

**JPWard and Associates, LLC**

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

**May 17, 2016**

**Board of Supervisor's**

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

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

Phone: 954-658-4900  
E-mail:  
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 13, 2016

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 17, 2016 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 25, 2015 – Regular Meeting
3. Consideration of Resolution 2016-1 Approving the Proposed Fiscal Year 2017 Budget and setting a Public Hearing for **Tuesday, August 23, 2016 at 11:00 A.M. at the offices of Carlyle Investments, 601 Bayshore Blvd. Suite 650, Tampa, Florida 33606.**
4. Consideration of setting **Thursday, November 3, 2016 at 9:00 A.M. at the offices of Carlyle Investments, 601 Bayshore Blvd. Suite 650, Tampa, Florida 33606**, as the date, time and location for the upcoming landowner's election for three seats on the Board of Supervisor's.
5. Consideration of the Acceptance of the Audited Financial Statements for the Fiscal Year ended September 30, 2015..
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 25, 2015 regular meeting.

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The third order of business is consideration of Resolution 2016-1 which approves the Proposed Fiscal Year 2017 Budget and sets a public hearing for **Tuesday, August 23, 2016**. 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 \$293.47 per unit, which is the same rate as in the current fiscal year.

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The fourth order of business is to consider setting the Landowner's election. There are three Board terms who are set to expire – they are Seat 2 (Mr. Charles Funk), Seat 3 (Mr. Meehan and Seat 5 (Ms. George)

The statute requires to the Board to announce the date, time and location of the landowner's election ninety (90) days in advance of the meeting, and to provide the form of ballot, proxy and landowner's instructions. The landowner's meeting is recommended for **Thursday, November 3, 2016 at 9:00 A.M. at the offices of Carlyle Investments, 601 Bayshore Blvd. Suite 650, Tampa, Florida.**

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The fifth order of business is acceptance of the audited financial statements for the fiscal year ended September 30, 2015. A representative of the firm of McDirmit Davis, the District's auditor's will be available by phone during the meeting for a presentation of the audit and to answer any questions. The completed audit has been filed with the appropriate State Agencies.

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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.

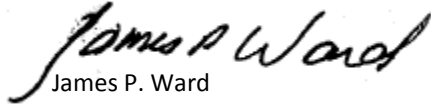
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The balance of the Agenda is standard in nature and I look forward to seeing you at the meeting, and if you have any questions and/or comments, please do not hesitate to contact me directly at (954) 658-4900.

Stonelake Ranch Community Development District

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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 25, 2015**, at **11:00 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
Brian Funk	Assistant Secretary
Judy George	Assistant Secretary

**Board members absent were:**

Jeff Meehan	Assistant Secretary
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**Also present were:**

James P. Ward	District Manager
Vivek Babbar	District Counsel (Telephonic)

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

Mr. Ward called the meeting to order at 11:05 a.m., and roll call determined that all members of the Board were present with the exception of Supervisor Meehan.

**2. Administration of Oath of Office for Ms. Judy George, who was elected at the November 18, 2014 Landowner's Meeting.**

Mr. Ward explained that being a Notary Public of the State of Florida, he is authorized to administer this oath. The oath of Ms. George was administered by Mr. Ward.

**3. Consideration of Minutes:**

May 19, 2015

**On Motion was made by Mr. Gratz and seconded by Mr. Charlie Funk to accept the Meeting Minutes of May 19, 2015, and with all in favor the motion was approved.**

**4 Public Hearings**

**a) Fiscal Year 2016 Budget**

**I. Public Comment and Testimony**

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

There were no members of the public present in person at the meeting and there were no written comments regarding the proposed budget received.

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

**II. Board Comment and Consideration**

There were no questions or comments from the Board.

**III. Consideration of Resolution 2015-4, adopting the Annual Appropriation Resolution and Budget for Fiscal Year 2016.**

**On Motion was made by Mr. Brian Funk and seconded by Mr. Gratz to adopt Resolution 2015-4 as described above, and with all in favor the motion was approved.**

**b) Fiscal Year 2016 Imposing Special Assessments; Adopting An Assessment Roll, Approving the General Fund Special Assessment Methodology.**

**I. Public Comment and Testimony**

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

There were no members of the public present in person at the meeting and were no written comments received regarding the above.

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

II. Board Comment and Consideration

There were no questions or comments from the Board.

III. Consideration of Resolution 2015-5 Imposing Special Assessments, Adopting an Assessment Roll, Approving the General Fund Special Assessment Methodology.

