

CFM Community Development District

Board of Supervisors' Meeting April 23, 2020

District Office:
9530 Marketplace Road, Suite 206
Fort Myers, Florida 33912
(239) 936-0913

www.cfmcdd.org

CFM COMMUNITY DEVELOPMENT DISTRICT

Rizzetta & Company, Inc., 9530 Marketplace Road, Suite 206, Fort Myers, Florida 33912

Board of Supervisors	Leah Popelka	Chairman
	Scott Campbell	Vice Chairman
	Paul Mayotte	Assistant Secretary
	Chip Jones	Assistant Secretary
	Sue Streeter	Assistant Secretary

District Manager Belinda Blandon Rizzetta & Company, Inc.

District Counsel Tucker Mackie Hopping Green & Sams, P.A.

District Engineer Brent Burford Johnson Engineering, Inc.

All cellular phones must be placed on mute while in the meeting room.

The Audience Comment portion of the agenda is where individuals may make comments on matters that concern the District. Individuals are limited to a total of three (3) minutes to make comments during this time.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting/hearing/workshop is asked to advise the District Office at least forty-eight (48) hours before the meeting/hearing/workshop by contacting the District Manager at (239) 936-0913. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) 1-800-955-8770 (Voice), who can aid you in contacting the District Office.

A person who decides to appeal any decision made at the meeting/hearing/workshop with respect to any matter considered at the meeting/hearing/workshop is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based.

CFM COMMUNITY DEVELOPMENT DISTRICT DISTRICT OFFICE • 9530 MARKETPLACE ROAD • SUITE 206 • FORT MYERS • FLORIDA • 33912

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April 15, 2020

Board of Supervisors **CFM Community Development District**

AGENDA

Dear Board Members:

The special virtual meeting of the Board of Supervisors of CFM Community Development District will be held on **Thursday**, **April 23**, **2020 at 11:30 a.m.** Please be advised that the Florida Governor's Office has declared a state of emergency due to the Coronavirus (COVID-19). As a result, the meeting is being conducted by means of communications media technology pursuant to Executive Orders 20-52, 20-69 and 20-91 issued by Governor DeSantis on March 9, 2020, March 20, 2020 and April 1, 2020, respectively, and pursuant to Section 120.54(5)(b)2., *Florida Statutes*.

As reported by the Center for Disease Control and World Health Organization, COVID-19 can spread from person-to-person through small droplets from the nose or mouth, including when an individual coughs or sneezes. These droplets may land on objects and surfaces. Other people may contract COVID-19 by touching these objects or surfaces, then touching their eyes, nose or mouth. Therefore, merely cleaning facilities, while extremely important and vital in this crisis, may not be enough to stop the spread of this virus.

While it is necessary to hold a meeting of the District's Board of Supervisors despite the current public health emergency, the District fully encourages public participation in a safe and efficient manner. Toward that end, anyone wishing to listen and participate in the meeting can do so telephonically by attending a scheduled Zoom meeting. The information for accessing the meeting is as follows: Dial +1 301 715 8592, Meeting ID: 237 956 515, Password: 336692. For assistance using Zoom please contact the District Manager in advance of the meeting at BBlandon@rizzetta.com or by calling 239-936-0913. Additionally, written public comments and questions can be e-mailed to the District Manager in advance of the meeting at BBlandon@rizzetta.com, or mailed to the District Manager at CFM CDD, c/o Rizzetta & Company, Inc., 9530 Marketplace Road, Suite 206, Fort Myers, FL 33912. Comments and questions received by 2:00 p.m. the day prior to the meeting will be read into the record at the meeting and become part of the permanent record of the meeting.

The following is the agenda for this meeting:

1.	CALL	_ TO ORDER/ROLL CALL		
2.	PUBI	LIC COMMENT		
3.	BUSI	NESS ADMINISTRATION		
	A.	Consideration of the Minutes of the Board of Supervisors'		
		Meeting held on February 20, 2020	Tab	1
	B.	Consideration of the Operations and Maintenance Expenditures		
		for the Months of February and March 2020	Tab 2	2
4.	BUSI	NESS ITEMS		
	A.	Consideration of Resolution 2020-04, Redesignating Authorized		
		Signatories of the District	Tab :	3

В.	Presentation and Acceptance of Audit for Fiscal Year	
	End September 30, 2019	Tab 4
C.	Consideration of Johnson Engineering Proposals	Tab 5
	1. 2020 Public Facilities Report	
	2. 2020 Asset Assessment	
	3. Chloride Monitoring	
	4. Monitoring Well Installation	
D.	Consideration of Access and Utility Easement Agreement	
	(under separate cover)	
E.	Consideration of Assignment of Access and Utility	
	Easement Agreement (under separate cover)	
F.	Discussion Regarding Mitigation Work Within District Owned	
	Conservation Areas and Consideration of Proposals for Same	Tab 6

5. STAFF REPORTS

- A. District Counsel
- B. District Engineer
- C. District Manager

6. SUPERVISOR REQUESTS AND COMMENTS

7. ADJOURNMENT

We look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call us at (239) 936-0913.

Very truly yours, **Belinda Blandon**Belinda Blandon
District Manager

cc: Tucker Mackie, Hopping Green & Sams, P.A.

Tab 1

MINUTES OF MEETING 1 2 3 Each person who decides to appeal any decision made by the Board with respect to any matter considered 4 at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is 5 made, including the testimony and evidence upon which such appeal is to be based. 6 CFM COMMUNITY DEVELOPMENT DISTRICT 7 8 The regular meeting of the Board of Supervisors of the CFM Community 9 Development District was held on Thursday, February 20, 2020 at 11:31 a.m. at the 10 office of Rizzetta & Company, Inc., located at 9530 Marketplace Road, Suite 206, Fort 11 Myers, FL 33912. 12 13 Present and constituting a quorum: 14 15 **Board Supervisor, Chairperson** Leah Popelka 16 Scott Campbell **Board Supervisor, Vice Chairman** 17 Paul Mayotte **Board Supervisor, Assistant Secretary** 18 **Board Supervisor, Assistant Secretary** Sue Streeter 19 Chip Jones, Jr. **Board Supervisor, Assistant Secretary** 20 21 22 Also present were: 23 Belinda Blandon District Manager, Rizzetta & Company, Inc. 24 Regional Dist. Manager, Rizzetta & Company, Inc. Joe Roethke 25 District Counsel, Hopping Green & Sams, P.A. Tucker Mackie 26 27 (via speaker phone) Brent Burford District Engineer, Johnson Engineering 28 Audience 29 30 FIRST ORDER OF BUSINESS Call to Order 31 32 Ms. Blandon called the meeting to order and read the roll call. 33 34 SECOND ORDER OF BUSINESS **Public Comment** 35 36 Ms. Blandon opened the floor for public comment. 37 38

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45 46 Ms. Hansen addressed the Board regarding adding alligator signage to the pond areas. Ms. Popelka advised that she thought signage was previously approved. Ms. Streeter advised that she does not believe that approval for signage was given; she further advised that it may be a good idea to put them in at the pool and tiki areas. Discussion ensued regarding signage placement. Ms. Blandon advised that she will review possible locations with the District Engineer and provide feedback along with proposals at the next meeting.

THIRD ORDER OF BUSINESS

Consideration of the Minutes of the Board of Supervisors' Meeting held on October 17, 2019

Ms. Blandon presented the Minutes of the Board of Supervisors' meeting held on October 17, 2019. She asked if there were any questions related to the minutes. There were none.

On a Motion by Ms. Popelka, seconded by Mr. Campbell, with all in favor, the Board Approved the Minutes of the Board of Supervisors' Meeting held on October 17, 2019, for the CFM Community Development District.

FOURTH ORDER OF BUSINESS

Consideration of the Operation and Maintenance Expenditures for the Months of September, October, November and December 2019 and January 2020

Ms. Blandon advised that the operations and maintenance expenditures for the period of September 1-30, 2019 total \$22,891.78, the expenditures for the period of October 1-31, 2019 total \$95,296.33, the expenditures for the period of November 1-30, 2019 total \$15,712.02, the expenditures for the period of December 1-31, 2019 total \$45,065.17, and the expenditures for the period of January 1-31, 2020 total \$70,025.92. She asked if there were any questions regarding the expenditures. Ms. Blandon responded to questions from the Board regarding various items of expenditures.

On a Motion by Ms. Streeter, seconded by Mr. Mayotte, with all in favor, the Board Approved the Operations and Maintenance Expenditures for the Months of September 2019 (\$22,891.78), October 2019 (\$95,296.33), November 2019 (\$15,712.02), December 2019 (\$45,065.17) and January 2020 (\$70,025.92), for the CFM Community Development District.

FIFTH ORDER OF BUSINESS

Discussion Regarding Lake 152, Review of Johnson Engineering Barrier Exhibit, and Consideration of Solitude Lake Management Proposal for Spraying and Removal of All Littorals in Lake 152

Ms. Blandon advised that the Golf Club reached out to her regarding the area being a major issue for them due to the vegetation within the lake; she advised that there are two options before the Board, the first is the installation of a barrier and the second is removal of the littorals at that end of the lake. Discussion ensued. Ms. Blandon advised that typically she would not recommend removal of the littorals as they are beneficial to the health of the banks. The Board discussed that the responsibility of ball retrieval and

expenses should be borne by the golf course. Mr. Campbell advised the Board should allow for installation of the barrier at the expense of the Golf Course. Ms. Mackie advised the expense related to the golf balls should be borne by the Golf Club; she further advised that she will look into whether or not there is an existing license agreement and if so, she will determine if a modification is necessary.

SIXTH ORDER OF BUSINESS

Consideration of Sun Tech Proposal for Installation of Conduit for LCEC Lighting

Ms. Blandon provided an overview of the proposal received from Sun Tech for installation of conduit to allow for installation of lighting by LCEC; she advised that initially a proposal of \$3,630 was approved by the Board; however, LCEC came back with additional requirements which has caused an increase to the Sun Tech proposal. Discussion ensued.

