

Quarry Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2021

Quarry Community Development District

ANNUAL FINANCIAL REPORT

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Quarry Community Development District
Collier County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Quarry Community Development District as of and for the year ended September 30, 2021, and the related notes to 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Accounting 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 opinion.

Fort Pierce / Stuart



To the Board of Supervisors
Quarry Community Development District

Opinion

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 Quarry Community Development District, as of September 30, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity 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 Discussion and Analysis 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 Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements of Quarry Community Development District. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Quarry Community Development District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 26, 2022 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 and contracts. 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 Quarry Community Development District's internal control over financial reporting and compliance.

*Berger Toombs Elam
Gaines & Frank*

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

August 26, 2022

**Quarry Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

Management's discussion and analysis of Quarry Community Development District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements comprise three components; 1) *Government-wide financial statements, (including a discretely presented component unit)* 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets, 2) restricted and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government, physical environment and debt service.

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

**Quarry Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual**, is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

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.

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 government-wide activities.

Notes to financial statements provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets, and long-term debt are some of the items included in the *notes to financial statements*.

Financial Highlights:

The following are the highlights of financial activity for the year ended September 30, 2021.

- The District's total assets and deferred outflows of resources exceeded total liabilities by \$48,839,086 (net position). Unrestricted net position for Governmental Activities was \$4,950,647, restricted net position was \$253,773 and net investment in capital assets was \$43,634,666.
- Governmental activities revenues totaled \$7,066,918 while governmental activities expenses totaled \$4,515,959.

**Quarry Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

The following schedule provides a summary of the assets, deferred outflows of resources, liabilities and net position of the District.

Net Position

	Governmental Activities	
	2021	2020
Current assets	\$ 4,983,342	\$ 220,835
Restricted assets	379,752	2,194,233
Capital assets, net	60,659,754	64,100,436
Total Assets	<u>66,022,848</u>	<u>66,515,504</u>
Deferred amount on refunding	<u>97,912</u>	<u>-</u>
Current liabilities	1,324,674	2,237,446
Non-current liabilities	15,957,000	17,989,931
Total Liabilities	<u>17,281,674</u>	<u>20,227,377</u>
Net position - net investment in capital assets	43,634,666	44,795,454
Net position - restricted	253,773	1,312,496
Net position - unrestricted	4,950,647	180,177
Total Net Position	<u>\$ 48,839,086</u>	<u>\$ 46,288,127</u>

The increase in current assets is mostly related to FEMA reimbursements received in the current year.

The decrease in restricted assets is related to the bond refinancing in the current year.

The decrease in capital assets is related to depreciation in the current year.

The decrease in non-current liabilities is related to the bond refinancing in the current year.

**Quarry Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

The following schedule provides a summary of the changes in net position of the District.

Change in Net Position

	Governmental Activities	
	2021	2020
Program Revenues		
Charges for services	\$ 2,415,853	\$ 2,534,075
General Revenues		
Investments earnings	875	19,421
Intergovernmental revenues	4,583,975	243
Miscellaneous revenues	66,215	167,311
Total Revenues	<u>7,066,918</u>	<u>2,721,050</u>
Expenses		
General government	284,032	257,647
Physical environment	3,620,919	3,539,473
Interest and other charges	611,008	848,272
Total Expenses	<u>4,515,959</u>	<u>4,645,392</u>
Change in Net Position	2,550,959	(1,924,342)
Net Position - Beginning of Year	<u>46,288,127</u>	<u>48,212,469</u>
Net Position - End of year	<u>\$ 48,839,086</u>	<u>\$ 46,288,127</u>

The decrease in charges for services is related to the budgeted decrease in special assessments in the current year.

The increase in intergovernmental revenues is the result of the reimbursement from FEMA in the current year.

The increase in physical environment is related to the increase in lake maintenance in the current year.

**Quarry Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2021 and 2020.

<u>Description</u>	Governmental Activities	
	2021	2020
Infrastructure	\$ 101,589,720	\$ 101,589,720
Accumulated depreciation	(40,929,966)	(37,489,284)
Total	<u>\$ 60,659,754</u>	<u>\$ 64,100,436</u>

Depreciation totaled \$3,440,682, in the current year.

General Fund Budgetary Highlights

Budgeted expenditures exceeded actual expenditures primarily because maintenance and reserve expenditures were less than anticipated.

The September 30, 2021 budget was not amended.

