

# **LAKE FLORES**

**COMMUNITY DEVELOPMENT  
DISTRICT**

**November 30, 2023**

**BOARD OF SUPERVISORS  
SPECIAL MEETING  
AGENDA**

**LAKE FLORES**

**COMMUNITY DEVELOPMENT DISTRICT**

**AGENDA**

**LETTER**

**Lake Flores Community Development District**  
**OFFICE OF THE DISTRICT MANAGER**  
**2300 Glades Road, Suite 410W•Boca Raton, Florida 33431**  
**Phone: (561) 571-0010•Toll-free: (877) 276-0889•Fax: (561) 571-0013**

November 20, 2023

**ATTENDEES:**  
**Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.**

Board of Supervisors  
 Lake Flores Community Development District

Dear Board Members:

The Board of Supervisors of the Lake Flores Community Development District will hold a Special Meeting on November 30, 2023 at 11:00 a.m., at ZNS Engineering, 1023 Manatee Avenue West, 7th Floor, Bradenton, Florida 34205. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Approval of Lake Flores Outfall DS-3 RFP Evaluation Criteria and Appointment of Evaluation Committee
4. Discussion/Consideration: RFP Evaluation Committee Meeting and Special Board Meeting
5. Ratification of Assignment of Construction Agreement & Acquisition of Completed Improvements (Lake Flores Phase 1B Mass Grading and Phase 1B-1 Infrastructure)
6. Presentation of Audited Annual Financial Report for the Fiscal Year Ended September 30, 2022, Prepared by Berger, Toombs, Elam, Gaines & Frank
7. Consideration of Resolution 2024-01, Hereby Accepting the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2022
8. Approval of Minutes
  - A. September 14, 2023 Special Meeting
  - B. September 28, 2023 Special Meeting
9. NEXT MEETING DATE: \_\_\_\_\_

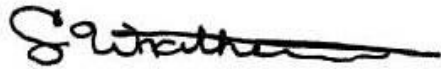
○ QUORUM CHECK

SEAT 1	GARY WALKER	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 2	DAVID BRASHER	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 3	REGINALD TISDALE	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 4	KRYSTAL PARSONS	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
SEAT 5	WALTER PRESTON	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO

10. Board Members' Comments/Requests
11. Public Comments
12. Adjournment

If you should have any questions or concerns, please do not hesitate to contact me directly at (561) 719-8675 or Kristen Suit at (410) 207-1802.

Sincerely,



Craig Wrathell  
District Manager

**FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE**

**CALL-IN NUMBER: 1-888-354-0094**

**PARTICIPANT PASSCODE: 943 865 3730**

# **LAKE FLORES**

**COMMUNITY DEVELOPMENT DISTRICT**

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**LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT  
REQUEST FOR PROPOSALS FOR LAKE FLORES, OUTFALL DS-3 PROJECT  
PART I. GENERAL INFORMATION – (C) EVALUATION CRITERIA**

- 1. *Personnel* (25 Points)**  
(E.g., geographic locations of the firm’s headquarters or permanent office in relation to the project, capabilities and experience of key personnel, including the project manager and field supervisor; present ability to manage this project; evaluation of existing work load; proposed staffing levels, etc.)
- 2. *Proposer’s Experience* (25 Points)**  
(E.g., past record and experience of the Proposer in similar projects; volume of work previously performed by the firm; past performance for other community development districts in other contracts; character, integrity, reputation of respondent, etc.)
- 3. *Understanding of Scope of Work* (10 Points)**  
Extent to which the proposal demonstrates an understanding of the District’s needs for the services requested.
- 4. *Financial Capability* (10 Points)**  
Extent to which the proposal demonstrates the adequacy of Proposer’s financial resources and stability as a business entity, necessary to complete the services required.
- 5. *Price* (30 Total Points)**

Points available for price will be allocated as follows:

25 Points will be awarded to the Proposer submitting the lowest total price proposal, (i.e., the summation of the unit price extensions using quantity estimates provided, the allowances shown, plus the proposal contractor’s fee) for completing the work. Value engineering concepts deemed reasonable, in the sole discretion of the district, shall also be taken into account when determining Proposer’s price proposal. All other proposals will receive a percentage of the amount based upon the difference between the Proposer’s bid and the low bid.

5 Points are allocated for the reasonableness of unit prices and balance of bid.

# **LAKE FLORES**

**COMMUNITY DEVELOPMENT DISTRICT**

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**ASSIGNMENT OF CONSTRUCTION AGREEMENT &  
ACQUISITION OF COMPLETED IMPROVEMENTS  
(LAKE FLORES PHASE 1B MASS GRADING AND PHASE 1B-1 INFRASTRUCTURE)**

Assignor: Cortez75W Investors, LLC ("Assignor")  
Owner/Assignee: Lake Flores Community Development District ("Assignee")  
Contractor: E.T. Mackenzie of Florida, Inc. ("Contractor")  
Contract: Construction Agreement (Lake Flores) dated August 7, 2023 ("Contract" or "Project")

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor, does hereby transfer, assign and convey unto Assignee, all of the rights, interests, benefits and privileges of Assignor under the Contract, by and between Assignor and Contractor, for the above-referenced Project that is further described by the Contractor's Acknowledgement and Acceptance of Assignment and Release. Further, Assignee does hereby assume all obligations of Assignor under the Contract arising or accruing after the date hereof relating to the Project. Additionally, Assignee, by separate Bill of Sale and subject to terms to be subsequently agreed to by Assignor and Assignee, agrees to acquire all work conducted to date as part of the Project. Contractor hereby consents to the assignment of the Contract and all of Assignor's rights, interests, benefits, privileges, and obligations to Assignee. Contractor hereby releases and waives any claims it has or may have against the Assignor as a result of or in connection with the Contract and this assignment.

Executed in multiple counterparts to be effective the 24<sup>th</sup> day of October, 2023.

**CORTEZ75W INVESTORS, LLC**

By: [Signature]  
Printed Name: James D. Motta  
Title: Authorized Agent

**LAKE FLORES COMMUNITY  
DEVELOPMENT DISTRICT**

By: [Signature]  
Printed Name: Gary Walker  
Title: Chair

**E.T. MACKENZIE OF FLORIDA, INC.**

By: [Signature]  
Printed Name: Scott Huber  
Title: Gm

**EXHIBITS:**

- Developer's Affidavit and Agreement Regarding Assignment of Contract
- Contractor's Acknowledgment and Acceptance of Assignment and Release
- Addendum to Contract with Exhibits:
  - Scrutinized Companies Statement
  - Public Entity Crimes Statement
  - Trench Safety Compliance Act Statement



**DEVELOPER'S AFFIDAVIT AND AGREEMENT  
REGARDING ASSIGNMENT OF CONTRACT  
(LAKE FLORES)**

STATE OF FLORIDA  
COUNTY OF BROWARD

BEFORE ME, the undersigned, personally appeared James D. Motta of Cortez75W Investors, LLC ("Developer"), who, after being first duly sworn, deposes and says:

- (i) I, James D. Motta, serve as Authorized Agent for Developer and am authorized to make this affidavit on its behalf. I make this affidavit in order to induce the Lake Flores Community Development District ("**District**") to accept an assignment of the Improvement Agreement (defined below). Any recourse by District due to the falsity of any statements made below is to be against Developer and not against the undersigned individual.
- (ii) The Construction Agreement (Lake Flores) dated August 7, 2023 ("**Improvement Agreement**") between Developer and E.T. Mackenzie of Florida, Inc. ("**Contractor**"), and attached hereto as **Exhibit A-1**, was competitively bid prior to its execution.
- (iii) [Reserved]
- (iv) Developer has obtained the release from Contractor attached as **Exhibit B**.
- (v) The Developer has \_\_\_\_\_ executed a Demand Note Agreement in accordance with Section 255.05, *Florida Statutes*, which is attached hereto as **Exhibit C**. <<OR>> The Contractor has   X   furnished and recorded a performance and payment bond in accordance with Section 255.05, *Florida Statutes*, which is attached hereto as **Exhibit C**.
- (vi) Developer   X   represents and warrants that, to Developer's knowledge, there are no outstanding liens or claims relating to the Improvement Agreement, or \_\_\_\_\_ has posted a transfer bond in accordance with Section 713.24, *Florida Statutes*, which is attached hereto as **Exhibit D**.

(vii) Developer represents and warrants that, to Developer's knowledge, all payments to Contractor under the Improvement Agreement are current and there are no outstanding disputes between Developer and Contractor under the Improvement Agreement.

Under penalties of perjury, I declare that I have read the foregoing and the facts alleged are true and correct to the best of my knowledge and belief.

Executed this 24 day of October, 2023.

Sharon DeAngelo  
[Print Name]

**CORTEZ75W INVESTORS, LLC**

By: [Signature]  
Name: James D. Motta  
Title: Authorized Agent

STATE OF FLORIDA  
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 24 day of October, 2023, by James D. Motta, as Authorized Agent of Cortez75W Investors, LLC, on its behalf. S/He  is personally known to me or  produced \_\_\_\_\_ as identification.



Judith Hattier  
Notary Public, State of Florida

EXHIBIT A-2

DESCRIPTION OF PROJECT

The improvements identified in the Construction Agreement (Lake Flores) dated August 7, 2023, between Cortez75W Investors, LLC and E.T. Mackenzie of Florida, Inc., and more specifically described as follows:

IMPROVEMENT	TOTAL IMPROVEMENTS VALUE	TOTAL PAID TO DATE	COST TO COMPLETE IMPROVEMENT
	\$ 0	\$ 0	\$ 0

Exhibit B

**CONTRACTOR'S ACKNOWLEDGMENT AND ACCEPTANCE OF  
ASSIGNMENT AND RELEASE  
(LAKE FLORES)**

For ten dollars and such additional good and valuable consideration received in hand, the receipt and sufficiency of which are hereby acknowledged, E.T. Mackenzie of Florida, Inc. ("**Contractor**"), hereby agrees as follows:

- (i) The Construction Agreement (Lake Flores) dated August 7, 2023, between Cortez75W Investors, LLC and Contractor ("**Improvement Agreement**") has been assigned to the Lake Flores Community Development District ("**District**") as it relates to certain improvements ("**Improvements**") as described on **Exhibit A** attached hereto. Contractor acknowledges and accepts such assignment and its validity.
- (ii) Contractor represents and warrants that either:
  - a.  Contractor has furnished and recorded a performance and payment bond in accordance with Section 255.05, Florida Statutes, and has notified any subcontractors, material suppliers or others claiming interest in the work of the existence of the bond; or
  - b.  Contractor has not been required to furnish or provide a performance and payment bond under Section 255.05, Florida Statutes, and has notified any subcontractors, materialmen or others claiming interest in the work that (a) no such bond exists; (b) the District, as a local unit of special purpose government, is not an "Owner" as defined in Section 713.01(23), Florida Statutes; and (c) there are no lien rights available to any person providing materials or services for improvements in connection with the Improvement Agreement.
- (iii) Contractor represents and warrants that all payments to Contractor and any subcontractors or materialmen under the Improvement Agreement are current and there are no outstanding disputes under the Improvement Agreement.
- (iv) Contractor hereby releases and waives any claim it may have against the District as a result of or in connection with such assignment.