On a Motion by Mr. Jones, Jr., seconded by Ms. Popelka, with all in favor, the Board Approved the Sun Tech Proposal, in the Amount of \$6,570.00 for Installation of Conduit to Allow for LCEC Lighting Installation, for the CFM Community Development District.

SEVENTH ORDER OF BUSINESS

Consideration of Earth Tech Environmental Proposal for Exotic Eradication within Native Tree Buffer

Ms. Blandon provided an overview of the proposal received from Earth Tech Environmental, in the amount of \$3,000.00, for eradication of exotics within the native tree buffer. Discussion ensued. Mr. Burford recommended removal of the exotics from the native tree buffer. Mr. Mayotte inquired as to removing all of the vegetation in that area and grassing it. Mr. Burford will review and report back to the Board. Ms. Mackie advised that the current Earth Tech agreement will automatically renew unless the Board provides direction otherwise. Mr. Jones, Jr. recommended asking Earth Tech to continue on a quarterly basis in order to allow the Board to obtain additional proposals for the service. Ms. Blandon advised that she will provide the notice to Earth Tech.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2020-03, Adopting Internal Controls Policy

Ms. Mackie advised that this resolution is being presented due to a change that came out of last year's legislative session. She advised that legislature made a statutory change that requires local governments to establish and maintain internal controls to prevent fraud, waste, and abuse and this policy shows compliance with the change. She asked if there were any questions. There were none.

On a Motion by Ms. Popelka, seconded by Mr. Mayotte, with all in favor, the Board Adopted 127 Resolution 2020-03, Adopting Internal Controls Policy, for the CFM Community 128 Development District. 129

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NINTH ORDER OF BUSINESS

Consideration of Quit Claim Deed from CFM CDD to Maxcy Development Group Holdings - CFM, Inc.

Ms. Mackie provided an overview of the Quit Claim Deed and identified the area as being at the end of Avenida Del Vera; she advised that the strip currently owned by the SPE is currently land locked by areas owned by the District. She recommended that the District convey those strips to the SPE. Discussion ensued.

On a Motion by Mr. Jones, Jr., seconded by Ms. Streeter, with all in favor, the Board Approved the Quit Claim Deed from CFM CDD to Maxcy Development Group Holdings CFM, Inc., for the CFM Community Development District.

Staff Reports

District Counsel Α.

TENTH ORDER OF BUSINESS

Ms. Mackie provided an update regarding the conservation easement; she advised that there have been some modifications to the easements and resulted in modifications that removed property from conservation and corrected scriveners' errors. Ms. Mackie advised that those will brought to the Board for ratification after they have been recorded. Mr. Jones, Jr. provided background to the modifications and advised that he appreciates the Boards support.

B. District Engineer

Mr. Burford advised that he had no report.

Ms. Blandon advised of concerns related to the sidewalks. The Board asked that the District Engineer review the sidewalks to ensure that there are no tripping hazards. Mr. Jones, Jr. provided some background as to the concerns and asked for further input from the resident Board members. Ms. Streeter provided a review of areas of concern and recommended that a communication be sent to residents advising that sidewalks are being installed as homes are completed. Discussion ensued. Mr. Burford advised that he will review the sidewalks and report back to the Board with locations that exceed tolerance levels in order to obtain proposals for repairs.

Mr. Burford inquired as to the need for a public facilities report; he advised that there has not one been completed to date. Ms. Blandon recommended that Mr. Burford provide a proposal for review by the Board. Mr. Jones, Jr. discussed the need for accurate as builts in order to assist with the public facilities report.

170 C. **District Manager** 171 Ms. Blandon advised the next meeting of the Board of Supervisors is 172 scheduled for Thursday, March 19, 2020 at 11:30 a.m. 173 174 Ms. Blandon advised that the stop signs were installed. Ms. Streeter 175 advised that the signs were not installed. Ms. Blandon advised that she will 176 review the stop signs. 177 178 **ELEVENTH ORDER OF BUSINESS Supervisor Requests** 179 180 Ms. Blandon opened the floor for Supervisor requests and comments. 181 182 Mr. Jones, Jr. inquired as to the budget process. Ms. Blandon advised that typically 183 the proposed budget meeting is held in May; she further advised that she would like to 184 know if the Board would like to hold a proposed budget workshop outside of the Board of 185 186 Supervisors meeting. Ms. Blandon advised that she is working with Ms. Southwick to obtain numbers for landscaping next year and if the Board would like to add any 187 landscaping projects to the budget, they should bring those items to her. Ms. Popelka 188 recommended doing a workshop in April or May. 189 190 Ms. Streeter discussed concerns related to the recent landscape installations. 191 192 TWELFTH ORDER OF BUSINESS Adjournment 193 194 Ms. Blandon advised there is no further business to come before the Board and 195 asked for a motion to adjourn. 196 197 On a Motion by Mr. Jones, Jr., seconded by Mr. Campbell, with all in favor, the Board adjourned the meeting at 12:31 p.m., for the CFM Community Development District. 198 199 200 201 Secretary/Assistant Secretary Chairman/Vice Chairman 202

Tab 2

CFM COMMUNITY DEVELOPMENT DISTRICT

DISTRICT OFFICE · 12750 CITRUS PARK LANE · SUITE 115 · TAMPA, FLORIDA 33625

Operation and Maintenance Expenditures February 2020 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from February 1, 2020 through February 29, 2020. This does not include expenditures previously approved by the Board.

Approval of Expenditures:	
Chairperson	
Vice Chairperson	
Assistant Secretary	

The total items being presented: \$20,014.73

CFM Community Development District

Paid Operation & Maintenance Expenditures

February 1, 2020 Through February 29, 2020

Vendor Name	Check Number	Invoice Number	Invoice Description	Invo	ice Amount
Carr Riggs & Ingram LLC	002586	16816180	Audit Financials-Billing 1/20	\$	26.00
Carr Riggs & Ingram LLC	002597	16826784	Audit Financials-Billing 09/30/19	\$	4,000.00
Hopping Green & Sams	002591	109677	General/Monthly Legal Services Billed Through	\$	1,454.00
Hopping Green & Sams	002592	112653	General Legal Services Billed Through 12/31/19	\$	358.50
Johnson Engineering Inc	002587	20044888-001- 145	General Engineer Services 20044888-001-145 01/20	\$	187.50
Johnson Engineering Inc	002587	5020044888-011- INV 4	- 20044888-011-4 01/20	\$	467.50
LCEC	002588	6571809552 01/20	Street Lights 3000 Magnolia Landing Ln 01/20	\$	1,678.98
Magnolia Landing Golf, LLC	002594	1337	Aerator Utility Cost 02/20	\$	1,400.00
Magnolia Landing Golf, LLC	002594	1338	Aerator Agreement & Water 02/20	\$	625.00
Magnolia Landing Master Association, Inc.	002593	361	Landscape Maintenance 01/20	\$	3,494.58
Rizzetta & Company, Inc.	002589	INV0000046539	District Management Fees 02/20	\$	3,816.67
Rizzetta Technology Services, LLC	002590	INV000005510	Website Hosting & Email Services 02/20	\$	175.00

CFM Community Development District

Paid Operation & Maintenance Expenditures

February 1, 2020 Through February 29, 2020

Vendor Name	Check Number	Invoice Number	Invoice Description	Invo	oice Amount
Solitude Lake Management LLC	002595	PI-A00358456	Monthly Lake & Pond Service 02/20	\$	2,278.00
The Daily Breeze	002596	116357	Legal Advertising 02/12/20	\$	53.00
Report Total				<u>\$</u>	20,014.73

CFM COMMUNITY DEVELOPMENT DISTRICT

DISTRICT OFFICE · 12750 CITRUS PARK LANE · SUITE 115 · TAMPA, FLORIDA 33625

Operation and Maintenance Expenditures March 2020 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from March 1, 2020 through March 31, 2020. This does not include expenditures previously approved by the Board.

The total items being presented:	\$75,583.99
Approval of Expenditures:	
Chairperson	
Vice Chairperson	
Assistant Secretary	

CFM Community Development District

Paid Operation & Maintenance Expenditures

March 1, 2020 Through March 31, 2020

Vendor Name	Check Number	Invoice Number	Invoice Description	<u>Invo</u>	ice Amount
Dale S. Jones Jr.	002601	DJ022020	Board of Supervisors Meeting 02/20//20	\$	200.00
Earth Tech Environmental, LLC	002599	5923	Quarterly Preserve Maintenance 02/20	\$	45,723.50
Hopping Green & Sams	002612	113244	General Legal Services Billed Through 01/31/20	\$	4,199.00
Johnson Engineering Inc	002600	20044888-001- 146	General Engineer Services Billed Through 02/16/20	\$	3,365.26
Johnson Engineering Inc	002609	20044888-011- INV 5	Magnolia Landing PH II WUP 06-05392-W 02/20	\$	655.00
LCEC	002610	6571809552 02/20	Street Lights 3000 Magnolia Landing Ln 02/20	\$	1,678.98
Leah Popelka	002603	LP022020	Board of Supervisors Meeting 02/20//20	\$	200.00
Lykins Signtek, Inc.	002613	4662	Fabrication & Install Custom Stop Sign 03/20	\$	310.00
Magnolia Landing Golf, LLC	002611	1366	Remove Dead Shrubs 02/27	\$	450.00
Magnolia Landing Golf, LLC	002615	1368	Aerator Agreement & Water 03/20	\$	625.00
Magnolia Landing Golf, LLC	002615	1369	Aerator Utility Cost 03/20	\$	1,400.00
Magnolia Landing Master Association, Inc.	002614	362	Landscape Maintenance 02/20	\$	3,494.58
Paul Mayotte	002602	PM022020	Board of Supervisors Meeting 02/20//20	\$	200.00

CFM Community Development District

Paid Operation & Maintenance Expenditures

March 1, 2020 Through March 31, 2020

Vendor Name	Check Number	Invoice Number	Invoice Description	<u>Invo</u>	ice Amount
Rizzetta & Company, Inc.	002604	INV0000047394	District Management Fees 03/20	\$	3,816.67
Rizzetta Technology Services, LLC	002605	INV000005610	Website Hosting & Email Services 03/20	\$	175.00
Scott Campbell	002598	SC022020	Board of Supervisors Meeting 02/20//20	\$	200.00
Solitude Lake Management LLC	002616	PI-A00372873	Monthly Lake & Pond Service 03/20	\$	2,278.00
Sue Streeter	002606	SS022020	Board of Supervisors Meeting 02/20//20	\$	200.00
Suntech Electrical Contractors, Inc.	002607	8299	Repairs - Install High Lumen LED Lights 02/20	\$	6,413.00
Report Total				\$	75,583.99

Tab 3

RESOLUTION 2020-04

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CFM COMMUNITY DEVELOPMENT DISTRICT DESIGNATING THE AUTHORIZED SIGNATORIES FOR THE DISTRICT'S OPERATING BANK ACCOUNT(S), AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the CFM Community Development District (hereinafter the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes, being situated entirely within Lee County, Florida; and

WHEREAS, the District's Board of Supervisors (hereinafter the "Board") has selected a depository as defined in Section 280.02, Florida Statutes, which meets all the requirements of Chapter 280 and has been designated by the State Treasurer as a qualified public depository; and

WHEREAS, the Board desires now to authorize signatories for the operating bank account(s).