**On Motion was made by Mr. Gratz and seconded by Mr. Charlie Funk to approve Resolution 2015-5 as described above, and with all in favor the motion was approved.**

**5. Consideration of Resolution 2015-6 Designating Dates, Time and Location for Regular Meetings for Fiscal Year 2016.**

Mr. Ward stated that the meetings for the next fiscal year are scheduled for May 17, 2016 and August 25, 2016 at 11:00 a.m. at the Offices of Carlyle Investments, 601 Bayshore Boulevard, Suite 650, Tampa, FL 33606.

**On Motion was made by Mr. Gratz and seconded by Mr. Brian Funk to approve Resolution 2015-6 as described above, and with all in favor the motion was approved.**

**6. Consideration of the Acceptance of the Audited Financial Statements for the Year Ended September 30, 2014.**

**On Motion was made by Mr. Gratz and seconded by Mr. Charlie Funk to accept the Audited Financial Statements as described above, and with all in favor the motion was approved.**

**7. Staff Reports**

- a) District Attorney
- b) District Engineer
- c) District Manager

**8. Supervisor's Requests**

None

**9. Adjournment**

**On Motion was made by Mr. Charlie Funk and seconded by Mr. Brian Funk to adjourn the meeting, and with all in favor the motion was approved.**

The meeting was adjourned at 11:09 a.m.

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James P. Ward, Secretary

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Charles Funk, Chairman



## **RESOLUTION 2016-1**

### **A RESOLUTION OF THE BOARD OF SUPERVISORS OF STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2017 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 2017 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 23, 2016</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 2016-1**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2017 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 17<sup>th</sup> day of May, 2016.

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 2017**

**October 1, 2016 through September 30, 2017**

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

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

James P. Ward  
District Manager  
2041 Northeast 6th Terrace  
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Phone: 954-658-4900

E-mail:

JimWard@JJPWardAssociates.com

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**Prepared by:  
JPWard and Associates, LLC**



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**Stonelake Ranch  
Community Development District**

**General Fund - Budget  
Fiscal Year 2017**

Description	Fiscal Year 2016 Budget	Actual at March 31, 2016	Anticipated Year End 09/30/16	Fiscal Year 2017 Budget
<b>Revenues and Other Sources</b>				
Carryforward	\$ -	\$ -	\$ -	\$ -
Interest Income - General Account	\$ 30	\$ 9	\$ 25	\$ 30
<b>Special Assessment Revenue</b>				
Special Assessment - On-Roll	\$ 46,955	\$ 28,305	\$ 46,955	\$ 46,955
<b>Total Revenue &amp; Other Sources</b>	<b>\$ 46,985</b>	<b>\$ 28,314</b>	<b>\$ 46,980</b>	<b>\$ 46,985</b>
<b>Appropriations</b>				
<b>Executive</b>				
Professional - Management	\$ 21,465	\$ 10,733	\$ 21,465	\$ 21,465
<b>Financial and Administrative</b>				
Audit Services	\$ 4,600	\$ 4,600	\$ 4,600	\$ 4,600
<b>Other Contractual Services</b>				
Recording and Transcription	\$ -	\$ -	\$ -	\$ -
Legal Advertising	\$ 550	\$ 71	\$ 550	\$ 550
Trustee Services	\$ 3,500	\$ -	\$ 3,500	\$ 3,500
Dissemination Agent Services	\$ 5,000	\$ -	\$ 5,000	\$ 5,000
Bank Service Fees	\$ 460	\$ 175	\$ 460	\$ 460
<b>Travel and Per Diem</b>	\$ -	\$ -	\$ -	\$ -
<b>Rentals and Leases</b>				
Web Site Maintenance	\$ 700	\$ -	\$ 700	\$ 700
<b>Communications and Freight Services</b>				
Telephone	\$ -	\$ -	\$ -	\$ -
Postage, Freight & Messenger	\$ 25	\$ 14	\$ 25	\$ 25
<b>Insurance</b>	\$ 6,200	\$ 5,923	\$ 5,923	\$ 6,200
<b>Printing and Binding</b>	\$ 50	\$ -	\$ -	\$ 50
<b>Office Supplies</b>	\$ -	\$ -	\$ -	\$ -
<b>Subscriptions and Memberships</b>	\$ 175	\$ 175	\$ 175	\$ 175
<b>Legal Services</b>				
General Counsel	\$ 500	\$ 408	\$ 600	\$ 500
<b>Other General Government Services</b>				
Engineering Services	\$ -	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ -	\$ -
<b>Other Fees and Charges</b>				
Discounts and Tax Collector Fees	\$ 3,760	\$ -	\$ 3,760	\$ 3,760
<b>Total Appropriations</b>	<b>\$ 46,985</b>	<b>\$ 22,098</b>	<b>\$ 46,758</b>	<b>\$ 46,985</b>

