

# Landmark at Doral Community Development District

Basic Financial Statements  
For the Year Ended September 30, 2018

# Landmark at Doral Community Development District

## Table of Contents

---

Independent Auditor's Report	1-2
Management's Discussion and Analysis (Not Covered by Independent Auditor's Report)	3-6
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet - Governmental Funds	9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	13
Notes to Basic Financial Statements	14-22
<b>Other Reports of Independent Auditors</b>	
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 <i>Government Auditing Standards</i>	23-24
Independent Auditor's Report to District Management	25-26
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes	27

## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Landmark at Doral Community Development District  
Miami-Dade County, Florida

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Landmark at Doral Community Development District (the "District"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

CPA's + Trusted Advisors

## Landmark at Doral Community Development District

### 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, 2018, and the respective changes in its financial position and 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 on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
June 4, 2019

Our discussion and analysis of Landmark at Doral Community Development District's (the "District") financial performance provides an overview of the District's financial activities for the years ended September 30, 2018 and 2017. 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, 2018:

- The District's total assets exceeded its liabilities at September 30, 2018 by \$ 20,357,602 (net position).
- The District's total revenues were \$ 1,751,800 from charges for services, \$ 21,090 from investment income. The District's expenses for the year were \$ 2,271,972. This resulted in a \$ 499,082 decrease in net position.
- At the close of the current fiscal year, the District's governmental funds reported combined fund balances of \$ 1,948,069, a decrease of \$ 1,721,524 in comparison with the prior year.

### **Overview of the Financial Statements**

This discussion and analysis is 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 basic financial statements.

**Government-Wide Financial Statements:** The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The statement of net position presents information on all the District's assets, liabilities, and deferred outflows/inflows 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 District's net position changed during the 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.

**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 only one fund type: 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 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.

**Landmark at Doral Community Development District  
Management's Discussion and Analysis  
September 30, 2018**

---

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 13 of this report.

**Notes to Basic Financial Statements:** The notes provide additional information that is essential for 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 14 through 22 of this report.

**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 statement of net position as of September 30, 2018 and 2017:

Landmark at Doral Community Development District Statements of Net Position		
	2018	2017
Assets:		
Current and other assets	\$ 1,961,890	\$ 3,690,943
Capital assets	38,321,489	37,602,366
Total assets	40,283,379	41,293,309
Liabilities:		
Other liabilities	972,018	963,495
Long-term liabilities	18,953,759	19,473,130
Total liabilities	19,925,777	20,436,625
Net Position:		
Net investment in capital assets	24,422,011	24,532,702
Restricted	111,188	106,043
Unrestricted (deficit)	(4,175,597)	(3,782,061)
Total net position	\$ 20,357,602	\$ 20,856,684

**Landmark at Doral Community Development District  
Management's Discussion and Analysis  
September 30, 2018**

---

**Governmental Activities:** Governmental activities for the year ended September 30, 2018 decreased the District's net position by \$ 499,082, as reflected in the table below:

Landmark at Doral Community Development District Statements of Activities		
	2018	2017
Revenues:		
Program revenue:		
Charges for services	\$ 1,751,800	\$ 1,736,431
General revenue:		
Miscellaneous income	-	68,896
Investment income	21,090	9,424
	<u>1,772,890</u>	<u>1,814,751</u>
Total revenues		
Expenses:		
Physical environment	1,004,635	1,006,404
Interest expense	1,126,630	1,095,579
General government	140,707	112,059
	<u>2,271,972</u>	<u>2,214,042</u>
Total expenses		
Change in net position	(499,082)	(399,291)
Net Position, Beginning of Year	<u>20,856,684</u>	<u>21,255,975</u>
Net Position, End of Year	<u>\$ 20,357,602</u>	<u>\$ 20,856,684</u>

**Analysis of the Governmental 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, Debt Service and Capital Project Funds comprise the total governmental funds.

As of the end of the most current fiscal year, the District's governmental funds reported combined ending fund balance of approximately \$ 1,948,000, a decrease of approximately \$ 1,722,000, as compared to the total balance on October 1, 2017.

