

**STONEBROOK  
COMMUNITY DEVELOPMENT DISTRICT  
LEE COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2020**

**STONEYBROOK COMMUNITY DEVELOPMENT DISTRICT  
LEE COUNTY, FLORIDA**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Stoneybrook Community Development District, Lee County, Florida (the "District") as of and for the fiscal year ended September 30, 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



June 26, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Stoneybrook Community Development District, Lee County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the fiscal year ended September 30, 2020 resulting in a net position of \$13,649,983.
- The change in the District's total net position in comparison with the prior fiscal year was \$463,391, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2020, the District's governmental funds reported combined ending fund balances of \$683,466, an increase of \$455,659 in comparison with the prior fiscal year. A portion of the fund balance is restricted for debt service and the remainder is unassigned fund balance which is available for spending at the District's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

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

#### Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by assessments (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government and maintenance operations. The business-type activities of the District include a golf course operation and an irrigation operation.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### Governmental Funds

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

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

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

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

### Proprietary Funds

The District maintains one type of proprietary fund, enterprise funds. An enterprise fund is used to report the same function presented as business-type activities in the government-wide financial statements. The District maintains two enterprise funds. The District uses the golf course fund to account for the operations of the golf course and related recreational facilities and uses the irrigation fund to account for the operations of the irrigation services within the District.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

### Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	NET POSITION					
	SEPTEMBER 30,					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	
Current and other assets	\$ 695,116	\$ 233,866	\$ 869,990	\$ 1,160,549	\$ 1,565,106	\$ 1,394,415
Capital assets, net of depreciation	9,135,932	9,396,201	5,531,536	5,449,025	14,667,468	14,845,226
Total assets	9,831,048	9,630,067	6,401,526	6,609,574	16,232,574	16,239,641
Current liabilities	38,338	40,621	218,939	216,285	257,277	256,906
Long-term liabilities	915,000	1,180,000	1,410,314	1,616,143	2,325,314	2,796,143
Total liabilities	953,338	1,220,621	1,629,253	1,832,428	2,582,591	3,053,049
Net position						
Net investment in capital assets	8,220,932	8,216,201	4,365,834	4,132,882	12,586,766	12,349,083
Restricted	125,209	114,496	256,930	255,724	382,139	370,220
Unrestricted	531,569	78,749	149,509	388,540	681,078	467,289
Total net position	\$ 8,877,710	\$ 8,409,446	\$ 4,772,273	\$ 4,777,146	\$13,649,983	\$ 13,186,592

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

CHANGES IN NET POSITION					
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,					
	Governmental Activities		Business-type Activities		Total
	2020	2019	2020	2019	2020
<b>Revenues:</b>					
Program revenues					
Charges for services	\$ 1,242,499	\$ 1,081,665	\$ 3,038,666	\$ 3,079,537	\$ 4,281,165
Operating grants and contributions	1,326	40,984	-	-	1,326
Capital grants and contributions	-	-	-	25,000	-
General revenues					
Unrestricted investment earnings	367	200	2,313	5,464	2,680
Miscellaneous revenue	27,720	28,174	-	-	27,720
<b>Total revenues</b>	<b>1,271,912</b>	<b>1,151,023</b>	<b>3,040,979</b>	<b>3,110,001</b>	<b>4,312,891</b>
<b>Expenses:</b>					
General government	119,159	114,987	-	-	119,159
Maintenance and operations	609,763	638,333	-	-	609,763
Recreational	-	-	2,630,716	2,774,095	2,630,716
Irrigation services	-	-	318,407	276,103	318,407
Bond issue costs	-	-	-	18,500	-
Interest	74,726	97,367	96,729	92,458	171,455
<b>Total expenses</b>	<b>803,648</b>	<b>850,687</b>	<b>3,045,852</b>	<b>3,161,156</b>	<b>3,849,500</b>
Change in net position	468,264	300,336	(4,873)	(51,155)	463,391
Net position - beginning	8,409,446	8,109,110	4,777,146	4,828,301	13,186,592
<b>Net position - ending</b>	<b>\$ 8,877,710</b>	<b>\$ 8,409,446</b>	<b>\$ 4,772,273</b>	<b>\$ 4,777,146</b>	<b>\$13,649,983</b>

**Governmental activities**

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2020 was \$803,648. The costs of the District's activities were primarily funded by program revenues. The increase in program revenues is primarily due to an increase in assessments. The majority of the decrease in expenses is due to a decrease in interest expense.

