

Hacienda Lakes Community Development District

707 Orchid Drive, Suite 100, Naples, FL 34102
P. 239-269-1341

**BOARD OF SUPERVISORS
HACIENDA LAKES COMMUNITY
DEVELOPMENT DISTRICT**

Monday, December 16, 2019, 9:00 a.m.
4001 Tamiami Trail North, Suite 300
Naples, Florida 34103

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Hacienda Lakes Community Development District will be held on **December 16 at 9 a.m.**, at the **Coleman, Yovanovich & Koester, PA offices, 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103**. The Board Meeting agenda is as follows:

1. Call to Order/Roll Call
2. Public Comment Period

GENERAL DISTRICT ITEMS

None to be considered at this time.

ADMINISTRATIVE MATTERS

3. Consideration of August 19, 2019 Regular Meeting and Public Hearing Meeting Minutes Exhibit 1

ORGANIZATIONAL MATTERS

4. Ratification of Grau & Associates Engagement Letter Exhibit 2
5. Ratification of Solitude Lake Management Sapphire Lake Engagement Letter Exhibit 3
6. Lake Turnover Procedure Consideration - Board Direction Exhibit 4
7. Update on Lakes 15, 16A and 17 Inspection Update

Hacienda Lakes Community Development District

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BUDGETARY MATTERS

8. Consideration of October 2019 Financial Statements

Exhibit 5

FINANCING MATTERS

None to be considered at this time.

OTHER MATTERS

9. Staff Reports
- A. District Manager
 - 1. Monument Lighting Update
 - 2. Landscaping Update
 - 3. Water Management Update
 - 4. Website Update
 - 5. Sales/Debt Service Update
 - 6. Accounting Update
 - B. District Counsel
 - C. District Engineer
10. Board Member Comments/Requests
11. Public Comments
12. Adjournment

EXHIBIT 1

HACIENDA LAKES COMMUNITY DEVELOPMENT DISTRICT
Suite 100, 707 Orchid Drive
Naples, FL 34102

MINUTES OF MEETING

Board of Supervisors Meeting
Monday, August 19, 2019, 9:00 a.m.
8490 Viale Circle
Naples, Florida 34114

Present and constituting a quorum were:

Maritza Aguiar	Board Member
Dwight Nadeau	Board Member
Tom Bothe	Board Member
Clifford "Chip" Olson	Board Member
Bob Mulhere	Board Member

Also present were:

Russ Weyer	District Manager, Real Estate Econometrics, Inc.
Greg Urbancic	District Counsel, Coleman, Yovanovich & Koester, P.A.
David Torres	Hacienda Lakes of Naples, LLC
14 Hacienda Lakes Residents	See attached list

Absent was:

Terry Cole	District Engineer, Hole Montes
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FIRST ORDER OF BUSINESS

Call to Order and Roll Call

Mr. Weyer called the meeting to order and proceeded with the roll call. The members in attendance are as outlined above. He pointed out the procedure for the meeting then presented an outline as to what the District entails and how it is different from a home owners association.

1 **SECOND ORDER OF BUSINESS**

2
3 Mr. Weyer noted that the Florida Statutes require that there be an opportunity for Public
4 Comment.

5
6 Ms. Rita Foster asked why their assessment went from \$73.18 in 2015 up to \$278.52. Why
7 the drastic increase every single year? Mr. Weyer explained that we are a growing district.
8 The Developer covered most of the costs in the initial years. He said that we are starting
9 reserves and that last year, the District boundaries were reduced. So, the costs are now
10 being covered by half the District. He also pointed out that we have a new landscaping
11 company that costs more but in the long run will be covered by irrigation repairs going
12 down.

13
14 Mr. Torres then explained why the District boundaries were reduced and gave an
15 explanation of what is going on with development. Mr. Weyer said that we could address
16 questions about future development after the meeting.

17
18
19 **THIRD ORDER OF BUSINESS**

Organizational Matters

20
21 **A. Public Hearing to Consider FY 2019-2020 Budget and Levying of Assessments**

22
23 Mr. Weyer requested the Board open the public hearing to consider the FY 2019-2020
24 operations and maintenance budget and levying of assessments.

25
26 On MOTION by Mr. Olson and seconded by Ms. Aguiar, with all in favor, the Board of
27 Supervisors of the Hacienda Lakes Community Development District opened the public hearing
28 on the FY 2019-2020 budget and levy of assessments.

29
30 Mr. Weyer explained the procedure of the budget adoption starting with the adoption of
31 the preliminary budget at the Board's May meeting. From there, the budget is sent to
32 Collier County for their records. The District then mails out the notice of assessments at a
33 minimum 30 days prior to the public hearing. The District then holds this meeting, the
34 public hearing, at least 60 days after the preliminary budget is adopted.