**Capital Assets and Debt Administration**

The District's investment in capital assets, less accumulated depreciation, for its governmental activities as of September 30, 2018 amounted to \$ 38,321,489, and consists of land and improvements, construction in progress, intangibles, and infrastructure.

**Landmark at Doral Community Development District  
Management's Discussion and Analysis  
September 30, 2018**

---

At the end of the year, the District had total bonded debt outstanding of \$ 19,473,759. The District's debt represents bonds secured solely by a specified revenue source (i.e., revenue bonds).

Additional information on the District's long-term debt can be found in Note 6 on pages 20 and 21 of this report.

**General Fund Budgetary Highlights**

There were no amendments to the September 30, 2018 budget. Revenues were over budget and expenditures were under budget for the year resulting in a favorable \$ 12,910 actual to budget variance.

**Economic Factors and Next Year's Budget**

Both revenues and expenditures for the fiscal year 2019 adopted budget for the General Fund of the District totals \$ 182,033 each.

**Requests for Information**

This financial report is designed to provide a general overview of Landmark at Doral 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 the Landmark at Doral Community Development District, 2300 Glades Road, Suite 410W, Boca Raton, FL 33431.



# BASIC FINANCIAL STATEMENTS

**Landmark at Doral Community Development District  
Statement of Net Position  
September 30, 2018**

---

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 1,639,231
Assessments receivable	322,659
Capital assets:	
Non-depreciable	19,819,116
Depreciable, net	<u>18,502,373</u>
Total assets	<u>40,283,379</u>
<b>Liabilities:</b>	
Accounts payable	10,821
Due to developer	3,000
Accrued interest payable	438,197
Bonds payable, due within one year	520,000
Bonds payable, due within more than one year	<u>18,953,759</u>
Total liabilities	<u>19,925,777</u>
<b>Net Position:</b>	
Net investment in capital assets	24,422,011
Restricted for debt service	111,188
Unrestricted (deficit)	<u>(4,175,597)</u>
Total net position	<u>\$ 20,357,602</u>

The accompanying notes to basic financial statements are an integral part of these statements.

Landmark at Doral Community Development District  
Statement of Activities  
For the Year Ended September 30, 2018

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities Net Revenues (Expenses) and Change in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
<b>Functions/Programs:</b>					
Governmental activities:					
Physical environment	\$ 1,004,635	\$ 67,964	\$ -	\$ -	\$ (936,671)
Interest expense and other fiscal charges	1,126,630	1,569,127	-	-	442,497
General government	<u>140,707</u>	<u>114,709</u>	<u>-</u>	<u>-</u>	<u>(25,998)</u>
Total governmental activities	\$ <u>2,271,972</u>	\$ <u>1,751,800</u>	\$ <u>-</u>	\$ <u>-</u>	<u>(520,172)</u>
General revenues:					
Investment income					<u>21,090</u>
Total general revenue					<u>21,090</u>
Change in net position					(499,082)
Net position, October 1, 2017					<u>20,856,684</u>
Net position, September 30, 2018					\$ <u>20,357,602</u>

The accompanying notes to basic financial statements are an integral part of these statements.

Landmark at Doral Community Development District  
Balance Sheet - Governmental Funds  
September 30, 2018

	Series 2006 Debt Service Fund	Series 2016 Debt Service Fund	Series 2006 Capital Projects Fund	Series 2016 Capital Projects Fund	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 690,297	\$ 98,911	\$ 10,368	\$ 823,054	\$ 1,639,231
Assessments receivable	191,102	65,550	-	-	322,659
Total assets	\$ 881,399	\$ 164,461	\$ 10,368	\$ 823,054	\$ 1,961,890
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 10,821
Due to developer	-	-	-	-	3,000
Total liabilities	-	-	-	-	13,821
<b>Fund Balances:</b>					
Restricted for debt service	881,399	164,461	-	-	1,045,860
Restricted for capital projects	-	-	10,368	823,054	833,422
Unassigned	-	-	-	-	68,787
Total fund balances	881,399	164,461	10,368	823,054	1,948,069
Total liabilities and fund balances	\$ 881,399	\$ 164,461	\$ 10,368	\$ 823,054	\$ 1,961,890

The accompanying notes to basic financial statements are an integral part of these statements.