[CONTINUED ON NEXT PAGE]

Executed this 24<sup>th</sup> day of October, 2023.

E.T. MACKENZIE OF FLORIDA, INC.

*Scott M. Huber*  
By: Scott Huber  
Its: On

STATE OF FLORIDA  
COUNTY OF Hannatee

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 24<sup>th</sup> day of Oct, 2023, by \_\_\_\_\_, as \_\_\_\_\_ of E.T. Mackenzie of Florida, Inc., on its behalf. S/He  is personally known to me or  produced \_\_\_\_\_ as identification.



Rose M. Scarbrough  
Notary Public  
State of Florida  
Comm# HH126900  
Expires 5/5/2025

*Rose M. Scarbrough*  
Notary Public, State of Florida

EXHIBIT A

DESCRIPTION OF PROJECT

The improvements identified in the Construction Agreement (Lake Flores) dated August 7, 2023, between Cortez75W Investors, LLC and E.T. Mackenzie of Florida, Inc., and more specifically described as follows:

IMPROVEMENT	TOTAL IMPROVEMENTS VALUE	TOTAL PAID TO DATE	COST TO COMPLETE IMPROVEMENT
	\$ _____	\$ _____	\$ _____

**ADDENDUM (“ADDENDUM”) TO CONTRACT (“CONTRACT”)  
(LAKE FLORES)**

1. **ASSIGNMENT.** This Addendum applies to that certain Construction Agreement (“Contract”) (Lake Flores) dated August 7, 2023, between the Lake Flores Community Development District (“District”) and E.T. Mackenzie of Florida, Inc. (“Contractor”), which Contract was assigned to the District simultaneous with the execution of this Addendum. To the extent the terms of the Contract conflict with this Addendum, the terms of this Addendum shall control.

2. **PAYMENT AND PERFORMANCE BONDS; NO LIEN RIGHTS.** Before commencing the work, and consistent with the requirements of Section 255.05, Florida Statutes, the Contractor shall execute, deliver to the District, and record in the public records of Manatee County, Florida, a payment and performance bond with a surety insurer authorized to do business in this state as surety or, to the extent permitted by the District in its sole discretion, provide an alternative form of security as authorized under Section 255.05, Florida Statutes. The cost of such bond shall be added to Contractor’s proposal and shall be invoiced to the District. Such bond and/or security shall be for 100% of the project cost and shall be in effect for a full year from the time of completion of the project. Contractor agrees that the District is a local unit of special-purpose government and not an “Owner” as defined in Section 713.01(23), Florida Statutes. Therefore, notwithstanding anything in the Contract to the contrary, there are no lien rights available to any person providing materials or services for improvements in connection with the project. Contractor shall notify any subcontractors, material suppliers or others claiming interest in the work of the existence of the payment and performance bond.

3. **INSURANCE.** In existing to the existing additional insureds under the Contract, the District, its officers, supervisors, agents, attorneys, engineers, managers, and representatives also shall be named as additional insureds under the insurance provided pursuant to the Contract. Contractor shall furnish the District with the Certificate of Insurance evidencing compliance with this requirement. No certificate shall be acceptable unless it provides that any change or termination within the policy periods of the insurance coverage, as certified, shall not be effective within thirty (30) days of prior written notice to the District. Insurance coverage shall be from a reputable insurance carrier, licensed to conduct business in the State of Florida. If Contractor fails to have secured and maintained the required insurance, the District has the right (without any obligation to do so, however), to secure such required insurance in which event, Contractor shall pay the cost for that required insurance and shall furnish, upon demand, all information that may be required in connection with the District’s obtaining the required insurance.

4. **LOCAL GOVERNMENT PROMPT PAYMENT ACT.** Notwithstanding any other provision of the Contract, all payments to the Contractor shall be made in a manner consistent with the Local Government Prompt Payment Act, Sections 218.70 through 218.80, Florida Statutes. Contractor shall make payments due to subcontractors and materialmen and laborers within ten (10) days in accordance with the prompt payment provisions contained in Section 218.735(6), 218.735(7), and 218.74, Florida Statutes. All payments due and not made within the time prescribed by Section 218.735, Florida Statutes, bear interest at the rate of one percent (1%) per month on the unpaid balance in accordance with Section 218.735(9), Florida Statutes.

5. **RETAINAGE.** The following provision addresses the holding of retainage under the Contract:

Ten percent (10%) of the amount of each progress payment shall be withheld as retainage until final completion of the Work, acceptance of the Work by the Owner, satisfaction of all punch list requirements, and submission of all documents required for and final payment to the Contractor, subject to any offsets to which the Owner is entitled.

6. **INDEMNIFICATION.** Contractor's indemnification, defense, and hold harmless obligations under the Agreement shall continue to apply to the original indemnitees and shall further include the District and its supervisors, consultants, agents, attorneys, managers, engineers and representatives. To the extent that a maximum limit for indemnification is required by law, and not otherwise set forth in the Contract, the indemnification limit shall be the greater of the limits of the insurance amounts set forth in the Contract or Five Million Dollars (\$5,000,000), which amounts Contractor agrees bears a reasonable commercial relationship to the Contract and are enforceable, and were included as part of the bid and/or assignment documents. The Contractor's obligations hereunder are intended to be consistent with all provisions of applicable law, and to the extent found inconsistent by a court of competent jurisdiction, the Contract shall be deemed amended and/or reformed consistent with the intent of this paragraph and such that the obligations apply to the maximum limits of the law.

7. **TAX EXEMPT DIRECT PURCHASES.** The parties agree that the District may in its sole discretion elect to undertake a direct purchase of any or all materials incorporated into the work performed according to the Contract. In such event, the following conditions shall apply:

- A. The District represents to Contractor that the District is a governmental entity exempt from Florida sales and use tax and has provided Contractor with a copy of its Consumer Exemption Certificate.
- B. The District may elect to implement a direct purchase arrangement whereby the District will directly acquire certain materials ("**Direct Purchase Materials**") necessary for the work directly from the suppliers to take advantage of District's tax exempt status.
- C. Prior to purchasing any materials, the Contractor shall contact the District to determine which materials will be treated as Direct Purchase Materials.
- D. The District shall issue a Certificate of Entitlement to each supplier of Direct Purchase Materials, and to the Contractor. Each Certificate of Entitlement will be in the format specified by Rule 12A-1.094(4)(c), Florida Administrative Code. Each Certificate of Entitlement shall have attached thereto the corresponding purchase order. Each Certificate of Entitlement shall affirm that (1) the attached purchase order is being issued directly to the vendor supplying the tangible personal property the Contractor will use in the identified public works; (2) the vendor's invoice will be issued directly to the District; (3) payment of the vendor's invoice will be made directly by the District to the vendor from public funds; (4) the District will take title



to the tangible personal property from the vendor at the time of purchase or of delivery by the vendor; and (5) the District assumes the risk of damage or loss at the time of purchase or delivery by the vendor. Each Certificate of Entitlement shall acknowledge that if the Department of Revenue determines the purchase is not a tax exempt purchase by a governmental entity, then the governmental entity will be responsible for any tax, penalties and interest determined to be due.

- E. The District shall issue purchase orders directly to suppliers of Direct Purchase Materials. The District shall issue a separate Certificate of Entitlement for each purchase order. Such purchase orders shall require that the supplier provide the required shipping and handling insurance and provide for delivery F.O.B. jobsite. Corresponding change orders shall be executed at the time of the direct purchase to reflect the direct purchases made by the District and if the original contract contemplated sale of materials and installation by same person, the change order shall reflect sale of materials and installation by different legal entities.
- F. Upon delivery of the Direct Purchase Materials to the jobsite, the District shall inspect the materials and invoices to determine that they conform to the purchase order. If the materials conform, the District shall accept and take title to the Direct Purchase Materials.
- G. Suppliers shall issue invoices directly to the District. The District shall process invoices and issue payment directly to the suppliers from public funds.
- H. Upon acceptance of Direct Purchase Materials, the District shall assume risk of loss of same until they are incorporated into the project. Contractor shall be responsible for safeguarding all Direct Purchase Materials and for obtaining and managing all warranties and guarantees for all material and products.
- I. The District shall, at its option, maintain builder's risk insurance on the Direct Purchase Materials.

**8. PUBLIC RECORDS.** The Contractor agrees and understands that Chapter 119, Florida Statutes, may be applicable to documents prepared in connection with the services provided hereunder and agrees to cooperate with public record requests made thereunder. In connection with this Contract, Contractor agrees to comply with all provisions of Florida's public records laws, including but not limited to Section 119.0701, Florida Statutes, the terms of which are incorporated herein. Among other requirements, Contractor must:

- A. Keep and maintain public records required by the District to perform the service.
- B. Upon request from the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by law.

- C. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Agreement if the Contractor does not transfer the records to the District.
- D. Upon completion of this Agreement, transfer, at no cost, to the District all public records in possession of the Contractor or keep and maintain public records required by the District to perform the service. If the Contractor transfers all public records to the District upon completion of this Agreement, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the Agreement, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, *FLORIDA STATUTES*, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (561) 571-0010, WRATHELLC@WHHASSOCIATES.COM, OR AT 2300 GLADES ROAD, SUITE 410W, BOCA RATON, FLORIDA 33431.**

9. **SOVEREIGN IMMUNITY.** Nothing in the Contract shall be deemed as a waiver of the District's sovereign immunity or the District's limits of liability as set forth in Section 768.28, Florida Statutes or other statute, and nothing in the Contract shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under such limitations of liability or by operation of law.

