

# Sunny Hills Units 12-15 Dependent District

12051 Corporate Boulevard, Orlando, FL 32817  
Phone: 407-382-3256; Fax: 407-382-3254

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The following is the proposed agenda for the **Sunny Hills Units 12-15 Dependent District** (“District”) Board of Supervisors’ Meeting, scheduled to be held at **the Sunny Hills Community Center, 4083 Challenger Rd., Sunny Hills, Florida on Thursday, June 28, 2018 at 1:30 pm CST / 2:30 pm EST**. A quorum will be confirmed prior to the start of the Meeting.

For those unable to attend in person, the call-in information for the meeting is as follows:

Number: 1-877-864-6450  
Passcode: 933751

## **BOARD OF SUPERVISOR’S MEETING AGENDA**

### **Organizational Matters**

- Call to Order & Roll Call
- Oaths of Office
- Public Comment Period [*for any members of the public desiring to speak on any proposition before the Board*]
- Announcement of the Date, Time, and Location of the Annual Landowner’s Election (with Friday, November 16, 2018 at 1:30 p.m. CST at 4083 Challenger Blvd., Sunny Hills, Florida suggested)
  - 1) Consideration of Mr. Ireland’s Resignation Letter and Naming a Replacement Supervisor (*provided under separate cover*)
  - 2) Consideration of the Minutes of the February 19, 2018 Landowner’s Election, Auditor Selection Committee Meeting and Board of Supervisors Meeting
  - 3) Letter from Supervisor of Elections – Washington County

### **Business Matters**

- 4) Consideration of Resolution 2018-03, Appointing District Officers
- 5) Consideration of Resolution 2018-04, Approving an Annual Budget for the District’s 2018-2019 Fiscal Year (Beginning October 1, 2018)
- 6) Consideration of Fiscal Year 2018-2019 Funding Agreement
- 7) Review of Fiscal Year 2017 Audit
- 8) Consideration of Financial Advisory Agreement
- 9) Ratification of Funding Requests 2018-05 – 2018-08
- 10) Review of Statements of the District’s Financial Position

### **Staff Reports**

- District Counsel
- District Manager

### **Supervisor’s Requests and/or Audience Comments**

### **Adjournment**

**SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT**

Resignation Letter and Naming a  
Replacement Supervisor  
*(provided under separate cover)*

**SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT**

Minutes of the February 19, 2018 Landowner's  
Election, Auditor Selection Committee Meeting  
and Board of Supervisors Meeting

**MINUTES OF MEETING**

*SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT  
Landowners Meeting  
Monday, February 19, 2018  
Sunny Hills Community Center  
4083 Challenger Road  
Sunny Hills, FL 32428  
1:35 p.m. CST / 2:35 p.m. EST*

Present:

Jim Town	Landowner
Larry Kaufmann	Proxy Holder - Spring Ridge Development
Christi Blyseth	Fishkind & Associates, Inc.
Jennifer Walden	Fishkind & Associates, Inc. (via phone)
Tucker Mackie	District Counsel (via phone)
Gary Hartman	Public

**FIRST ORDER OF BUSINESS**

**Call to Order and Roll Call**

The meeting was called to order at 1:35 p.m. CST.

**SECOND ORDER OF BUSINESS**

**Appointment of Meeting Chairman**

Ms. Blyseth, an employee of the District Manager's office, served as Chairman of the meeting.

**SECOND ORDER OF BUSINESS**

**Determine Number of Voting Units Represented or Assigned by Proxy**

The owners of lands within the District or any landowner proxy holders were asked to identify themselves. Mr. Kaufmann presented a landowner proxy form, which outlined that Mr. Kaufmann was named proxy holder for Spring Ridge Development. The form also indicates that he is authorized to cast 6,411 votes on behalf of Spring Ridge Development. No other landowners or proxy holders were identified. Mr. Kaufmann cast 6,411 votes for Mr. Jim Town.

**THIRD ORDER OF BUSINESS**

**Acceptance of Nominations for the Board of Supervisors, Casting of Ballots, Ballot Tabulations and Announcement of Election Results**

Ms. Blyseth stated that this is for Seat 1 and presently held by Mr. Jim Town for a three-year term and the ballot attached lists the candidate as Mr. Jim Town. Ms. Blyseth noted that there are no other ballots and no other proxy holders were present. Mr. Jim town was elected to Seat 1 for an additional three years by 6,411 votes.

**FOURTH ORDER OF BUSINESS**

**Adjournment**

The Landowner's Election was adjourned.