**Landmark at Doral Community Development District  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
September 30, 2018**

---

<b>Total Fund Balances of Governmental Funds, Page 9</b>	\$ 1,948,069
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 governmental funds:	
Governmental capital assets	48,814,500
Less accumulated depreciation	(10,493,011)
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(438,197)
Governmental bonds payable	<u>(19,473,759)</u>
<b>Net Position of Governmental Activities, Page 7</b>	<u>\$ 20,357,602</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Landmark at Doral Community Development District  
Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended September 30, 2018**

	General Fund	Series 2006 Debt Service Fund	Series 2016 Debt Service Fund	Series 2006 Capital Projects Fund	Series 2016 Capital Projects Fund	Total Governmental Funds
<b>Revenues:</b>						
Non-ad valorem assessments	\$ 182,673	\$ 1,388,977	\$ 180,150	\$ -	\$ -	\$ 1,751,800
Investment income	88	7,922	1,055	470	11,556	21,091
Total revenues	182,761	1,396,899	181,205	470	11,556	1,772,891
<b>Expenditures:</b>						
Current:						
General government	133,131	7,576	-	-	-	140,707
Physical environment	36,717	-	-	-	-	36,717
Capital outlay	-	-	-	-	1,687,042	1,687,042
Debt service:						
Principal	-	445,000	48,000	-	-	493,000
Interest	-	945,450	132,499	-	-	1,077,949
Bond issuance costs	-	-	-	59,000	-	59,000
Total expenditures	169,848	1,398,026	180,499	59,000	1,687,042	3,494,415
Excess (deficiency) of revenues over (under) expenditures	12,913	(1,127)	706	(58,530)	(1,675,486)	(1,721,524)
<b>Other Financing Sources (Uses):</b>						
Transfer in	-	-	-	-	1,193	1,193
Transfer out	-	-	(1,193)	-	-	(1,193)
Total other financing sources (uses)	-	-	(1,193)	-	1,193	-
Net change in Fund balances	12,913	(1,127)	(487)	(58,530)	(1,674,293)	(1,721,524)
<b>Fund Balances, October 1, 2017</b>	55,874	882,526	164,948	68,898	2,497,347	3,669,593
<b>Fund Balances, September 30, 2018</b>	\$ 68,787	\$ 881,399	\$ 164,461	\$ 10,368	\$ 823,054	\$ 1,948,069

The accompanying notes to basic financial statements are an integral part of these statements.

**Landmark at Doral Community Development District  
 Reconciliation of the Statement of Revenues,  
 Expenditures and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities  
 For the Year Ended September 30, 2018**

---

**Net Change in Fund Balances - Total Governmental Funds, Page 11** \$ (1,721,524)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:	1,687,042
Less current year provision for depreciation	(967,919)
Repayments of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statements of net position.	493,000
Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Amortization of bond discount	(629)
Change in accrued interest payable	<u>10,948</u>
<b>Change in Net Position of Governmental Activities, Page 8</b>	<b>\$ <u><u>(499,082)</u></u></b>

The accompanying notes to basic financial statements are an integral part of these statements.

**Landmark at Doral Community Development District  
Statement of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - General Fund  
For the Year Ended September 30, 2018**

---

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Non-ad valorem assessments	\$ 181,944	\$ 182,673	\$ 729
Investment income	-	88	88
	<u>181,944</u>	<u>182,761</u>	<u>817</u>
Total revenues			
<b>Expenditures:</b>			
Current:			
General government	114,249	133,131	(18,882)
Physical environment	<u>67,692</u>	<u>36,717</u>	<u>30,975</u>
	<u>181,941</u>	<u>169,848</u>	<u>12,093</u>
Total expenditures			
Net change in fund balance	3	12,913	12,910
<b>Fund Balance, October 1, 2017</b>	<u>55,874</u>	<u>55,874</u>	<u>-</u>
<b>Fund Balance, September 30, 2018</b>	<u>\$ 55,877</u>	<u>\$ 68,787</u>	<u>\$ 12,910</u>

The accompanying notes to basic financial statements are an integral part of these statements.