Debt Management

Governmental Activities debt includes the following:

- ◆ In October 2015, the District issued \$16,280,000 Series 2015 Special Assessment Revenue Refunding Bonds. These bonds were issued to refund the Series 2005A-1 Bonds. The balance outstanding was refunded and redeemed in the current year.
- ◆ In March 2018, the District issued \$3,462,082 Series 2018 Special Assessment Refunding and Improvement Bonds. These bonds were issued to finance portions of the Hurricane Irma Shoreline Restoration Project. The balance outstanding was refunded and redeemed in the current year.
- ◆ In May 2019, the District issued \$3,508,296 Series 2019 Special Assessment Bonds. These bonds were issued to finance portions of the Hurricane Irma Shoreline Restoration Project. The balance outstanding was refunded and redeemed in the current year.
- In December 2020, the District issued \$18,110,000 Series 2020 Special Assessment Refunding Bonds. These bonds were issued to refund the Series 2015, 2018, and 2019 Bonds. The balance outstanding on the Series 2020 Bonds at September 30, 2021 was \$17,123,000.

**Quarry Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Quarry Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2022.

Request for Information

The financial report is designed to provide a general overview of Quarry 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 Quarry Community Development District, Inframark Infrastructure Management Services, 210 North University Drive, Suite 702, Coral Springs, Florida 33071.

Quarry Community Development District
STATEMENT OF NET POSITION
September 30, 2021

	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 3,910,006
Prepaid expenses	6,216
Due from other governments	1,067,120
Total Current Assets	<u>4,983,342</u>
Non-current Assets	
Restricted assets	
Investments	379,752
Capital assets, being depreciated	
Infrastructure	101,589,720
Less: Accumulated depreciation	<u>(40,929,966)</u>
Total Non-current Assets	<u>61,039,506</u>
Total Assets	<u>66,022,848</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding, net	<u>97,912</u>
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	20,263
Bonds payable	1,166,000
Accrued interest	138,411
Total Current Liabilities	<u>1,324,674</u>
Non-current liabilities	
Bonds payable	15,957,000
Total Liabilities	<u>17,281,674</u>
 NET POSITION	
Net investment in capital assets	43,634,666
Restricted for debt service	253,773
Unrestricted	4,950,647
Total Net Position	<u><u>\$ 48,839,086</u></u>

See accompanying notes to financial statements.

Quarry Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Primary Government			
Governmental Activities			
General government	\$ (284,032)	\$ 329,910	\$ 45,878
Physical environment	(3,620,919)	229,212	(3,391,707)
Interest and other charges	(611,008)	1,856,731	1,245,723
Total Governmental Activities	<u>\$ (4,515,959)</u>	<u>\$ 2,415,853</u>	<u>(2,100,106)</u>
	General Revenues		
	Intergovernmental revenues		4,583,975
	Miscellaneous revenues		66,215
	Investment earnings		875
	Total General Revenues		<u>4,651,065</u>
	Change in Net Position		2,550,959
	Net Position - October 1, 2020		<u>46,288,127</u>
	Net Position - September 30, 2021		<u><u>\$ 48,839,086</u></u>

See accompanying notes to financial statements.

Quarry Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2021

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,910,006	\$ -	\$ -	\$ 3,910,006
Due from other funds	-	-	3,536,176	3,536,176
Due from other governments	6,889	12,432	1,047,799	1,067,120
Prepaid expenses	6,216	-	-	6,216
Restricted assets				
Investments, at fair value	-	379,752	-	379,752
Total Assets	\$ 3,923,111	\$ 392,184	\$ 4,583,975	\$ 8,899,270
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 20,263	\$ -	\$ -	\$ 20,263
Due to other funds	3,536,176	-	-	3,536,176
Total Liabilities	3,556,439	-	-	3,556,439
Deferred Inflows of Resources				
Unavailable revenues	-	-	173,645	173,645
Fund Balances				
Nonspendable-prepaid expenses	6,216	-	-	6,216
Restricted for:				
Debt service	-	392,184	-	392,184
Assigned - shoreline restoration	-	-	4,410,330	4,410,330
Unassigned	360,456	-	-	360,456
Total Fund Balances	366,672	392,184	4,410,330	5,169,186
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,923,111	\$ 392,184	\$ 4,583,975	\$ 8,899,270

Quarry Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2021

Total Governmental Fund Balances	\$ 5,169,186
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, infrastructure (\$101,589,720), net of accumulated depreciation (\$40,929,966), used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	60,659,754
Deferred outflow of resources (deferred amount on refunding) are not current financial resources and therefore, are not reported at the fund level.	97,912
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported at the fund level.	(17,123,000)
Revenues that are not available are not recognized at the fund level, however, revenue is recognized when earned at the government-wide level.	173,645
Accrued interest expense for long-term debt is not a current financial use and; therefore, is not reported at the fund level.	<u>(138,411)</u>
Net Position of Governmental Activities	<u><u>\$ 48,839,086</u></u>

See accompanying notes to financial statements.