35
36 Mr. Weyer then moved to the consideration of the following Resolutions.

- 37
38 **1. Consideration of Resolution 2018-2 A resolution of the Hacienda Lakes Community**
39 **Development District relating to the annual appropriations of the District and**
40 **adopting the budget for the fiscal year beginning October 1, 2018, and ending**
41 **September 30, 2019, and referencing the maintenance and benefit special**
42 **assessments to be levied by the District for said fiscal year.**

43
44 Mr. Weyer went through the budget both on the administrative and maintenance line items.
45 explained that the preliminary budget was adopted by the Board back in May and that set

1 the cap for the budget. The Board can move budget amounts within the budget line items
2 up to but can't exceed the total budget amount adopted in May.

3
4 Mr. Darnell asked why the ERU was so low for general office. Mr. Weyer replied that the
5 ERU factor for the general office is on a per 1,000 square feet of space. He pointed out
6 that you multiply the total amount of square feet by that factor to obtain the ERUs for the
7 general office.

8
9 Ms. Debbie Palminteri asked about the landscaping and if we have any say in who performs
10 the landscaping. Mr. Weyer said that we do and that WLM was already on site at Azure.
11 Do the Residents have a say in who we select. Mr. Mulhere reiterated that the WLM is
12 very competitive and they are working very hard. The opportunity to comment on the
13 selection when the bid process comes up again. Mr. Bothe also pointed out that WLM will
14 be replacing Sunny Grove at Esplanade next month.

15
16 Mr. Zurpek asked who the new landscaping company will be at Esplanade. Mr. Bothe
17 reiterated that it should be WLM. He also asked what does taking care of the lakes mean?
18 Mr. Mulhere said that means taking care of exotic plants, monitoring the lake balance and
19 watching the lake banks. He wondered about the silt barriers on the streets. Mr. Mulhere
20 said that it is primarily the Developer's responsibility inside the gates and the CDD's
21 responsibility along Rattlesnake Hammock Road.

22
23 There was no further Board discussion.

24
25 On MOTION by Mr. Bothe and seconded by Mr. Nadeau, with all in favor, the Board of
26 Supervisors of the Hacienda Lakes Community Development District adopted Resolution 2019-2
27 relating to the annual appropriations and adopting the FY 2019-2020 Budget.

28
29 **2. Consideration of Resolution 2019-3 relating to Levying a Non-Ad Valorem**
30 **Operations and Maintenance Assessments and Debt Assessments and Certifying**
31 **the Assessment Roll for FY 2019-2020.**

32
33 Mr. Weyer explained that this resolution sets the assessments for the operations and
34 maintenance budget and that assessment along with the debt assessment will go on the tax
35 roll for platted lots while other larger parcels not platted will be billed directly.

36
37 Mr. Urbancic pointed out that the fiscal year date in the resolution title needs to be changed
38 to 2019-2020.

39
40 There was no further Board discussion.

1 On MOTION by Mr. Olson with the date change and seconded by Ms. Aguiar, with all in favor,
2 the Board of Supervisors of the Hacienda Lakes Community Development District adopted
3 Resolution 2019-3 relating to levying non-ad valorem operations and maintenance assessments
4 and debt assessments for FY 2019-2020 Budget.

5
6 Mr. Weyer requested the Board close the public hearing.
7

8 On MOTION by Mr. Nadeau and seconded by Ms. Aguiar, with all in favor, the Board of
9 Supervisors of the Hacienda Lakes Community Development District closed the public hearing on
10 the FY 2019-2020 budget and levy of assessments.

11
12 Mr. Weyer disclosed and provided an affidavit of from the Naples Daily News showing that
13 the ads were run according to the specifications set out in the Florida Statutes. Mr. Weyer
14 then identified the letter sent to the Collier County Manager laying out the proposed FY
15 2019-2020 District budget and finally he identified the affidavit from the District Manager
16 that indicates he had mailed the public hearing and assessment notices to all property owners
17 of record within the District as of June.
18

19 **3. Consideration of Resolution 2019-4 relating to the designation of Officers for the**
20 **District and providing for an effective date.**
21

22 A resident asked how the Board is selected. Mr. Weyer said that the Developer picks the
23 Board in the beginning and that one of the requirements is that a resident in on the Board
24 from the beginning. That is why Mr. Bothe is on the Board. Ultimately, the residents will
25 comprise the Board. The next time seats will come up for election is when there are 250
26 registered voters or seven (7) years living in the District. The election will be on the general
27 election ballot.
28

29 Mr. Weyer went through the list of officers and said that it hasn't changed since last year.
30

31 There was no further Board discussion.
32

33 On MOTION by Ms. Aguiar and seconded by Mr. Olson, with all in favor, the Board of
34 Supervisors of the Hacienda Lakes Community Development District adopted Resolution 2019-4
35 relating to the designation of Officers for the District and providing for an effective date.