**Business-type activities**

Business-type activities reflect the operations of the golf course and irrigation services of the District. Program revenues decreased primarily due to a decrease in public green fees and range fees in the current fiscal year. The majority of the decrease in expenses is due to decreased costs of operating the Golf Course and Pro Shop.



## GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures for the fiscal year ended September 30, 2020 exceeded appropriations by \$3,176. The over expenditures were funded by available fund balance.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2020, the District had \$15,346,144 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$6,210,212 has been taken, which resulted in a net book value of \$9,135,932. The District's business-type activities reported net capital assets of \$5,531,536. More detailed information about the District's capital assets is presented in the notes of the financial statements.

### Capital Debt

At September 30, 2020, the District had \$915,000 in Bonds outstanding for its governmental activities. For business-type activities, the District had Bonds outstanding of \$1,165,000 and a note payable outstanding of \$244,612. The District also had outstanding capital leases of \$702 for its business-type activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

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

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Stoneybrook Community Development District's Finance Department at 2300 Glades Road, Suite 410W Boca Raton, Florida 33431.

**STONEYBROOK COMMUNITY DEVELOPMENT DISTRICT  
LEE COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2020**

	Governmental Activities	Business type Activities	Total
<b>ASSETS</b>			
Cash	\$ 575,491	\$ 321,501	\$ 896,992
Accounts receivable	2,250	62,890	65,140
Assessments receivable	1,392	-	1,392
Inventories	-	93,465	93,465
Prepays and deposits	-	53,710	53,710
Internal balances	(35,683)	35,683	-
Restricted assets:			
Investments	151,666	280,909	432,575
Cash	-	21,832	21,832
Capital assets:			
Nondepreciable	7,643,846	3,408,677	11,052,523
Depreciable, net	1,492,086	2,122,859	3,614,945
Total assets	<u>9,831,048</u>	<u>6,401,526</u>	<u>16,232,574</u>
<b>LIABILITIES</b>			
Accounts payable	11,650	173,128	184,778
Accrued interest payable	26,688	33,979	60,667
Customer deposits payable from restricted assets	-	11,832	11,832
Non-current liabilities:			
Due within one year	285,000	168,306	453,306
Due in more than one year	630,000	1,242,008	1,872,008
Total liabilities	<u>953,338</u>	<u>1,629,253</u>	<u>2,582,591</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,220,932	4,365,834	12,586,766
Restricted for debt service	125,209	256,930	382,139
Unrestricted	531,569	149,509	681,078
Total net position	<u>\$ 8,877,710</u>	<u>\$ 4,772,273</u>	<u>\$ 13,649,983</u>