10. **NOTICES.** Notices provided to the District pursuant to the Contract shall be provided to the following individuals:

**If to the District:** Lake Flores Community Development District  
2300 Glades Road, Suite 410W  
Boca Raton, Florida 33431  
Attn: District Manager

**With a copy to:** Kutak Rock LLP  
107 West College Avenue  
Tallahassee, Florida 32301  
Attn: Jonathan T. Johnson

**11. SCRUTINIZED COMPANIES STATEMENT.** Upon the Assignment, Contractor shall properly execute a sworn statement pursuant to Section 287.135(5), Florida Statutes, and by signing this Addendum represents that Contractor is able to execute such sworn statement. The statement shall be substantially in the form of the attached **Exhibit A**. If the Contractor is found to have submitted a false certification as provided in Section 287.135(5), Florida Statutes, or has been placed on the Scrutinized Companies that Boycott Israel List, or is engaged in the boycott of Israel, or has been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or has been engaged in business operations in Cuba or Syria, the District may immediately terminate the Contract.

**12. PUBLIC ENTITY CRIMES STATEMENT.** Upon the Assignment, Contractor shall properly execute a sworn statement under Section 287.133(3)(a), Florida Statutes, regarding public entity crimes, and by signing this Addendum represents that Contractor is able to execute such sworn statement. The statement shall be substantially in the form of the attached **Exhibit B**.

**13. TRENCH SAFETY ACT STATEMENTS.** Upon the Assignment, Contractor shall properly execute a Trench Safety Act Compliance Statement and a Trench Safety Act Compliance Cost Statement, and by signing this Addendum represents that Contractor is able to execute such sworn statement. The statements shall be substantially in the form of the attached **Exhibit C**.

**14. CONSTRUCTION DEFECTS. PURSUANT TO SECTION 558.005, FLORIDA STATUTES, ANY CLAIMS FOR CONSTRUCTION DEFECTS ARE NOT SUBJECT TO THE NOTICE AND CURE PROVISIONS OF CHAPTER 558, FLORIDA STATUTES.**

**15. COUNTERPARTS; ELECTRONIC SIGNATURES.** THE Contract may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Additionally, the parties acknowledge and agree that the Contract may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include faxed versions of an original signature, electronically scanned and transmitted versions (e.g. via PDF) of an original signature, or signatures created in a digital format.

**16. E-VERIFY.** The Contractor shall comply with and perform all provisions of Section 448.095, Florida Statutes. Accordingly, as a condition of the Assignment and the Addendum, Contractor shall register with and use the United States Department of Homeland Security's E-Verify system to verify the work authorization status of all newly hired employees.

If the Contractor anticipates entering into agreements with a subcontractor for the Work, Contractor will not enter into the subcontractor agreement without first receiving an affidavit from the subcontractor regarding compliance with Section 448.095, Florida Statutes, and stating that the subcontractor has registered with and uses the E-Verify system and does not employ, contract with, or subcontract with an unauthorized alien. Contractor shall maintain a copy of such affidavit for the duration of the agreement and provide a copy to the Owner upon request. Any party may terminate the Contract or any subcontract hereunder if there is a good faith belief on the part of the terminating party that a contracting party has knowingly violated Section 448.09(1), Florida

terminate the Contract or any subcontract hereunder if there is a good faith belief on the part of the terminating party that a contracting party has knowingly violated Section 448.09(1), Florida Statutes. Upon such termination, Contractor shall be liable for any additional costs incurred by Owner as a result of the termination.

In the event that the Owner has a good faith belief that a subcontractor has violated Section 448.095, Florida Statutes, but the Contractor has otherwise complied with its obligations hereunder, the Owner shall promptly notify the Contractor. The Contractor agrees to immediately terminate the agreement with the subcontractor upon notice from the Owner.

**17. CONFIDENTIALITY.** Section A-5.19 of the Contract no longer applies.

**18. THIRD PARTY BENEFICIARY/ENFORCEMENT.** The Parties agree that Cortez75W Investors, LLC shall retain the right to enforce the Contract for any claims relating to payment of subcontractors and materialmen which were due and owing prior to the assignment of the Contract.

**IN WITNESS WHEREOF,** the parties hereto hereby acknowledge and agree to this Addendum.

**E.T. MACKENZIE OF FLORIDA, INC.**

Rose Secorbrough  
Witness

Rose Secorbrough Brothers  
Print Name of Witness

Scott Huber  
By: Scott Huber  
Its: GM

**LAKE FLORES COMMUNITY  
DEVELOPMENT DISTRICT**

Kristen Sult  
Witness

Kristen Sult  
Print Name of Witness

Gary Walker  
By: Gary Walker  
Its: Chair

- Exhibit A:** Scrutinized Companies Statement
- Exhibit B:** Public Entity Crimes Statement
- Exhibit C:** Trench Safety Act Statement

EXHIBIT A

SCRUTINIZED COMPANIES STATEMENT

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to Lake Flores Community Development District

by Scott Huber GM  
(print individual's name and title)

for E.T. Mackenzie of Florida, Inc.  
(print name of entity submitting sworn statement)

whose business address is

6212 33<sup>rd</sup> Street East, Bradenton, FL 34203

2. I understand that, subject to limited exemptions, Section 287.135, *Florida Statutes*, provides that a company that at the time of bidding or submitting a proposal for a new contract or renewal of an existing contract is on the Scrutinized Companies that Boycott Israel List, the Scrutinized Companies with Activities in Sudan List, the Scrutinize Companies with Activities in the Iran Petroleum Energy Sector List, or is engaged in business operations in Cuba or Syria (together, "**Prohibited Criteria**"), is ineligible for, and may not bid on, submit a proposal for, or enter into or renew a contract with a local governmental entity for goods or services of \$1 million or more.

3. Based on information and belief, at the time the entity submitting this sworn statement submits its proposal to the District, neither the entity, nor any of its officers, directors, executives, partners, shareholders, members, or agents meets any of the Prohibited Criteria. If awarded the contract, the Proposer will immediately notify the District in writing if either the Proposer, or any of its officers, directors, executives, partners, shareholders, members, or agents, meets any of the Prohibited Criteria.

[Signature]  
Signature by authorized representative of Contractor

STATE OF FLORIDA  
COUNTY OF Manatee

Sworn to (or affirmed) and subscribed before me by means of  physical presence or  online notarization, this 24<sup>th</sup> day of Oct, 2023, by \_\_\_\_\_, of E.T. Mackenzie of Florida, Inc., who is personally known to me or who has produced \_\_\_\_\_ as identification and who did (did not) take an oath.

[Signature]  
Signature of Notary Public taking acknowledgement

My Commission Expires: 5/5/2025  
(SEAL)



Rose M. Scarbrough  
Notary Public  
State of Florida  
Comm# HH126900  
Expires 5/5/2025

## EXHIBIT B

### PUBLIC ENTITY CRIMES STATEMENT

***THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.***

1. This sworn statement is submitted to Lake Flores Community Development District.
2. I am over eighteen (18) years of age and competent to testify as to the matters contained herein. I serve in the capacity of \_\_\_\_\_ for E.T. Mackenzie of Florida, Inc. ("Contractor") and am authorized to make this Sworn Statement on behalf of Contractor.
3. Contractor's business address is 6212 33<sup>rd</sup> Street East, Bradenton, FL 34203  
\_\_\_\_\_
4. Contractor's Federal Employer Identification Number (FEIN) is 38-3204096  
  
(If the Contractor has no FEIN, include the Social Security Number of the individual signing this sworn statement: \_\_\_\_\_.)
5. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
6. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
7. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
  - a. A predecessor or successor of a person convicted of a public entity crime; or,
  - b. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
8. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.
9. Based on information and belief, the statement which I have marked below is true in relation to the Contractor submitting this sworn statement. (Please indicate which statement applies.)

X Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor any affiliate of the entity, have been charged with and convicted of a public entity crime subsequent to July 1, 1989.

\_\_\_\_\_ The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, members or agents who are active in management of the entity or an affiliate of the entity, has been charged with and convicted of a public entity crime subsequent to July 1, 1989, AND (please indicate which additional statement applies):

\_\_\_ There has been a proceeding concerning the conviction before an Administrative Law Judge of the State of Florida, Division of Administrative Hearings. The final order entered by the Administrative Law Judge did not place the person or affiliate on the convicted vendor list. (Please attach a copy of the final order.)

\_\_\_ The person or affiliate was placed on the convicted vendor list. There has been a subsequent proceeding before an Administrative Law Judge of the State of Florida, Division of Administrative Hearings. The final order entered by the Administrative Law Judge determined that it was in the public interest to remove the person or affiliate from the convicted vendor list. (Please attach a copy of the final order.)

\_\_\_ The person or affiliate has not been placed on the convicted vendor list. (Please describe any action taken by or pending with the Florida Department of Management Services.)

IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR/VENDOR EXECUTING THIS PUBLIC ENTITY CRIME AFFIDAVIT TO VERIFY THAT NONE OF THE SUBCONTRACTORS/SUPPLIERS UTILIZED FOR THIS BID/QUOTE HAVE BEEN CONVICTED OF A PUBLIC ENTITY CRIME SUBSEQUENT TO JULY 1, 1989. IN THE EVENT IT IS LATER DISCOVERED THAT A SUBCONTRACTOR/SUPPLIER HAS BEEN CONVICTED OF A PUBLIC ENTITY CRIME, THE CONTRACTOR/VENDOR SHALL SUBSTITUTE THE SUBCONTRACTOR/ SUPPLIER WITH ANOTHER WHO HAS NOT RECEIVED A CONVICTION. ANY COST ASSOCIATED WITH THIS SUBSTITUTION SHALL BE THE SOLE RESPONSIBILITY OF THE CONTRACTOR/VENDOR.

Under penalties of perjury under the laws of the State of Florida, I declare that I have read the foregoing Sworn Statement under Section 287.133(3)(a), Florida Statutes, Regarding Public Entity Crimes and all of the information provided is true and correct.

Dated this 24<sup>th</sup> day of October, 2023.

Subcontractor: E.T. Mackenzie of FL Incc

By: [Signature] Scott Huber

Title: Gm

STATE OF Florida  
COUNTY OF Duval

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 24<sup>th</sup> day of Oct, 2023, by \_\_\_\_\_ of E.T. Mackenzie of Florida, Inc., who is personally known to me or who has produced \_\_\_\_\_ as identification, and did [ ] or did not [ ] take the oath.