36
37 **4. Consideration of Resolution 2019-5 adopting the FY 2019-2020 Meeting Schedule.**
38

39 Mr. Weyer said that the meeting is generally held on the third Monday of each month.
40

41 There was no further Board discussion.
42

On MOTION by Mr. Nadeau and seconded by Mr. Olson, with all in favor, the Board of Supervisors of the Hacienda Lakes Community Development District adopted Resolution 2019-5 adopting the FY 2019-2020 Meeting Schedule.

FOURTH ORDER OF BUSINESS

Administrative Matters

A. Approval of Minutes of the May 15, 2019 Board of Supervisors' Meeting

There were no changes noted from the Board.

On MOTION by Mr. Mulhere and seconded by Ms. Aguiar, with all in favor, the Board of Supervisors of the Hacienda Lakes Community Development District approved the Minutes of the May 15, 2019 Board of Supervisors Meeting.

B. Consideration of the FIA Insurance Quote for FY 2019-2020

Mr. Weyer pointed out that the quote matches the budget and nothing has changed in terms of coverages in the past. Liability and Directors errors and omissions are covered with the policy. Mr. Olson asked why there is no values in the property and casualty for signs and streetlights for example. Mr. Weyer said that it would cost more for the insurance and deductible than replacing those items at cost.

Mr. Mulhere asked what FIA stands for. Mr. Weyer Florida Insurance Alliance.

There was no further discussion.

On MOTION by Mr. Olson and seconded by Mr. Bothe, with all in favor, the Board of Supervisors of the Hacienda Lakes Community Development District accepted the FIA Insurance Quote for FY 2019-2020,

C. Consideration of the Hacienda lakes Community Development District Quit Claim Deed to Toll Brothers.

Mr. Urbancic explained that Azure Developer conveyed lake tracts to the District and when they re-platted, the old lake tract did not match the new lake tract so this is a clean-up of those conveyances so that they match.

There was no further discussion.

On MOTION by Mr. Nadeau and seconded by Mr. Mulhere, with all in favor, the Board of Supervisors of the Hacienda Lakes Community Development District accepted the District's quit claim deed to Toll Brothers.

1
2 **D. Consideration of the Toll Brothers Quit Claim Deed to the Hacienda lakes**
3 **Community Development District.**
4

5 Mr. Urbancic explained that Azure Developer conveyed lake tracts to the District and when
6 they re-platted, the old lake tract did not match the new lake tract so this is the reverse
7 clean-up of those conveyances so that they match.
8

9 Mr. Bothe noted that Taylor Morrison has yet to turn over their lakes and Mr. Urbancic
10 pointed out that not all of the Azure lakes have been turned over to the District as of this
11 dare.
12

13 There was no further discussion.
14

15 On MOTION by Mr. Olson and seconded by Ms. Aguiar, with all in favor, the Board of
16 Supervisors of the Hacienda Lakes Community Development District accepted the Toll Brothers
17 quit claim deed to the District.

18
19 **FIFTH ORDER OF BUSINESS**

Business Matters

20
21 There were none to be considered at this time.
22

23 **SIXTH ORDER OF BUSINESS**

Financial Matters

24
25 **A. Acceptance of the July 2019 Financial Statements**
26

27 Mr. Weyer presented the District's July 2019 Financial Statements. He pointed out that
28 the cash flow is positive and should be pretty close to the budget. Mr. Mulhere pointed out
29 that the District's fiscal year starts October 1st. He also said that the District went through
30 its annual audit and that it came through clean with no issues.
31

32 On MOTION by Mr. Olson and seconded by Mr. Nadeau, with all in favor, the Board of
33 Supervisors of the Hacienda Lakes Community Development District accepted the District July
34 2019 Financial Statements as presented.

35
36 **B. Acceptance of the Fiscal Year 2017-2018 Audit**
37

38 Mr. Weyer presented the District's Fiscal Year 2017-2018 Audit. He pointed out that the
39 state and the auditors look specifically at the findings and recommendations. This audit
40 there was only one finding and it related to the journal entries needed to move funds from
41 one class to another. Those have since been corrected for this audit and going forward. He
42 also said the rest of the audit came through clean with no issues.
43

44 On MOTION by Ms. Aguiar and seconded by Mr. Olson, with all in favor, the Board of
45 Supervisors of the Hacienda Lakes Community Development District accepted the Districts FY
46 2017-2018 Audit Report.

