member of the Governmental Finance Officers Association. We are also a member of the *Governmental Audit Quality Center*.

Our firm has a wide range of clients providing both goods and services in the Central Florida area. Our practice encompasses auditing, accounting, management advisory and tax services. A list of all governmental clients audited by us for the fiscal years 2010-2016 is as follows:

- **Sixty-seven Community Development Districts**
- **Sun'n Lake of Sebring Improvement District**
- City of Winter Springs, Florida \*
- City of Ocoee, Florida \*
- City of Longwood, Florida \*
- City of Lake Mary, Florida\*
- City of Belle Isle, Florida \*
- City of Mascotte, Florida
- City of Tavares, Florida \*
- Town of Windermere, Florida
- City of Clermont, Florida \*
- City of Maitland, Florida \*
- City of Oviedo, Florida\*
- City of Inverness, Florida\*
- City of Orange City, Florida\*
- City of Groveland, Florida



• These entities are presently clients of McDermitt Davis & Company, LLC

\* These entities participate in the Certificate of Achievement for Excellence in Financial Reporting program.

## Engagement Team

The following supervisory people will work on the audit:

- Tamara Campbell, C.P.A., engagement partner
- Kelly Leary, C.P.A., review partner
- Elden McDermitt, C.P.A., partner
- Gina Kleindorfer, IT specialist



All of the above people have considerable experience on governmental audit engagements. Resumes detailing their experience follow on pages 8 through 11. All supervisory personnel assigned to the audit, except the IT Professional, are Certified Public Accountants. The engagement partner and audit senior will be assigned to audit on a full-time basis.

The professional staff of our firm has been conducting governmental audits in the Central Florida area for the past thirty years. We are experienced auditors in a variety of industries and offer experience in auditing federal grants under the Single Audit Act and performing compliance audits of state grants. Our policy is to assign staff accountants to the same audit each year, but rotate the areas they work on. We will notify the District prior to assigning new staff to the audit.

## License to Practice in Florida

Our Firm and all key professional staff are properly licensed to practice in the state of Florida. In addition, our Firm and all assigned key personnel are in good standing with the Florida Board of Accountancy. We can provide a copy of actual License, if requested.

## Independence

McDermitt Davis & Company, LLC is independent of the District as defined by auditing standards contained in *Government Auditing Standards*.

## Governmental Audit Quality Center

McDermitt Davis & Company, LLC is a member of the AICPA's Governmental Audit Quality Center which is dedicated to establishing the highest standards of audit quality in the governmental accounting and audit sector.

## External Quality Control Review

Our Firm understands the importance of developing a formal quality control program, and therefore have been a member of the Private Companies Practice Section of the American Institute of Certified Public Accountants **since 1985**. Member firms are required to adhere to quality control standards established by the AICPA Quality Control Standards Committee and to submit to peer reviews of the firm's accounting and audit practice. Peer reviews are intensive reviews of a firm's quality control system by an independent CPA firm. Our firm has had seven peer reviews performed by the American Institute of Certified Public Accountants. Each peer review has included a review of a local governmental entity. We received a "pass" opinion on each review, which represents the best opinion that a firm can receive.

## External Quality Control Review - Continued

On our most recent peer review performed in 2017, we received a peer review rating of “pass”, which is the highest rating that a firm can receive under the revised peer review standards. We have never been subject to any litigation or disciplinary actions by a client, the State or any professional organization for substandard field work. A copy of our firm’s most recent peer review report follows this page. These peer reviews included a review of at least two governmental engagements, and it should be noted that there were no findings as a result of this review. We have never withdrawn from an engagement prior to the agreed expiration date.

## Federal or State Reviews

Any Federal or State desk review has resulted in no findings and we have never undergone a Federal or State field audit.

## Other Services Provided

Our experience in governmental auditing has led to the development of efficient procedures that provide various client benefits. Our services provide our clients with a wide range of knowledge, confidence, and helpful management advice. Below is a listing of the type of other services that we have provided to governmental clients.