[Signature]  
Notary Public, State of Florida  
Print Name: Rose M Scarbrough  
Commission No.: HH126900  
My Commission Expires: 5/5/2025


 Rose M. Scarbrough  
Notary Public  
State of Florida  
Comm# HH126900  
Expires 5/5/2025



EXHIBIT C

LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT  
TRENCH SAFETY ACT COMPLIANCE STATEMENT

INSTRUCTIONS

Because trench excavations on this project are expected to be in excess of 5 feet, Florida's Trench Safety Act, Sections 553.60 – 553.64, Florida Statutes, requires that construction on the project comply with Occupational Safety and Health Administration Standard 29 C.F.R.s. 1926.650 Subpart P. The Contractor is required to execute this Compliance Statement and the Compliance Cost Statement. The costs for complying with the Trench Safety Act must be incorporated into the Contract Price.

This form must be certified in the presence of a notary public or other officer authorized to administer oaths.

CERTIFICATION

- I understand that the Trench Safety Act requires me to comply with OSHA Standard 29 C.F.R.s. 1926.650 Subpart P. I will comply with The Trench Safety Act, and I will design and provide trench safety systems at all trench excavations in excess of five feet in depth for this project.
- The estimated cost imposed by compliance with The Trench Safety Act will be:  
One Hundred Sixty Seven Thousand Dollars \$ 167,000<sup>00</sup>  
(Written) (Figures)
- The amount listed above has been included within the Contract Price.

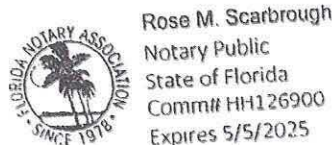
Dated this 24<sup>th</sup> day of October, 2023.

Contractor: ET. MacKenzie of Florida Inc  
By: [Signature] Scott Huber  
Title: Gm

STATE OF Florida  
COUNTY OF Manatee

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 24<sup>th</sup> day of Oct, 2023, by \_\_\_\_\_ of \_\_\_\_\_, who is personally known to me or who has produced \_\_\_\_\_ as identification, and did [ ] or did not [ ] take the oath.

[Signature]  
Notary Public, State of Florida  
Print Name: Rose M. Scarbrough  
Commission No.: HH126900  
My Commission Expires: 5/5/2025



**LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT  
TRENCH SAFETY ACT COMPLIANCE COST STATEMENT**

**INSTRUCTIONS**

Because trench excavations on this Project are expected to be in excess of 5 feet, Florida's Trench Safety Act, Sections 553.60 – 553.64, Florida Statutes, requires that the Contractor submit a statement of the costs of complying with the Trench Safety Act. Said costs must also be incorporated into the Contract Price. This form must be certified in the presence of a notary public or other officer authorized to administer oaths. By executing this statement, Contractor acknowledges that included in the various items of its Contract Price are costs for complying with the Florida Trench Safety Act. The Contractor further identifies the costs as follows:

Type of Trench Safety Mechanism	Quantity	Unit Cost <sup>1</sup>	Item Total Cost
Trench Box Shoring System	2	\$83,500 <sup>00</sup>	\$167,000 <sup>00</sup>
Project Total			\$167,000 <sup>00</sup>

Dated this 24<sup>th</sup> day of October, 2023.

Subcontractor: ET. Mackenzie of Florida Inc.

By: Scott A. Huber  
Title: GM

STATE OF Florida  
COUNTY OF DeKalb

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 24<sup>th</sup> day of Oct, 2023, by \_\_\_\_\_ of \_\_\_\_\_, who is personally known to me or who has produced \_\_\_\_\_ as identification, and did [ ] or did not [ ] take the oath.

Rose M. Scarbrough  
Notary Public, State of Florida  
Print Name: Rose M. Scarbrough  
Commission No.: HH126900  
My Commission Expires: 5/5/2025



Rose M. Scarbrough  
Notary Public  
State of Florida  
Comm# HH126900  
Expires 5/5/2025

<sup>1</sup> Use cost per linear square foot of trench excavation used and cost per square foot of shoring used.

# **LAKE FLORES**

**COMMUNITY DEVELOPMENT DISTRICT**

**6**

**Lake Flores Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2022**

**Lake Flores Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2022**

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# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
Lake Flores Community Development District  
Manatee County, Florida

### Report on Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the governmental activities and each major fund of Lake Flores Community Development District (the "District"), as of and for the 9 months ended September 30, 2022, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Lake Flores Community Development District as of September 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management 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; and for 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.

To the Board of Supervisors  
Lake Flores Community Development District

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including currently known information that may raise substantial doubt thereafter.

### ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

To the Board of Supervisors  
Lake Flores Community Development District

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated September 13, 2023 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 Lake Flores 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

September 13, 2023



**Lake Flores Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the 9 Months Ended September 30, 2022**

Management's discussion and analysis of Lake Flores 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*, 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 developer contributions.

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 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.

**Lake Flores Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the 9 Months Ended September 30, 2022**

**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.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including capital assets are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, reconciliations are provided from the *fund financial statements* to the *government-wide financial statements*.

*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 9 months ended September 30, 2022.

- ◆ The District's liabilities exceeded assets by \$(5,536) (net position). Unrestricted net position was \$(6,012). Net investment in capital assets was \$476.
- ◆ Governmental activities revenues totaled \$50,792, while governmental activities expenses totaled \$56,328.

**Lake Flores Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the 9 Months Ended September 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District**

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

**Net Position**

	<b>Governmental Activities 2022</b>
Current assets	\$ 18,275
Capital assets	476
Total Assets	18,751
Current liabilities	24,287
Net Position	
Net investment in capital assets	476
Unrestricted	(6,012)
Total Net Position	\$ (5,536)

This is the initial period for the District

**Lake Flores Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the 9 Months Ended September 30, 2022**

**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 and is presented by category for comparison purposes.

**Change In Net Position**

	<b>Governmental Activities</b>
	<b>2022</b>
Program Revenues	
Operating contributions	50,792
Expenses	
General government	50,792
Interest and other charges	5,536
Total Expenses	56,328
Change in Net Position	(5,536)
Net Position - Beginning of Period	-
Net Position - End of Period	\$ (5,536)

This is the initial period of the District.

**Lake Flores Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the 9 Months Ended September 30, 2022**

**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, 2022.

<u>Description</u>	<u>Governmental Activities 2022</u>
Construction in progress	<u>\$ 476</u>

The activity for the year consisted of an addition to construction in progress of \$476.

**General Fund Budgetary Highlights**

Actual expenditures were less than the final budget because there were less management fees and legal advertising expenditures than were anticipated.

The September 30, 2022 budget was not amended.

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

Lake Flores Community Development District anticipates issuing debt and beginning a capital project in fiscal year 2023.

**Request for Information**

The financial report is designed to provide a general overview of Lake Flores 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 Lake Flores Community Development District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

**Lake Flores Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2022**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 4,309
Due from developer	13,966
Total Current Assets	18,275
Non-current Assets	
Capital Assets, not being depreciated	
Construction in progress	476
Total Assets	18,751
 <b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	12,275
Due to developer	12,012
Total Current Liabilities	24,287
 <b>NET POSITION</b>	
Net investment in capital assets	476
Unrestricted	(6,012)
Net Position	\$ (5,536)

See accompanying notes to financial statements.

**Lake Flores Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For the 9 Months Ended September 30, 2022**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues Operating Contributions</b>	<b>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</b>
Governmental Activities			
General government	\$ (50,792)	\$ 50,792	\$ -
Interest and other charges	(5,536)	-	(5,536)
Total Governmental Activities	\$ (56,328)	\$ 50,792	(5,536)
		Change in Net Position	(5,536)
		Net Position - January 11, 2022	-
		Net Position - September 30, 2022	\$ (5,536)

See accompanying notes to financial statements.

**Lake Flores Community Development District**  
**BALANCE SHEET –**  
**GOVERNMENTAL FUNDS**  
**September 30, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 4,309	\$ -	\$ -	\$ 4,309
Due from developer	12,521	969	476	13,966
Total Assets	\$ 16,830	\$ 969	\$ 476	\$ 18,275
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 10,830	\$ 969	\$ 476	\$ 12,275
Due to developer	6,000	5,536	476	12,012
Total Liabilities	16,830	6,505	952	24,287
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	2,637	-	-	2,637
<b>FUND BALANCES</b>				
Unassigned	(2,637)	(5,536)	(476)	(8,649)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,830	\$ 969	\$ 476	\$ 18,275

See accompanying notes to financial statements.



**Lake Flores Community Development District**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**September 30, 2022**

Total Governmental Fund Balances	\$	(8,649)
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, construction in progress, used in governmental activities are not current financial resources and therefore, are not reported at the fund level.		476
Unavailable revenues are recognized as deferred inflows of resources at the fund level, however, revenues are recognized when earned at the government-wide level.		2,637
		2,637
Net Position of Governmental Activities	\$	(5,536)

See accompanying notes to financial statements.

**Lake Flores Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**For the 9 Months Ended September 30, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Developer contributions	\$ 48,155	\$ -	\$ -	\$ 48,155
Expenditures				
Current				
General government	50,792	-	-	50,792
Capital outlay	-	-	476	476
Debt service				
Other	-	5,536	-	5,536
Total Expenditures	<u>50,792</u>	<u>5,536</u>	<u>476</u>	<u>56,804</u>
Net change in fund balances	(2,637)	(5,536)	(476)	(8,649)
Fund Balances - January 11, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - September 30, 2022	<u>\$ (2,637)</u>	<u>\$ (5,536)</u>	<u>\$ (476)</u>	<u>\$ (8,649)</u>

See accompanying notes to financial statements.

**Lake Flores 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 9 Months Ended September 30, 2022**

Net Change in Fund Balances - Total Governmental Funds	\$	(8,649)
--	----	---------

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 capital outlay in the current year.		476
--	--	-----

At the fund level unavailable revenues are recognized as deferred inflows of resources, however, revenues are recognized when earned at the government-wide level. This is the change in unavailable revenues in the current period.		<u>2,637</u>
--	--	--------------

Change in Net Position of Governmental Activities	\$	<u><u>(5,536)</u></u>
---	----	-----------------------

See accompanying notes to financial statements.