Quarry Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ 559,122	\$ 1,856,731	\$ -	\$ 2,415,853
Intergovernmental revenues	-	-	4,410,330	4,410,330
Investment earnings	815	60	-	875
Miscellaneous revenues	66,215	-	-	66,215
Total Revenues	<u>626,152</u>	<u>1,856,791</u>	<u>4,410,330</u>	<u>6,893,273</u>
Expenditures				
Current				
General government	259,420	24,612	-	284,032
Physical environment	180,237	-	-	180,237
Debt service				
Principal	-	20,846,357	-	20,846,357
Interest	-	526,978	-	526,978
Other	-	376,953	-	376,953
Total Expenditures	<u>439,657</u>	<u>21,774,900</u>	<u>-</u>	<u>22,214,557</u>
Excess revenues over/(under) expenditures	<u>186,495</u>	<u>(19,918,109)</u>	<u>4,410,330</u>	<u>(15,321,284)</u>
Other Financing Sources/(Uses)				
Issuance of long-term debt	-	18,110,000	-	18,110,000
Transfer in	-	51	-	51
Transfer out	-	-	(51)	(51)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>18,110,051</u>	<u>(51)</u>	<u>18,110,000</u>
Net Change in Fund Balances	186,495	(1,808,058)	4,410,279	2,788,716
Fund Balances - October 1, 2020	<u>180,177</u>	<u>2,200,242</u>	<u>51</u>	<u>2,380,470</u>
Fund Balances - September 30, 2021	<u>\$ 366,672</u>	<u>\$ 392,184</u>	<u>\$ 4,410,330</u>	<u>\$ 5,169,186</u>

See accompanying notes to financial statements.

Quarry 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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 2,788,716
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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 allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current year.	(3,440,682)
The issuance of long-term debt is recognized as an other financing source at the fund level, however, it increases liabilities at the government-wide level.	(18,110,000)
Deferred amount on refunding is recognized as other debt service costs at the fund level in the year new debt is issued. It is recognized as a deferred outflow of resources at the government-wide level and amortized as interest over the life of the bonds.	102,948
Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Activities.	20,846,357
Deferred amount on refunding is amortized as a component of interest expense over the life of the bonds. This is the current year amortization.	(5,036)
Unavailable revenues are recognized as deferred inflows of resources at the fund level, however, revenue is recognized when earned at the government-wide level. This is the current year change.	173,645
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net change in accrued interest in the current period.	<div style="border-top: 1px solid black;">195,011</div>

Change in Net Position of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 2,550,959</div>
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See accompanying notes to financial statements.

Quarry Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 556,317	\$ 556,317	\$ 559,122	\$ 2,805
Investment earnings	400	400	815	415
Miscellaneous revenues	58,000	58,000	66,215	8,215
Total Revenues	<u>614,717</u>	<u>614,717</u>	<u>626,152</u>	<u>11,435</u>
Expenditures				
Current				
General government	263,253	263,253	259,420	3,833
Physical environment	351,464	351,464	180,237	171,227
Total Expenditures	<u>614,717</u>	<u>614,717</u>	<u>439,657</u>	<u>175,060</u>
Net Change in Fund Balances	-	-	186,495	186,495
Fund Balances - October 1, 2020	<u>130,249</u>	<u>130,249</u>	<u>180,177</u>	<u>49,928</u>
Fund Balances - September 30, 2021	<u>\$ 130,249</u>	<u>\$ 130,249</u>	<u>\$ 366,672</u>	<u>\$ 236,423</u>

See accompanying notes to financial statements.