1. Assistance in preparation of Comprehensive Annual Financial Reports for recognition by the Government Finance Officers Certificate of Achievement Program.
2. Internal audit services.
3. Issuance of Comfort Letters and Consent Letters in conjunction with the issuance of tax-exempt bonds.
4. Assistance on early implementation of new GASB Statements.
5. Assisting in compiling historical financial data for first-time submissions for GFOA Certificate of Achievement for Excellence in Financial Reporting.
6. Detailed internal control studies and evaluations of accounting systems.





# Gregory, Sharer & Stuart, P.A.

*Certified Public Accountants and Business Consultants*

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

October 13, 2017

To the Owners of McDirmit Davis & Company, LLC  
And the Peer Review Committee of the Florida Institute of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of McDirmit Davis & Company, LLC (the firm) in effect for the year ended June 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

### Firm's Responsibility

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

### Peer Reviewer's Responsibility

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

### Required Selections and Considerations

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

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

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of McDirmit Davis & Company, LLC in effect for the year ended June 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. McDirmit Davis & Company, LLC has received a peer review rating of *pass*.

Gregory, Sharer & Stuart, P.A.

## Continuing Education

McDermitt Davis & Company, LLC is committed to the personal and professional growth of its staff. Our firm requires an annual minimum of 40 hours of continuing professional education for each staff member.

Our governmental audit staff complies with the continuing education requirements of the State of Florida, the Governmental Accountability Office (GAO), and *Governmental Auditing Standards* (Yellow Book). Therefore at least 24 hours during a 2 year period must be in subjects directly related to the government environment and to governmental auditing. Our governmental audit staff always exceed this requirement since they attend each year the Florida Governmental Financial Officer's Association Annual Conference which provides 22 hours of training in governmental accounting and auditing.



As a result of our governmental experience, our staff has taught classes or lectured on various topics. We offer "in-house" education courses for our staff, which at times, our clients have attended. In addition, we would be happy to teach seminars for the benefit of the District's accounting staff.

## Information Technology

Our firm has one dedicated Information Technology specialist who has several years' experience in setting up and administering computer systems and networks of all sizes. In addition, all ten governmental audit personnel are experienced with various governmental software programs. We utilize automated, paperless auditing software which stores all trial balances and audit workpapers electronically. We also use IDEA Data Analysis Software, which enables us to obtain 100% of selected data and **test** "through your computer system."

One of the services we provide our clients is CLIENT PORTAL. This is a convenient online storage space in which files can be effortlessly uploaded, downloaded, stored and shared in a safe and secure environment. We understand that every business has different requirements when it comes to IT systems. To help you find the best IT system to suit your needs, our IT Specialist will evaluate your network and provide a comprehensive solution.

## Records Retention

Our firm maintains records in accordance with local, state, and Federal Public Records Retention Requirements.



## EXPERIENCE



## Resume - Tammy Campbell, CPA

### Partner

#### Education, Certifications, and Licenses

- B.S. Degree in Accounting, University of Central Florida
- Masters in Taxation, University of Central Florida
- CPA, Certified Public Accountant - Florida, 2007

#### Affiliations and Community Involvement

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Florida Government Finance Officers Association (FGFOA)
- Reviewer for GFOA's "Certificate of Achievement for Excellence in Financial Reporting" program
- Member of the Orange County School Board Audit Advisory Committee

#### Continuing Professional Education

Tammy has completed over 120 hours of Continuing Professional Education (CPE) in the area of governmental accounting and auditing within the past three years and meets the requirements of *Governmental Auditing Standards (the "Yellow Book")*. CPE included classes on Single Audits, the *Yellow Book*, and changes in governmental accounting principles, such as GASBS 67 and 68 on pension plans.

#### Experience

- Tammy has thirteen (13) years of governmental accounting and auditing experience, including municipalities and airport authorities.
- Her experience has included planning, fieldwork, and preparation of comprehensive annual financial reports for several governmental audit engagements.
- Tammy has worked with all 14 municipalities in the CAFR preparation process, including assisting most cities with obtaining the GFOA Certificate of Achievement.