1
2 **C. Ratification of the Fiscal Year 2017-2018 Audit Management Letter**
3

4 Mr. Weyer presented the audit management letter that the Board authorized the Chairman
5 to execute. He reported that this authorization was necessary as the letter needed to
6 accompany the Audit report to the State and that submission would happen between Board
7 meetings. There was no further discussion.
8

9 On MOTION by Ms. Aguiar and seconded by Mr. Bothe, with all in favor, the Board of
10 Supervisors of the Hacienda Lakes Community Development District ratified the Fiscal Year
11 2017-2018 Audit Management Letter.

12
13 **SEVENTH ORDER OF BUSINESS**

Staff Reports

14
15
16 **Manager's Report –**
17

- 18 1. Mr. Weyer explained that we are having issues with the south monument sign and he is
19 taking care of the change that needs to be made. The sign light element was replaced and
20 they are working on the flood lights to replace to GFI.
21
22 2. Mr. Weyer also said that the fountain in the north lake before the Azure entrance is being
23 replaced since it is not working at the moment.
24
25 3. He also said that the landscape company is working out well at the moment.
26

27 **Attorney's Report –**
28

29 Mr. Urbancic had nothing further to report.
30

31 **Engineer's Report –**
32

33 Mr. Cole was absent. Mr. Weyer said he is working on the lake turnover process and will
34 present that process to the Board at a future meeting.
35

36 **SEVENTH ORDER OF BUSINESS**

Public Comments

37
38 A resident asked if there is an outside accounting firm which Mr. Weyer answered
39 affirmatively. She also asked what is the Board member compensation. Mr. Mulhere said
40 the compensation is set by the Florida statute and is \$200 per meeting per supervisor.
41

42 She then commented that the landscape company is doing a very good job. She said the
43 knock out roses need to be replaced. Mr. Weyer said that they are included in the plant
44 replacement program.
45
46

EIGHTH ORDER OF BUSINESS

Supervisors' Requests

There were no requests.

EIGHTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Nadeau and seconded by Ms. Aguiar, with all in favor, the meeting of the Board of Supervisors of the Hacienda Lakes Community Development District was adjourned.

Secretary/Assistant Secretary

Chairperson/Vice-Chairperson

Print Name

Print Name

Attendance Sign in Sheet

District: Hacienda Lakes CDD

Date of Meeting: August 19, 2019

	Print Name	Stree Address
1	MD D'Amico	8471 Volero Way
2	R D Moyer	8936 St. Lucia
3	Jack Darnell	8922 St. Lucia Dr. #101
4	William Zambor	8941 MUSTIQUE LANE
5	DAVID WALDMAN	8329 Luce Pl. Terrace N
6	RONALD KASE	8324 LUCILLOTTER N.
7	Rita Foster	8443 Palacio Terr. West
8	Randy Foster	" " " "
9	Bob Owen	8451 Volero Way
10	Barbara Owen	" " " "
11	JEFF Shkoluk	8554 MAGGIORE CT
12	JOSEPH Palminteri	8968 Mustique Lane
13	Debbie Palminteri	8968 Mustique Lane
14	Steve PETERSON	8410 PALACIO TER S
15		
16		
17		
18		
19		
20		

EXHIBIT 2



Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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

October 8, 2019

To Board of Supervisors
Hacienda Lakes Community Development District
707 Orchid Drive, Suite 100
Naples, Florida 34102

We are pleased to confirm our understanding of the services we are to provide Hacienda Lakes Community Development District, Collier County, Florida ("the District") for the fiscal year ended September 30, 2019. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of Hacienda Lakes Community Development District as of and for the fiscal year ended September 30, 2019. In addition, we will examine the District's compliance with the requirements of Section 218.415 Florida Statutes. This letter serves to renew our agreement and establish the terms and fee for the 2019 audit.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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.

The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary comparison schedule

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Examination Objective

The objective of our examination is the expression of an opinion as to whether the District is in compliance with Florida Statute 218.415 in accordance with Rule 10.556(10) of the Auditor General of the State of Florida. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and will include tests of your records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our examination of the District's compliance. The report will include a statement that the report is intended solely for the information and use of management, those charged with governance, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the District's compliance is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

Other Services

We will assist in preparing the financial statements and related notes of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for compliance with Florida Statute 218.415 and will provide us with the information required for the examination. The accuracy and completeness of such information is also management's responsibility. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. In addition, you will be required to make certain representations regarding compliance with Florida Statute 218.415 in the management representation letter. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for designing, implementing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Grau & Associates and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Grau & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. Notwithstanding the foregoing, the parties acknowledge that various documents reviewed or produced during the conduct of the audit may be public records under Florida law. The District agrees to notify Grau & Associates of any public record request it receives that involves audit documentation.