**Note 1 - Organization and Operations**

Landmark at Doral Community Development District (the "District") was created September 2, 2005, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, by the Miami-Dade County Board of Commissioners. The District was created for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and wastewater management, bridges or culverts, roads, landscaping, street lights and other basic infrastructure projects within or without the boundaries of the District. The District is governed by a five-member Board of Supervisors, who are elected on a rotating basis for four-year terms. The District operates within the criteria established by Chapter 190.

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

The basic financial statements of the District have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The District's more significant accounting policies are described below:

**The financial reporting entity:** The governmental reporting entity consists of the District and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the District are such that exclusion would cause the District's financial statements to be misleading. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the District's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the District. Based upon these criteria, there were no component units.

**Basis of presentation:**

**Financial Statements - Government-Wide 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.

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.

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, other revenue, etc. 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 reflect capital-specific grants. For the year ended September 30, 2018, the District had \$ 1,751,800 in program revenues.

This 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.

**Note 2 - Summary of Significant Accounting Policies (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 major governmental funds:

**General Fund** - This fund is used to account for all operating activities of the District.

**Series 2006 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 applicable to the Series 2006 Special Assessment Bonds.

**Series 2016 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 applicable to the Series 2016 Special Assessment Bonds.

**Series 2006 Capital Projects Fund** - This fund is used to account for financial resources segregated for the acquisition or construction of capital facilities applicable to those financed by the Series 2006 Special Assessment Bonds.

**Series 2016 Capital Projects Fund** - This fund is used to account for financial resources segregated for the acquisition or construction of capital facilities applicable to those financed by the Series 2016 Special Assessment Bonds.

For the year ended September 30, 2018, 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.

**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. Public hearings are conducted to obtain taxpayer 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 held, 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 construction in process, are reported in the applicable governmental activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Depreciation on all capital assets is charged to operations using the straight-line method over the assets' estimated service lives, ranging from 25 to 30 years.

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.

**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 items that qualify for reporting in this category.

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 items that qualify for reporting in this category.

**Unearned revenue:** Unearned revenue arises when the District receives resources before it has a legal claim to them.

**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 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 - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

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

*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 present 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 classifies prepaid items and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year.

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.

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.

**Note 2 - Summary of Significant Accounting Policies (continued)**

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 classifies existing fund balance to be used in the subsequent year's budget for elimination of a deficit as assigned.

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

The District would typically use restricted fund balances first, followed by committed fund balances, assigned fund balances, and finally unassigned fund balances.

**Date of management review**: Subsequent events have been evaluated through June 4, 2019, which is the date the financial statements were available to be issued.

**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's deposits must be placed with banks and savings and loans which are qualified as public depositories prior to receipt of public monies under Chapter 280, Florida Statutes. These deposits are insured by the FDIC up to \$ 250,000. Monies deposited in amounts greater than the insurance coverage are secured by the banks pledging securities with the State Treasurer in the collateral pool. At year end, the carrying amount and the bank balance of the District's deposits was \$ 16,601.

**Investments**: The investment of funds is authorized by Florida Statutes, which allows the District to invest in the Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, SEC registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the United States Treasury. Investments of the Debt Service Funds and Capital Project Funds are governed by the Bond Indenture.

Investments of the Debt Service Fund and Capital Project Fund as of September 30, 2018 were \$ 1,622,630 and were in money market accounts.

These deposits and investments are reflected in the accompanying statement of net position and balance sheet - governmental funds as 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 accounts held by the District are rated AAAM by Standard and Poor's.