**Lake Flores Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND**  
**For the 9 Months Ended September 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Developer contributions	<u>\$ 80,931</u>	<u>\$ 80,931</u>	<u>\$ 48,155</u>	<u>\$ (32,776)</u>
Expenditures				
Current				
General government	<u>80,931</u>	<u>80,931</u>	<u>50,792</u>	<u>30,139</u>
Net Change in Fund Balances	-	-	(2,637)	(2,637)
Fund Balances - January 11, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - September 30, 2022	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,637)</u></u>	<u><u>\$ (2,637)</u></u>

See accompanying notes to financial statements.

**Lake Flores Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**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 on January 11, 2022, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance 22-04 of the Board of County Commissioners of Manatee County, Florida, as a Community Development District. 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 outside the boundaries of the Lake Flores Community Development District. The District is governed by a five member Board of Supervisors. All the Supervisors are employed by the Developer. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Lake Flores 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, The Financial Reporting Entity, the District has identified no 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

**Lake Flores Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**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

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.

**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 display information about major funds individually.

**Lake Flores Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**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 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 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.

**Lake Flores Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**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 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.

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.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

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 year that resources are expended, rather than as fund assets. 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.



**Lake Flores Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Basis of Presentation (Continued)**

**a. Governmental Major Funds (Continued)**

Debt Service Fund – The Debt Service Fund accounts for the certain preliminary costs associated with the issuance of new debt.

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

**b. Non-current Governmental Assets/Liabilities**

GASB Statement 34 requires that non-current governmental assets, such as land and improvements, and non-current governmental liabilities, such as general obligation bonds and due to developer be reported in the governmental activities column in the government-wide Statement of Net Position.

**4. Assets, Liabilities, Deferred Inflows of Resources, 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.

**Lake Flores Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**a. Cash and Investments (Continued)**

Cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

**b. Capital Assets**

Capital assets, which include construction in progress, are reported in the applicable 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 one year. 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.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method over the assets' estimated useful lives of 30 years.

**c. 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. A formal budget is adopted for the general fund. As a result, deficits in the budget columns of the accompanying financial statements may occur.

**d. Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District only has one time that qualifies for reporting in the category. Unavailable revenues are reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

**Lake Flores Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2022**

**NOTE B – 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, 2022, the District's bank balance was \$4,326 and the carrying value was \$4,309. 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, 2022, the District had no investments.

**NOTE C – CAPITAL ASSETS**

Capital asset activity for the 9 months ended September 30, 2022 was as follows:

	Balance January 11, 2022	Additions	Deletions	Balance September 30, 2022
<b><u>Governmental Activities:</u></b>				
Capital assets, being depreciated:				
Construction in progress	\$ -	\$ 476	\$ -	\$ 476

**NOTE D – RELATED PARTY TRANSACTIONS**

All voting members of the Board of Supervisors are affiliated with the Developer. The District received \$50,792 in contributions from the Developer for the 9 months ended September 30, 2022. Additionally, the District has a balance due to the Developer of \$12,012, and a balance due from the Developer of \$13,966.

**NOTE E – ECONOMIC DEPENDENCY**

The Developer owns a significant portion of land within the District. The District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

**Lake Flores Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2022**

**NOTE F – RISK MANAGEMENT**

The government 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. The District has not filed any claims under this commercial coverage.



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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FAX: 772/468-9278

## **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  
Lake Flores Community Development District  
Manatee 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, as listed in the table of contents, of Lake Flores Community Development District, as of and for the 9 months ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated September 13, 2023.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Lake Flores 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 Lake Flores Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lake Flores 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 or significant deficiencies may exist that have not been identified.

To the Board of Supervisors  
Lake Flores Community Development District

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lake Flores 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

September 13, 2023



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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## MANAGEMENT LETTER

To the Board of Supervisors  
Lake Flores Community Development District  
Manatee County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Lake Flores Community Development District as of and for the 9 months ended September 30, 2022, and have issued our report thereon dated September 13, 2023.

### 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 that report, which is dated September 13, 2023, 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 made to address findings and recommendations made in the preceding financial audit report. This is the initial financial audit report.

### Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not Lake Flores 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 the Lake Flores Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Supervisors  
Lake Flores Community Development District

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2022 for the Lake Flores Community Development District. It is management's responsibility to monitor the Lake Flores 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.

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 Lake Flores Community Development District reported:

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 2
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 3
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$600
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$41,153
- 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, 2021, together with the total expenditures for such project: N/A.
- 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.

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

- 1) The rate or rates of non-ad valorem special assessments imposed by the District. The District was funded by developer contributions.
- 2) The amount of special assessments collected by or on behalf of the District: N/A.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds. The District had no outstanding debt as of September 30, 2022.



To the Board of Supervisors  
Lake Flores Community Development District

**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 which 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*

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

September 13, 2023

# **LAKE FLORES**

**COMMUNITY DEVELOPMENT DISTRICT**

**7**

**RESOLUTION 2024-01**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT HEREBY ACCEPTING THE AUDITED ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**WHEREAS**, the District’s Auditor, Berger, Toombs, Elam, Gaines & Frank, has heretofore prepared and submitted to the Board, for accepting, the District’s Audited Annual Financial Report for Fiscal Year 2022;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT;**

1. The Audited Annual Financial Report for Fiscal Year 2022, heretofore submitted to the Board, is hereby accepted for Fiscal Year 2022, for the period ending September 30, 2022; and
2. A verified copy of said Audited Annual Financial Report for Fiscal Year 2022 shall be attached hereto as an exhibit to this Resolution, in the District’s “Official Record of Proceedings”.

**PASSED AND ADOPTED** this 30th day of November, 2023.

ATTEST:

**LAKE FLORES COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Secretary/Assistant Secretary

\_\_\_\_\_  
Chair/Vice Chair, Board of Supervisors

# **LAKE FLORES**

**COMMUNITY DEVELOPMENT DISTRICT**

# **MINUTES**

# **A**

**DRAFT**

**MINUTES OF MEETING  
LAKE FLORES  
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Lake Flores Community Development District held a Special Meeting on September 14, 2023 at 11:00 a.m., at ZNS Engineering, 1023 Manatee Avenue West, 7th Floor, Bradenton, Florida 34205.

**Present at the meeting were:**

Gary Walker	Chair
David Brasher	Vice Chair
Krystal Parsons	Assistant Secretary
Walter Preston	Assistant Secretary
Reggie Tisdale (via telephone)	Assistant Secretary

**Also present were:**

Craig Wrathell	Wrathell, Hunt and Associates, LLC
Jere Earlywine (via telephone)	District Counsel
Steve Sanford	Bond Counsel
Jeb Mulock	District Engineer
Ed Hill	Developer Representative
Whiting Preston	Landowner

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Wrathell called the meeting to order at 11:04 a.m.

Supervisors Walker, Brasher, Parsons and Preston were present. Supervisor Tisdale attended via telephone.

**SECOND ORDER OF BUSINESS**

**Public Comments**

No members of the public spoke.

**THIRD ORDER OF BUSINESS**

**Consideration of Construction Funding Agreement**

40 Mr. Earlywine presented the Construction Funding Agreement between the CDD and  
41 Cortez75W Investors, LLC (Cortez75W). He confirmed that any advanced funds, under the  
42 Agreement, can be reimbursed with bond proceeds, if requested. He recommended approval in  
43 substantial form.

44 Mr. Walker stated the Agreement stipulates that Cortez75W will fund the project until  
45 the bonds are issued. There is an existing contract that was executed by Cortez75W with E.T.  
46 MacKenzie (MacKenzie) for approximately \$32 million, who is on site, mobilized and is doing  
47 the work.

48 Mr. Wrathell stated the Fifth Order of Business deals with the assignment of the  
49 McKenzie Agreement over to the CDD, enabling the CDD can start paying them directly. A  
50 notable advantage of this is, once the contract is in the CDD’s name, construction materials can  
51 be purchased using the CDD’s tax-exempt status. He discussed the acquisition packet, bond  
52 requisitions and the vendor reimbursement process. Asked if it is a 30-day pay cycle, Mr.  
53 Wrathell stated Accounting typically prefers to make payments faster than 30 days, recognizing  
54 invoices must be reviewed, approved, funds requested from the Developer, cleared and paid  
55 out.

56 Mr. Wrathell and Mr. Earlywine responded to questions regarding the Construction  
57 Funding Agreement, Trustee, funding process timeline and the Engineer’s Report.

58

59 **On MOTION by Mr. Walker and seconded by Mr. Tisdale, with all in favor, the**  
60 **Construction Funding Agreement between the CDD and Cortez75W Investors,**  
61 **LLC, in substantial form, was approved.**

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64 **FOURTH ORDER OF BUSINESS**

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**Consideration of Resolution 2023-04, Authorizing an Individual Designated by the Board of Supervisors to Act as the District’s Purchasing Agent for the Purpose of Procuring, Accepting, and Maintaining Any and All Construction Materials Necessary for the Construction, Installation, Maintenance or Completion of the District’s Infrastructure Improvements as Provided In the District’s Adopted**

74 Improvement Plan; Providing for the  
 75 Approval of a Work Authorization;  
 76 Providing for Procedural Requirements For  
 77 the Purchase of Materials; Approving the  
 78 Form of a Purchase Requisition Request;  
 79 Approving the Form of a Purchase Order;  
 80 Approving the Form of a Certificate of  
 81 Entitlement; Authorizing the Purchase of  
 82 Insurance; Providing a Severability Clause;  
 83 and Providing an Effective Date  
 84

85 Mr. Wrathell presented Resolution 2023-04 and responded to questions regarding who  
 86 would serve as purchasing agents, the purchase order process, the benefits of the sales tax  
 87 exemption and builder’s risk insurance.

88 Mr. Earlywine stated Staff will arrange a preliminary/exploratory call with McKenzie to  
 89 discuss who the vendors are and how purchase orders will be processed.  
 90

91 **On MOTION by Mr. Tisdale and seconded by Mr. Walker, with all in favor,**  
 92 **Resolution 2023-04, Authorizing an Individual Designated by the Board of**  
 93 **Supervisors to Act as the District’s Purchasing Agent for the Purpose of**  
 94 **Procuring, Accepting, and Maintaining Any and All Construction Materials**  
 95 **Necessary for the Construction, Installation, Maintenance or Completion of the**  
 96 **District’s Infrastructure Improvements as Provided In the District’s Adopted**  
 97 **Improvement Plan; Providing for the Approval of a Work Authorization;**  
 98 **Providing for Procedural Requirements For the Purchase of Materials;**  
 99 **Approving the Form of a Purchase Requisition Request; Approving the Form of**  
 100 **a Purchase Order; Approving the Form of a Certificate of Entitlement;**  
 101 **Authorizing the Purchase of Insurance; Providing a Severability Clause; and**  
 102 **Providing an Effective Date, was adopted.**

103  
 104  
 105 **FIFTH ORDER OF BUSINESS** **Consideration of Assignment of**  
 106 **Construction Agreement & Acquisition of**  
 107 **Completed Improvements**  
 108

109 Mr. Wrathell presented the Assignment of Construction Agreement & Acquisition of  
 110 Completed Improvements. He stated this will authorize the assignment of the McKenzie  
 111 Agreement over to the CDD, as previously discussed. He asked the Board to declare that the

112 intent is to acquire, in advance or when the bonds are issued, whatever work product is  
113 completed, thus far.