#### Governmental Audit Experience (Past 5 years)

- **Over 60 Community Development Districts**
- City of Umatilla
- City of Clermont
- City of Oviedo
- City of Lake Mary
- City of Ocoee
- City of Tavares
- Sanford Airport Authority
- City of Orange City
- Town of Windermere
- City of Longwood
- City of Belle Isle
- City of Winter Springs
- City of Maitland
- City of Mascotte
- Homosassa Water District
- City of Inverness



## **Resume - Kelly D. Leary, CPA**

### **Review Partner**

#### **Education, Certifications, and Licenses**

- B.S. Degree in Accounting, University of Hawaii
- CPA, Certified Public Accountant - Florida, 1983
- CPA, Certified Public Accountant - California, 1980

#### **Affiliations and Community Involvement**

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Florida Government Finance Officers Association (FGFOA)
- FICPA State and Local Government Committee
- Board of Directors of Fairwinds Credit Union

#### **Continuing Professional Education**

Kelly has completed over 80 hours of Continuing Professional Education (CPE) in the area of governmental accounting and auditing within the past two years and meets the requirements of *Governmental Auditing Standards*.

#### **Experience**

- Kelly has 28 years of governmental accounting and auditing experience and has been with McDirmit Davis and Company since 1991. She has significant experience in the audits of governmental and not-for-profit entities, including those subject to Federal and Florida Single Audit requirements.
- She has written articles for the magazine Florida CPA Today relating to governmental pension plans and single audits.
- For many years she has been on a subcommittee that has revised Compliance Auditing in Florida, an FICPA Practice Aid.
- She has assisted municipalities with the issuance of comfort letter and consent letters in conjunction with the issuance of tax-exempt bonds.

#### **Governmental Audit Experience (Past 5 years)**

- |  |                            |
|--|----------------------------|
| • City of Winter Springs                         | • City of Lake Mary        |
| • City of Oviedo                                 | • City of Tavares          |
| • City of Umatilla                               | • City of Belle Isle       |
| • City of Ocoee                                  | • City of Clermont         |
| • City of Longwood                               | • City of Mascotte         |
| • City of Maitland                               | • Town of Windermere       |
| • Sanford Airport Authority                      | • Homosassa Water District |
| • <b>Various Community Development Districts</b> |                            |



## **Resume - Elden G. McDirmit, CPA**

### **Partner**

#### **Education, Certifications, and Licenses**

- B.S. Degree in Accounting, University of Central Florida
- CPA, Certified Public Accountant - Florida, 1978
- CEA, Certified of Education Achievement from AICPA in Governmental accounting and auditing

#### **Affiliations and Community Involvement**

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Florida Government Finance Officers Association (FGFOA)
- FICPA Peer Review Committee
- Reviewer for GFOA's "Certificate of Achievement for Excellence in Financial Reporting" program
- Past Chairman of the Orange County Housing Finance Authority, which has authority to issue revenue bonds to address the needs of Orange, Seminole, Lake and Osceola Counties.

#### **Continuing Professional Education**

Elden has completed over 80 hours of Continuing Professional Education (CPE) in the area of governmental accounting and auditing within the past two years and meets the requirements of *Governmental Auditing Standards*.

#### **Experience**

- Elden started the firm McDirmit Davis & Company in 1984 and began the audit of the City of Ocoee in 1985 and City of Tavares in 1988. The firm still performs audits of both these cities.
- He has assisted municipalities with the issuance of comfort letter and consent letters in conjunction with the issuance of tax-exempt bonds.

#### **Governmental Audit Experience (Past 5 years)**

- **Sun'n Lake of Sebring Improvement District**
- **Over 67 Community Development Districts**
  - City of Umatilla
  - City of Ocoee
  - City of Longwood
  - City of Maitland
  - City of Winter Springs
  - City of Oviedo
  - City of Lake Mary
  - City of Belle Isle
  - City of Clermont
  - City of Mascotte
  - Town of Windermere
  - Homosassa Water District
  - City of Tavares

**Resume - Gina Kleindorfer**  
**Information Technology Specialist**



**Education, Certifications, and Licenses**

Associates Degree, Indiana University

**Experience**

Gina is an IT Professional with over 25 years' experience, directing a broad range of corporate IT security initiatives while participating in planning, analyzing, and implementing solutions in support of business objectives. She has provided comprehensive secure network design, system analysis and full lifecycle project management. Gina has hands-on experience leading all stages of system development, including design, architecture, testing and support. Her outstanding project and program leadership allows her to be able to coordinate and direct all phases of projects.