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Secretary/Assistant Secretary

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Chairperson/Vice-Chairperson

**MINUTES OF MEETING**

*SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT  
Auditor Selection Committee Meeting  
Monday, February 19, 2018  
Sunny Hills Community Center  
4083 Challenger Blvd  
Sunny Hills, FL 32428  
1:41 p.m. CST / 2:41 p.m. EST*

Present and constituting a quorum:

Jim Town	Committee Member	
Larry Kaufmann	Committee Member	
Ralph Ireland	Committee Member	(Ralph Ireland)

Also present were:

Christi Blyseth	Fishkind & Associates, Inc.
Jennifer Walden	Fishkind & Associates, Inc. (via phone)
Tucker Mackie	Hopping Green & Sams (via phone)
Gary Hartman	Public

**FIRST ORDER OF BUSINESS**

**Call to Order and Roll Call**

The Sunny Hills Units 12-15 Dependent District Auditor Selection Committee Meeting was called to order at approximately 1:41 p.m. CST / 2:41 p.m. EST and the roll was called. The persons in attendance are outlined above.

Ms. Blyseth noted that prior to the meeting Mr. Town was administered the Oath of Office.

**SECOND ORDER OF BUSINESS**

**Review of Auditing Services  
Proposal from CRI**

Ms. Blyseth stated that the proposal from CRI is the only proposal that the District received. This is the same Auditor that did last year’s Audit. Ms. Blyseth indicated that the fees are outlined on Page 5 of the proposal. Ms. Walden asked the Board to check that the fees fall in line with the budget because the District has budgeted \$4,500.00 for Auditing Services. Mr. Kaufmann stated that the District is within the proposal amount. Ms. Blyseth stated that behind Tab B is the Managers recommended rankings and the District Manager recommended CRI giving them a total

of 100 points. She noted that the District Manager has worked with them in the past and they are well qualified.

On Motion by Mr. Kaufmann, second by Mr. Town, with all in favor, the Auditor Selection Committee for the Sunny Hills Units 12-15 Dependent District recommended the proposal from CRI.

**THIRD ORDER OF BUSINESS**

**Adjournment**

Ms. Blyseth requested a motion to adjourn the Auditor Selection Committee Meeting.

On MOTION by Mr. Kaufmann, seconded by Mr. Town, with all in favor, the February 19, 2018 Sunny Hills Units 12-15 Dependent District Auditor Selection Committee Meeting was adjourned.

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

\_\_\_\_\_  
Chairperson/Vice-Chairperson

**MINUTES OF MEETING**

*SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT  
Board of Supervisors' Meeting  
Friday, February 19, 2018  
Sunny Hills Community Center  
4083 Challenger Blvd  
Sunny Hills, FL 32428  
1:45 p.m. CST / 2:45 p.m. EST*

Present and constituting a quorum:

Jim Town	Committee Member	
Larry Kaufmann	Committee Member	
Ralph Ireland	Committee Member	(Ralph Ireland)

Also present were:

Christi Blyseth	Fishkind & Associates, Inc.
Jennifer Walden	Fishkind & Associates, Inc. (via phone)
Tucker Mackie	Hopping Green & Sams (via phone)
Gary Hartman	Public

**FIRST ORDER OF BUSINESS**

**Call to Order and Roll Call**

The Sunny Hills Units 12-15 Dependent District Board of Supervisor’s Meeting was called to order at approximately 1:45 p.m. CST / 2:45 p.m. EST and the roll was called. The persons in attendance are outlined above.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

There were no public comments.

**THIRD ORDER OF BUSINESS**

**Swearing in of Newly Elected Supervisors**

Ms. Blyseth noted that Mr. Town was administered the oath of Office prior to the ASC meeting which was just held.



**FOURTH ORDER OF BUSINESS**

**Consideration of the Minutes of the June 23, 2017 Auditor Selection Committee Meeting and Board of Supervisors' Meeting**

The Board Members reviewed the minutes of the June 23, 2017 Auditor Selection Committee Meeting and Board of Supervisors' Meeting.

On Motion by Mr. Town, second by Mr. Kaufmann, with all in favor, the Board of Supervisors for the Sunny Hills Units 12-15 Dependent District approved the minutes of the June 23, 2017 Auditor Selection Committee Meeting.

There were no corrections to the minutes of the June 23, 2017 Board of Supervisors meeting.

On Motion by Mr. Town, second by Mr. Kaufmann, with all in favor, the Board of Supervisors for the Sunny Hills Units 12-15 Dependent District approved the minutes of the June 23, 2017 Board of Supervisors' Meeting.

**FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2018-01, Canvassing and Certifying the Results of the Landowners' Election**

Ms. Blyseth explained that this resolution stipulates that Mr. Town was elected by 6,411 votes for a three-year term.