See notes to the financial statements

**STONEYBROOK COMMUNITY DEVELOPMENT DISTRICT**  
**LEE COUNTY, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business type Activities	Total	
<u>Functions/Programs</u>							
Primary government:							
Governmental activities:							
General government	\$ 119,159	\$ 893,386	\$ -	\$ 774,227	\$ -	\$ 774,227	\$ 774,227
Maintenance and operations	609,763	-	-	(609,763)	-	(609,763)	(609,763)
Interest on long-term debt	74,726	349,113	1,326	275,713	-	275,713	275,713
Total governmental activities	803,648	1,242,499	1,326	440,177	-	440,177	440,177
Business-type activities:							
Recreational	2,630,716	2,723,404	-	-	92,688	92,688	92,688
Irrigation services	318,407	315,262	-	-	(3,145)	(3,145)	(3,145)
Interest on long-term debt	96,729	-	-	-	(96,729)	(96,729)	(96,729)
Total business-type activities	3,045,852	3,038,666	-	(7,186)	(7,186)	(7,186)	(7,186)
General revenues:							
Unrestricted investment earnings			367		2,313	2,680	2,680
Miscellaneous revenue			27,720		-	27,720	27,720
Total general revenues			28,087		2,313	30,400	30,400
Change in net position			468,264		(4,873)	463,391	463,391
Net position - beginning			8,409,446		4,777,146	13,186,592	13,186,592
Net position - ending			\$ 8,877,710		\$ 4,772,273	\$ 13,649,983	\$ 13,649,983

See notes to the financial statements

**STONEYBROOK COMMUNITY DEVELOPMENT DISTRICT  
LEE COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020**

	Major Funds		Total Governmental Funds
	General	Debt Service	
<b>ASSETS</b>			
Cash	\$ 575,491	\$ -	\$ 575,491
Investments	-	151,666	151,666
Accounts receivable	2,250	-	2,250
Assessments receivable	1,161	231	1,392
Total assets	<u>\$ 578,902</u>	<u>\$ 151,897</u>	<u>\$ 730,799</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 11,650	\$ -	\$ 11,650
Due to other funds	35,683	-	35,683
Total liabilities	<u>47,333</u>	<u>-</u>	<u>47,333</u>
Fund balances:			
Restricted for:			
Debt service	-	151,897	151,897
Unassigned	531,569	-	531,569
Total fund balances	<u>531,569</u>	<u>151,897</u>	<u>683,466</u>
Total liabilities and fund balances	<u>\$ 578,902</u>	<u>\$ 151,897</u>	<u>\$ 730,799</u>

See notes to the financial statements

**STONEYBROOK COMMUNITY DEVELOPMENT DISTRICT  
LEE COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2020**

Total fund balances - governmental funds \$ 683,466

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

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

Cost of capital assets	15,346,144	
Accumulated depreciation	<u>(6,210,212)</u>	9,135,932

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

Accrued interest payable	(26,688)	
Bonds payable	<u>(915,000)</u>	<u>(941,688)</u>
Net position of governmental activities		<u><u>\$ 8,877,710</u></u>

See notes to the financial statements

**STONEYBROOK COMMUNITY DEVELOPMENT DISTRICT  
LEE COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Major Funds		Total Governmental Funds
	General	Debt Service	
<b>REVENUES</b>			
Assessments	\$ 893,386	\$ 349,113	\$ 1,242,499
Interest and other income	367	1,326	1,693
Miscellaneous revenue	27,720	-	27,720
Total revenues	921,473	350,439	1,271,912
<b>EXPENDITURES</b>			
Current:			
General government	119,159	-	119,159
Maintenance and operations	349,494	-	349,494
Debt service:			
Principal	-	265,000	265,000
Interest	-	82,600	82,600
Total expenditures	468,653	347,600	816,253
Excess (deficiency) of revenues over (under) expenditures	452,820	2,839	455,659
Fund balances - beginning	78,749	149,058	227,807
Fund balances - ending	\$ 531,569	\$ 151,897	\$ 683,466

See notes to the financial statements

**STONEYBROOK COMMUNITY DEVELOPMENT DISTRICT  
LEE COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Net change in fund balances - total governmental funds	\$	455,659
Amounts reported for governmental activities in the statement of activities are different because:		
Depreciation on capital assets is not recognized in the governmental fund financial statements but is reported as an expense in the statement of activities.		(260,269)
Repayment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.		265,000
The change in accrued interest on long-term liabilities between the current and prior fiscal years is recorded in the statement of activities, but not in the governmental fund financial statements.		<u>7,874</u>
Change in net position of governmental activities	\$	<u><u>468,264</u></u>