**Key Skills**

- Network & System Security
- Risk Management
- Vulnerability Assessments
- Authentication & Access Control
- System Monitoring
- System Integration Planning
- Multitier Network Architectures
- Implementation Planning
- End-user Training
- Staff Leadership/Mentoring
- System Administration
- Application Management
- User Requirements Analysis
- Help Design/Technical Support

**Technology Summary**

<u>Security Technologies:</u>	Anti-Virus Tools; Disaster Recovery, Network Administration; PCI security standards
<u>Systems:</u>	Windows (all)
<u>Networking:</u>	LANs, WANs, VPNs, Routers, Firewalls, TCP/IP

### References of Governmental Accounting Experience:

<u>Principal Client Contact</u>	<u>Scope of Work</u>	<u>Engagement Stockholder</u>	<u>Total Hours</u>	<u>Years</u>
Ms. Tanya Cannady Sun'n Lake of Sebring Improvement District 5306 Sun'n Lake Blvd. Sebring, FL 33872 <a href="mailto:tcannady@snldistrict.org">tcannady@snldistrict.org</a>	<ul style="list-style-type: none"> <li>Annual Financial &amp; Compliance Audit and preparation of Financials</li> </ul>	Elden McDermitt	210	2011 to Present
Mr. Scott Brizendine Rizzetta & Company 12750 Citrus Park Lane Suite 115 Tampa, Florida 33625 (813) 933-5571	<ul style="list-style-type: none"> <li>Annual Financial &amp; Compliance Audit of thirty-two (32) CDD's</li> </ul>	Elden McDermitt	960	2008 to Present
Mr. James Ward JPWard and Associates, LLC 2041 NE 6 <sup>th</sup> Terrace Wilton Manors, Florida 33305 <a href="mailto:ward9490@comcast.net">ward9490@comcast.net</a>	<ul style="list-style-type: none"> <li>Annual Financial &amp; Compliance Audit of four (4) CDD's</li> </ul>	Elden McDermitt	150	2010 to Present
Mr. Jim Gleason, City Mgr. City of Mascotte 100 East Myers Blvd. Mascotte, FL 34753 (352) 429-3341 <a href="mailto:jim.gleason@cityofmascotte.com">jim.gleason@cityofmascotte.com</a>	<ul style="list-style-type: none"> <li>Annual Financial &amp; Compliance Audit and preparation of Financials</li> </ul>	Elden McDermitt	150	2000 to Present
Mr. Darrin Mossing GMS <a href="mailto:dmossing@gmstnn.com">dmossing@gmstnn.com</a>	<ul style="list-style-type: none"> <li>Annual Financial &amp; Compliance Audit of eleven (11) CDD's</li> </ul>	Elden McDermitt	350	2010 to Present

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**References of Governmental Accounting Experience - Continued:**

<u>Principal Client Contact</u>	<u>Scope of Work</u>	<u>Engagement Stockholder</u>	<u>Total Hours</u>	<u>Years</u>
Ms. Lisa Snead, Fin. Dir. City of Longwood, Florida 175 W. Warren Avenue Longwood, FL 32750 <a href="mailto:lsnead@longwoodfl.org">lsnead@longwoodfl.org</a>	<ul style="list-style-type: none"> <li>Annual Financial &amp; Compliance Audit (Single Audit) and preparation of CAFR</li> <li>Received GFOA's "Certificate of Achievement"</li> </ul>	Kelly Leary	250	1991 to 1993 and 1997 to Present
Mr. Robert Smith, Town Mgr. Town of Windermere 614 Main Street Windermere, FL 34786 (407) 876-2563 <a href="mailto:rsmith@town.windermere.fl.us">rsmith@town.windermere.fl.us</a>	<ul style="list-style-type: none"> <li>Annual Financial &amp; Compliance Audit and preparations of Financials</li> </ul>	Kelly Leary	150	2000 to Present
Ms. Lori Houghton, Fin. Dir. City of Tavares, Florida P.O. Box 1068 Tavares, FL 32778-1068 (352) 742-6212 <a href="mailto:lhoughton@tavares.org">lhoughton@tavares.org</a>	<ul style="list-style-type: none"> <li>Annual Financial &amp; Compliance Audit (Single Audit)</li> <li>Received GFOA's "Certificate of Achievement"</li> <li>Utility and Franchise Tax Audits</li> </ul>	Kelly Leary	250	1988 to Present
Ms. Pam Brosonski, Fin. Mgr. City of Ocoee, Florida 150 Lakeshore Drive Ocoee, FL 34761 (407) 905-3100 <a href="mailto:pbrosonski@ci.ocoe.fl.us">pbrosonski@ci.ocoe.fl.us</a>	<ul style="list-style-type: none"> <li>Annual Financial &amp; Compliance Audit (Single Audit) and preparation of CAFR</li> <li>Received GFOA's "Certificate of Achievement"</li> </ul>	Elden McDermitt	350	1985 to Present
Ms. Jackie Sova, City Mgr. City of Lake Mary, Florida 100 N. Country Club Road Lake Mary, FL 32749 (407) 585-1409 <a href="mailto:jsova@lakemaryfl.com">jsova@lakemaryfl.com</a>	<ul style="list-style-type: none"> <li>Annual Financial &amp; Compliance Audit</li> <li>Received GFOA's "Certificate of Achievement"</li> </ul>	Kelly Leary	200	1997 to Present