114 Mr. Earlywine concurred and stated the Board should approve the assignment packet  
115 for the McKenzie contract, in substantial form, approve an additional acquisition agreement to  
116 the extent that the CDD already has one, which could be spelled out in a separate motion, and  
117 also approve the acquisition of any work product and other improvements outlined in the  
118 Engineer’s Report.

119 Mr. Walker asked if the Acquisition Agreement is general in nature and allows the CDD  
120 to acquire previously completed projects.

121 Mr. Earlywine replied affirmatively.

122

123 **On MOTION by Mr. Walker and seconded by Mr. Brasher, with all in favor, the**  
124 **Assignment of the E.T. McKenzie Construction Agreement & Acquisition of**  
125 **Completed Improvements, in substantial form, was approved.**

126

127

128 **On MOTION by Mr. Tisdale and seconded by Mr. Walker, with all in favor,**  
129 **authorizing any amendments to the Acquisition Agreement that was previously**  
130 **approved by the Board, whereby the CDD would acquire needed**  
131 **improvements to be paid for with bond proceeds, was approved.**

132

133

134 **On MOTION by Mr. Walker and seconded by Mr. Tisdale, with all in favor,**  
135 **authorizing District Staff to proceed with the acquisition of any work product**  
136 **whose costs were incurred related to the Capital Improvement Plan outlined in**  
137 **the First Supplemental Engineer’s Report, was approved.**

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140 **SIXTH ORDER OF BUSINESS**

**Ratification of Florida Permitting, Inc.,  
Proposal Number 23040 for Submerged  
Aquatic Vegetation (SAV) Monitoring  
Program**

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144

145 Mr. Wrathell presented Florida Permitting, Inc., Proposal Number 23040 for the  
146 Submerged Aquatic Vegetation (SAV) Monitoring Program. Asked if this will come up again in



147 the future, Mr. Mulock stated it is a recurring, construction-related item that will be a part of  
148 the CDD's annual budget.

149 Discussion ensued regarding if this item should be paid from the Operations and  
150 Maintenance (O&M) budget or the construction budget. The U.S. Army Corps of Engineers  
151 (USACE) permit, the stormwater system and the monitoring program were also discussed.

152

153 **On MOTION by Ms. Parsons and seconded by Mr. Tisdale, with all in favor,**  
154 **Florida Permitting, Inc., Proposal Number 23040 for the Submerged Aquatic**  
155 **Vegetation Monitoring Program, was ratified.**

156

157

158 **SEVENTH ORDER OF BUSINESS**

**Consideration of Delegation Resolutions**

159

160 Mr. Sanford stated the reason there are two delegation resolutions is because it is  
161 uncertain but very likely that there will be a private placement with Preston Hollow and that  
162 both resolutions will be presented simultaneously. One resolution deals with the scenario of a  
163 private placement and the other resolution deals with the possibility of a public offering rather  
164 than private placement. If the private placement route is not taken, the bonds would be issued  
165 as a limited public offering.

166 Mr. Sanford explained the differences between Resolutions 2023-05 and 2023-06 and  
167 their accompanying exhibits. He pointed out that the Board does not have the exhibits attached  
168 to Resolution 2023-06 but, if the consensus is to take the public offering route and because  
169 they are very similar, the exhibits for Resolution 2023-05 will be attached to Resolution 2023-  
170 06. There is language in the resolution stating that the exhibits would be conformed more  
171 particularly to a public offering, if that will be the case. Since the Board will be adopting both  
172 resolutions, if the consensus is to take the private placement route, although Resolution 2023-  
173 06 was adopted, it would become null and void and vice versa for Resolution 2023-05.

174 Both resolutions are referred to as "Delegation Resolutions" and accomplish the  
175 following:

176 ➤ Set forth certain parameters such that, when it comes time to sell the bonds, Staff is  
177 within the parameters set by the Board and it authorizes the Chair or Vice Chair to execute the  
178 Bond Placement Agreement or Bond Purchase Agreement.

179 Mr. Sanford reviewed the basic parameters.

180 ➤ The Resolutions authorize any modifications necessary to conform the Engineer's and  
181 Methodology Reports to the terms of the bonds.

182 Mr. Sanford responded to questions about the Trust Indentures, the optionality  
183 between private placement and public offering, Preston Hollow and the Trustee.

184 Mr. Walker explained that Preston Hollow offered to loan up to \$55 million, of which  
185 the bonds would be split into two series; Series A-1 and Series A-2. Preston Hollow's structure  
186 states that they will loan the CDD \$24 million up front, on closing day, and the balance can be  
187 drawn down as needed on a quarterly basis. Under the public market structure, the  
188 Underwriter recommends one single bond issuance such that, on day one, he would issue \$52  
189 million worth of debt that must be serviced and the CDD would have to pay the interest on the  
190 debt even though it is not utilizing the funds. From the standpoint that the CDD is not  
191 borrowing as much money upfront, it reduces the risk because all the debt is not placed on the  
192 project on day one. While Preston Hollow will loan the initial amount of \$24 million, there is  
193 some uncertainty as to what happens if they default and do not loan the remaining \$30 million.  
194 Although the likelihood of that occurring is low, it must be addressed and the Board must  
195 understand the remedies. He stated, in a recent conversation with Preston Hollow, they agreed  
196 that, in the event of a default, the A-bonds could be redeemed at par plus accrued interest, not  
197 deducting any issuance costs.

198 Mr. Sanford noted the market conditions, the differential and costs of issuance and  
199 stated the CDD has the right, under his documents, to take action against Preston Hollow if they  
200 fail to fund the draws.

201 Discussion ensued regarding the risks associated with the two options, marketing the  
202 bonds, re-issuing both A and B bonds in the private placement scenario, ticketing, Preston  
203 Hollow's term sheet, FMSbonds, closing period and the Declaration of Intent and Collateral  
204 Assignment documents.

205 Mr. Walker introduced Mr. Whiting Preston, the seller, representing LF Manatee.

206 In response to Mr. Preston's question about the amount, Mr. Sanford stated that \$5  
207 million worth of A bonds will be placed on the seller's land. Asked how that affects the Phase  
208 1B land in the event of a default by the Developer, Mr. Sanford stated Staff does not accelerate  
209 all the bonds and, if there is a default, only the defaulting landowner would be targeted.

210 Mr. Preston stated that he already forwarded the Declaration of Intent and Collateral  
211 Assignment documents to his Counsel for review. Asked who Mr. Preston's Counsel should  
212 contact to address any questions about the two agreements, Mr. Sanford stated Mr. Jonathan  
213 Johnson.

214 Ms. Parsons stated that bonds are a new venture for her and the documents were very  
215 lengthy. She expressed discomfort voting yes to adopt the Resolutions, even in substantial  
216 form. Mr. Walker concurred with Ms. Parsons and suggested taking time to review the  
217 resolutions in detail and answer any possible questions. He explained the difference between  
218 the A-1 and A-2 bonds, the disparities in the private placement option and the public market,  
219 the interest rates and how the shortfall would be handled.

220 Discussion ensued regarding whether to schedule a special meeting, continue today's  
221 meeting to the following week, schedule a workshop or have Board Members speak individually  
222 with Staff, offline, to answer questions and locking in the parameters.

223 Mr. Sanford stated he would like for both resolutions to be adopted and the  
224 documents approved, in substantial final form, and, if today's meeting is continued and the  
225 Board has any comments or additional questions, the continued meeting could be viewed as a  
226 workshop to answer the questions.

227 Mr. Wrathell recommended approving the resolutions and holding a special meeting  
228 on September 28, 2023. He responded to questions regarding the Appendix Tables in the First  
229 Supplemental Special Assessment Methodology Report.

230 Mr. Wrathell asked for Board approval of Resolutions 2023-05 and 2023-06.

231 **A. [PRIVATE PLACEMENT] Resolution 2023-05, Authorizing the Issuance of Not Exceeding**  
232 **\$56,000,000 Series 2023 Bonds to be Issued in Two Series, Namely Lake Flores**  
233 **Community Development District Special Assessment Bonds, Series 2023A-1 (2023A-1**

234           **Assessment Area) (the “A-1 Bonds”) and Lake Flores Community Development District**  
235           **Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the “A-2**  
236           **Bonds” and, Together with the A-1 Bonds, the “Series 2023 Bonds”) to Finance Certain**  
237           **Public Infrastructure Within Certain Assessment Areas Within the District;**  
238           **Determining the Need for a Negotiated Private Placement of the Series 2023 Bonds**  
239           **and Providing for an Award of Such Series 2023 Bonds to PHCC LLC (d/b/a Preston**  
240           **Hollow Community Capital); Appointing the Placement Agent for the Private**  
241           **Placement of the Series 2023 Bonds; Approving the Form of and Authorizing the**  
242           **Execution and Delivery of a Bond Placement Agreement with Respect to the Series**  
243           **2023 Bonds; Authorizing the Execution and Delivery of that Certain Master Trust**  
244           **Indenture Previously Approved by the Board with Respect to the Series 2023 Bonds;**  
245           **Approving the Form of and Authorizing the Execution and Delivery of a First**  
246           **Supplemental Trust Indenture Governing the A-1 Bonds and the Form of and**  
247           **Authorizing the Execution and Delivery of a Second Supplemental Trust Indenture**  
248           **With Respect to the A-2 Bonds; Approving the Form of and Authorizing the Execution**  
249           **and Distribution of a Private Placement Memorandum; Approving the Form of and**  
250           **Authorizing the Execution of a Continuing Disclosure Agreement, and Appointing a**  
251           **Dissemination Agent; Approving the Application of Series 2023 Bond Proceeds;**  
252           **Authorizing Certain Modifications to the Assessment Methodology Report and**  
253           **Engineer’s Report; Providing for the Registration of the Series 2023 Bonds Pursuant to**  
254           **the DTC Book-Entry Only System; Authorizing the Proper Officials to Do All Things**  
255           **Deemed Necessary in Connection With the Issuance, Sale and Delivery of the Series**  
256           **2023 Bonds; and Providing for Severability, Conflicts and an Effective Date**