See notes to the financial statements

**STONEYBROOK COMMUNITY DEVELOPMENT DISTRICT  
LEE COUNTY, FLORIDA  
STATEMENT OF NET POSITION - PROPRIETARY FUND  
SEPTEMBER 30, 2020**

	Business-type Activities - Enterprise Funds		
	Golf Course	Irrigation	Total
<b>ASSETS</b>			
Current assets:			
Cash and equivalents	\$ 59,877	\$ 261,624	\$ 321,501
Accounts receivable	-	62,890	62,890
Due from other funds	35,683	122,594	158,277
Restricted assets:			
Cash	10,000	11,832	21,832
Investments	280,909	-	280,909
Inventories	93,465	-	93,465
Prepays and deposits	53,710	-	53,710
Total current assets	<u>533,644</u>	<u>458,940</u>	<u>992,584</u>
Noncurrent assets:			
Capital assets:			
Land and land improvements	3,408,677	-	3,408,677
Infrastructure	-	371,990	371,990
Golf course	4,142,194	-	4,142,194
Buildings and improvements	150,320	-	150,320
Machinery and equipment	1,047,246	571,877	1,619,123
Less accumulated depreciation	<u>(3,647,008)</u>	<u>(513,760)</u>	<u>(4,160,768)</u>
Total capital assets (net of depreciation)	<u>5,101,429</u>	<u>430,107</u>	<u>5,531,536</u>
Total noncurrent assets	<u>5,101,429</u>	<u>430,107</u>	<u>5,531,536</u>
Total assets	<u>5,635,073</u>	<u>889,047</u>	<u>6,524,120</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	157,173	15,955	173,128
Due to other funds	122,594	-	122,594
Payable from restricted assets:			
Accrued bond interest payable	33,979	-	33,979
Bonds payable	110,000	-	110,000
Customer deposits payable	-	11,832	11,832
Capital leases payable	702	-	702
Note payable	57,604	-	57,604
Total current liabilities	<u>482,052</u>	<u>27,787</u>	<u>509,839</u>
Noncurrent liabilities:			
Note payable	187,008	-	187,008
Bonds payable	1,055,000	-	1,055,000
Total noncurrent liabilities	<u>1,242,008</u>	<u>-</u>	<u>1,242,008</u>
Total liabilities	<u>1,724,060</u>	<u>27,787</u>	<u>1,751,847</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,935,727	430,107	4,365,834
Restricted for debt service	256,930	-	256,930
Unrestricted	<u>(281,644)</u>	<u>431,153</u>	<u>149,509</u>
Total net position	<u>\$ 3,911,013</u>	<u>\$ 861,260</u>	<u>\$ 4,772,273</u>

See notes to the financial statements



**STONEYBROOK COMMUNITY DEVELOPMENT DISTRICT  
LEE COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET POSITION - PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Business-type Activities - Enterprise Funds		
	Golf Course	Irrigation	Total
Operating revenues:			
Charges for services:			
Golf course	\$ 2,507,329	\$ -	\$ 2,507,329
Pro shop	119,710	-	119,710
Concession	96,365	-	96,365
Irrigation	-	234,992	234,992
Total operating revenues	<u>2,723,404</u>	<u>234,992</u>	<u>2,958,396</u>
Operating expenses:			
Golf course	1,726,713	-	1,726,713
Pro shop	380,116	-	380,116
Concession	73,589	-	73,589
Irrigation services	-	270,451	270,451
Administrative and other	273,781	15,726	289,507
Depreciation	176,517	32,230	208,747
Total operating expenses	<u>2,630,716</u>	<u>318,407</u>	<u>2,949,123</u>
Operating income (loss)	<u>92,688</u>	<u>(83,415)</u>	<u>9,273</u>
Nonoperating revenues (expenses):			
Assessments	-	80,270	80,270
Interest income	2,203	110	2,313
Interest expense	(96,729)	-	(96,729)
Total nonoperating revenues (expenses)	<u>(94,526)</u>	<u>80,380</u>	<u>(14,146)</u>
Transfers:			
Transfers (out)	-	(19,632)	(19,632)
Transfers in	19,632	-	19,632
Total transfers (out) in	<u>19,632</u>	<u>(19,632)</u>	<u>-</u>
Change in net position	17,794	(22,667)	(4,873)
Net position - beginning	<u>3,893,219</u>	<u>883,927</u>	<u>4,777,146</u>
Net position - ending	<u>\$ 3,911,013</u>	<u>\$ 861,260</u>	<u>\$ 4,772,273</u>