**Stonelake Ranch  
Community Development District**

**General Fund - Budget  
Fiscal Year 2017**

Description	Actual at		Anticipated	
	Fiscal Year	March 31,	Year End	Fiscal Year
	2016 Budget	2016	09/30/16	2017 Budget
Net Increase/(Decrease) in Fund Balance			\$ 222	
Fund Balance - Beginning (Audited)			\$ 21,265	
Fund Balance - Ending (Projected)			\$ 21,487	
Assessment Comparison	\$ 293.47			\$ 293.47

**Stonelake Ranch  
Community Development District  
General Fund - Budget  
Fiscal Year 2017**

**Revenues and Other Sources**

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

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**Appropriations**

**Executive**

Professional - Management	\$ 21,465
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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
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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	\$ 700
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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**

**Stonelake Ranch  
Community Development District  
General Fund - Budget  
Fiscal Year 2017**

General Counsel	\$ 500
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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	\$ 3,760
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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>\$ 46,985</u></b>
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**Stonelake Ranch  
Community Development District**

**Debt Service Fund - Budget  
Fiscal Year 2017**

Description	Fiscal Year 2016 Budget	Actual at March 31, 2016	Anticipated Year End 09/30/16	Fiscal Year 2017 Budget
<b>Revenues and Other Sources</b>				
<b>Carryforward</b>	\$ -	\$ -	\$ -	
Deferred Cost Account	\$ 5,700	\$ -	\$ -	\$ 5,900
Prepayment Account	\$ -	\$ -	\$ -	\$ -
Revenue Account	\$ 2,400	\$ -	\$ -	\$ 3,000
<b>Interest Income</b>	\$ 45	\$ 109	\$ 200	\$ 45
<b>Special Assessment Revenue</b>				
Special Assessment - On-Roll	\$ 252,984	\$ 152,556	\$ 252,984	\$ 250,071
Special Assessment - Prepayments		\$ 35,383	\$ 35,383	\$ -
<b>Total Revenue &amp; Other Sources</b>	<b>\$ 261,129</b>	<b>\$ 188,049</b>	<b>\$ 288,567</b>	<b>\$ 259,016</b>
<b>Appropriations</b>				
<b>Debt Service</b>				
<b>Principal Debt Service - Mandatory</b>				
Series 2004 Bonds	\$ 80,000	\$ -	\$ 80,000	\$ 85,000
Stonelake Ranch LLC	\$ 5,700	\$ -	\$ 8,850	\$ 5,900
<b>Principal Debt Service - Early Redemptions</b>				
Series 2004 Bonds	\$ -	\$ -	\$ 40,000	\$ -
<b>Interest Expense</b>				
Series 2004 Bonds	\$ 155,170	\$ 77,585	\$ 155,170	\$ 148,090
Stonelake Ranch LLC	\$ 20	\$ 54	\$ 108	\$ 20
<b>Other Fees and Charges</b>				
Discounts and Other Fees	\$ 20,239	\$ -	\$ 20,239	\$ 20,006
<b>Total Appropriations</b>	<b>\$ 261,129</b>	<b>\$ 77,639</b>	<b>\$ 304,367</b>	<b>\$ 259,016</b>
<b>Fund Balance - Beginning</b>	\$ 332,093		\$ 332,093	\$ 316,293
<b>Fund Balance - Ending (Projected)</b>	N/A		\$ 316,293	\$ 313,293
<b>Restricted Fund Balance:</b>				
Reserve Account Requirement				\$174,333
Restricted for November 1st Interest Payment				\$ 71,538
<b>Total - Restricted Fund Balance:</b>				<b>\$ 245,871</b>
<b>Assessment Comparison</b>	<b>\$ 1,756.83</b>			<b>\$ 1,761.06</b>

**Stonelake Ranch**  
**Community Development District**  
**Debt Service Fund - Budget**  
**Series 2004 A - \$3,615,000 Special Assessment Revenue Bonds**  
**Fiscal Year 2017**