**Interest rate risk**: Florida Statutes state that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. The funds in the money market accounts held by the District can be withdrawn at any time.

**Landmark at Doral Community Development District**  
**Notes to Basic Financial Statements**  
**September 30, 2018**

---

**Note 3 - Deposits and Investments (continued)**

**Custodial credit risk:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial credit risk. At September 30, 2018, the District had no investments that are subject to custodial credit risk.

**Note 4 - Interfund Balances**

These balances result from the lag between dates (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments are actually made between funds. There were no interfund balances at September 30, 2018.

**Note 5 - Capital Assets**

Capital asset activity for the year ended September 30, 2018 was as follows:

	Balance at October 1, 2017	Additions	Deletions	Balance at September 30, 2018
Governmental activities:				
Capital assets, not being depreciated				
Land and improvements	\$ 17,100,000	\$ -	\$ -	\$ 17,100,000
Construction in progress	697,174	1,687,042	-	2,384,216
Intangibles	334,900	-	-	334,900
Total capital assets, not being depreciated	<u>18,132,074</u>	<u>1,687,042</u>	<u>-</u>	<u>19,819,116</u>
Capital assets, being depreciated:				
Infrastructure	<u>28,995,384</u>	<u>-</u>	<u>-</u>	<u>28,995,384</u>
Total capital assets, being depreciated	<u>28,995,384</u>	<u>-</u>	<u>-</u>	<u>28,995,384</u>
Total capital assets	<u>47,127,458</u>	<u>1,687,042</u>	<u>-</u>	<u>48,814,500</u>
Less accumulated depreciation for:				
Infrastructure	<u>9,525,092</u>	<u>967,919</u>	<u>-</u>	<u>10,493,011</u>
Total accumulated depreciation	<u>9,525,092</u>	<u>967,919</u>	<u>-</u>	<u>10,493,011</u>
Total capital assets, being depreciated, net	<u>19,470,292</u>	<u>(967,919)</u>	<u>-</u>	<u>18,502,373</u>
Governmental capital assets, net	<u>\$ 37,602,366</u>	<u>\$ 719,123</u>	<u>\$ -</u>	<u>\$ 38,321,489</u>



**Landmark at Doral Community Development District**  
**Notes to Basic Financial Statements**  
**September 30, 2018**

---

**Note 5 - Capital Assets (continued)**

Provision for depreciation was charged to functions as follows:

Governmental Activities:	
Physical Environment	\$ <u>967,919</u>

**Note 6 - Long-Term Liabilities**

a. Summary of Long-Term Liabilities of Governmental Activities

Long-term liabilities of the governmental activities at September 30, 2018 are comprised of the following bond issues:

\$ 19,065,000 Special Assessment Bonds, Series 2006A; due in annual installments commencing May 2013 through 2038; interest payable semi-annually at 5.50%.	\$ 16,745,000
\$ 2,840,000 Special Assessment Bonds, Series 2016; due in annual installments commencing May 2017 through 2046; interest payable semi-annually at rates that range from 3.75% to 5.00% (net of unamortized discount of \$ 17,241).	<u>2,728,759</u>
	\$ <u>19,473,759</u>

The following is a summary of changes in governmental activities long-term liabilities for the year ended September 30, 2018:

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018	Due Within One Year
Special Assessment Bonds,					
Series 2006A	\$ 17,190,000	\$ -	\$ 445,000	\$ 16,745,000	\$ 470,000
Series 2016	2,794,000		48,000	2,746,000	50,000
Series 2016 discount	(17,870)		629	(17,241)	-
	<u>\$ 19,966,130</u>	<u>\$ -</u>	<u>\$ 493,629</u>	<u>\$ 19,473,759</u>	<u>\$ 520,000</u>

Summary of Significant Debt Terms of Governmental Activities

**\$ 19,065,000 Special Assessment Bonds, Series 2006A** - The District previously issued \$ 30,320,000 in Special Assessment Bonds, Series 2006A for the purpose of refunding the outstanding Special Assessment Bond Anticipation Notes, Series 2005 and funding certain projects within the boundaries of the District. The bonds were originally payable in annual principal installments through 2038, but due to bankruptcy proceedings adjudicated in favor of the District in June 2012, a portion of the Bonds were extinguished. The developer, Lennar Homes, LLC agreed to purchase \$ 19,065,000 in Series 2006A Bonds in the possession of Florida Prime Holdings, LLC. Interest at 5.50% is payable semiannually on the first day of each May and November.