- 257           •       **Exhibit A: Form of Bond Placement Agreement**
- 258           •       **Exhibit B: Draft Copy of Private Placement Memorandum**
- 259           •       **Exhibit C: Form of Continuing Disclosure Agreement**
- 260           •       **Composite Exhibit D: Forms of First Supplemental Trust Indenture and Second**  
261           **Supplemental Trust Indenture**

262

263 On MOTION by Mr. Walker and seconded by Mr. Tisdale, with all in favor,  
264 [PRIVATE PLACEMENT] Resolution 2023-05, in substantial form, Authorizing the  
265 Issuance of Not Exceeding \$56,000,000 Series 2023 Bonds to be Issued in Two  
266 Series, Namely Lake Flores Community Development District Special  
267 Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the “A-1  
268 Bonds”) and Lake Flores Community Development District Special Assessment  
269 Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the “A-2 Bonds” and,  
270 Together with the A-1 Bonds, the “Series 2023 Bonds”) to Finance Certain  
271 Public Infrastructure Within Certain Assessment Areas Within the District;  
272 Determining the Need for a Negotiated Private Placement of the Series 2023  
273 Bonds and Providing for an Award of Such Series 2023 Bonds to PHCC LLC  
274 (d/b/a Preston Hollow Community Capital); Appointing the Placement Agent  
275 for the Private Placement of the Series 2023 Bonds; Approving the Form of and  
276 Authorizing the Execution and Delivery of a Bond Placement Agreement with  
277 Respect to the Series 2023 Bonds; Authorizing the Execution and Delivery of  
278 that Certain Master Trust Indenture Previously Approved by the Board with  
279 Respect to the Series 2023 Bonds; Approving the Form of and Authorizing the  
280 Execution and Delivery of a First Supplemental Trust Indenture Governing the  
281 A-1 Bonds and the Form of and Authorizing the Execution and Delivery of a  
282 Second Supplemental Trust Indenture With Respect to the A-2 Bonds;  
283 Approving the Form of and Authorizing the Execution and Distribution of a  
284 Private Placement Memorandum; Approving the Form of and Authorizing the  
285 Execution of a Continuing Disclosure Agreement, and Appointing a  
286 Dissemination Agent; Approving the Application of Series 2023 Bond Proceeds;  
287 Authorizing Certain Modifications to the Assessment Methodology Report and  
288 Engineer’s Report; Providing for the Registration of the Series 2023 Bonds  
289 Pursuant to the DTC Book-Entry Only System; Authorizing the Proper Officials  
290 to Do All Things Deemed Necessary in Connection With the Issuance, Sale and  
291 Delivery of the Series 2023 Bonds; and Providing for Severability, Conflicts and  
292 an Effective Date, in substantial form, was adopted.

293  
294  
295 B. [PUBLIC OFFERING] Resolution 2023-06, Authorizing the Issuance of Not Exceeding  
296 \$56,000,000 Special Assessment Bonds, Series 2023 (2023 Assessment Area) (the  
297 “Series 2023 Bonds”) to Finance Certain Public Infrastructure Within a Designated  
298 Assessment Area Within the District; Determining the Need for a Negotiated Limited  
299 Offering of the Series 2023 Bonds; Approving The Form of and Authorizing the  
300 Execution and Delivery of a Bond Purchase Contract With Respect To The Series 2023  
301 Bonds; Authorizing the Execution and Delivery of that Certain Master Trust Indenture  
302 Previously Approved by the Board With Respect to the Series 2023 Bonds; Approving

303 the Form of and Authorizing the Execution and Delivery of a First Supplemental Trust  
304 Indenture Governing the Series 2023 Bonds; Approving the Form of and Authorizing  
305 the Distribution of a Preliminary Limited Offering Memorandum; Authorizing the  
306 Execution and Distribution of a Limited Offering Memorandum; Appointing the  
307 Underwriter; Approving the Form of and Authorizing the Execution of a Continuing  
308 Disclosure Agreement, and Appointing a Dissemination Agent; Approving the  
309 Application of Bond Proceeds; Authorizing Certain Modifications to the Assessment  
310 Methodology Report and Engineer’s Report; Providing for the Registration of the  
311 Series 2023 Bonds Pursuant to the DTC Book-Entry Only System; Authorizing the  
312 Proper Officials to Do All Things Deemed Necessary in Connection with the Issuance,  
313 Sale and Delivery of the Series 2023 Bonds; and Providing for Severability, Conflicts  
314 and an Effective Date

- 315 • Exhibit A: Form of Bond Purchase Contract
- 316 • Exhibit B: Draft Copy of Preliminary Limited Offering Memorandum
- 317 • Exhibit C: Form of Continuing Disclosure Agreement
- 318 • Exhibit D: Form of First Supplemental Trust Indenture

319

320 On MOTION by Mr. Walker and seconded by Mr. Tisdale, with all in favor,  
321 [PUBLIC OFFERING] Resolution 2023-06, in substantial form, Authorizing the  
322 Issuance of Not Exceeding \$56,000,000 Special Assessment Bonds, Series 2023  
323 (2023 Assessment Area) (the “Series 2023 Bonds”) to Finance Certain Public  
324 Infrastructure Within a Designated Assessment Area Within the District;  
325 Determining the Need for a Negotiated Limited Offering of the Series 2023  
326 Bonds; Approving The Form of and Authorizing the Execution and Delivery of a  
327 Bond Purchase Contract With Respect To The Series 2023 Bonds; Authorizing  
328 the Execution and Delivery of that Certain Master Trust Indenture Previously  
329 Approved by the Board With Respect to the Series 2023 Bonds; Approving the  
330 Form of and Authorizing the Execution and Delivery of a First Supplemental  
331 Trust Indenture Governing the Series 2023 Bonds; Approving the Form of and  
332 Authorizing the Distribution of a Preliminary Limited Offering Memorandum;  
333 Authorizing the Execution and Distribution of a Limited Offering  
334 Memorandum; Appointing the Underwriter; Approving the Form of and  
335 Authorizing the Execution of a Continuing Disclosure Agreement, and  
336 Appointing a Dissemination Agent; Approving the Application of Bond  
337 Proceeds; Authorizing Certain Modifications to the Assessment Methodology

338 **Report and Engineer's Report; Providing for the Registration of the Series 2023**  
339 **Bonds Pursuant to the DTC Book-Entry Only System; Authorizing the Proper**  
340 **Officials to Do All Things Deemed Necessary in Connection with the Issuance,**  
341 **Sale and Delivery of the Series 2023 Bonds; and Providing for Severability,**  
342 **Conflicts and an Effective Date, in substantial form and subject to the attached**  
343 **exhibits being modified to conform to a public offering rather than a private**  
344 **placement, was adopted.**

345  
346

347 **EIGHTH ORDER OF BUSINESS** **Presentation of First Supplemental**  
348 **Engineer's Report**

349

350 Mr. Mulock presented the First Supplemental Engineer's Report dated September 12,  
351 2023. The total estimated project cost is \$66,120,000.

352 Asked if the Engineer's Report can be approved in substantial form adding the legal  
353 description, in particular, at a later date, Mr. Earlywine replied affirmatively.

354

355 **On MOTION by Mr. Tisdale and seconded by Ms. Parsons, with all in favor, the**  
356 **First Supplemental Engineer's Report dated September 12, 2023, in substantial**  
357 **form and adding the legal description, was approved.**

358  
359

360 **NINTH ORDER OF BUSINESS** **Presentation of First Supplemental Special**  
361 **Assessment Methodology Report**

362

363 Mr. Wrathell presented the First Supplemental Special Assessment Methodology Report  
364 dated September 14, 2023. He reviewed the pertinent data, including the purpose and scope of  
365 the Methodology, the Development Program, the Capital Improvement Project (CIP), the  
366 financing program, benefit allocation, lienability tests, True-Up Mechanism and the Appendix  
367 Tables on Pages 13 through 17.

368

369 **On MOTION by Mr. Walker and seconded by Ms. Parsons, with all in favor, the**  
370 **First Supplemental Special Assessment Methodology Report, dated September**  
371 **14, 2023, in substantial form and adding the legal description, was approved.**

372  
373

374 **TENTH ORDER OF BUSINESS** **Consideration of Resolution 2023-07,**  
375 **Setting Forth the Specific Terms of the**

376 District’s Special Assessment Bonds, Series  
 377 2023; Making Certain Additional Findings  
 378 and Confirming and/or Adopting an  
 379 Engineer’s Report and a Supplemental  
 380 Assessment Report; Delegating Authority  
 381 to Prepare Final Reports and Update this  
 382 Resolution; Confirming the Maximum  
 383 Assessment Lien Securing the Bonds;  
 384 Addressing the Allocation and Collection of  
 385 the Assessments Securing the Bonds;  
 386 Addressing Prepayments; Addressing True-  
 387 Up Payments; Providing for the  
 388 Supplementation of the Improvement Lien  
 389 Book; and Providing for Conflicts,  
 390 Severability and an Effective Date

391  
 392 Mr. Earlywine presented Resolution 2023-07, also referred to as a delegated assessment  
 393 resolution. This Resolution delegates the authority to update the Engineer’s and Methodology  
 394 Reports once the bonds are priced and finalized.

395 Asked what shows up in a title search, Mr. Earlywine stated a disclosure of public  
 396 finance, any notices of special assessments and true-up agreements.