Description	Principal	Coupon Rate	Interest	Annual Debt Service
Principal Balance - October 1, 2016	\$ 2,510,000	5.90%		
11/1/2016			\$ 74,045.00	
5/1/2017	\$ 85,000	5.90%	\$ 74,045.00	\$ 233,090
11/1/2017			\$ 71,537.50	
5/1/2018	\$ 90,000	5.90%	\$ 71,537.50	\$ 233,075
11/1/2018			\$ 68,882.50	
5/1/2019	\$ 95,000	5.90%	\$ 68,882.50	\$ 232,765
11/1/2019			\$ 66,080.00	
5/1/2020	\$ 100,000	5.90%	\$ 66,080.00	\$ 232,160
11/1/2020			\$ 63,130.00	
5/1/2021	\$ 105,000	5.90%	\$ 63,130.00	\$ 231,260
11/1/2021			\$ 60,032.50	
5/1/2022	\$ 115,000	5.90%	\$ 60,032.50	\$ 235,065
11/1/2022			\$ 56,640.00	
5/1/2023	\$ 120,000	5.90%	\$ 56,640.00	\$ 233,280
11/1/2023			\$ 53,100.00	
5/1/2024	\$ 130,000	5.90%	\$ 53,100.00	\$ 236,200
11/1/2024			\$ 49,265.00	
5/1/2025	\$ 135,000	5.90%	\$ 49,265.00	\$ 233,530
11/1/2025			\$ 45,282.50	
5/1/2026	\$ 145,000	5.90%	\$ 45,282.50	\$ 235,565
11/1/2026			\$ 41,005.00	
5/1/2027	\$ 155,000	5.90%	\$ 41,005.00	\$ 237,010
11/1/2027			\$ 36,432.50	
5/1/2028	\$ 165,000	5.90%	\$ 36,432.50	\$ 237,865
11/1/2028			\$ 31,565.00	
5/1/2029	\$ 175,000	5.90%	\$ 31,565.00	\$ 238,130
11/1/2029			\$ 26,402.50	
5/1/2030	\$ 185,000	5.90%	\$ 26,402.50	\$ 237,805
11/1/2030			\$ 20,945.00	
5/1/2031	\$ 195,000	5.90%	\$ 20,945.00	\$ 236,890
11/1/2031			\$ 15,192.50	
5/1/2032	\$ 205,000	5.90%	\$ 15,192.50	\$ 235,385
11/1/2032			\$ 9,145.00	
5/1/2033	\$ 220,000	5.90%	\$ 9,145.00	\$ 238,290
11/1/2033			\$ 2,655.00	

**Stonelake Ranch**  
**Community Development District**  
**Debt Service Fund - Budget**  
**Series 2004 A - \$3,615,000 Special Assessment Revenue Bonds**  
**Fiscal Year 2017**

Description	Principal	Coupon Rate	Interest	Annual Debt Service
5/1/2034	\$ 230,000	5.90%	\$ 2,655.00	\$ 235,310

**Stonelake Ranch  
Community Development District**

**Budget  
Fiscal Year 2017  
Assessment Comparison**

<b>Description</b>	<b>Fiscal Year 2016</b>	<b>Fiscal Year 2017</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
General Fund	\$ 293.47	\$ 293.47	\$ (0.00)	0.00%
Debt Service Fund - Capital Assessment	\$ 1,756.83	\$ 1,761.06	\$ 4.23	0.24%
<b>Combined General Fund and Debt Service Fund</b>				
General Fund & Debt Service Fund	\$ 2,050.30	\$ 2,054.53	\$ 4.23	0.21%
<b>Debt Outstanding</b>	<b>\$ 18,229.17</b>	<b># \$ 17,676.06</b>	<b>\$ (553.11)</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.

**INSTRUCTIONS RELATING TO LANDOWNERS' MEETING OF  
THE STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT  
FOR THE ELECTION OF SUPERVISORS**

**DATE: NOVEMBER 3, 2016**

**TIME: 9:00 A.M**

**LOCATION: THE OFFICES OF CARLYLE INVESTMENTS  
650 BAYSHORE BOULEVARD, SUITE 650  
TAMPA, FLORIDA 33606.**

Pursuant to Chapter 190, Florida Statutes, after a Community Development District ("District") has been established and the landowners have held their initial election, there shall be a subsequent landowners' meeting for the purpose of electing members of the Board of Supervisors every two years until the District qualifies to have its board members elected by the qualified electors of the district. The following instructions on how all landowners may participate in the election is intended to comply with Section 190.006(2)(b), Florida Statutes, as amended by Chapter 2004-353, Laws of Florida.