**Note 6 - Long-Term Liabilities (continued)**

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 it becomes due.

The Bonds are subject to mandatory redemption at par on a schedule of annual redemptions through May 2038, the maturity date. The District is required to redeem the Bonds at par prior to the schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture.

The Bond Indenture requires a reserve fund equal to \$ 400,000. As of September 30, 2018, the reserve fund account balance was sufficient to satisfy this requirement.

**\$ 2,840,000 Special Assessment Bonds, Series 2016** - The District previously issued \$ 2,840,000 in Special Assessment Bonds, Series 2016 (the "Bonds") for the purpose of funding certain capital projects within the boundaries of the District. The bonds bear interest ranging from 3.75% to 5.00% maturing in May 2046. Interest is payable semi-annually on the first day of each May and November. The Bonds are secured by the 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 it becomes due.

The Bonds are subject to mandatory redemption at par on a schedule of annual redemptions through May 2046, the maturity date. The District is required to redeem the Bonds at par prior to the schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture.

The Bond Indenture requires a reserve fund equal to \$ 90,075. As of September 30, 2018, the reserve fund account balance was sufficient to satisfy this requirement.

- b. The annual debt service requirements for the Special Assessment Bonds, Series 2006A and Series 2016 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	520,000	1,051,673	1,571,673
2020	552,000	1,023,948	1,575,948
2021	579,000	994,498	1,573,498
2022	611,000	963,598	1,574,598
2023	648,000	930,973	1,578,973
2024-2028	3,813,000	4,090,320	7,903,320
2029-2033	5,007,000	2,930,610	7,937,610
2034-2038	6,576,000	1,408,000	7,984,000
2039-2043	684,000	231,200	915,200
2044-2046	501,000	50,900	551,900
	<u>\$ 19,491,000</u>	<u>\$ 13,675,720</u>	<u>\$ 33,166,720</u>



**Note 7 - Risk Management**

The District purchased an insurance policy that provided coverage of up to a \$ 1,000,000 maximum for each general liability occurrence in combination with a maximum annual aggregate coverage of approximately \$ 2,000,000 for the policy year ending September 30, 2018. Other insurance policies carried by the District during the year included public officials' liability and employment practices liability. Settlement amounts have not exceeded insurance coverage during the last three (3) fiscal years.

OTHER REPORTS OF  
INDEPENDENT AUDITORS

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  
Landmark at Doral Community Development District  
Miami-Dade County, Florida

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 Landmark at Doral Community Development District (the "District") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 4, 2019.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
June 4, 2019

## INDEPENDENT AUDITOR'S REPORT TO DISTRICT MANAGEMENT

To the Board of Supervisors  
Landmark at Doral Community Development District  
Miami-Dade County, Florida

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

We have audited the financial statements of Landmark at Doral Community Development District, Florida, (the "District"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 4, 2019.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 4, 2019, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made 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. Landmark at Doral Community Development District was established on September 2, 2005 by the Miami-Dade County Ordinance No. 05-153, pursuant to the provisions of Chapter 190, of the laws of the State of Florida. The District does not have any component units.

### **Financial Condition and Management**

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

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

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

### **Additional Matters**

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

### **Purpose of this Letter**

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
June 4, 2019

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES

To the Board of Supervisors  
Landmark at Doral Community Development District  
Miami-Dade County, Florida

We have examined Landmark at Doral Community Development District (the "District") compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2018. Management is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of the Board of Supervisors, management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Keefe McCullough*

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
June 4, 2019