**References of Governmental Accounting Experience - Continued:**

<b><u>Principal Client Contact</u></b>	<b><u>Scope of Work</u></b>	<b><u>Engagement Stockholder</u></b>	<b><u>Total Hours</u></b>	<b><u>Years</u></b>
Mr. Shawn Boyle, Fin. Dir. City of Winter Springs, Florida 1126 E. State Road 434 Winter Springs, FL 32708 (407) 971-5544 <a href="mailto:sboyle@winterspringsfl.org">sboyle@winterspringsfl.org</a>	<ul style="list-style-type: none"><li>• Annual Financial &amp; Compliance Audit and preparation of CAFR</li><li>• Received GFOA's "Certificate of Achievement"</li></ul>	Kelly Leary	400	2000 to Present

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## **SERVICE APPROACH**

## Service Approach

Our audit will be segmented as follows:

- Phase 1: Audit Planning
- Phase 2: Evaluation and Testing of Internal Controls
- Phase 3: Substantive Testing
- Phase 4: Reporting

### Phase 1: Audit Planning

Preliminary planning includes deciding on an overall strategy for the audit, obtaining an understanding of the entity and its environment, including its internal control, making an initial assessment of audit risk and materiality, and deciding on the overall timing of the engagement. We will also begin to assemble our “permanent file,” which consists of copies of organizational charts, District manuals, documents, and financial and other management systems.

We will meet with staff of the District to obtain an understanding of the flow of transactions through your accounting system. This includes understanding your computer environment in order to comply with the requirements of SAS 94 *The Effect of Information Technology on the Auditor's Consideration of Internal Control in a Financial Statement Audit*. We will also gather information to identify fraud risks as required by SAS 99 *Consideration of Fraud in a Financial Statement Audit*.

We will also perform preliminary analytical procedures and compare trends for the current and at least the two previous years for unusual fluctuations. This will include review of both budget and actual amounts.

During this planning phase, we will ask management and staff at the District to identify areas of higher risk as well as other areas that they want us to focus on during our audit. We will also provide the District with a list of all schedules to be prepared by the District.

### Phase 2: Evaluation and Testing of Internal Controls and Compliance

During Phase 2, we will evaluate your control policies and procedures to determine if they are functioning properly in significant transaction classes. To gain an understanding of the procedures in place, and current internal control structure, we typically conduct interviews with staff and management involved in the specific transaction class to be tested. We then perform tests of these controls to determine with reasonable assurance that control procedures are functioning as planned and whether further testing will be needed. As part of our tests of controls, we will include tests of compliance with applicable ordinances, and state and federal laws and regulations. In order to determine which ordinances, laws and regulations to test for compliance, we start by reviewing the FICPA Practice Aid *Compliance Auditing in Florida*. We then evaluate which ordinances, laws and regulations have a direct and material effect on the determination of financial statement amounts. Sample sizes are determined based upon our assessment of control risk and may be judgmental, random, or stratified, depending on the attributes of the population being tested. We will select samples from the significant transaction classes and trace from original documents through the computer system to the general ledger through the use of IDEA Data Analysis Software.