A landowner may vote in person at the Landowner's Meeting, or the landowner may nominate a proxy holder to vote at the meeting in place of the landowner. Whether in person or by proxy, each landowner shall be entitled to cast one vote per acre of land owned by him or her and located within the District, for each person that the landowner desires to elect to a position on the Board of Supervisors that is open for election for the upcoming term (three (3) seats on the Board will be up for election). A fraction of an acre shall be treated as one (1) acre, entitling the landowner to one vote with respect thereto. **Please note that a particular parcel of real property is entitled to only one vote for each eligible acre of land or fraction thereof; therefore, two or more people who own real property in common, that is one acre or less, are together entitled to only one vote for that real property.**

At the Landowners' Meeting, the first step is to elect a Chair for the meeting, who may be any person present at the meeting. The landowners' shall also elect a secretary for the meeting who may be any person present at the meeting. The secretary shall be responsible for the minutes of the meeting. The chair shall conduct the nominations and the voting. If the chair is a landowner or proxy holder of a landowner, he or she may nominate candidates and make and second motions. Candidates must be nominated and then shall be elected by a vote of the landowners. Nominees may be elected only to a position on the Board of Supervisors that is open for election for the upcoming term. The two candidates receiving the highest number of votes shall be elected for a term of four (4) years. The remaining candidate receiving votes shall be elected for a term of two (2) years. The term of office for each successful candidate shall commence upon election.

A proxy is available upon request. To be valid, each proxy must be signed by one of the legal owners of the property for which the vote is cast and must contain the typed or printed name of the individual who signed the proxy; the street address, legal description of the property or tax parcel identification number; and the number of authorized votes. If the proxy authorizes more than one vote, each property must be listed and the number of acres of each property must be included. The signature on a proxy does not need to be notarized.

**OFFICIAL BALLOT**

**STONELAKE RANCH  
COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
LANDOWNERS MEETING – NOVEMBER 3, 2016**

**For Election (3 Supervisors):** The two (2) candidates receiving the highest number of votes will each receive a four (4) year term, and the remaining candidate shall receive a two (2) year term, with the term of office for each successful candidate commencing upon election.

The undersigned certifies that the undersigned is executing this Official Ballot in his or her individual capacity as landowner, or in his or her capacity as an authorized representative of the entity named below as landowner, (hereinafter, "Landowner") and that Landowner is the fee simple owner of land, or the proxy holder for the fee simple owner of land, located within the Stonelake Ranch Community Development District and described as follows:

<b>Property Description</b>	<b>Acreege/Lot Number</b>
_____	_____
_____	_____
_____	_____

[Insert above the street address of each parcel, the legal description of each parcel, or the tax identification number of each parcel. If more space is needed, identification of parcels owned may be incorporated by reference to an attachment hereto.]

The number of authorized votes for this ballot is: \_\_\_\_\_

I, \_\_\_\_\_, in my individual capacity as Landowner; or in my capacity as an authorized representative of Landowner, an entity; or as the proxy holder pursuant to the Landowners Proxy attached hereto, do cast my votes as follows:

	<b>NAME OF CANDIDATE</b>	<b>NUMBER OF VOTES</b>
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.		

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Printed Name: \_\_\_\_\_

NOTE: If the fee simple landowner is not an individual, and is instead a corporation, limited liability company, limited partnership or other entity, evidence that the individual signing on behalf of the entity has the authority to do so should be attached hereto. (e.g., bylaws, corporate resolution, etc.).

**LANDOWNER PROXY**

**STONELAKE RANCH  
COMMUNITY DEVELOPMENT DISTRICT  
LANDOWNERS MEETING – NOVEMBER 3, 2016**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints:

\_\_\_\_\_  
Proxy holder

For and on behalf of the undersigned to vote as proxy at the meeting of the Landowners of the Stonelake Ranch Community Development District to be held at the offices of Carlyle Investments, 601 Bayshore Blvd. Suite 650, Tampa, Florida 33606 at 9:00 A.M. on November 3, 2016; said meeting published in a newspaper in Hillsborough County; and at any adjournments thereof, according to the number of acres of unplatted land and/or platted lots owned by the undersigned landowner which the undersigned would be entitled to vote if then personally present, upon any question, proposition, or resolution or any other matter or thing which may come before said meeting including, but not limited to, the election of members of the Board of Supervisors and may vote in accordance with their discretion on all matters not known or determined at the time of solicitation of this proxy, which may legally come before the meeting. Any proxy heretofore given by the undersigned for said meeting is hereby revoked. This proxy is to continue in force from the date hereof until the conclusion of the landowners meeting and any adjournment or adjournments thereof, but may be revoked at any time by notice thereof, in writing, filed with the Secretary of the Stonelake Ranch Community Development District.