See notes to the financial statements

**STONEYBROOK COMMUNITY DEVELOPMENT DISTRICT  
LEE COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Golf Course	Irrigation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 2,725,199	\$ 208,802	\$ 2,934,001
Payments to suppliers of goods and services	(2,477,740)	(284,670)	(2,762,410)
Net cash provided (used) by operating activities	247,459	(75,868)	171,591
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Due from/to other funds	70,115	(142,582)	(72,467)
Assessments and fees	-	80,270	80,270
Net cash provided (used) by noncapital financing activities	70,115	(62,312)	7,803
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of capital assets	(277,286)	(13,972)	(291,258)
Principal paid on bonds and capital lease	(205,829)	-	(205,829)
Interest paid on bonds and capital lease	(99,792)	-	(99,792)
Net cash provided (used) by financing activities	(582,907)	(13,972)	(596,879)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of investments	1,896	-	1,896
Interest earnings	2,203	110	2,313
Net cash provided (used) by investing activities	4,099	110	4,209
Net increase (decrease) in cash and cash equivalents	(261,234)	(152,042)	(413,276)
Cash and cash equivalents - October 1	331,111	425,498	756,609
Cash and cash equivalents - September 30	\$ 69,877	\$ 273,456	\$ 343,333
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 92,688	\$ (83,415)	\$ 9,273
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	176,517	32,230	208,747
(Increase) decrease in accounts receivables	1,795	(26,190)	(24,395)
(Increase) decrease in inventories	(23,504)	-	(23,504)
(Increase) decrease in prepaid items	(4,247)	-	(4,247)
Increase (decrease) in accounts payable	4,210	2,299	6,509
Increase (decrease) in customer deposits	-	(792)	(792)
Total adjustments	154,771	7,547	162,318
Net cash provided (used) by operating activities	\$ 247,459	\$ (75,868)	\$ 171,591

See notes to the financial statements

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

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Stoneybrook Community Development District ("District") was created on August 4, 1998 by Ordinance 98-15 of Lee County, Florida, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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

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

The Board has the responsibility for:

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

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

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

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

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

### **Assessments**

Assessments are non-ad valorem assessments on certain land and all platted lots within the District. Assessments are levied each November 1 on property of record as of the previous January. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. For debt service assessments, amounts collected as advance payments are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

### **General Fund**

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

### **Debt Service Fund**

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

The District reports the following major enterprise funds:

### **Golf Course Fund**

This enterprise fund is used to account for the operations of the golf course and related amenities that are to be financed and operated in a manner similar to private business enterprises. The costs of providing services to customers are to be recovered primarily through user charges.

### **Irrigation Fund**

The irrigation fund accounts for the operations of the irrigation lines, which are funded by proceeds from operations of these facilities including user fees, meter fees and connection fees.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses of the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

### **Assets, Liabilities and Net Position or Equity**

#### Restricted Assets

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

#### Deposits and Investments

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

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

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

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, any unspent Bond proceeds are required to be held in investments as specified in the Bond Indenture.