## Service Approach - Continued

### Phase 2: Evaluation and Testing of Internal Controls and Compliance - Continued

Our control testing includes obtaining an understanding of the computer software used by the District, and tracing sample selections through the system to determine the desired outcomes are being achieved. Our testing of Information Technology includes inquiries of appropriate personnel regarding data backups and access to District files.

After controls have been documented, evaluated and tested, we will finalize the District's audit plan. Audit programs will be tailored to fit the specifics of the District's accounting systems.

### Phase 3: Substantive Testing

Prior to starting year-end substantive testing, we will have a pre-audit meeting with the District Manager. We plan to use an audit senior for the audit. The partner or senior will always be in the field to supervise the work.

Our year-end fieldwork will focus on verifying balances in accounts. For example, we will confirm cash balances, as well as debt balances with financial institutions. In addition to obtaining audit confirmations, representation letters and attorney letters, we will perform tests on account balances using analytical procedures, recalculation and verification. Our firm uses ProSystem fx Engagement electronic audit software which may allow us to interface with your accounting system and reduce the time required to transfer your accounting data to a separate software package. We believe it is important to use analytical review procedures in this substantive phase of the audit. We compare analytical results to our expectation of what the results should be in order to determine if additional audit procedures are required. Typical analytical procedures include expense variances with previous years and budget amounts, revenue variances with previous years and budgeted amounts.

We will keep the District's management up to date on the progress of the audit and will discuss preliminary findings and potential problems or opportunities as we encounter them. Our approach to resolving problems encountered is to discuss with the District Manager to make sure our understanding is correct. Our process to produce a meaningful "management letter" is to review results of testing of internal controls, as well as year-end field work and draft recommendations for improvements to be discussed with management.

## Service Approach - Continued

### Phase 4: Reporting

The audit work is reviewed by the engagement partner throughout the engagement. Once the engagement partner review is complete, a second review of the financial statements is performed by the review partner. This second review is required as part of McDermitt Davis and Company's internal system of quality control and ensures the District receives the best service possible.

We will prepare a draft of the financial statements and then issue the following:

- Auditor's report on financial statements
- 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"
- Management Letter

We will provide technical assistance to the District to meet changes in required disclosures. Once reports have been reviewed by management and approved in final form, we will issue final reports and supply in electronic format.

## **COST PROPOSAL**

## Cost Proposal

We understand the requested services include audits of the District's financial statements for the year ended September 30, 2018, with the option for four additional annual renewals. The audits will be made in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

McDirmit Davis & Company, LLC is duly licensed under Chapter 473, Florida Statutes and is qualified to conduct audits in the State of Florida and audits in accordance with *Government Auditing Standards*.

Fees include all services, including but not limited to, meals and lodging, transportation, printing and binding, telephone, fax and copies. Out of pocket expense (if any) related to charges for confirmations will be in addition to the audit fee. Invoices will be submitted as work progresses on each phase of the audit.

<b><u>Audit fees (All-Inclusive)</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
Total audit fee	\$4,800	\$4,900	\$5,000	\$5,100	\$5,200



*Craig Latimer*  
**Supervisor of Elections**

Our Vision: To be the best place in America to vote

GOVERNOR'S  
STERLING  
AWARD  
RECIPIENT

April 20, 2018

James Ward  
2900 NE 12 Terrace, Suite 1  
Oakland Park, FL 33334

Dear James Ward,

As per F.S. 190.006, you'll find the number of qualified registered electors for your Community Development District as of April 15, 2018, listed below.

Community Development District	Number of Registered Electors
Stonelake Ranch CDD	194

We ask that you respond to our office with a current list of CDD office holders by **June 1, 2018**, and that you update us throughout the year if there are changes. This will enable us to provide accurate information to potential candidates during filing and qualifying periods.

Please note it is the responsibility of each district to keep our office updated with current district information. If you have any questions, please do not hesitate to contact me at (813) 384-3944 or [ewhite@hcsoe.org](mailto:ewhite@hcsoe.org).

Respectfully,

Enjoli White  
Candidate Services Liaison