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Date

**Property Description**

**Acreage/Lot Number**

\_\_\_\_\_  
\_\_\_\_\_  
[Insert above the street address of each parcel, the legal description of each parcel, or the tax identification number of each parcel. If more space is needed, identification of parcels owned may be incorporated by reference to an attachment hereto.]

The number of authorized votes for this proxy is: \_\_\_\_\_

NOTE: If the fee simple landowner is not an individual, and is instead a corporation, limited liability company, limited partnership or other entity, evidence that the individual signing on behalf of the entity has the authority to do so should be attached hereto. (e.g., bylaws, corporate resolution, etc.).

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, 2015, and have issued our report thereon dated December 9, 2015. 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. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the current year. 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.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the financial statements.

## **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. There were no identified misstatements.

### **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 December 9, 2015.

### **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.

*McDiarmid Davis & Company, LLC*

Orlando, Florida  
December 9, 2015

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 rectangular boxes, likely for a table of contents or index. In the top left corner, there is a small cluster of four white dots.

# STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**BASIC FINANCIAL STATEMENTS**

**Year Ended September 30, 2015**

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, 2015, 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, 2015, 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 December 9, 2015, 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  
December 9, 2015

## 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, 2015 and 2014. 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, 2015:

- The District's total assets exceeded its liabilities at September 30, 2015 by \$993,250, an increase of \$53,792 in the government wide statement on page 8, in comparison with the prior year. This increase is primarily attributable to special assessments revenue in the debt service fund in excess of interest expense. Government wide statements do not consider principal to be an expense.
- At September 30, 2015, the District's governmental funds reported a combined fund balance of \$353,356, a decrease of \$66,196 in comparison with the prior year. The District reduced prior year fund balance by \$66,196 from principal prepayments made in the prior year to prepay principal in the current 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 between the two 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 25 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 assets as of September 30, 2015 and 2014:

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

	September 30, 2015	September 30, 2014
Assets, excluding capital assets	\$ 358,566	\$ 424,768
Capital assets, net of depreciation	3,513,036	3,540,499
Total assets	3,871,602	3,965,267
Liabilities, excluding long-term liabilities	70,381	73,733
Long-term Liabilities	2,807,971	2,952,076
Total liabilities	2,878,352	3,025,809
Net Position		
Net investment in capital assets	705,065	588,423
Restricted for debt service	266,921	330,567
Unrestricted	21,264	20,468
Total net position	\$ 993,250	\$ 939,458

Governmental activities for the year ended September 30, 2015 increased the District's net position by \$53,792, as reflected in the table below:

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

	2015	2014
Revenues:		
Program revenues	\$ 283,057	\$ 362,267
General revenues	25	28
Total revenues	283,082	362,295
Expenses:		
General government	43,188	42,984
Physical environment	27,463	46,607
Interest on long-term debt	158,639	166,622
Total expenses	229,290	256,213
Change in net position	53,792	106,082
Net position - beginning	939,458	833,376
Net position - ending	\$ 993,250	\$ 939,458

## **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 decreased by \$66,992 in the current year because debt service payments exceeded assessments. The fund balance of the General Fund did not change significantly 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, 2015, amounts to \$3,513,036 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 \$2,618,902 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 \$189,069.

Additional information on the District's long-term debt can be found in Note 5 on pages 22 through 24 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, 2041 NE 6<sup>th</sup> Avenue, Wilton Manors, Florida 33305.

## **FINANCIAL STATEMENTS**

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**STATEMENT OF NET POSITION**

September 30, 2015

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash	\$ 26,474
Restricted assets:	
Temporarily restricted investments	332,092
Capital assets not being depreciated	2,687,669
Capital assets being depreciated, net	<u>825,367</u>
Total assets	<u>3,871,602</u>
<b>Liabilities:</b>	
Accounts payable and accrued expenses	5,210
Accrued interest payable	65,171
Noncurrent liabilities:	
Due within one year	80,000
Due in more than one year	<u>2,727,971</u>
Total liabilities	<u>2,878,352</u>
<b>Net Position:</b>	
Net investment in capital assets	705,065
Restricted for debt service	266,921
Unrestricted	<u>21,264</u>
Total net position	<u><u>\$ 993,250</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, 2015