Quarry Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

1. Reporting Entity

The District was established, as a Community Development District, on July 30, 2004, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance 04-53 of the Board of County Commissioners of Collier County, Florida. The District was established 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 district roads, landscaping, and other basic infrastructure projects within or without the boundaries of the Quarry Community Development District. The District is governed by a five-member Board of Supervisors who are elected on an at large basis by qualified electors of the District. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Quarry Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board Statement Number 61, The Financial Reporting Entity, the District has not identified any component units.

2. Measurement Focus and Basis of Accounting

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Quarry Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments and interest. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program

In the Government wide financial statement, amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure.

Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

b. Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements provide information about major funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Quarry Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

The District classifies fund balance according to the Governmental Accounting Standards Board Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by the state constitution, external resource providers, or through enabling legislation.

Assigned Fund Balance – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Fund Balance Spending Hierarchy – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Quarry Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Governmental funds generally report assets that are available spendable resources in the near term and liabilities that are payable from “available spendable resources.” Unassigned fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the fund financial statement in the year that resources are expended, rather than as fund assets. In addition, the proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

General Fund – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund – Accounts for debt service requirements to retire the outstanding debt of the District.

Capital Projects Fund – The Capital Projects Fund accounts for the construction of infrastructure improvements within the District.

Quarry Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity

a. Cash and Investments

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Cash equivalents include time deposits and certificates of deposit with original maturities of three months or less and held in a qualified public depository as defined by Florida Statute 280.02.

b. Restricted Net Position

Certain net position of the District is classified as restricted on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

Quarry Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity (Continued)

c. Capital Assets

Capital assets, which include infrastructure, are reported in the governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The valuation basis for all assets is historical cost.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Infrastructure	20-30 years
----------------	-------------

d. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds.

e. Deferred Outflows/Inflows of Resources

Deferred inflows/outflows of resources represent an acquisition/(use) of net position that applies to a future reporting period(s) and so will not be recognized as an inflow/outflow of resources (revenue/expense) until then.

Quarry Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

“Total fund balances” of the District’s governmental funds, \$5,169,186, differs from “net position” of governmental activities \$48,839,086, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below.

Capital related items

When capital assets are purchased or constructed, the cost of these assets is reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole.

Infrastructure	\$ 101,589,720
Less: Accumulated depreciation	<u>(40,929,966)</u>
Total	<u><u>\$ 60,659,754</u></u>

Long-term debt transactions

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2021 were:

Bonds payable	<u><u>\$ (17,123,000)</u></u>
---------------	-------------------------------

Deferred outflows of resources

Deferred outflows of resources applicable to the District’s governmental activities are not financial resources, and therefore, are not recognized at the governmental fund level.

Deferred amount on refunding, net	<u><u>\$ 97,912</u></u>
-----------------------------------	-------------------------

Deferred inflows of resources

At the fund level, revenues are recognized when they become available, however, revenues are recognized when they are earned at the government-wide level

Unavailable revenues	<u><u>\$ 173,645</u></u>
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Accrued interest

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to the accrued interest on bonds.

Accrued interest	<u><u>\$ (138,411)</u></u>
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Quarry Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for governmental funds, \$2,788,716, differs from the “change in net position” for governmental activities, \$2,550,959, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the year.

Depreciation	\$ <u>(3,440,682)</u>
--------------	-----------------------

Long-term debt transactions

Repayments of bond principal are reported as expenditures in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. At the government -wide level, these payments reduce bonds payable.

Bond principal payments	\$ <u>20,846,357</u>
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Issuance of long-term debt	\$ <u>(18,110,000)</u>
----------------------------	------------------------

Deferred amount on refunding	\$ <u>102,948</u>
------------------------------	-------------------

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

Net change in deferred amount on refunding	\$ <u>(5,036)</u>
--	-------------------

Net change in unavailable revenues	\$ <u>173,645</u>
------------------------------------	-------------------

Net change in accrued interest payable	\$ <u>195,011</u>
--	-------------------

Quarry Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE C – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2021, the District's carrying value was \$3,910,006 and the bank balance was \$3,934,359. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2021, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
U S Bank Commercial Paper	N/A	<u>\$ 379,752</u>

*Weighted average maturity

The District categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

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

Based on the criteria in the preceding paragraph, the investment in U S Bank Commercial Paper are Level 1 assets.

Quarry Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

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

Credit Risk

The District's investments in treasury funds, commercial paper, and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2021, the District's investments in U S Bank Commercial Paper was rated A-1+ by Standards & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in Commercial Paper are 100% of the district's investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2021 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

NOTE D – SPECIAL ASSESSMENT REVENUES

Special assessment revenues recognized for the 2020-2021 fiscal year were levied in August 2020. All taxes are due and payable on November 1 or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes, discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount.