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE CFM COMMUNITY DEVELOPMENT DISTRICT:

<u>Section 1</u>. The Chairman, Vice Chairman, Treasurer, and Assistant Treasurer are hereby designated as authorized signatories for the operating bank accounts of the District.

<u>Section 2</u>. This Resolution shall become effective immediately upon its adoption.

CFM COMMUNITY DEVELOPMENT

PASSED AND ADOPTED this 23rd day of April, 2020.

ATTEST:	DISTRICT	
Secretary / Asst. Secretary	Chairman / Vice Chairman	

Tab 4



Carr, Riggs & Ingram, LLC Certified Public Accountants 500 Grand Boulevard Suite 210 Miramar Beach, Florida 32550

(850) 837-3141 (850) 654-4619 (fax) CRIcpa.com

March 31, 2020

The Board of Supervisors
CFM Community Development District

We are pleased to present the results of our audit of the fiscal year 2019 financial statements of the CFM Community Development District ("the District").

This report to the Board of Supervisors and Management summarizes our audit, the report issued and various analyses and observations related to the District's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the District's September 30, 2019 financial statements. We considered the District's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the District's personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Board of Supervisors, Management and others within the District and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 850-837-3141 or scriggs@cricpa.com.

Very truly yours,

Stephen Riggs Partner

Required Communications

As discussed with the Board of Supervisors and Management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the District. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Supervisors, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, in order to express an opinion on the District's financial statements for the year ended September 30, 2019;
- Communicate directly with the Board of Supervisors and Management regarding the results of our procedures; and
- Address with the Board of Supervisors, and management any accounting and financial reporting issues.

We have audited the financial statements of CFM Community Development District for the year ended September 30, 2019, and have issued our report thereon dated March 31, 2020. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Auditor's responsibility under Generally Accepted Auditing Standards and Government	See our engagement letter dated October 17, 2019.
Auditing Standards	
Client's responsibility	See our engagement letter dated October 17, 2019.
Planned scope and timing of the audit	See our engagement letter dated October 17, 2019.
Accounting policies, sensitive estimates, and sensitive disclosures	Please see page 3 titled "Accounting Policies, Sensitive Estimates and Significant Disclosures."
Significant difficulties encountered in the audit	None.
Disagreements with management	None.
Other findings or issues	Finding IC2010-1. See page 27 of the fiscal year 2019 financial statements.
Corrected and uncorrected misstatements	See the following section titled "Summary of Audit Adjustments."
Consultations with other accountants	None of which we are aware.
Written representations	We have requested certain representations from management that are included in the management representation letter dated March 31, 2020.

Accounting Policies, Sensitive Estimates and Significant Disclosures

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. In addition, certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The following table identifies sensitive estimates and significant disclosures.

AREA	SENSITIVE ESTIMATE OR SIGNIFICANT DISCLOSURE
Note 5: Bonds Payable	Significant disclosure
Note 8: Related Party Transactions	Significant disclosure
Note 9: Concentration	Significant disclosure

Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the Organization and amounts that we believe are required to be recorded under Generally Accepted Accounting Principles ("GAAP"). Those adjustments are either recorded (corrected) by the Organization or passed (uncorrected).

In connection with our audit, we proposed the following material adjustments which were corrected by management:

- An adjustment totaling \$18,350,000 to properly state debt restructure activity on the fund level.
- An adjustment totaling \$124,198 to accrue missed interest payments on the unexchanged portion of the Series 2004A Bonds.
- An adjustment totaling \$30,000 to accrue Debt Service legal expenditures.

In connection with our audit, we identified the following adjustments which were not corrected because management believes and we agree it is not material to the financial statements as a whole:

- An adjustment totaling \$13,376 to accrue Debt Service Fund prepayment revenue as of fiscal year end.
- An adjustment totaling \$7,405 to accrue General Fund engineering expenditures.
- An adjustment totaling \$3,783 to record General Fund legal expenditures in the proper period.

CFM Community Development District

FINANCIAL STATEMENTS

September 30, 2019



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Carr, Riggs & Ingram, LLC Certified Public Accountants 500 Grand Boulevard Suite 210 Miramar Beach, Florida 32550

(850) 837-3141 (850) 654-4619 (fax) CRIcpa.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of CFM Community Development District (hereinafter referred to as "District"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

Caux Rigge & Ingram, L.L.C.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2020, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Miramar Beach, Florida

March 31, 2020

Manage	ment's Discussion And Ana	lysis

Our discussion and analysis of the CFM Community Development District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2019. Please read it in conjunction with the District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- At September 30, 2019, the liabilities of the District exceed its assets by approximately \$9 million (deficit net position).
- During the fiscal year ended September 30, 2019, the District negotiated a restructuring of the Series 2004A bonds. As a result, \$8,195,000 and \$8,285,000 of the Series 2004 bonds were converted into Series 2004A-1 and Series 2004A-2 bonds, respectively, while the remaining unexchanged Series 2004A bonds totaling approximately \$2 million. The agreement resulted in debt forgiveness totaling approximately \$9.7 million, representing unpaid interest.
- Prior to the bonds restructuring, the bondholders canceled principal and accrued interest on bonds totaling approximately \$6.7 million and \$4 million, respectively, related to certain conservation lands within the District which are owned by the SPE. The lands are no longer subject to special assessments by the District. The cancelation of the bonds totaling approximately \$10.6 million is reported as Prepayment in kind revenue on the District's financial statements.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 9 – 10 provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 10. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 5. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and related changes during the current year. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's assessment base and the condition of the District's infrastructure, to assess the overall health of the District.

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 6. The fund financial statements begin on page 11 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District's funds are governmental fund-types.

• Governmental funds – All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

THE DISTRICT AS A WHOLE

The following table reflects the condensed Statement of Net Position and is compared to the prior year.

September 30,	2019	2018	Change
Assets			
Current and other assets	\$ 1,714,717	\$ 553,191	\$ 1,161,526
Capital assets, net	7,488,878	7,819,489	(330,611)
	0 000 505	0.070.600	000.045
Total assets	\$ 9,203,595	\$ 8,372,680	\$ 830,915
Liabilities			
Current liabilities	\$ 538,497	\$ 19,265,378	\$ (18,726,881)
Other liabilities	17,627,240	19,040,000	(1,412,760)
Total liabilities	18,165,737	38,305,378	(20,139,641)
Net position			
Net investment in capital assets	(1,406,950)	(4,564,806)	3,157,856
Restricted for debt service	33,604	-	33,604
Unrestricted	(7,588,796)	(25,367,892)	17,779,096
Total net position (deficit)	(8,962,142)	(29,932,698)	20,970,556
Total liabilities and net position	\$ 9,203,595	\$ 8,372,680	\$ 830,915

For more detailed information, see the accompanying Statement of Net Position.

During the fiscal year ended September 30, 2019, total assets increased approximately \$831,000, while total liabilities decreased by approximately \$20.1 million from the prior fiscal year. The increase in assets primarily resulted from the excess of revenues over expenditures in the current fiscal year and the accrual of the termination payment receivable related to the debt restructure agreement, partially offset by the depreciation of capital assets. The decrease in liabilities resulted from the debt restructure agreement and related debt forgiveness and bond cancelation from prepayment in kind negotiated during the current fiscal year.

The following schedule compares the Statement of Activities for the current and previous fiscal year.

Year ended September 30,	2019	2018	Change
Revenues:			
Program revenues:			
Charges for services	\$ 849,001	\$ 838,330 \$	10,671
Grants and contributions	1,215,185	1,111,638	103,547
General revenues:			
Debt forgiven	9,700,274	-	9,700,274
Prepayment in kind	10,614,375	-	10,614,375
Bad debt recovery	180,669	-	180,669
Interest	2,071	157	1,914
Total revenues	22,561,575	1,950,125	20,611,450
Expenses:			
General government	783,945	1,152,683	(368,738)
Maintenance and operations	664,489	769,435	(104,946)
Cost of issuance	32,988	-	32,988
Interest	109,597	1,538,307	(1,428,710)
Total expenses	1,591,019	3,460,425	(1,869,406)
Change in net position	20,970,556	(1,510,300)	22,480,856
Net position (deficit), beginning of year	(29,932,698)	(28,422,398)	(1,510,300)
Net position (deficit), end of year	\$ (8,962,142)	\$ (29,932,698) \$	20,970,556

For more detailed information, see the accompanying Statement of Activities.