Our fee for these services will not exceed \$6,400 for the September 30, 2019 audit.

We will complete the audit within prescribed statutory deadlines, with the understanding that your employees will provide information needed to perform the audit on a timely basis.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices will be submitted in sufficient detail to demonstrate compliance with the terms of this agreement. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate.

This agreement may be renewed each year thereafter subject to the mutual agreement by both parties to all terms and fees. The fee for each annual renewal will be agreed upon separately.

The District has the option to terminate this agreement with or without cause by providing thirty (30) days written notice of termination to Grau & Associates. Upon any termination of this agreement, Grau & Associates shall be entitled to payment of all work and/or services rendered up until the effective termination of this agreement, subject to whatever claims or off-sets the District may have against Grau & Associates.

We will provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2016 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Hacienda Lakes Community Development District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Grau & Associates



Racquel McIntosh

RESPONSE:

This letter correctly sets forth the understanding of Hacienda Lakes Community Development District.

By: 
Title: Chairman
Date: 10-15-19



PEER REVIEW PROGRAM

is proud to present this

Certificate of Recognition

to

Grau & Associates

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

A handwritten signature in black ink, reading "Anita Ford", written over a horizontal line.

Anita Ford, Chair
AICPA Peer Review Board
2016

EXHIBIT 3

ANNUAL POND MANAGEMENT CONTRACT

PROPERTY NAME: Sapphire Cove at Hacienda Lakes
CONTRACT TERM: October 1st, 2019 to September 30th, 2020
SUBMITTED TO: Russ Weyer #239-269-1341 Rweyer@ree-i.com
SUBMITTED BY: Jeff Moding
SPECIFICATIONS: Annual Lake Management

Visual Inspections:

1. Contractor will perform a visual inspection of the pond(s) during each visit to the site. The inspections shall include the following:
 - Water levels
 - Water clarity or quality
 - Beneficial Aquatic Vegetation
 - Nuisance, Invasive, or Exotic Aquatic Vegetation
 - Algae
 - Erosion
 - Issues with shoreline and bank stabilization measures such as rip rap stone, bulkheads, retaining walls, etc.
 - Fish habitat
 - Mosquito breeding conditions and habitat
 - Trash and debris
2. Any issues or deficiencies that are observed during this visual monitoring will be documented by our staff in the field notes of the service order completed at the time the issue was first observed and reported to the client in writing as part of that month's service report.
3. Customer will be notified immediately if there are any deficiencies observed that appear in the judgment of our staff to be posing an immediate risk or otherwise jeopardizing the integrity of the pond(s) structures.
4. The scope of these services is limited to what can be reasonably observed at the surface of the water and above the ground around the water that makes up the physical structure of the pond(s). These routine inspection services are not intended to replace any requirement or need for a more comprehensive engineered inspection, or any other type of inspection that would require expertise or equipment to survey the condition of the physical components of the pond(s) underground, underwater, or inside any of the associated structures.

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Pond Aquatic Weed Control:

1. Pond(s) will be inspected on a *one (1) times per month* basis.
2. Any growth of undesirable aquatic weeds and vegetation found in the pond(s) with each inspection shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required to control the specific varieties of aquatic weeds and vegetation found in the pond(s) at the time of application.
3. Invasive and unwanted submersed and floating vegetation will be treated and controlled preventatively and curatively each spring and early summer through the use of systemic herbicides at the rate appropriate for control of the target species. Application rates will be designed to allow for selective control of unwanted species while allowing for desirable species of submersed and emergent wetland plants to prosper.

Shoreline Aquatic Weed Control:

1. Shoreline areas will be inspected on a *one (1) times per month* basis.
2. Any growth of cattails, Torpedograss, or other unwanted shoreline vegetation found within the pond areas shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required for control of the plants present at time of application.
3. Any growth of unwanted plants or weeds growing in areas where stone has been installed for bank stabilization and erosion control shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required to control the unwanted growth present at the time of application.

Water Quality Monitoring:

1. Pond water samples will be taken and tested one (1) per year for the following parameters:

Temperature	Dissolved Oxygen
pH	

The results of the tests along with recommendations and analysis of the results will be provided to the client in a written report following each testing period.

1. Any data collected that needs immediate action to resolve an issue will be brought to the client's attention at once.
1. The results of the tests along with recommendations and analysis of the results will be provided to the client in a written report following each test.