All unpaid taxes become delinquent as of April 1. Unpaid taxes are collected via the sale of tax certificates on or prior to, June 1.

Quarry Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE E – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance 10/1/2020	Additions	Deletions	Ending Balance 9/30/2021
<u>Governmental Activities:</u>				
Capital assets, being depreciated				
Infrastructure	\$ 101,589,720	\$ -	\$ -	\$ 101,589,720
Less accumulated depreciation for:				
Infrastructure	(37,489,284)	(3,440,682)	-	(40,929,966)
Total Capital Assets Being Depreciated, Net	<u>\$ 64,100,436</u>	<u>\$ (3,440,682)</u>	<u>\$ -</u>	<u>\$ 60,659,754</u>

Current year depreciation of \$3,440,682 was charged to physical environment.

NOTE F – LONG-TERM DEBT

The following is a summary of activity of the long-term debt of the District for the year ended September 30, 2021:

Long-term debt at October 1, 2020	\$ 19,859,357
Issuance of long-term debt	18,110,000
Principal payments	<u>(20,846,357)</u>
Long-term debt at September 30, 2021	<u>\$ 17,123,000</u>

Long-term debt is comprised of the following:

Special Assessment Refunding Bonds

\$18,110,000 Special Assessment Refunding Bonds, Series 2020 due in annual principal installments, beginning May 1, 2021. Interest is due semi-annually on May 1 and November 1, beginning May 1 2021, at a rate of 1.94% with a maturity date of May 1, 2036. Current portion is \$1,166,000.

\$ 17,123,000

Quarry Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE F – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2021 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,166,000	\$ 332,186	\$ 1,498,186
2023	1,188,000	309,566	1,497,566
2024	1,212,000	286,519	1,498,519
2025	1,235,000	263,006	1,498,006
2026	1,260,000	239,047	1,499,047
2027-2031	6,091,000	824,519	6,915,519
2032-2036	4,971,000	277,711	5,248,711
Totals	<u>\$ 17,123,000</u>	<u>\$ 2,532,554</u>	<u>\$ 19,655,554</u>

In December 2020, the District issued the Series 2020 Special Assessment Refunding Bonds to refund the Series 2015 Special Assessment Revenue Refunding Bonds, the Series 2018 Special Assessment Revenue and Refunding Bonds, and the Series 2019 Special Assessment Bonds. The bond refunding resulted in a deferred amount on refunding of \$102,948. As a result of this transaction, the District decreases its aggregate debt payment by \$2,963,436 over the next 15 years and realized an economic gain of approximately \$2,421,857.

Significant Bond Provisions

The Series 2020 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at a redemption price equal to the principal amount of the Series 2020 Bonds to be redeemed, together with accrued interest to the date of redemption.

The Trust 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 requirements.

NOTE G – 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 for which the government carries commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

Quarry Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE H – INTERFUND BALANCES

Interfund balances at September 30, 2021, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>
	General Fund
Capital Projects Fund	\$ 3,536,176

Interfund balances are due to receipts collected by one fund on behalf of another fund that were not distributed as of year-end.



**Berger, Toombs, Elam,
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**INDEPENDENT AUDITORS' 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
Quarry Community Development District
Collier 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 Quarry Community Development District, as of and for the year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated August 26, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Quarry Community Development District's internal control over financial reporting (internal control) as a basis for designing 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 Quarry Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Quarry Community Development 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 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.



To the Board of Supervisors
Quarry Community Development District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Quarry Community Development District's financial statements are free of 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.

*Berger Toombs Elam
Gaines & Frank*

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

August 26, 2022



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Supervisors
Quarry Community Development District
Collier County, Florida

Report on Compliance for Each Major Federal Program

We have audited Quarry Community Development District (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Quarry Community Development District's major Federal programs for the year ended September 30, 2021. Quarry Community Development District's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.