Revenues increased by approximately \$20.6 million while expenses decreased by approximately \$1.9 million from the prior fiscal year. The increase in revenues was primarily due to debt forgiveness received as a result of the debt restructuring agreement and bond cancelation from prepayment in kind during the year. The decrease in expenses is primarily due to a decrease in interest expense as a result of the debt restructuring agreement. The overall result was a \$20,970,556 increase in net position for fiscal year 2019.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 11) reported a combined fund balance of approximately \$1.6 million, which is a significant increase over last year's deficit fund balance that totaled approximately \$17.4 million. Significant transactions are discussed below.

- During the fiscal year ended September 30, 2019, the District negotiated a restructuring of the Series 2004A bonds. As a result, \$8,195,000 and \$8,285,000 of the Series 2004 bonds were converted into Series 2004A-1 and Series 2004A-2 bonds, respectively, while the remaining unexchanged Series 2004A bonds totaling approximately \$2 million. The agreement resulted in debt forgiveness totaling approximately \$9.7 million, representing unpaid interest.
- Prior to the bonds restructuring, the bondholders canceled principal and accrued interest on bonds totaling approximately \$6.7 million and \$4 million, respectively, related to certain conservation lands within the District which are owned by the SPE. The lands are no longer subject to special assessments by the District. The cancelation of the bonds totaling approximately \$10.6 million is reported as Prepayment in kind revenue on the District's financial statements.

The overall decrease in fund balance for the year ended September 30, 2019 totaled approximately \$19 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2019, the District had approximately \$7.5 million invested in capital assets (net of accumulated depreciation). This amount represents a decrease of approximately \$331,000 from the fiscal year 2018 total.

A listing of capital assets by major category for the current and prior year follows:

September 30,		2019	2018	Change
Land	\$	2,668,665 \$	2,668,665 \$	_
Capital assets being depreciated	•	8,265,280	8,265,280	-
Total, prior to depreciation		10,933,945	10,933,945	-
Accumulated depreciation		(3,445,067)	(3,114,456)	(330,611)
Net capital assets	\$	7,488,878 \$	7,819,489 \$	(330,611)

More information about the District's capital assets is presented in Note 4 to the financial statements.

Debt

At September 30, 2019, the District had approximately \$17.9 million of bonds outstanding. This amount decreased by approximately \$6.6 million from the fiscal year 2018 total.

A listing of debt amounts outstanding for the current and prior year is as follows:

September 30,	2019	2018	Change
Series 2004 A bonds	\$ 1,987,173 \$	24,545,000	\$ (22,557,827)
Series 2004 A-1 bonds	8,195,000	-	8,195,000
Series 2004 A-2 bonds	8,285,000	-	8,285,000
Bond accretion discount	(529,933)	-	(529,933)
	\$ 17,937,240 \$	24,545,000	\$ (6,607,760)

More information about the District's long-term debt is presented in Note 5 to the financial statements.

GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

An Operating budget was established by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown at page 27.

The District experienced favorable variances in revenues and expenditures as compared to the budget in the amounts of \$183,554 and \$1,570, respectively. The variance in revenues occurred primarily because of the recovery of assessment amounts from prior years that had previously been considered uncollectible.

FUTURE FINANCIAL FACTORS

CFM Community Development District is an independent special district that operates under the provisions of Chapter 190, Florida Statutes. The District operates under an elected Board of Supervisors, which, among other things, establishes policy and sets assessment rates. Assessment rates for fiscal year 2020 were established to provide for the operations of the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the CFM Community Development District's finance department at 12750 Citrus Park Lane, Suite 115, Tampa, FL 33625.



CFM Community Development District Statement of Net Position

September 30,	2019
	Governmental
	Activities
Assets	
Cash and cash equivalents	\$ 541,390
Investments	539,747
Assessments receivable, net	66
Termination payment receivable	625,363
Prepaid expenses	7,751
Deposits	400
Capital assets:	
Not being depreciated	2,668,665
Depreciable, net	4,820,213
Total assets	9,203,595
Liabilities	
Accounts payable	62,919
Accrued expenses payable	56,472
Accrued interest payable	109,106
Non-current liabilities:	
Due within one year	310,000
Due in more than one year	17,627,240
Total liabilities	18,165,737
Net position	
Net investment in capital assets	(1,406,950)
Restricted for debt service	33,604
Unrestricted	(7,588,796)
Total net position (deficit)	\$ (8,962,142)

CFM Community Development District Statement of Activities

Year ended September 30,	2019								
							N	et (Expense)	
							Revenue and		
						Changes in			
				Program	Rev	<u>renues</u>	<u>N</u>	let Position	
					(Operating			
			Cł	narges for	(Grants and	Go	overnmental	
Functions/Programs		Expenses		Services	Co	ntributions		Activities	
Primary government:								_	
Governmental activities:									
General government	\$	(783,945)	\$	130,059	\$	-	\$	(653,886)	
Maintenance and operations		(664,489)		247,588		-		(416,901)	
Cost of issuance		(32,988)		-		472,511		439,523	
Interest		(109,597)		471,354		742,674		1,104,431	
Total governmental activities	\$	(1,591,019)	\$	849,001	\$	1,215,185		473,167	
	Ge	neral revenเ	ıes						
		ebt forgiven						9,700,274	
	P	repayment i	n kir	nd				10,614,375	
	В	ad debt reco	ver	y				180,669	
		nterest						2,071	
	Total general revenues							20,497,389	
	Ch	ange in net p	osit	ion				20,970,556	
	Ne	t position (de	efici	t) - beginnir	ng o	f year		(29,932,698)	
	Ne	t position (de	efici	t) - end of y	ear		\$	(8,962,142)	

CFM Community Development District Balance Sheet – Governmental Funds

September 30, 2019

Total rnmental unds
unds
541,390
539,747
66
625,363
7,751
400
1,714,717
62,919
56,472
119,391
0 1 5 1
8,151
1,587,175
1 606 276
1,595,326
-

CFM Community Development District Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30,	2019
Total fund balances (deficit), governmental funds	\$ 1,595,326
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level statements.	7,488,878
Liabilities not due and payable from current resources, including accrued interest, are not reported in the fund level statements.	(18,046,346)
Total net position (deficit) - governmental activities	\$ (8,962,142)

CFM Community Development District Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

Year ended September 30,	2019					
						Total
					G	overnmental
		General	D	ebt Service		Funds
Revenues						
Assessments	\$	377,647	\$	471,354	\$	849,001
Prepayment revenue		-		738,598		738,598
Bondholder contributions		-		472,511		472,511
Bad debt recovery		180,669		-		180,669
Interest		2,071		4,076		6,147
Total revenues		560,387		1,686,539		2,246,926
Expenditures						
Current:						
General government		175,388		608,557		783,945
Maintenance and operations		333,878		-		333,878
Debt service:						
Cost of issuance		-		32,988		32,988
Total expenditures		509,266		641,545		1,150,811
Excess of revenues over expenditures		51,121		1,044,994		1,096,115
Other Financing Sources (Uses)						
Debt forgiveness		-		9,112,830		9,112,830
Prepayment in kind				10,614,375		10,614,375
Bond proceeds		-		16,480,000		16,480,000
Bond issuance discount		-		(582,173)		(582,173)
Bond issuance principal		-		(17,767,827)		(17,767,827)
Total other financing sources (uses)		-		17,857,205		17,857,205
Net change in fund balances		51,121		18,902,199		18,953,320
Fund balances (deficit), beginning of year		365,082		(17,723,076)		(17,357,994)
Fund balances, end of year	\$	416,203	\$	1,179,123	\$	1,595,326

CFM Community Development District Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year ended September 30,	2019
Net change in fund balances - governmental funds	\$ 18,953,320
Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities.	(330,611)
The accretion of the discount on deep discount bonds is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities.	(52,240)
The cancelled portion of outstanding bond principal that had not yet matured is not recognized debt forgiveness in the fund financial statements but is included in debt forgiveness in the Statement of Activities.	1,870,000
The change in accrued interest between the current and prior year is recorded on the Statement of Activities but not on the fund financial statements.	530,087
Change in net position of governmental activities	\$ 20,970,556

NOTE 1: NATURE OF ORGANIZATION

The CFM Community Development District (the "District") was established on January 14, 2002 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by Lee County Ordinance No. 02-01. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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

The District is governed by a Board of Supervisors ("Board"), which is comprised of five members. The Supervisors are elected on an at large basis by landowners of the District, or elected at the general election in November, appointed by the board to fill a vacant seat, or are landowner holdovers in resident seats. Four Supervisors are affiliated with and the District is economically dependent on Maxcy Development Group Holdings — CFM, Inc. (the "SPE"). The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

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

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth by Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB). Based on the foregoing criteria, no potential component units were found.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to GAAP as applicable to governments in accordance with those promulgated by GASB. The following is a summary of the more significant policies:

Government-wide and Fund Financial Statements

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2019, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. However, debt service expenditures are recorded only when payment is due.

Assessments, including debt service assessments along with operation and maintenance assessments, are non-ad valorem special assessments imposed on all developable lands located within the District and benefited by the District's activities. Operation and maintenance assessments are levied and certified for collection by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. Assessments are imposed upon all benefited lands located in the District as described in each resolution imposing the special assessment.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports the following major governmental funds:

<u>General Fund</u> – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

<u>Debt Service Fund</u> – The Debt Service Fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

For the year ended September 30, 2019, the District does not report any proprietary funds.

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in the governmental fund financial statements, it is the government's policy to use committed resources first, followed by assigned resources, then unassigned resources as needed.

Cash, Deposits and Investments

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by GASB, Statement Number 40, Deposits and Investment Disclosures (An Amendment of GASB, Statement Number 3).

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. The authorized investments include among others negotiable direct or indirect obligations which are secured by the United States Government; the Local Government Surplus Trust Funds as created by Section 218.405, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include primarily infrastructure assets (e.g., roads, sidewalks, water management systems and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial/individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation.

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

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives: roadways: 25 years; sanitary sewer: 25 years; irrigation: 25 years; water management/mitigation: 25 years.

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line or effective interest method. Bonds payable are reported net of these premiums or discounts. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current period expenses.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any of this type of item at September 30, 2019.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any of this type of item at September 30, 2019.