On Motion by Mr. Town, second by Mr. Ireland, with all in favor, the Board of Supervisors for the Sunny Hills Units 12-15 Dependent District approved Resolution 2018-01, Canvassing and Certifying the Results of the Landowners' Election.

**SIXTH ORDER OF BUSINESS**

**Consideration of Resolution 2018-02, Appointing District Officers**

Ms. Blyseth stated that the Board needs to update the District Officers by approving Resolution 2018-02. The slate of officers will be adjusted as follows: Mr. Kaufmann as Chairman, Jim Town as Vice-Chairman, Ms. Walden as Secretary, Ms. Blyseth and Mr. Ireland as Assistant Secretaries, Dr. Fishkind as Treasurer and Ms. Glasgow as Assistant Treasurer.

On Motion by Mr. Kaufmann, second by Mr. Town, with all in favor, the Board of Supervisors for the Sunny Hills Units 12-15 Dependent District approved Resolution 2018-02, Appointing District Officers with appointing Mr. Kaufmann as Chairman, Jim Town as Vice-Chairman, Ms. Walden as Secretary, Ms. Blyseth and Mr. Ireland as Assistant Secretaries, Dr. Fishkind as Treasurer and Ms. Glasgow as Assistant Treasurer.

**SEVENTH ORDER OF BUSINESS**

**Review of Auditor Selection Committee Rankings & Selection of Auditor**

Ms. Blyseth stated that CRI was awarded the full points and the Auditor Selection Committee recommends CRI to continue as the District’s Auditor. District staff will negotiate a contract with them to that effect. Ms. Blyseth requested a motion to approve the Auditor Selection Committee’s recommendation of the award of CRI and direct staff to work with Carr Riggs & Ingram.

On Motion by Mr. Town, second by Mr. Kaufmann, with all in favor, the Board of Supervisors for the Sunny Hills Units 12-15 Dependent District approved the Auditor Selection Committee’s recommendation of the award of CRI and directed staff to work with Carr Riggs & Ingram to negotiate the Engagement Letter.

**EIGHTH ORDER OF BUSINESS**

**Ratification of Funding Requests 2017-09 – 2017-14 and 2018-01 – 2018-04**

Ms. Walden explained that these had been previously submitted and approved by the Chairman and now need to be ratified. A discussion took place about the funding requests and the website which has now been updated. The wrong summary report was included for a Fishkind invoice and the last line of it says “Sweetwater creek CDD”. That total does not show up on the cover sheet of the invoice. Ms. Walden and Ms. Blyseth both believe it to be an error during printing. Ms. Blyseth requested a motion to ratify Funding Requests 2017-09 – 2017-14 and 2018-01 – 2018-04subject to the correction.

On Motion by Mr. Town, second by Mr. Kaufmann, with all in favor, the Board of Supervisors for the Sunny Hills Units 12-15 Dependent District Ratified Funding Requests 2017-09 – 2017-14 and 2018-01 – 2018-04 subject to the correction.

**NINTH ORDER OF BUSINESS**

**Review of Statements of the District's Financial Position**

The Board reviewed the updated financials. There was no action required by the Board.

**TENTH ORDER OF BUSINESS**

**Staff Reports**

**Attorney** – No Report

**Manager** – No Report

**ELEVENTH ORDER OF BUSINESS**

**Supervisor's Requests and/or Audience Comments**

Mr. Town brought up the drone surveillance and asked Mr. Ireland if he received any information and if there was any desire to do that. Mr. Ireland said he does not think there is a desire to do it. Mr. Town said that drone operators said that their drones only fly for few minutes and he talked to the Fixed Based Operator at the airport and they are not interested in it unless the District paid a premium rate for their airplane. He noted that there have not been any forest fires in the area and the poachers are active during dear season and noted that there may be squatters and noted that there was a report once but the District did not know where the individuals were. Mr. Kaufmann said that there was an issue with an access road on the perimeter of the northern section and noted that someone's trailer was being accessed on the road that the District thought went off site and wanted to block it to keep access and it got to be an issue with the trailer owner because it was better for them to go the separate way. The District wanted to block off the road and there was an issue with the City and the District dropped the issue. Mr. Town said that they bought the lot in Sunny Hills in order to have access through to their 160 acres. Mr. Town said that if the District had squatters he thinks that they would be in unit 15 because it is the most difficult to access and the other has grid work of primitive roads and clearing. Mr. Town does not think that it is a problem or squatter issue. He noted that if the District thought they had that issue the first response should be to call the Sherriff. There was no other business to discuss.

**TWELFTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Mr. Kaufmann, seconded by Mr. Town, with all in favor, the June 23, 2017 Sunny Hills Units 12-15 Dependent District Board Meeting was adjourned.

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Secretary/Assistant Secretary

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Chairperson/Vice-Chairperson

**SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT**

Letter from Supervisor of Elections  
Washington County

## Lynne Mullins

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**From:** Carol Rudd <crudd@wcsoe.org>  
**Sent:** Wednesday, April 18, 2018 11:34 AM  
**To:** Jennifer Walden  
**Subject:** Sunny Hills Units 12-15 Dependent Districts

Good morning Jennifer-

After speaking with you this morning I called the Washington County Property Appraiser Appraiser's office. I spoke with Teresa Mitchell, Deputy PA and as in years past, she told me there are no known residents/structures in the Dependent Districts 12-15 of Sunny Hills.

Should you have any further questions, please feel free to contact our office or the office of the Washington County Property Appraiser at 850-638-6205.

Sincerely,

*Carol F. Rudd*, MFCEP  
Supervisor of Elections  
Washington County, FL

Please note: Florida has a very broad public records law. Written communications to or from state officials regarding state business constitute public records and are available to the public and media upon request unless the information is subject to a specific statutory exemption. Therefore, your e-mail message may be subject to public disclosure.

**SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT**

Resolution 2018-03,  
Appointing District Officers

**RESOLUTION 2018-03**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF  
THE SUNNY HILLS UNITS 12-15 DEPENDENT  
DISTRICT APPOINTING OFFICERS OF SUNNY HILLS  
UNITS 12-15 DEPENDENT DISTRICT**

**WHEREAS**, SUNNY HILLS UNITS 12-15 DEPENDENT DISTRICT (hereinafter the "District") is a dependent special district pursuant to Chapter 189, Florida Statutes, being situated entirely within Washington County, Florida; and

**WHEREAS**, the Board of Supervisors of the District desires to appoint officers of the;

**NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT  
BOARD OF THE SUNNY HILLS UNITS 12-15 DEPENDENT  
DISTRICT:**

1. \_\_\_\_\_ is appointed Chairman
2. \_\_\_\_\_ is appointed Vice Chairman
3. \_\_\_\_\_ is appointed Secretary
4. \_\_\_\_\_ is appointed Assistant Secretary
5. \_\_\_\_\_ is appointed Assistant Secretary
6. \_\_\_\_\_ is appointed Treasurer
7. \_\_\_\_\_ is appointed Assistant Treasurer

Adopted this 28<sup>th</sup> day of June, 2018.

\_\_\_\_\_  
Chairman/Vice Chairman

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



**SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT**

Resolution 2018-04,  
Approving an Annual Budget for the District's  
2018-2019 Fiscal Year

**RESOLUTION 2018-04**

**A RESOLUTION OF THE SUNNY HILLS UNITS 12-15 DEPENDENT DISTRICT APPROVING THE DISTRICT'S PROPOSED BUDGET FOR FISCAL YEAR 2018/2019 AND TRANSMITTING SAID BUDGET TO WASHINGTON COUNTY FOR ADOPTION.**

**WHEREAS**, the District Manager has prepared the proposed budget for Fiscal Year 2018/2019, attached hereto as **Exhibit A**; and

**WHEREAS**, the District Board approves the proposed budget for purpose of transmitting said budget to the County Administrator of Washington County, Florida, for adoption by the Washington County Board of County Commissioners.

**NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE SUNNY HILLS UNITS 12-15 DEPENDENT DISTRICT:**

1. The proposed budget for Fiscal Year 2018/2019 in the amount of \$\_\_\_\_\_ is hereby approved for the purpose of transmitting said budget to the County Administrator of Washington County, Florida, for adoption by the Washington County Board of County Commissioners.

**PASSED AND ADOPTED THIS 28<sup>th</sup> DAY OF JUNE, 2018.**

ATTEST:

**SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT**

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT A:** Fiscal Year 2018/2019 Proposed Budget