The Board of Supervisors
Quarry Community Development District

Opinion on Each Major Federal Program

In our opinion, Quarry Community Development District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the Quarry Community Development District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Quarry Community Development District internal control over compliance with the types of requirements that could have a direct and material effect on a major Federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Quarry Community Development District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

The Board of Supervisors
Quarry Community Development District

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Berger Toombs Elam
Gaines & Frank*

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

August 26, 2022

Quarry Community Development District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021

Description	Assistance Listing No	Contract/ Grant Number	Expenditures
Federal:			
<u>UNITED STATES DEPARTMENT OF HOMELAND SECURITY</u>			
Passed Through Florida Division of Emergency Management			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)*	97.036	PW 7714	\$ 4,342,713 **

* denotes major program

** expenditures were incurred in previous fiscal years. See Note 4 on the Notes to Schedule of Expenditures of Federal Awards

See accompanying notes to schedule of expenditures of federal awards.

Quarry Community Development District
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Quarry Community Development District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Quarry Community Development District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they become measurable and available as net current assets and expenditures are recognized when the related fund liability is incurred. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement (See Note 4 below).

Quarry Community Development District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – CONTINGENCIES

Amounts received, or receivable, from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the District. In the opinion of Management, any such adjustment would not be significant.

NOTE 4 – FEMA EXPENDITURES

The nature of FEMA funding may entail delays from the time the grantee incurs the costs and the date the grantee is actually approved to receive federal disaster relief funding. As a result of a timing difference of approval, the expenditures shown on the Schedule of Expenditures of Federal Awards were incurred in previous fiscal years.

NOTE 5 – PROJECT COSTS

The federal disaster relief funding received by the grantee is based on an allocation of funding sources of the total allowable project cost. The allowable project costs totaled \$4,825,237, of which ninety percent was funded by the Federal Government, \$4,342,713, five percent was funded by the State of Florida, \$241,262, and the remaining five percent was funded by the District, \$241,262.

**Quarry Community Development District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS
September 30, 2021**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	___ Yes	<u> X </u> No
Significant deficiency(ies) identified?	___ Yes	<u> X </u> None reported
Noncompliance material to financial statements noted?	___ Yes	<u> X </u> No

Federal Programs

Internal Control over major programs:

Material weakness(es) identified?	___ Yes	<u> X </u> No
Significant deficiency(ies) identified?	___ Yes	<u> X </u> None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR?	___ Yes	<u> X </u> No

Identification of Major Programs:

Assistance Listing Number(s)	Name of Federal Program(s)
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and B Federal Programs: \$750,000

Auditee qualified as low-risk auditee? ___ Yes X No

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

**Quarry Community Development District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS
September 30, 2021**

SECTION III – MAJOR FEDERAL PROGRAMS FINDINGS AND QUESTIONED COST

There were no audit findings related to federal programs required to be reported by, Section 2 CFR 200.516(a), Uniform Guidance.

SECTION IV – SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS

There is no Summary of Prior Audit Findings or Corrective Action Plan required to be reported under Uniform Guidance, as this is the initial audit.



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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MANAGEMENT LETTER

To the Board of Supervisors
Quarry Community Development District
Collier County, Florida

Report on the Financial Statements

We have audited the financial statements of the Quarry Community Development District as of and for the year ended September 30, 2021, and have issued our report thereon dated August 26, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; 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 Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals 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 August 26, 2022, 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 financial audit report. There were no findings or recommendations made in the preceding financial audit report.



To the Board of Supervisors
Quarry Community Development District

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Quarry Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that Quarry Community Development District did not meet one 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 Quarry Community Development District. It is management's responsibility to monitor the Quarry Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2021.

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.

Specific Information

The information provided below was provided by management and has not been audited; therefore, we do not express an opinion or provide any assurance on the information.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Quarry Community Development District reported:

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 6
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: N/A
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$419,198
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2020, together with the total expenditures for such project: The District had no construction projects.
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended.



To the Board of Supervisors
Quarry Community Development District

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Quarry Community Development District reported:

- 1) The rate or rates of non-ad valorem special assessments imposed by the District. The General Fund \$643.89, and Debt Service Fund, \$1,052 - \$13,391.
- 2) The amount of special assessments collected by or on behalf of the District: Total special assessments collected was \$2,415,853.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds. Series 2020, \$17,123,000, maturing May 2036.

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 noted no 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.

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

August 26, 2022



**Berger, Toombs, Elam,
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**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Quarry Community Development District
Collier County, Florida

We have examined Quarry Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2021. Management is responsible for Quarry Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Quarry Community Development District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Quarry Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Quarry Community Development District's compliance with the specified requirements.

In our opinion, Quarry Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2021.

*Berger Toombs Elam
Gaines & Frank*

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

August 26, 2022