Fund Equity

Net position in the government-wide financial statements represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to infrastructure and property, plant and equipment, net of any related debt. Restricted net position represents the assets restricted by the District's bond covenants.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the District board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Budgets

The District is required to establish a budgetary system and an approved annual budget. Annual budgets are legally adopted on a basis consistent with GAAP for the General Fund. Any revision to the budget must be approved by the District Board. The budgets are compared to actual expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorization amounts.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- A. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- B. A public hearing is conducted to obtain comments.
- C. Prior to October 1, the budget is legally adopted by the District Board.
- D. All budget changes must be approved by the District Board.
- E. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 3: INVESTMENTS

The District's investments consist of money market funds in which shares are owned in the fund rather than the underlying investments. In accordance with GASB 72, Fair Value Measurement and Application, these amounts are reported at amortized cost.

The following is a summary of the District's investments:

September 30,	2019	Credit Risk	Weighted Average Maturities
Short-term Money Market Funds	\$ 539,747	S&P AAAm	26 days

Concentration risk – The District's investment policy requires diversification, but does not specify limits on types of investments.

Custodial credit risk – For an investment, custodial credit risk is the risk that the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. At September 30, 2019, none of the investments listed above are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest rate risk — The District does not have a formal policy for addressing interest rate risk; however, investments are made with discretion, to seek reasonable returns, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values from interest rate changes by reviewing the portfolio on an ongoing basis for changes in effective yield amounts.

NOTE 4: CAPITAL ASSETS

The following is a summary of changes in the capital assets for the year ended September 30, 2019:

	Beginning		Transfers and	Ending
	Balance	Additions	Conveyances	Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,668,665	\$ -	\$ -	\$ 2,668,665
Total capital assets, not being depreciated	2,668,665	-	-	2,668,665
Capital assets being depreciated:				
Roadways	2,741,831	-	-	2,741,831
Sanitary sewer	240,878	-	-	240,878
Irrigation	67,134	-	-	67,134
Water management/mitigation	5,215,437	-	-	5,215,437
Total capital assets, being depreciated	8,265,280	_	-	8,265,280
Less accumulated depreciation:				
Roadways	1,095,555	109,674	-	1,205,229
Sanitary sewer	96,350	9,635	-	105,985
Irrigation	26,795	2,685	-	29,480
Water management/mitigation	1,895,756	208,617	-	2,104,373
Total accumulated depreciation	3,114,456	330,611	-	3,445,067
Total capital assets, being depreciated, net	5,150,824	(330,611)	-	4,820,213
Governmental activities capital assets, net	\$ 7,819,489	\$ (330,611)	\$ -	\$ 7,488,878

Depreciation expense of \$330,611 was allocated to maintenance and operations on the accompanying Statement of Activities.

NOTE 5: BONDS PAYABLE

On May 14, 2004, the District issued \$42,940,000 of Capital Improvement Revenue Bonds, Series 2004 consisting of \$27,740,000 Term Bonds Series 2004A due on May 1, 2035 with a fixed interest rate of 6.25%, and \$15,200,000 Term Bonds Series 2004B due on May 1, 2014 with a fixed interest rate of 5.875%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1. Principal on the Series 2004A Bonds is paid serially commencing on May 1, 2006 through May 1, 2035. The Series 2004B Bonds were repaid in full during fiscal year 2008.

NOTE 5: BONDS PAYABLE (Continued)

In the absence of available funds, the scheduled debt service payments due since May 1, 2010 had not been paid through the current fiscal year. Effective August 20, 2019, the District restructured the Series 2004A Bonds with the bondholders through a trifurcation agreement. As a result of this trifurcation agreement, \$8,195,000 and \$8,285,000 of the Series 2004 bonds were converted into Series 2004A-1 and Series 2004A-2 Bonds, respectively, with a fixed interest rate of 6.25%, while the remaining unexchanged Series 2004A Bonds totaling \$1,987,173. The trifurcated bonds still have a maturity of May 1, 2035. The A-1 series were exchanged at a discount, totaling \$582,173, which will accrete over a period of time to the principal amount of the bonds because interest payments on this series does not commence until May 1, 2021.

The Unexchanged Series 2004A Bonds are no longer secured by the Series 2004A Special Assessments following the trifurcation, but are secured solely by the Parcels A&J True-Up Payments (see Note 9). The Unexchanged Series 2004A Bonds are expected to remain in default pursuant to the Master Indenture, but will not constitute an event of default for the Series 2004A-1/2 Bonds. When all remaining Parcel A and Parcel J have been sold and no further Parcels A&J True-Up Payments are payable, the Unexchanged Series 2004A Bonds will be canceled following a final distribution.

The trifurcation agreement resulted in debt forgiveness totaling approximately \$9.7 million, which represents unpaid interest. Prior to the bonds restructuring, the bondholders canceled principal and accrued interest on bonds totaling approximately \$6.7 million and \$4 million, respectively, related to certain conservation lands within the District which are owned by the SPE (see Note 9).

The bond indentures have certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedure to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. As discussed above, the District is not in compliance with certain requirements of the Master Indenture related to the Unexchanged Series 2004A Bonds. However, the District is in compliance with regards to the Series 2004A-1/2 Bonds.

The Bond Indenture requires that the District maintain adequate funds in the reserve account to meet the debt service reserve requirement as defined in the Indenture. The requirement has been met for the fiscal year ended September 30, 2019.

A Forbearance Agreement was signed in fiscal year 2011, which would forgive the unpaid debt service assessments for the undeveloped land during the forbearance period (see Note 9). However, the Previous Developer defaulted on this agreement, thus all of the unpaid debt service assessments are still due to the District. Certain assessments are now being forborne under the terms of the Transition Agreement.

NOTE 5: BONDS PAYABLE (Continued)

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Beginning			Ending	Due Within
	Balance	Additions	Reductions	Balance	One Year
Governmental Activ	vities				
Bonds Payable:					
Series 2004A	\$ 24,545,000	\$ -	\$ (22,557,827)	\$ 1,987,173	\$ -
Series 2004A-1	-	8,195,000	-	8,195,000	-
Series 2004A-2	-	8,285,000	-	8,285,000	310,000
Bond accretion					
discount	-	(582,173)	52,240	(529,933)	_
					_
	\$ 24,545,000	\$ 15,897,827	\$ (22,505,587)	\$ 17,937,240	\$ 310,000

Long-term liability activity for the year ended September 30, 2019 was as follows:

Year Ending September 30,	Principal		Interest	Total Debt Service
	 	_		
2020	\$ 310,000	\$	485,228	\$ 795,228
2021	670,000		878,730	1,548,730
2022	720,000		1,092,949	1,812,949
2023	760,000		1,047,948	1,807,948
2024	810,000		1,000,449	1,810,449
2025 - 2029	4,900,000		4,174,742	9,074,742
2030 - 2034	6,700,000		2,431,930	9,131,930
2035	3,597,173		224,824	3,821,997
	\$ 18,467,173	\$	11,336,800	\$ 29,803,973

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. The District has not filed any claims under this commercial coverage during the last three years.

NOTE 7: MANAGEMENT COMPANY

The District has contracted with a management company to perform management services, which include financial and accounting services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

NOTE 8: RELATED PARTY TRANSACTIONS

During the year ended September 30, 2019, the SPE directed the trustee, with the consent of the bondholders, to utilize District debt service trust funds to satisfy the SPE's operations and maintenance assessments obligation totaling \$223,762. The SPE also paid \$180,699 to the District for past due 2012 operations and maintenance assessments, which are reported as Bad debt recovery on the accompanying Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

During the year ended September 30, 2019, the District recorded \$33,087 in Maintenance and operations expenses with Magnolia Landing Golf, LLC, a subsidiary of the Previous Developer. At September 30, 2019, \$7,720 of these expenses are included in Accrued expenses payable in the accompanying financial statements.

During the year ended September 30, 2019, the District recorded \$49,013 in Maintenance and operations expenses with Magnolia Landing Master Association, Inc. ("HOA"), the master homeowners association located in the District. At September 30, 2019, \$3,495 of these expenses are included in Accrued expenses payable in the accompanying financial statements.

During the year ended September 30, 2019, the District recorded \$124,862 in General government expense with Lerner Real Estate Advisors, the company that operates and manages the SPE. Four members of the District's Board of Supervisors are employed by this company.

NOTE 9: CONCENTRATION

A significant portion of the District's activity is dependent upon the continued involvement of the SPE, the loss of which could have a material adverse effect on the District's operations. At September 30, 2019, the SPE owned a significant portion of the assessable property located within the District boundaries, 842 unplatted lots.

On February 24, 2011, the District entered into a forbearance agreement with the Previous Developer, the bond trustee and the SPE. The SPE was formed for the purpose of taking ownership of additional land that would be brought into the District upon completion of the boundary

NOTE 9: CONCENTRATION (Continued)

amendment in accordance with the agreement. Pursuant to paragraph 8 of the agreement, the District on September 16, 2011 filed a boundary amendment petition with Lee County to incorporate the additional lands into the District. The petition was granted during fiscal year 2012.

The agreement also outlined the monetary obligations of the Previous Developer. According to the agreement, the District agreed not to commence collection or enforcement on the unpaid debt service assessments for the duration of the forbearance period (April 30, 2012) as long as the Previous Developer complied with the agreement. During fiscal year 2012, the Previous Developer defaulted on the 2011 forbearance agreement.

On April 18, 2013, the District, the bond trustee, the SPE, and the Previous Developer entered into a Project Transfer and Transition Agreement ("Transition Agreement") whereby, among other things, the Previous Developer conveyed its interest in certain lots to D.R. Horton, Inc. ("D.R. Horton"), conveyed its other developable property within the District to the SPE, and made certain payments to the District. As a result of the Transition Agreement, the Previous Developer was released from a portion of its obligations to the District, and a portion of O&M assessment amounts, as well as other amounts. Certain debt service assessments remain delinquent and have been forborne under the Transition Agreement. Subsequent to the execution of the Transition Agreement and the transfer of said developable property, the SPE has been acting as the developer for the project. The SPE was created at the direction of the Trustee, for the benefit of the bondholders.