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

#### Inventories and Prepaid Items

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

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

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Assets, Liabilities and Net Position or Equity (Continued)

#### Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Equipment	15
Golf course	30
Irrigation system	10-30
Buildings and Infrastructure	20-30

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

#### Unearned Revenue

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

#### Deferred Outflows/Inflows of Resources

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

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

#### Long-Term Obligations

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

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

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### Fund Equity/Net Position

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

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

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

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

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

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

### **Other Disclosures**

#### Use of Estimates

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

## **NOTE 3 – BUDGETARY INFORMATION**

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

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

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



## NOTE 4 – DEPOSITS AND INVESTMENTS

### Deposits

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

### Investments

The District's investments were held as follows at September 30, 2020:

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
First American Government Obligations -Class Y	\$ 432,575	AAAm	30 days
Total Investments	<u>\$ 432,575</u>		

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

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

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

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

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

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

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

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

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



## NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2020 were as follows:

Fund	Receivable	Payable
General	\$ -	\$ 35,683
Golf course	35,683	122,594
Irrigation	122,594	-
Total	<u>\$ 158,277</u>	<u>\$ 158,277</u>

The outstanding balances between funds result primarily from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. In the case of the District, the balances due from the general fund to the golf course relates to payroll and paid by the golf course on behalf of the general fund and maintenance charges from the golf course to the general fund. The balance due from the golf course to the irrigation fund relates primarily to advances from the irrigation fund to be repaid by the golf course.

Interfund transfers for the fiscal year ended September 30, 2020 were as follows:

Fund	Transfer in	Transfer out
Golf course	\$ 19,632	\$ -
Irrigation	-	19,632
Total	<u>\$ 19,632</u>	<u>\$ 19,632</u>

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers from the irrigation fund to the golf course were made for the cost of labor and maintenance expenses.

## NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 7,643,846	\$ -	\$ -	\$ 7,643,846
Total capital assets, not being depreciated	<u>7,643,846</u>	<u>-</u>	<u>-</u>	<u>7,643,846</u>
Capital assets, being depreciated				
Buildings and improvements	1,184,973	-	-	1,184,973
Infrastructure	6,507,332	-	-	6,507,332
Equipment	9,993	-	-	9,993
Total capital assets, being depreciated	<u>7,702,298</u>	<u>-</u>	<u>-</u>	<u>7,702,298</u>
Less accumulated depreciation for:				
Buildings and improvements	1,145,288	39,389	-	1,184,677
Infrastructure	4,801,561	219,452	-	5,021,013
Equipment	3,094	1,428	-	4,522
Total accumulated depreciation	<u>5,949,943</u>	<u>260,269</u>	<u>-</u>	<u>6,210,212</u>
Total capital assets, being depreciated, net	<u>1,752,355</u>	<u>(260,269)</u>	<u>-</u>	<u>1,492,086</u>
Governmental activities capital assets	<u>\$ 9,396,201</u>	<u>\$ (260,269)</u>	<u>\$ -</u>	<u>\$ 9,135,932</u>

**NOTE 6 – CAPITAL ASSETS (Continued)**

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Business-type activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 3,408,677	\$ -	\$ -	\$ 3,408,677
Total capital assets, not being depreciated	3,408,677	-	-	3,408,677
Capital assets, being depreciated				
Golf course	4,142,194	-	-	4,142,194
Buildings and improvements	150,320	-	-	150,320
Golf course equipment	769,960	277,286	-	1,047,246
Irrigation infrastructure	365,000	6,990	-	371,990
Irrigation equipment	564,895	6,982	-	571,877
Total capital assets, being depreciated	5,992,369	291,258	-	6,283,627
Less accumulated depreciation for:				
Golf course	2,771,930	136,795	-	2,908,725
Buildings and improvements	139,012	1,675	-	140,687
Golf course equipment	559,548	38,047	-	597,595
Irrigation infrastructure	235,223	12,205	-	247,428
Irrigation equipment	246,308	20,025	-	266,333
Total accumulated depreciation	3,952,021	208,747	-	4,160,768
Total capital assets, being depreciated, net	2,040,348	82,511	-	2,122,859
Business-type activities capital assets	\$ 5,449,025	\$ 82,511	\$ -	\$ 5,531,536

For governmental activities, depreciation was charged to the maintenance and operations function.