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Pond Algae Control:

1. Pond(s) will be inspected on a *one (1) times per month* basis.
2. Any algae found in the pond(s) with each inspection shall be treated and controlled through the application of algaecides, aquatic herbicides, and aquatic surfactants as needed for control of the algae present at the time of service.

Trash Removal:

1. Trash and light debris will be removed from the pond(s) with each service and disposed off site. Any large item or debris that is not easily and reasonably removable by one person during the routine visit will be removed with the client's approval for an additional fee. Routine trash and debris removal services are for the pond areas only, and do not include any trash or debris removal from the surrounding terrestrial (dry land) areas.

Permitting:

1. SOLitude staff will NOT be responsible for the following:
 - a. Obtaining any Federal, state, or local permits required to perform any work specified in this contract where applicable.
 - b. Attending any public hearings or meetings with regulators as required in support of the permitting process.
 - c. Filing of any notices or year-end reports with the appropriate agency as required by any related permit.
 - d. Notifying the client of any restrictions or special conditions put on the site with respect to any permit received, where applicable.

Client Responsibilities:

1. Client will be responsible for the following:
 - a. Providing information required for the permit application process upon request.
 - b. Providing Certified Abutters List for abutter notification where required.
 - c. Perform any public filings or recordings with any agency or commission associated with the permitting process, if required.
 - d. Compliance with any Order of Conditions or other special requirements or conditions required by the local municipality.
 - e. Compliance and enforcement of temporary water-use restrictions where applicable.

Service Reporting:

1. Client will be provided with a monthly service report detailing all of the work performed as part of this contract.

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General:

1. Contractor is a licensed pesticide applicator in the state in which service is to be provided.
2. Individual Applicators are Certified Pesticide Applicators in Aquatics, Public Health, Forestry, Right of Way, and Turf/Ornamental as required in the state in which service is to be provided.
3. Contractor is a SePRO Preferred Applicator and dedicated Steward of Water. Each individual applicator has been trained and educated in the water quality testing and analysis required for site specific water quality management prescriptions and utilizes an integrated approach that encompasses all aspects of ecologically balanced management. Each applicator has received extensive training in the proper selection, use, and application of all aquatic herbicides, algaecides, adjuvants, and water quality enhancement products necessary to properly treat our clients' lakes and ponds as part of an overall integrated pest management program.
4. Contractor guarantees that all products used for treatment are EPA registered and labeled as appropriate and safe for use in lakes, ponds, and other aquatic sites, and are being applied in a manner consistent with their labeling.
5. All pesticide applications made directly to the water or along the shoreline for the control of algae, aquatic weeds, or other aquatic pests as specified in this contract will meet or exceed all of the contractor's legal regulatory requirements as set forth by the EPA and related state agencies for NPDES and FIFRA. Contractor will perform treatments that are consistent with NPDES compliance standards as applicable in and determined by the specific state in which treatments are made. All staff will be fully trained to perform all applications in compliance with all federal, state, and local law.
6. Contractor will furnish personnel, equipment, boats, materials, and other items required to provide the foregoing at his expense.
7. Contractor will maintain general liability and workman's compensation insurance.
8. Client understands and acknowledges that there are irrigation restrictions associated with many of the products used to treat their ponds. The client is responsible for notifying the contractor in advance of the contract signing and the start of the contract treatment if they utilize any of the water in their ponds for irrigation purposes. The client accepts full responsibility for any issues that may arise from the irrigation of turf, ornamentals, trees, crops, or any other plants as a result of treated water being used by the client for irrigation without the consent or knowledge of the contractor.
9. Although there is rarely direct fish toxicity with the products used for treatment when applied at the labeled rate, any time there is an extreme infestation of algae and aquatic weeds, there is a risk of dissolved oxygen drops as a result of large masses of algae and aquatic weeds dying and decomposing simultaneously. This risk is most severe in times of extremely hot weather and warm water temperatures, as these are the conditions during which dissolved oxygen levels are naturally at