In July 2016, D.R. Horton and the SPE entered into a land purchase contract (the "Land Sale Agreement"), whereby certain delinquent lands within parcels A and J were to be sold to D.R. Horton. The Land Sale Agreement requires D.R. Horton to make certain true-up payments to the SPE upon the sale of homes in parcels A and J (the Parcels A&J True-up Payments"). In November 2017, D.R. Horton purchased 238 unplatted lots from the SPE.

In August 2017, in conjunction with a purchase contract between D.R. Horton and the SPE to purchase the undeveloped land from the SPE, the District, the bond trustee, and D.R. Horton entered into a forbearance agreement. According to the agreement, the District agreed not to commence collection or enforcement on the debt service assessments related to the undeveloped property previously held by the SPE, for the duration of the forbearance period, commencing October 1, 2017 and ending October 1, 2019, as long as D.R. Horton complied with the agreement. Pursuant to section 3.(a) of the agreement, D.R. Horton shall pay the District a Termination Payment of \$707,812 by the end of the forbearance period, which will satisfy the obligation for the forborne debts service assessments accrued during the forbearance period. This amount will be adjusted for any sales of the forbearance property during the forbearance period. In November 2019, D.R. Horton made the Termination Payment of \$625,363 to the District. This amount is reported as Termination payment receivable and included in Prepayment revenue on the accompanying financial statements. The funds from the Termination Payment will be held in trust until November 1, 2020, at which time the funds will be used for principal prepayments on the Series 2004A-1/2 Bonds.

NOTE 9: CONCENTRATION (Continued)

In May 2019, the bondholders canceled principal and accrued interest on bonds totaling approximately \$6.7 million and \$4 million, respectively, related to certain conservation lands within the District which are owned by the SPE. The lands are no longer subject to special assessments by the District. The cancelation of the bonds totaling approximately \$10.6 million is reported as Prepayment in kind revenue on the District's financial statements.

As discussed in Note 5, in August 2019, the District, SPE and Trustee, with the direction and consent of the bondholders, entered into the Trifurcation Agreement, to properly align lands within the District with the separate Series of the Series 2004A-1/2 Bonds. The Unexchanged Series 2004A Bonds are secured solely by the Parcels A&J True-Up Payments from D.R. Horton. When all remaining Parcel A and Parcel J have been sold and no further Parcels A&J True-Up Payments are payable, the Unexchanged Series 2004A Bonds will be canceled following a final distribution.

Required Supplemental Information (Other Than MD&A)

CFM Community Development District Budget to Actual Comparison Schedule – General Fund

Year ended September 30,				2019		
	Original			Actual	Va	riance with
	Budget	Fii	nal Budget	Amounts	Final Budge	
Revenues						_
Assessments	\$ 376,833	\$	376,833	\$ 377,647	\$	814
Bad debt recovery			-	180,669		180,669
Interest	-		-	2,071		2,071
Total revenues	376,833		376,833	560,387		183,554
						_
Expenditures						
General government	138,942		162,129	175,388		(13,259)
Maintenance and operations	237,891		348,707	333,878		14,829
Total expenditures	376,833		510,836	509,266		1,570
Excess (deficit) of revenues						
over expenditures	\$ -	\$	(134,003)	\$ 51,121	\$	185,124



Carr, Riggs & Ingram, LLC Certified Public Accountants 500 Grand Boulevard Suite 210 Miramar Beach, Florida 32550

(850) 837-3141 (850) 654-4619 (fax) CRIcpa.com

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 CFM Community Development District Lee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of CFM Community Development District (hereinafter referred to as the "District"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 31, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described below:

IC2010-1: At September 30, 2019, the District was not in compliance with certain provisions of its
Debt Service Bond indenture for the Unexchanged Series 2004A Bonds only, including those relating
to 1) collecting amounts to provide payment of debt service and 2) making its semi-annual debt
service principal and interest payments.

The District's response to the finding identified in our audit is described below. We did not audit the District's response and, accordingly, we express no opinion on it.

The District and the bondholders have been working to alleviate this issue. During a prior year the Trustee and Bondholders formed the SPE to take ownership of the undeveloped land subject to delinquent assessments. During a prior year the District, Trustee, and SPE entered into a Project Transfer and Transition Agreement whereby, among other things, Windham/Magnolia Landing, LLC conveyed its interest in certain lots to D.R. Horton, Inc., conveyed its other developable property within the District to the SPE, and made certain payments to the District. As a result of Transfer and Transition Agreement, Windham was released from a portion of its obligations to the District, and a portion of O&M assessment amounts, as well as other amounts. Certain debt service assessments remain delinquent and have been forborne under the Agreement. Once the delinquent debt service assessments are collected they will be used to pay past due debt service assessments. During fiscal year 2018, the SPE sold an additional 238 lots to D. R. Horton Inc. and has assumed ongoing debt assessments for these lots, after a two year forbearance period. Furthermore, the SPE has completed the first of several improvements of Phase 2 lot development enhancing the future marketability of unsold property in the district. Effective August 20, 2019, the District restructured the Series 2004A Bonds with the bondholders through a trifurcation agreement. As a result of this trifurcation agreement, \$8,195,000 and \$8,285,000 of the Series 2004 bonds were converted into Series 2004A-1 and Series 2004A-2 Bonds, respectively, while the remaining unexchanged Series 2004A Bonds totaling \$1,987,173. Per the trifurcation agreement, the Unexchanged Series 2004A Bonds are no longer secured by the Series 2004A Special Assessments following the trifurcation, but are secured solely by the Parcels A&J True-Up Payments. The Unexchanged Series 2004A Bonds are expected to remain in default pursuant to the Master Indenture, but will not constitute an event of default for the Series 2004A-1/2 Bonds. When all remaining Parcel A and Parcel J have been sold and no further Parcels A&J True-Up Payments are payable, the Unexchanged Series 2004A Bonds will be canceled following a final distribution. At that time, none of the District's bonds are expected to be in default.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Caux Rigge & Ingram, L.L.C.

Miramar Beach, Florida March 31, 2020



MANAGEMENT LETTER

Carr, Riggs & Ingram, LLC Certified Public Accountants 500 Grand Boulevard Suite 210 Miramar Beach, Florida 32550

(850) 837-3141 (850) 654-4619 (fax) CRIcpa.com

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

Report on the Financial Statements

We have audited the financial statements of CFM Community Development District ("District") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 31, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated March 31, 2020, 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 actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Recommendation IC2010-01 was made in the preceding and second preceding financial audit report and is addressed on page 27. Actions have been taken to address the finding, which was also included in the preceding and second preceding fiscal year audit report. These actions are described in the District's response to the finding, also on page 27.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District met the condition described in Section 218.503(1)(a), Florida Statutes. In the absence of available funds, the scheduled debt service payments due May 1, 2010 through the date of this report were not made. The financial emergency condition met was a result of deteriorating financial conditions. Such deteriorating financial conditions are further discussed below. The District's response to these findings is presented on page 27.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures and as a result, it was determined that a deteriorating financial condition exists with respect to the District. The District is owed approximately \$6.5 million in debt service assessments. The District has not made the scheduled debt service payments since May 1, 2010 through the date of this report. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Additional Matters

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

Purpose of this Letter

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

Miramar Beach, Florida

Cau, Rigge & Ingram, L.L.C.

March 31, 2020



Carr, Riggs & Ingram, LLC Certified Public Accountants 500 Grand Boulevard Suite 210 Miramar Beach, Florida 32550

(850) 837-3141 (850) 654-4619 (fax) CRIcpa.com

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined CFM Community Development District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

Miramar Beach, Florida

Can Rigge & Ingram, L.L.C.

March 31, 2020

Tab 5

Work Authorization #12

March 11, 2020

CFM Community Development District Fort Myers, Florida

Subject:

Work Authorization #12

CFM Community Development District

Dear Chairperson, Board of Supervisors:

Johnson Engineering, Inc. is pleased to submit this work authorization to provide engineering services for the CFM Community Development District. We will provide these services pursuant to our current agreement dated May 17, 2007 ("Engineering Agreement") as follows:

- Scope of Services CFM Community Development District hereby engages the services to Johnson Engineering, Inc., as Engineer to perform the work described in Exhibit A – Public Facilities Report
- Fees CFM Community Development District will compensate Johnson Engineering, Inc. in accordance with the terms of the Engineering Agreement and in an amount of \$8,500.00 Lump Sum for such services.

All other terms of the Engineering Agreement apply to this Work Authorization #12. If you wish to accept this work authorization, please sign both copies where indicated, and return one complete copy to our office. Thank you for the opportunity to be of service.

Sincerely,

JOHNSON ENGINEERING, INC.

Lonnie V. Howard, President

APPROVED AND ACCEPTED
CFM CDD

By:
Authorized Representative

Date:

Exhibit A

Work Authorization #1 - Exhibit A consisting of ONE (1) page as referred to in Article 3 of the original Professional Services Agreement between OWNER and CONSULTANT for professional services dated May 17, 2007.

Services not set forth in this Exhibit A, or not listed or described herein, are expressly excluded from the Scope of the Professional Services of the CONSULTANT. The CONSULTANT assumes no responsibility to perform any services not specifically identified and/or otherwise described in this Exhibit A.

Initial:

OWNER

CONSULTANT

SCOPE OF SERVICES

PROFESSIONAL SERVICES OF THE CONSULTANT:

CONSULTANT will prepare 2020 CFM Community Development District Public Facilities Report that meets the criteria of Florida Statutes 189.08.

Information to meet Statute 189.08:

- Description of existing facilities owned or operated by the District
- Description of each public facility the District is building, improving, or expanding or is currently proposing to build, improve, or expand within the next seven (7) years (2020 through 2026)
- Date facilities District proposes to replace identified above within the next ten (10) years (2020 through 2029)
- Anticipated time of construction, improvement, or expansion of a public facility will be completed
- Anticipated capacity of and demands on each public facility when completed

CONSULTANT will coordinate usage of District records with District Manager and District Counsel in preparation of the Public Facilities Report.