**NOTE 7 – LONG TERM LIABILITIES****Series 2014 Special Assessment Revenue Refunding Bonds**

On January 23, 2014, the District issued \$2,400,000 of Special Assessment Revenue Refunding Bonds. The Bonds were issued to partially refinance the Series 1998 Golf Course Revenue Bonds. The Series 2014 Bonds bear interest rates of 7%. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 2014. Principal is paid serially on May 1, commencing on May 1, 2014 through May 1, 2023.

The Series 2014 Bonds are subject to redemption at the option of the District prior to their maturity. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service. The District is in compliance with the requirements of the Bond Indenture as of September 30, 2020.

## NOTE 7 – LONG TERM LIABILITIES (Continued)

### **Series 2014 Golf Course Revenue Refunding Bonds**

On January 23, 2014 the District issued \$1,700,000 of Golf Course Revenue Refunding Bonds. The Bonds were issued to partially refinance the Series 1998 Golf Course Revenue Bonds. The Series 2014 bear interest at a fixed interest rate of 7.00%. The Interest is paid serially and commencing May 1, 2014. Principal is paid serially and commences on May 1, 2015 through May 1, 2028.

The Series 2014 Bonds are secured by a pledge of the operating revenues from the District owned golf course and certain related facilities and by amounts on deposit in the funds and accounts, other than the rebate fund. The District covenants that it will impose and collect rates, fees, charges, rentals, and any other like or similar charges for the use of the golf course in accordance with the District's obligation under the Bond Indenture. Payment of principal and interest on the Bonds is dependent on the money available in the golf course operating account and the District's ability to generate revenues from the golf course.

The Series 2014 Bonds are subject to redemption at the option of the District prior to their maturity. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirement as defined in the Indenture. In addition, the Bond Indenture has certain restrictions and requirements relating principally to the procedures to be followed in the collection of pledged revenues and the application of the revenues to the various restricted accounts. The District is in compliance with the requirements at September 30, 2020.

### **Series 2019 Revenue Note**

During the current fiscal year, the District issued Subordinate Golf Course Revenue Note in the amount of \$300,000. The interest rate carry a fixed interest rate of 4%. The Interest is paid semi-annually each February 1 and August 1, commencing February 1, 2020. Principal is paid serially and commences on February 1, 2020 through February 1, 2024.

The Note is secured by: 1) a pledge of a subordinate lien on the net revenue from the operation of the golf course; 2) \$68,000 restricted in the Irrigation Fund, and 3) proceeds of any additional debt issued by the District (with the exception of debt to finance projects necessary for health, safety, or welfare reasons or to remediate a natural disaster).

The Note agreement requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirement as defined in the agreement. In addition, the Bond Indenture has certain restrictions and requirements relating principally to the procedures to be followed in the collection of pledged revenues and the application of the revenues to the various restricted accounts. The District is in compliance with the requirements at September 30, 2020.

### **Long-term Debt activity**

Changes in long-term liability activity for the fiscal year ended September 30, 2020 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2014	\$ 1,180,000	\$ -	\$ 265,000	\$ 915,000	\$ 285,000
Total	\$ 1,180,000	\$ -	\$ 265,000	\$ 915,000	\$ 285,000
<u>Business-type activities</u>					
Bonds payable:					
Series 2014	\$ 1,270,000	\$ -	\$ 105,000	\$ 1,165,000	\$ 110,000
Direct borrow ings:					
Series 2019 Note payable	300,000	-	55,388	244,612	57,604
Capital leases	46,143	-	45,441	702	702
Total	\$ 1,616,143	\$ -	\$ 205,829	\$ 1,410,314	\$ 168,306