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- their lowest levels. Often ponds will experience natural fish kills under these conditions even if no treatment is performed. Every effort, to include the method and timing of application, the choice of products, and the skill and training of the applicators is made to avoid such problems. This risk is especially mitigated by the use of systemic herbicides wherever possible, which results in a very slow steady control of the target weed species. However, the client understands and accepts that there is always a slight risk of the occurrence of adverse conditions outside the control of the contractor that will result in the death of some fish and other aquatic life. The client also understands and accepts that similar risks would remain if the algae or submersed invasive vegetation present in the pond goes uncontrolled, as it will over time interfere with the health and wellbeing of the existing fish population. The client agrees to hold the contractor harmless for any issues with fish or other aquatic life which occur as described above or are otherwise outside the direct control of the contractor, unless there is willful negligence on the part of the contractor.
10. Contractor shall be reimbursed by the client for any non-routine expenses, administrative fees, compliance fees, or any other similar expense that are incurred as a result of requirements placed on the contractor by the client that are not covered specifically by the written specifications of this contract.
11. The term of this agreement is for a period of twelve (12) months, with payment to be made in twelve (12) equal monthly payments due by the last day of each month. As a courtesy, the client will be invoiced on the first day of each month, reminding them that a contract payment is due by the end of that same month. The client is obligated to pay each monthly contract payment per the terms of this contract, without any obligation on the part of the contractor to invoice or send any other sort of reminder or notice. The Annual Contract Price is based on the total value of services to be provided over a period of twelve (12) months. For the convenience of the client, we offer Monthly Contract Pricing that is simply an even twelve (12) month amortization of the Annual Contract Price. Due to the seasonality of these services, and the disproportionate amount of time and materials dedicated to providing these services during some times of the year as compared to others, based on the season, weather patterns, and other natural factors, the amount billed and paid to date is not necessarily equivalent to the amount of work performed to date.
12. Contract will automatically renew annually at the end of the contract period for subsequent one (1) year terms, with a three percent (3%) escalation in the Annual Contract Price and Additional Enhancements each year, under the same terms, specifications, and conditions as set forth by this contract, unless either party gives written notice of cancellation thirty (30) days prior to the termination date of this contract, or subsequent renewal contracts.
13. The client agrees to pay penalties and interest in the amount of 2% per month for all past due invoices and related account balances in excess of 30 days past due

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from the due date as specified by the contract and as stated on the relevant invoice presented to the client.

14. The client covenants and agrees to pay reasonable attorney's fees and all other related costs and expenses of SÖLitude Lake Management® for collection of past due invoices and account balances and for any other actions required to remedy a material breach of this contract.

CONTRACT PRICE: **\$1500.00** **Annual**
 \$125.00 **Monthly for twelve (12) months**

APPROVED:


(Authorized Signature)

HACIENDA LAKES COMMUNITY DEVELOPMENT
~~Sapphire Cove at Hacienda Lakes~~ DISTRICT

G. RUSSELL WEYER, SECRETARY 9/21/19
(Print Name and Title) (Date)

SÖLitude Lake Management®



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EXHIBIT 4

LAKE TURNOVER PROCEDURE HACIENDA LAKES COMMUNITY DEVELOPMENT DISTRICT

Hacienda Lakes Community Development District (the “District”) was created pursuant to the provisions of Chapter 190, Florida Statutes and was established to provide for ownership, operation, maintenance, and provision of various public improvements, facilities and services within its jurisdiction including stormwater management facilities. The purpose of this procedure is to outline the various steps that will be required upon the turnover of lakes by a developer or sub-developer (“Developer”) to the District for operation and maintenance:

1. Site Plan. The Developer shall provide a site plan showing the lake(s) to be turned over to the District.
2. Lake Cross Sections. The Developer shall provide applicable lake cross sections in a form acceptable to the District Engineer.
3. Collier County Approval. The Developer shall provide a lake inspection acceptance letter from Collier County.
4. Littoral Planting Plan. The Developer shall provide a lake littoral planting plan for each lake that has been approved by the applicable regulatory agency.
5. Legal Description. The Developer shall provide a legal description for all lakes to be conveyed. For any lake described by a metes and bounds legal description (i.e. other than platted tract), the District may require the Developer to provide a survey of the lake property.
6. Evidence of Title. The Developer shall provide an attorney’s opinion of title, title search report or other evidence of title acceptable to the District that reflects fee title to the applicable lake(s) are in the name of the Developer and free and clear of all liens, mortgages, and all other encumbrances that render title unmarketable.
7. Conveyance Documents. The Developer shall provide an appropriate special warranty deeds and/or other instruments of conveyance acceptable to the District to transfer the lake(s). The Developer shall also provide easements or assignments of easements to the District as necessary for access and maintenance to the lake(s).
8. Permit Transfers. The Developer shall provide for the transfer of applicable South Florida Water Management District permits relating to the lake(s) to the District.
9. Developer’s Cost Basis. If required by the District, the Developer shall provide the District Manager with the Developer’s cost basis in the lake(s) to be transferred to the District for the District’s audit purposes.
10. Lake Inspection. The District Engineer shall perform an inspection of the lake(s) to review items including, without limitation, lake bank slopes, erosion conditions, and presence of required littoral plants. The Developer shall make such corrections to the lake(s) as are identified by the District Engineer’s inspection prior to acceptance by the District of the lake(s).