Work Authorization #13

March 11, 2020

CFM Community Development District Fort Myers, Florida

Subject:

Work Authorization #13

CFM Community Development District

Dear Chairperson, Board of Supervisors:

Johnson Engineering, Inc. is pleased to submit this work authorization to provide engineering services for the CFM Community Development District. We will provide these services pursuant to our current agreement dated May 17, 2007 ("Engineering Agreement") as follows:

- Scope of Services CFM Community Development District hereby engages the services to Johnson Engineering, Inc., as Engineer to perform the work described in Exhibit A – Assets Assessment
- Fees CFM Community Development District will compensate Johnson Engineering, Inc. in accordance with the terms of the Engineering Agreement and in an amount of \$10,500.00 Time and Material for such services.

All other terms of the Engineering Agreement apply to this Work Authorization #13. If you wish to accept this work authorization, please sign and initial where indicated, and return one complete copy to our office. Thank you for the opportunity to be of service.

Sincerely,

JOHNSON ENGINEERING, INC.

Lonnie V. Howard President

APPROVED AND ACCEPTED
CFM CDD

By:
Authorized Representative

Date:

Exhibit A

Work Authorization #13 - Exhibit A consisting of ONE (1) page as referred to in Article 3 of the original Professional Services Agreement between OWNER and CONSULTANT for professional services dated May 17, 2007.

Services not set forth in this Exhibit A, or not listed or described herein, are expressly excluded from the Scope of the Professional Services of the CONSULTANT. The CONSULTANT assumes no responsibility to perform any services not specifically identified and/or otherwise described in this Exhibit A.

Initial:

OWNER

CONSULTANT

SCOPE OF SERVICES

PROFESSIONAL SERVICES OF THE CONSULTANT:

CONSULTANT will perform an assessment of the existing CDD assets to determine the condition and identify repairs that may be necessary to maintain performance.

CDD assets that are to be inspected are the following:

- Roadways, including curbing, sidewalks and signage.
- Stormwater management system, including berms, drainage inlets, lakes banks, aerators and/or
 fountains, and control structures. The inspection of these item will be based on a visual inspection.
 Components that are not visible from land surface will require an additional inspection, not
 included in this scope, from a qualified contractor.

CONSULTANT will prepare a report that contains inspection results and recommendations including pictorials to support findings. A spreadsheet will be prepared to summarize information into a table format for quick reference, and to assist with and maintain consistency as future inspections are performed.

JOHNSON ENGINEERING, INC. PROFESSIONAL SERVICES

HOURLY RATE SCHEDULE

November 1, 2017 (Updated June 19, 2019)

Professional		Construction Engineering and Inst	ection
9	\$230	(CEI) Services	
8	\$210	CEI Services Manager	\$160
7	\$190	CEI Senior Project Administrator	\$140
6	\$170	CEI Project Administrator	\$125
5	\$150	Contract Support Specialist	\$110
4	\$135	Senior Inspector	\$100
3	\$125	CEI Inspector III	\$90
2	\$110	CEI Inspector II	\$80
1	\$100	CEI Inspector I	\$70
Technician		Compliance Specialist	\$80
6	\$140	CEI Inspector's Aide	\$60
5	\$120	•	400
4	\$100		
3	\$85		
2	\$70		
I	\$60		
Administrative			
3	\$80		
2	\$70		
1	\$60		
Field Crew			
4-Person	\$200		
3-Person	\$170		
2-Person	\$135		
Field Equipment Field Equipment on Separa	te Schedule		

\$275

Cost + 10%

Expert Witness

Reimbursable Expenses

and Sub-Consultants



DATE: March 26, 2020

JOHNSON ENGINEERING, INC., AND				_	CFM Community Development				
				D	District (CDD)				
(CONSULTANT),					(CLIENT).				
PROJE	CT NAM	E: Magn	olia Landing	Chloride M	lonitoring 202	20-202	ı		
Sect	ion: <u>2</u> -	4, 10-11	Township:	43 South	Range:	24 Ea	st	County: Lee	
Latitu	ıde: <u>26.7</u>	767094° N	Longitude:	81.89717°W	Comments:				
CON	SULTANT	CONTACT	INFORMATI	ON	CLIEN	IT CON		T INFORMATION CDD c/o/ Rizzetta &	
Projec	t Manager:	Wyatt Stutt	:s		Bill to the atten	tion of:			
·	_	2122 Johnso						Marketplace Road Suit	e 206
	City:	Fort Myers			City/Sta	ate/Zip:	Fort I	Myers, FL 33912	
	State/Zip:	Florida, 339	01			Phone:			
	Phone:	(239) 334-0	046			Cell:	(239)	936-0913	
	Fax:	(239) 334-3	661			Fax:			
	Email:	WAS@johr	nsoneng.com			Email:	bblan	don@rizzetta.com	
beginning Permit concentrate by WUP equipments	ng from th Condition ration in n 36-05392 ent and co	e collection No. 21 of nilligrams p -W. Scope ondition of	of the first se the above-mo er liter (mg/L) of services assi the site will be	et of samples. entioned peri and report the umes accessib e suitable for	Sampling will be mit. CONSULTAGE results to the bility to the site collecting samp	e cond ANT sha SFWMI will be oles. Sc	ucted all and D on a providuope o	, for a period of 12 in accordance with alyze samples for quarterly basis as reded for field person f services does not JP 36-05392-W not	Special chloride equired and include
FEE & TYPE:		Lump Sur	n Fixed Fee (billed	monthly over 12-	month period @ \$7	50 per m	onth):	\$9,000.00	LS
						OTAL F		\$9,000.00	LS
hereby aut TYPE" sect	horize the partion above. I	erformance o	of the above serviderstand and agr	vices and agree	to pay the charge	s resultii	ng ther	ct for professional service from as identified in s, including Limitation o	the "FEE
Authoria	zed Signatu	re:				Da	te:		

JEI011017 Page I

Typed Name & Title:

STANDARD BUSINESS TERMS AND CONDITIONS

These Standard Business Terms and Conditions are attached to, and made a part of, Proposals and Agreements for services by Johnson Engineering, Inc. ("CONSULTANT").

Standard of Care: The Standard of Care for all professional engineering and related services performed or furnished by the CONSULTANT under this Agreement with the care and skill ordinarily used by members of the CONSULTANT's profession practicing under similar conditions at the same time and the same locality.

Information from CLIENT: CLIENT to provide supporting information and extraordinary project considerations or special services, deeds, easements, rights-of-way, etc. needed for CONSULTANT to complete the Scope described herein.

Cooperation with Other Consultants or CLIENT's Attorney: Due to the various laws, rules and ordinances relating to projects of this nature, legal counsel may be required, which is excluded from this Agreement. CLIENT is expected to retain an attorney as needed for advice and participation as a professional team member. CLIENT will serve as project coordinator and be responsible for assuring the cooperation of consultants contracting directly with him.

Permit and Application Fees: CLIENT shall pay all project-related fees including, but not limited to plan review, platting, permits, DRI, impact fees, etc.

Termination: This Agreement and obligation to provide further service may be terminated by either party upon 30 days written notice in the event of substantial failure by the other party to perform to the terms hereof through no fault of the terminating party.

Billings and Payment: Fixed fees shall be billed monthly for the project portion completed to the billing date, plus reimbursables. Time/Material/Expenses (TME) fees shall be billed monthly based on time, materials, and expenses incurred to the billing date, plus reimbursables. A T/M/E estimate, if provided, is for information purposes only. Actual fee may be more or less and based on the Rate Code Schedule in effect at the time services are rendered. Additional Services mutually agreed upon by CONSULTANT and CLIENT shall be billed monthly based on time, materials, and expenses incurred to the billing date plus Reimbursables based on the Rate Code Schedule in effect at the time services are rendered. continuous progress of CONSULTANT's service requires prompt payment. Payment is due within thirty days of the invoice date. Past due amounts shall include a late charge of 1% per month from said thirtieth day; and, in addition, we may, after seven days' notice to CLIENT, suspend services under this Agreement until we have been paid in full for all amounts due for our services and expenses. CONSULTANT is entitled to collect reasonable fees and costs, including attorney fees and interest, if required to obtain collection of any amount due under this Agreement by a court action or settlement without court action.

Reimbursables: Project-related expenses such as transportation, subsistence, long distance communications, postage, shipping, report, drawing, specification reproduction, and CLIENT-authorized overtime shall be reimbursable. The amount payable for reimbursables will be the charge actually incurred by or imputed cost allocated by CONSULTANT therefore times a factor of 1.10.

Taxes: Any government imposed taxes or fees shall be added to the invoice for services under this Agreement.

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Attorney Fees: Should litigation arise related to services under this Agreement, the prevailing party is entitled to recover reasonable costs including staff time, court costs, attorney fees and related expenses.

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Responsible Party:

PURSUANT TO § 558.0035 FLORIDA STATUTE, THE CONSULTANT'S CORPORATION IS THE RESPONSIBLE PARTY FOR THE PROFESSIONAL SERVICES IT AGREES TO PROVIDE UNDER THIS

AGREEMENT. NO INDIVIDUAL, PROFESSIONAL EMPLOYEE, AGENT, DIRECTOR, OFFICER OR PRINCIPAL MAY BE INDIVIDUALLY LIABLE FOR NEGLIGENCE ARISING OUT OF THIS AGREEMENT.

Project Delays: The CLIENT recognizes and agrees that various factors both within and without the control of Design Professional can operate to delay the performance of the work, the issuance of permits and licenses, and the overall construction of the project. The CLIENT agrees that it shall not be entitled to any claim for damages on account of hindrances or delays from any course whatsoever including, but not limited to: the production of contract documents; issuance of permits from any government or agency; beginning or completion of construction; or performance of any phase of the work pursuant to this Agreement. Permitting is a regulatory function and CONSULTANT does not guarantee issuance of any permit.