## NOTE 7 – LONG TERM LIABILITIES (Continued)

### Long-term Debt activity (Continued)

At September 30, 2020, the scheduled debt service requirements on the long - term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2021	\$ 285,000	\$ 64,050	\$ 349,050
2022	305,000	44,100	349,100
2023	325,000	22,750	347,750
Total	<u>\$ 915,000</u>	<u>\$ 130,900</u>	<u>\$ 1,045,900</u>

Year ending September 30:	Business-type Activities		
	Principal	Interest	Total
2021	\$ 167,604	\$ 90,182	\$ 257,786
2022	179,908	80,132	260,040
2023	192,304	69,288	261,592
2024	204,796	57,646	262,442
2025	150,000	46,550	196,550
2026-2028	515,000	73,850	588,850
Total	<u>\$ 1,409,612</u>	<u>\$ 417,648</u>	<u>\$ 1,827,260</u>

## NOTE 8 – CAPITAL LEASES

The District entered several leases in prior years. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at present value of its future minimum lease payments as of the inception date.

The assets acquired through capital lease are as follows:

Asset:	Business-type activities
Equipment	\$ 30,631
Less: Accumulated depreciation	(30,631)
	<u>\$ -</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020, are as follows:

Year ending September 30:	Capital Leases		
	Principal	Interest	Total
2021	\$ 702	\$ 3	\$ 705
	<u>\$ 702</u>	<u>\$ 3</u>	<u>\$ 705</u>

**NOTE 9 – OPERATING LEASES**

The District has certain commitments related to various non-cancellable operating leases. The leases all relate to the golf course operations and include various leases for the pro shop, golf carts and various golf course equipment. The minimum lease payments related to these leases is as follows:

<u>Fiscal year ended</u>	<u>Amount</u>
2021	\$ 288,228
2022	236,691
2023	163,810

**NOTE 10 – MANAGEMENT COMPANY**

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

**NOTE 11 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations.

**STONEYBROOK COMMUNITY DEVELOPMENT DISTRICT  
LEE COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original & Final		
<b>REVENUES</b>			
Assessments	\$ 889,347	\$ 893,386	\$ 4,039
Interest and other income	1,000	367	(633)
Miscellaneous revenue	27,000	27,720	720
Total revenues	917,347	921,473	4,126
<b>EXPENDITURES</b>			
Current:			
General government	115,693	119,159	(3,466)
Maintenance and operations	349,784	349,494	290
Total expenditures	465,477	468,653	(3,176)
Excess (deficiency) of revenues over (under) expenditures	451,870	452,820	950
<b>OTHER FINANCING SOURCES</b>			
Carryforward balance	(451,870)	-	451,870
Total other financing sources	(451,870)	-	451,870
Net change in fund balances	\$ -	452,820	\$ 452,820
Fund balance - beginning		78,749	
Fund balance - ending		\$ 531,569	

See notes to required supplementary information

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

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

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures for the fiscal year ended September 30, 2020 exceeded appropriations by \$3,176. The over expenditures were funded by available fund balance.



**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  
Stoneybrook Community Development District  
Lee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of Stoneybrook Community Development District, Lee County, Florida ("District") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 26, 2021.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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



## **Purpose of this Report**

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

*Bhav & Associates*

June 26, 2021



**Grau & Associates**  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

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

We have examined Stoneybrook Community Development District Lee County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2020. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Stoneybrook Community Development District Lee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Grau & Associates*

June 26, 2021



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

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

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Stoneybrook Community Development District Lee County, Florida ("District") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 26, 2021.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 26, 2021, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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

We wish to thank Stoneybrook Community Development District Lee County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

*Grau & Associates*

June 26, 2021

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEARS FINDINGS AND RECOMMENDATIONS

None

### III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2019.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2020.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2020.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2020. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.