397  
 398 **On MOTION by Mr. Walker and seconded by Ms. Brasher, with all in favor,**  
 399 **Resolution 2023-07, Setting Forth the Specific Terms of the District’s Special**  
 400 **Assessment Bonds, Series 2023; Making Certain Additional Findings and**  
 401 **Confirming and/or Adopting an Engineer’s Report and a Supplemental**  
 402 **Assessment Report; Delegating Authority to Prepare Final Reports and Update**  
 403 **this Resolution; Confirming the Maximum Assessment Lien Securing the Bonds;**  
 404 **Addressing the Allocation and Collection of the Assessments Securing the**  
 405 **Bonds; Addressing Prepayments; Addressing True-Up Payments; Providing for**  
 406 **the Supplementation of the Improvement Lien Book; and Providing for**  
 407 **Conflicts, Severability and an Effective Date, was adopted.**

408  
 409  
 410 **ELEVENTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial**  
**Statements as of July 31, 2023**

411  
 412  
 413  
 414 **On MOTION by Mr. Walker and seconded by Mr. Tisdale, with all in favor, the**  
 415 **Unaudited Financial Statements as of July 31, 2023, were accepted.**



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**TWELFTH ORDER OF BUSINESS**

**Approval of June 22, 2023 Public Hearing and Regular Meeting Minutes**

**On MOTION by Mr. Tisdale and seconded by Mr. Walker, with all in favor, the June 22, 2023 Public Hearing and Regular Meeting Minutes, as presented, were approved.**

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**THIRTEENTH ORDER OF BUSINESS**

**Staff Reports**

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431

**A. District Counsel: Kutak Rock LLP**

**B. District Engineer: ZNS Engineering, LC**

There were no District Counsel or District Engineer reports.

432  
433  
434

**C. District Manager: Wrathell, Hunt and Associates, LLC**

• **NEXT MEETING DATE: TBD**

○ **QUORUM CHECK**

435  
436  
437  
438

**On MOTION by Mr. Walker and seconded by Ms. Parsons, with all in favor, a holding a Special Meeting on September 28, 2023 and authorizing Staff to advertise, was approved.**

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442

**FOURTEENTH ORDER OF BUSINESS**

**Board Members' Comments/Requests**

There were no Board Members' comments or requests.

444  
445  
446  
447

**FIFTEENTH ORDER OF BUSINESS**

**Public Comments**

No members of the public spoke.

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449  
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**SIXTEENTH ORDER OF BUSINESS**

**Adjournment**

**On MOTION by Ms. Parsons and seconded by Mr. Brasher, with all in favor, the meeting adjourned at 2:02 p.m.**

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Secretary/Assistant Secretary

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Chair/Vice Chair

# **LAKE FLORES**

**COMMUNITY DEVELOPMENT DISTRICT**

# **MINUTES**

# **B**

**DRAFT**

**MINUTES OF MEETING  
LAKE FLORES  
COMMUNITY DEVELOPMENT DISTRICT**

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The Board of Supervisors of the Lake Flores Community Development District held a Special Meeting on September 28, 2023 at 11:00 a.m., at ZNS Engineering, 1023 Manatee Avenue West, 7th Floor, Bradenton, Florida 34205.

**Present at the meeting were:**

Gary Walker	Chair
David Brasher	Vice Chair
Krystal Parsons	Assistant Secretary
Reggie Tisdale	Assistant Secretary

**Also present were:**

Kristen Suit	Wrathell, Hunt and Associates, LLC
Jonathan Johnson (via telephone)	District Counsel
Jeb Mulock	District Engineer
Ed Hill	Developer Representative
Whiting Preston	Landowner
Steve Sanford (via telephone)	Bond Counsel

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Ms. Suit called the meeting to order at 11:01 a.m.

Supervisors Walker, Brasher, Tisdale and Parsons were present. Supervisor Preston was not present.

**SECOND ORDER OF BUSINESS**

**Public Comments**

No members of the public spoke.

**THIRD ORDER OF BUSINESS**

**Discussion: Potential Bond Funding**

38 Mr. Walker stated that this is considered a workshop for the purposes of reviewing the  
39 bond funding documents. Any approvals will be at the next CDD Board meeting. Ms. Suit stated  
40 that the documents updated yesterday are included in the electronic version of the agenda.

41 **A. Bond Placement Agreement**

42 Regarding the FMSbonds, Inc., placement fee in Exhibit A, Section 2, Mr. Walks stated  
43 that the fees therein are standard industry fees. The public placement fee for the Series 2023A-  
44 1 bond is 2% and will be paid out of the bond proceeds at closing. The private placement fee for  
45 the Series 2023A-2 bond is 1.50% and will be paid out of the par amount of bonds, upon  
46 funding each draw request, pursuant to the A-2 Indenture.

47 Regarding whether the CDD has any leverage, subsequent to the Funding Agreement, if  
48 PHCC LLC, d/b/a Preston Hollow Community Capital (PHC) does not fund the rest of the  
49 commitment, it was noted that the document is the contractual obligation of PHC. In the event  
50 PHC does not fund its commitments, there are provisions built into the documents that will  
51 allow the CDD to refinance all the A bonds and it includes rights of remedies to pursue PHC.

52 **B. Private Placement Memorandum**

53 It was noted that Cortez75QW Investors, LLC prepared the document depicting the  
54 Development Plan, which describes the transaction and will be used as a marketing tool to  
55 prospective investors. Bond Counsel gives an opinion specific to the bonds in that it is fair and  
56 accurate and Developer's Counsel gives an opinion on the development sections. There is no  
57 exposure to the CDD with regard to the statements in the document.

58 Regarding if there are plans for the Future Phases, Mr. Walker replied no. That will be  
59 done later and will consist of master infrastructure, like the western mitigation and  
60 thoroughfare roads; its future phase is the beneficiary. The Agreement with the County will  
61 allow the development of all 1,200 acres, subject to installing thoroughfare roads. The initial  
62 Master Engineer's Report outlines the overall 2023 Project, consisting of 1,200 acres. The  
63 Supplemental Engineer's Reports outline specific projects.

64 The Master Engineer's Report and Supplemental Engineer's Report are exhibits to this  
65 Memorandum.

66           Regarding whether the reserve funds in 2B will be reinvested or just bear interest, it was  
67 noted that the funds in the construction, interest reserve and the debt service reserve funds  
68 can be reinvested, subject to meeting certain guidelines.

69 **C. Continuing Disclosure Agreement**

70 **D. Master Trust Indenture**

71           It was noted that the Master Trust Indenture and other forms of documents were  
72 prepared when the CDD was established and were exhibits used to validate bonds with a term  
73 of 5+ years with the Court, which is a statute requirement.

74           Regarding the CDD's obligation, it was noted that, other than the CDD organizing the  
75 issuance of tax-exempt bonds and imposing a lien on the property within the CDD to pay off the  
76 bonds, in the form of assessments, the CDD is not financially obligated in the event of a default.  
77 The CDD would aid the bondholder and the Trustee, on behalf of the bondholder, in pursuing a  
78 defaulting landowner who has not paid the assessment.

79 **E. First Supplemental Trust Indenture**

80           The First Supplemental Trust Indenture is specific to the Series 2023A-1 Assessment  
81 Area bond issue.

82 **F. Second Supplemental Trust Indenture**

83           The Second Supplemental Trust Indenture is specific to the Series 2023A-2 Assessment  
84 Area bond issue.

85           The capitalized interest period on the A bonds is through November 2024 and there is  
86 no capitalized interest period on the B bonds; payment will occur when the Developer  
87 anticipates it will be closing on lots.

88           Regarding what determines the price per lot for both series of bonds, it was noted that  
89 the information is depicted in the Assessment Methodology Report. The B bond funds will be  
90 drawn down via requisitions.

91           Discussion ensued regarding the requisition process and including Ms. Parsons on the  
92 distribution list.

93           Regarding amenities, specifically the three-acre building and swimming pool, it was  
94 noted that those items will be paid for by the Developer, directly, and will be HOA assets; it is  
95 still in the conceptual design stage.

96           Discussion ensued regarding the following:

97   ➤       CDD assets versus HOA assets and each entities responsibilities.

98   ➤       Clarifying that the CDD's budget is bifurcated between Operations and Maintenance  
99 (O&M) and the Bond Debt Service.

100   ➤       Conveying certain roadways to the County.

101   ➤       The Landowner funding the CDD budget until lots are platted, which is anticipated in the  
102 second quarter of 2024.

103   **G.     First Supplemental Engineer's Report**

104           Regarding whether the CDD own all the permits related to the project, Mr. Walker  
105 replied affirmatively, in perpetuity.

106           Regarding exhibits to the documents, Mr. Walker anticipates completion by next week.

107   **H.     First Supplemental Special Assessment Methodology Report**

108           This item was presented following Item 3I.

109   **I.     Term Sheet**

110           Regarding whether the interest rates are annualized for each bond issue, Mr. Walker  
111 noted that interest rates are fixed for the life of the bonds. Property owners have the option to  
112 prepay the bond debt or, if after 15-years interest rates are low, the CDD can refinance the  
113 bonds.

114           It was noted that pricing will be set once the Bond Placement Agreement is executed  
115 and, as pricing has shifted 30 basis points or 0.3%, all the figures in the documents must be  
116 revised.

117           Mr. Sandford and Mr. Walker summarized the Bond Pooling Program.

118    ▪       **First Supplemental Special Assessment Methodology Report**

119           **This item, previously Item 4H, was discussed out of order.**

120 Mr. Walker pointed out the Bond Assessment Tables, on Pages 22 and 23. He noted that  
121 the Capital Improvement Plan (CIP) Cost Allocation assessments are based on each parcel's  
122 Equivalent Residential Unit (ERU) values.

123 Discussion ensued regarding the conservation/mitigation area maintenance budget, the  
124 CDD processing the recent bids to clean up the hurricane damaged conservation area along 47<sup>th</sup>  
125 Steet, a non-budgeted expense and the decision not to delay the process of transferring and  
126 recording the deeded plat to the western mitigation property to the CDD.

127 Mr. Walker reiterated that the goal is to execute the finalized documents next week and  
128 obtain funding once the 10 to 14 day period is over.

129

130 **FOURTH ORDER OF BUSINESS**

**NEXT MEETING DATE: TBD**

131

- 132 ○ **QUORUM CHECK**

133

134 **FIFTH ORDER OF BUSINESS**

**Board Members' Comments/Requests**

135

136 There were no Board Members' comments or requests.

137

138 **SIXTH ORDER OF BUSINESS**

**Public Comments**

139

140 No members of the public spoke.

141

142 **SEVENTH ORDER OF BUSINESS**

**Adjournment**

143

144

145 **On MOTION by Mr. Walker and seconded by Ms. Parsons, with all in favor, the**  
146 **meeting adjourned at 12:11 p.m.**

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



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Secretary/Assistant Secretary

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Chair/Vice Chair