Budgetary Limitations: It is necessary that CLIENT advise CONSULTANT in writing at an early date if CLIENT has budgetary limitations for the overall Project Cost or Construction Cost. CONSULTANT will endeavor to work within those limitations. If CLIENT requests, CONSULTANT will submit to CLIENT, as an Additional Service, opinions as to the probability of completing construction within CLIENT's budget and, where appropriate, request an adjustment in the budget or a revision in the scope of services of the Project. CONSULTANT does not guarantee that opinions of probable cost will not differ materially from negotiated prices, fees or bids. If CLIENT wishes greater assurance as to the probable construction costs, or if formal estimates are desired, an independent cost estimator should be employed.

Excluded Services: CONSULTANT will provide services including and limited to those described in the Scope of Services (Scope of Work). All other services are specifically excluded. Listed below are <u>excluded</u> services, unless otherwise specifically included in the Scope, which may be required or desired for the Project: Abstract of Title Review - Geotechnical Services - Materials Testing - Architectural Services - Hazardous Waste Assessments

Mediation: In an effort to resolve any conflicts that arise during the design or construction of the project or following the completion of the project, the CLIENT and the Design Professional agree that all disputes between them arising out of or relating to this Agreement shall be submitted to non-binding mediation unless parties mutually agree otherwise.

Betterment: If CONSULTANT mistakenly leaves out of the Construction Documents, any component or item required for the Project, CONSULTANT shall not be responsible for the cost or expense of constructing or adding the component or item to the extent such item or component would have been required and included in the original construction documents. In no event will the CONSULTANT be responsible for any cost or expense that provides betterment, upgrades or enhances the value of the Project.

Ownership of Instruments of Service: All reports, plans, specifications, field data, and notes or other documents, including all documents on electronic media, prepared by the Design Professional as instruments of service shall remain the property of the Design Professional.

Hazardous Materials: Services related to asbestos, hazardous or toxic materials are excluded. CLIENT shall provide a site that complies with applicable laws and regulations. CONSULTANT may, at its option and without liability for consequential or other damages, suspend services until CLIENT retains specialist consultants to abate or remove asbestos, hazardous, or toxic materials.

Entire Understanding: This Proposal/Agreement represents the entire understanding between CLIENT and CONSULTANT in respect to this Project and may only be modified in writing.

Consultant's Limited Liability: Notwithstanding any other provision of this Agreement and to the fullest extent permitted by law, the total liability, in the aggregate, of CONSULTANT and CONSULTANT's officers, directors, partners, employees, agents and CONSULTANT's Sub-Consultants, and any of them, to CLIENT and anyone claiming by, through or under CLIENT, for any and all claims, losses, costs or damages whatsoever arising out of, resulting from or in any way related to the Project, this Agreement, or any supplemental Agreements written or oral from any cause or causes, including but not limited to the negligence, professional errors or omissions, strict liability or breach of contract or warranty, express or implied of CONSULTANT or CONSULTANT's officers, directors, partners, employees, agents or CONSULTANT's Sub-Consultants or any of them, shall not exceed \$ 9.000.00

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PROFESSIONAL SERVICES AGREEMENT

DATE: March 25, 2020

BETWEEN CFM Community Development District (CDD) JOHNSON ENGINEERING, INC., (CONSULTANT), (CLIENT). PROJECT NAME: Magnolia Landing Monitoring Well Installation Section: 2-4, 10-11 Township: 43 South Range: 24 East County: Lee Latitude: 26.767094° N Longitude: 81.89717°W Comments: **CONSULTANT CONTACT INFORMATION CLIENT CONTACT INFORMATION Project Manager:** Wyatt Stutts Bill to the attention of: CFM CDD c/o Rizzetta & Company Address: 2122 Johnson Street **Billing Address:** 9530 Marketplace Road Suite 206 City/State/Zip: Fort Myers, Florida, 33901 City/State/Zip: Fort Myers, FL 33912 **Phone:** (239) 334-0046 Cell: (239) 936-0913 Fax: (239) 334-3661 Fax: Email: WAS@johnsoneng.com Email: bblandon@rizzetta.com

SCOPE OF SERVICES (LIMITED TO THE FOLLOWING):

CONSULTANT will construct two (2) Water Table aquifer monitoring wells at the site in accordance with Special Permit Condition No. 21 of the South Florida Water Management District (SFWMD) water use permit (WUP) 36-05392-W. The wells will be constructed at the locations shown in Exhibit 2 of the above-mentioned permit. Well construction details will be based on Table A of SFMWD WUP 36-05392-W. Well construction will be performed by a water well contractor licensed in the state of Florida. CONSULTANT will obtain well construction permits from Lee County prior to construction. A representative from CONSULTANT will be present during well construction to collect and analyze drill cuttings, select casing and screen setting depths, and oversee well construction and development. Following construction, the well will be developed by pumping and/or air-lifting to remove drilling fluids (if used) and fine sediments. Scope of services does not include providing a lock and well tag for the wells. Scope of services assumes accessibility to the site will be provided for field personnel and equipment and condition of the site will be suitable for drilling and well construction. CONSULTANT will submit well completion reports to Lee County per Rule 40D-3.411(1)(a), Florida Administrative Code (FAC) following completion of construction. CONSULTANT will submit an updated "Table A – Description of Well Details" for SFWMD WUP 36-05392-W following well installation.

FEE & TYPE:	Time & Materials (based on current Rate Schedule in effect at the time service is rendered: Not-To-Exceed Fixed Fee based on Rate Schedule in effect at the time service is rendered: Lump Sum Fixed Fee: Reimbursables:	\$ 4,542.00 T&M
	TOTAL FEES:	\$4,542.00 T&M
hereby aut TYPE" sect	AUTHORIZATION: I warrant and represent I am authorized to enter into this contract horize the performance of the above services and agree to pay the charges resulting ther ion above. I have read, understand and agree to the Standard Business Terms and Conditions page 2 of this Agreement.	e from as identified in the "FEE
	red Signature: Date: Name & Title:	

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STANDARD BUSINESS TERMS AND CONDITIONS

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Information from CLIENT: CLIENT to provide supporting information and extraordinary project considerations or special services, deeds, easements, rights-of-way, etc. needed for CONSULTANT to complete the Scope described herein.

Cooperation with Other Consultants or CLIENT's Attorney: Due to the various laws, rules and ordinances relating to projects of this nature, legal counsel may be required, which is excluded from this Agreement. CLIENT is expected to retain an attorney as needed for advice and participation as a professional team member. CLIENT will serve as project coordinator and be responsible for assuring the cooperation of consultants contracting directly with him.

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Subconsultant: Subconsultant contracts will be administered at a cost of 10% of the Subconsultant contract fee.

Attorney Fees: Should litigation arise related to services under this Agreement, the prevailing party is entitled to recover reasonable costs including staff time, court costs, attorney fees and related expenses.

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Tab 6



Service Proposal



CLIENT: Magnolia Landing

LOCATION: Lee County, Florida

PROPOSAL #: RFP00089

1.0 Proposal

RAK RISK, Inc. is pleased to present to Magnolia Landing the following proposal to complete the Preserve Area "Punch List" items as outlined on the attached map provided by Johnson Engineering and Laura Layman of SFWMD.

2.0 Service Description

2.1 Reduction and Removal of Existing Stands of Dead Vegetation:

2.1.A Only trees and logs greater than 3 inches in diameter will be reduced/removed from these designated areas. skid steer loaders and small front-end loaders will be used to gather up and stockpile material in various staging areas on site. Stockpiled material will then be hauled offsite for disposal There is to be no gathering, raking, Stockpiling or removal of any vegetative debris smaller than 3 inches in diameter.

2.2 Reduction and Removal of Existing Log Cabin and Teepee Piles:

2.2.A A skid steer loader will be used to remove the bulk of material from these piles within these designated areas. There is to be no hand raking of small debris or "Duff" left behind following the mechanical removal of the bulk from these piles.

2.3 Cut & Stack Areas:

2.3.A Dead stands of vegetation are to be cut and large debris stacked in log cabin piles > 100' apart. There is to be no hand raking, picking up or stacking of small vegetative debris.

2.4 Mulch Reduction and Re-grade Areas:

2.4.A Mulch will be thinning out mechanically with a skid steer loader in designated areas as discussed with Laura Layman of SFWMD. Regrade areas will be smooth out mechanically with a skid steer loader and resultant elevation left as is. This task does not include the bringing in of any additional fill dirt to raise elevations that may be deemed too low or not up to grade.

2.5 Mitigation Planting

2.5.A This proposal does not include the supply or installation of any mitigation planting.

2.6 Tire Disposal

2.6.A Tires found within the work areas will be gathered up, stockpiled and removed from the site for disposal. The above work will take place while the work areas are free of standing water. If there is a rain event that restricts reasonable access to the site, work will be postponed until water levels recede enough to continue. There will be no penalties for work not completed in a timely manner due to access issues caused by rain.

3.0 Pricing

#	Line Items	Cost
1	Parcel J	
2	Parcel K	\$31,200.00
3	Parcel L	
4	Parcel M	\$62,400.00
5	Parcel N	
	TOTAL	\$93,660.00

4.0 General Terms & Conditions

- **4.1** The above work is to be completed for the lump sum cost of \$93,660.00.
- **4.2** Work will be evaluated on a monthly basis and payments made for estimated parentage of task completed.
- **4.3** Final and total payment is due upon completion of work.

Submitted by: Taylor Powell	Accepted By (print):
Date: 2/26/2020	Date:
Taylor Powell, President	Signature, Position





Your Success Team

U.S.A / Middle East

Taylor Powell President (c) 334.319.3353

(e) Taylor@RakRisk.com

Canada / Europe / South America

Stacey Malitowski
Vice President Operations
(c) +1.403.380.7939
(e) Stacey@rakrisk.com

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend on the particular circumstances involved and we recommend that you obtain professional advice before acting or refrain from acting on any of the contents of this publication. RAK RISK Inc. would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. RAK RISK Inc. accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

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