<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Program Revenue</u></b>		<b><u>Net (Expense) Revenue and Changes in Net Assets</u></b>
		<b><u>Charges for Services</u></b>	<b><u>Operating and Contributions</u></b>	
Governmental Activities:				
General government	\$ 43,188	\$ 43,959	\$ -	\$ 771
Physical environment	27,463	-	-	(27,463)
Interest on long-term debt	158,639	239,063	35	80,459
Total governmental activities	<u>\$ 229,290</u>	<u>\$ 283,022</u>	<u>\$ 35</u>	<u>53,767</u>
General Revenues:				
Investment income				<u>25</u>
Change in net position				53,792
Net Position - beginning				<u>939,458</u>
Net Position - ending				<u>\$ 993,250</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, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash	\$ 26,474	\$ -	\$ 26,474
Investments	-	332,092	332,092
Total assets	<u>\$ 26,474</u>	<u>\$ 332,092</u>	<u>\$ 358,566</u>
<b>Liabilities and Fund Balances:</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 5,210	\$ -	\$ 5,210
Total liabilities	<u>5,210</u>	<u>-</u>	<u>5,210</u>
Fund Balances:			
Restricted for debt service	-	332,092	332,092
Unassigned	<u>21,264</u>	<u>-</u>	<u>21,264</u>
Total fund balances	<u>21,264</u>	<u>332,092</u>	<u>353,356</u>
Total liabilities and fund balances	<u>\$ 26,474</u>	<u>\$ 332,092</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. 3,513,036

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	(65,171)	
Bonds and note payable	<u>(2,807,971)</u>	<u>(2,873,142)</u>
<b>Net Position of Governmental Activities</b>		<u><u>\$ 993,250</u></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, 2015

	<b>General</b>	<b>Debt Service</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Special assessments	\$ 43,959	\$ 239,063	\$ 283,022
Investment income	25	35	60
Total revenues	<u>43,984</u>	<u>239,098</u>	<u>283,082</u>
<b>Expenditures:</b>			
Current:			
General government	43,188	-	43,188
Debt service:			
Interest	-	161,383	161,383
Principal	-	144,707	144,707
Total expenditures	<u>43,188</u>	<u>306,090</u>	<u>349,278</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	796	(66,992)	(66,196)
<b>Fund Balances - beginning of year</b>	<u>20,468</u>	<u>399,084</u>	<u>419,552</u>
<b>Fund Balances - end of year</b>	<u><u>\$ 21,264</u></u>	<u><u>\$ 332,092</u></u>	<u><u>\$ 353,356</u></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, 2015

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

Net Change in Fund Balances - total governmental funds (page 10)	\$	(66,196)
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.		144,707

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	3,346	
Amortization of bond discount	<u>(602)</u>	2,744
Change in Net Position of Governmental Activities (page 8)		<u>\$ 53,792</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, 2015

	<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	\$ 46,415	\$ 46,415	\$ 43,959	\$ (2,456)
Investment Income	30	30	25	(5)
Total revenues	<u>46,445</u>	<u>46,445</u>	<u>43,984</u>	<u>(2,461)</u>
<b>Expenditures:</b>				
Current:				
General government	<u>46,445</u>	<u>46,445</u>	<u>43,188</u>	<u>3,257</u>
Total expenditures	<u>46,445</u>	<u>46,445</u>	<u>43,188</u>	<u>3,257</u>
Net change in fund balance	-	-	796	796
Fund Balance - beginning	<u>20,468</u>	<u>20,468</u>	<u>20,468</u>	<u>-</u>
Fund Balance - ending	<u><u>\$ 20,468</u></u>	<u><u>\$ 20,468</u></u>	<u><u>\$ 21,264</u></u>	<u><u>\$ 796</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, 2015

**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, 2015. 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, 2015

**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, 2015, 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**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, 2015, 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, 2015

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

**Budget**

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

The 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**

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

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

**Capital assets**

Capital assets, 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 estimated fair market value at the date of donation.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

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

**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, 2015.

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, 2015.

**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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

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

**Special assessments (continued)**

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.

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.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

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

**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 assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net assets 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.

**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, 2015.

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.

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

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

**Fund Statements (continued):**

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, 2015.

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, 2015.

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.

**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.

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

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

Deposits (continued)

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

Investments of the General Fund are governed by Section 218.415, Florida Statutes. The authorized investments include, among others, negotiable direct or indirect obligations which are secured by the United States Government, the Local Government Surplus Funds Trust as created by Section 218.415, Florida Statutes; and interest-bearing time deposits or savings accounts in authorized financial institutions.