This Procedure shall be effective as of _____, 2019.

EXHIBIT 5

Hacienda Lakes CDD

Cash Flow

October 2019

	Total
Income	
1363116 Off Roll Assessments	84,104.71
1363216 On Roll O&M Assessments	142.98
2363109 DS2014 Assessments On Roll	1,229.99
2363110 DS2014- Prepayment Rev	200.00
2363116 DS2014 Assessment Off Roll	175,417.11
4363116 DS2016 Assessments Off Roll	57,997.00
Total Income	\$ 319,091.79
Gross Profit	\$ 319,091.79
Expenses	
1100000 Administrative	
1512100 Management Consulting Services	3,000.00
1513048 District Filing Fee	175.00
1513060 Assessment Administration Servi	2,191.50
1513075 Accounting Services	500.00
1513100 Insurance- General Liability	5,638.00
Total 1100000 Administrative	\$ 11,504.50
1160000 Field Operations	
1531010 Electricity - General	725.56
1572030 Lake Maintenance	2,307.00
1572040 Signage	2,750.00
1572060 Water Use Monitoring	200.00
1572070 Fountain Maintenance	725.00
Total 1160000 Field Operations	\$ 6,707.56
2517720 DS2014 Interest Expense	175,417.11
4513315 DS2016 Trustee Fees	4,025.54
4517720 DS2016 Interest Expense	57,997.00
Total Expenses	\$ 255,651.71
Net Operating Income	\$ 63,440.08
Net Income	\$ 63,440.08

Hacienda Lakes CDD

Balance Sheet

As of October 31, 2019

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1101000 Cash Checking 0672	177,004.37
2151000 Revenue Trust Acct 1003-Series 2014	161,246.85
2151001 Interest Trust Fund 1000-Series 2014	0.00
2151004 Reserve Trust Fund 1007 Series 2014	411,796.88
2151005 Sinking Trust Acct 1005 Series 2014	0.00
2151006 Assmnt Prepayment 1006 - Series 2014	92,018.93
3572000 Note Payment-Series 2015 (deleted)	0.00
4151000 Revenue TrustAcct 3000-Series 2016	158,254.45
4151001 Interest Trust 3003 Fund-Series 2016	0.00
4151004 Reserve Trust Fund 3005 Series 2016	603,221.88
4151005 Sinking Trust Acct 3004 -Series 2016	0.00
4151006 Cost of Issuance - Series 2016	0.00
8151030 DS2014 Construction Trust Fund	15.01
8151040 DS2015 Construction Trust Fund	0.00
8151050 DS2016 3001 Construction Trust Fund	2,508.28
Total Bank Accounts	\$ 1,606,066.65
Accounts Receivable	
2121000 Assessments Receivable 201	0.00
2125000 Interest Receivable	0.00
Total Accounts Receivable	\$ 0.00
Other Current Assets	
1155000 Prepaid Items	0.00
1156100 Utility Deposits	3,185.00
1166000 Due from Other Funds	11,113.10
12100 Exchange	0.00
151040 Note Payment Trust Account	0.00
2131001 Due From GF to DSF (201)	-46,241.08
Total Other Current Assets	-\$ 31,942.98
Total Current Assets	\$ 1,575,023.67
Fixed Assets	
9164900 Infrastructure	3,097,082.14
Total Fixed Assets	\$ 3,097,082.14
TOTAL ASSETS	\$ 4,672,105.81
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
1202000 Accounts Payable	11,113.10
2202000 Account Payable 201	-10,853.62
Total Accounts Payable	\$ 259.48
Other Current Liabilities	
1207001 DTDF - Due to Debt Service Fund	-255,813.37
1223000 1223000 - Unearned Revenue	0.00
2160000 Due Other Fund	-182,417.00
2223000 2223000 - Unearned Revenue	0.00
2260000 Due to Other Funds	-38,789.00
3381000 Interfunds Transfer In	1,382.00
8205000 Contracts Payable	0.00
Total Other Current Liabilities	-\$ 475,637.37
Total Current Liabilities	-\$ 475,377.89
Total Liabilities	-\$ 475,377.89
Equity	
120000 Retained Earnings	172,492.80
1271000 Fund Balance- Unreserved	12,123.66
2271000 DS Fund Balance Unreserved	555,197.23
30000 Opening Balance Equity	0.00
4271000 2016 DS Fund Balance Unreserved	612,421.87
8271000 Fund Balance Unreserved	633,825.92
9164901 Roads	3,097,982.14
Net Income	63,440.08
Total Equity	\$ 5,147,483.70
TOTAL LIABILITIES AND EQUITY	\$ 4,672,105.81