Investments of Debt Service Fund are governed by the provisions of the Trust Indenture.

Investments of the Debt Service Fund as of September 30, 2015 were \$332,092 and were in money market mutual funds.

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.

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

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

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, 2015, the District's investments were not subject to custodial credit risk.

**Note 4 - Capital Assets:**

Capital asset activity for the year ended September 30, 2015 was as follows:

	Beginning Balance October 1, 2014	Additions	Disposals	Balance at September 30, 2015
<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	(325,737)	(27,400)	-	(353,137)
Machinery and equipment	(515)	(63)	-	(578)
Total accumulated depreciation	(326,252)	(27,463)	-	(353,715)
Total capital assets being depreciated, net	852,830	(27,463)	-	825,367
Governmental activities capital assets, net	<u>\$ 3,540,499</u>	<u>\$ (27,463)</u>	<u>\$ -</u>	<u>\$ 3,513,036</u>

Provision for depreciation was charged to functions as follows:

Governmental Activities:

Physical environment \$ 27,663

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

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

Summary of Long-Term Debt of Governmental Activities

Long-term debt of the governmental activities at September 30, 2015 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 \$11,098).	\$ 2,618,902
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>189,069</u>
	<u><u>\$ 2,807,971</u></u>

The following is a summary of changes in governmental activities long-term debt for the year ended September 30, 2015:

	<u>Balance October 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Amortization</u>	<u>Balance September 30, 2014</u>	<u>Due Within One Year</u>
Special Assessment						
Revenue Bonds,						
Series 2004A	\$ 2,765,000	\$ -	\$ (135,000)	\$ -	\$ 2,630,000	\$ 80,000
Note Payable	198,776	-	(9,707)	-	189,069	-
Original Issue Discount	(11,700)	-	-	602	(11,098)	-
Total	<u>\$ 2,952,076</u>	<u>\$ -</u>	<u>\$ (144,707)</u>	<u>\$ 602</u>	<u>\$ 2,807,971</u>	<u>\$ 80,000</u>

STONELAKE RANCH COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**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, 2015. As of September 30, 2015, the reserve fund account balance was sufficient to satisfy this requirement.

Total principal and interest remaining the Bonds is \$4,406,490. For the current year ended September 30, 2015, total principal and interest paid on the Bonds was \$306,090 and special assessment revenue pledged was \$239,063.

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>
2016	\$ 80,000	\$ 155,170	\$ 235,170
2017	85,000	150,450	235,450
2018	90,000	145,435	235,435
2019	95,000	140,125	235,125
2020	100,000	134,520	234,520
2021 - 2025	605,000	576,135	1,181,135
2026 - 2030	830,000	373,175	1,203,175
2031 - 2034	745,000	101,480	846,480
	<u>\$ 2,630,000</u>	<u>\$ 1,776,490</u>	<u>\$ 4,406,490</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**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.

**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, 2015. 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, 2015, the Developer's share of annual assessment revenue was 23%. 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 9, 2015.

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.

**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

### 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 and contracts, 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  
December 9, 2015

## **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, 2015, and have issued our report thereon dated December 9, 2015.

### **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 Reports and Schedule**

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*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 9, 2015, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

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

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

**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**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report 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 identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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.

## **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2015, 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, 2015. In connection with our audit, we determined that these two reports were in agreement.

## **Other Matters**

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 have 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  
December 9, 2015

**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, 2015. 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, 2015.

*McDirmit Davis & Company, LLC*

Orlando, Florida  
December 9, 2015

**MCDIRMIT DAVIS & COMPANY, LLC**  
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*Craig Latimer*  
**Supervisor of Elections**

Our Vision: To be the best place in America to vote

GOVERNOR'S  
STERLING  
AWARD  
RECIPIENT

April 20, 2016

James Ward  
JP Ward and Associates, LLC  
2041 NE 6 Terrace  
Wilton Manors, FL 33305

Dear James Ward,

As per F.S. 190.006, below is the number of qualified registered electors for the listed Community Development District as of April 15, 2016.

Community Development District	Number of Registered Electors
Stonelake Ranch CDD	145

If you have any questions, please do not hesitate to contact me at (813) 384-3944 or [ccampbell@hcsoe.org](mailto:ccampbell@hcsoe.org).

Sincerely,

Chelsea Campbell  
Candidate Services Liaison  
Representing Craig Latimer, Hillsborough County Supervisor of Elections  
Governor's Sterling Award Recipient