**Sunny Hills Unit 12-15 Depen. District**  
Proposed FY 2019 O&M Budget

	YTD Actual Through 04/30/2018	Anticipated 05/2018- 09/2018	Anticipated FY 2018 Total	FY 2018 Adopted Budget	FY 2019 Proposed Budget
<b><u>Revenues</u></b>					
Developer Contributions	\$ 13,223.99	\$ 22,450.09	\$ 35,674.08	\$ 36,000.00	\$ 38,500.00
<b>Net Revenues</b>	<b>\$ 13,223.99</b>	<b>\$ 22,450.09</b>	<b>\$ 35,674.08</b>	<b>\$ 36,000.00</b>	<b>\$ 38,500.00</b>
<b><u>General &amp; Administrative Expenses</u></b>					
Supervisor Fees	\$ 200.00	\$ 800.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Public Officials' Liability Insurance	2,995.00	-	2,995.00	3,295.00	3,295.00
Management	4,375.00	3,125.00	7,500.00	7,500.00	10,000.00
Engineering	-	2,000.00	2,000.00	2,000.00	2,000.00
District Counsel	1,236.00	8,764.00	10,000.00	10,000.00	10,000.00
Audit	2,000.00	2,500.00	4,500.00	4,500.00	4,500.00
Travel and Per Diem	578.00	2,422.00	3,000.00	3,000.00	3,000.00
Telephone	15.23	9.77	25.00	25.00	25.00
Postage & Shipping	4.72	495.28	500.00	500.00	500.00
Copies	82.50	17.50	100.00	100.00	100.00
Legal Advertising	1,036.54	1,036.54	2,073.08	600.00	2,100.00
Miscellaneous	-	105.00	105.00	105.00	105.00
Website Maintenance	525.00	375.00	900.00	900.00	900.00
Contingency	-	500.00	500.00	500.00	500.00
Office Supplies	-	300.00	300.00	300.00	300.00
Dues, Licenses, and Fees	175.00	-	175.00	175.00	175.00
<b>Total General &amp; Administrative Expenses</b>	<b>\$ 13,222.99</b>	<b>\$ 22,450.09</b>	<b>\$ 35,673.08</b>	<b>\$ 34,500.00</b>	<b>\$ 38,500.00</b>
<b><u>Capital Projects Expenses</u></b>					
District Counsel	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -
Contingency	-	-	-	500.00	-
<b>Total Capital Projects Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,500.00</b>	<b>\$ -</b>
<b>Total Expenses</b>	<b>\$ 13,222.99</b>	<b>\$ 22,450.09</b>	<b>\$ 35,673.08</b>	<b>\$ 36,000.00</b>	<b>\$ 38,500.00</b>
<b>Net Income (Loss)</b>	<b>\$ 1.00</b>	<b>\$ -</b>	<b>\$ 1.00</b>	<b>\$ -</b>	<b>\$ -</b>

**SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT**

Fiscal Year 2018-2019 Funding Agreement

**SUNNY HILLS UNITS 12-15 DEPENDENT DISTRICT**  
**FISCAL YEAR 2018/2019 FUNDING AGREEMENT**

This agreement (“**Agreement**”) is made and entered into this 28<sup>th</sup> day of June 2018, by and between:

**Sunny Hills Units 12-15 Dependent District**, a special dependent established pursuant to Chapter 189, *Florida Statutes*, and located in Washington County, Florida (hereinafter “**District**”), and

**Spring Ridge Development, LLC**, a Florida limited liability company, whose address of 6900 Tavistock Lakes Blvd., Suite 200, Orlando, Florida 32827 (hereinafter “**Developer**”).

**RECITALS**

**WHEREAS**, the District was established by Ordinance No. 2006-12 of the Board of County Commissioners of Washington County, Florida (hereinafter, the “**County**”), for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure; and

**WHEREAS**, the District, pursuant to Chapter 189, *Florida Statutes*, and Washington County Ordinance No. 2006-12, is authorized to levy such taxes, special assessments, fees and other charges as may be necessary in furtherance of the District's activities and services; and

**WHEREAS**, Developer presently owns real property within the District, which property will benefit from the timely construction and acquisition of the District's facilities, activities and services and from the continued operations of the District; and

**WHEREAS**, the District is approving its proposed general fund budget for the fiscal year beginning October 1, 2017 and ending September 30, 2018 (“**Fiscal Year 2018/2019 Budget**”) and transmitting said budget to the County for final adoption; and

**WHEREAS**, the Fiscal Year 2018/2019 Budget, which both parties recognize may be amended from time to time by the County, is attached hereto and incorporated herein by reference as **Exhibit A**; and

**WHEREAS**, the District will need a funding mechanism to enable it to proceed with its operations and services during Fiscal Year 2018/2019 as described in Exhibit A; and

**WHEREAS**, the Developer desires to provide such funds as are necessary to allow the District to proceed with its operations for Fiscal Year 2018/2019 as described in Exhibit A, and as may be amended from time to time by the County; and

**NOW, THEREFORE**, based upon good and valuable consideration and the mutual covenants of the parties, the receipt of which and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Developer agrees to make available to the District the monies necessary for the operation of the District as called for in the budget attached hereto as Exhibit A (as finalized and amended from time to time), within thirty (30) days of written request by the District. The funds shall be deposited in the District's general checking account. These payments are made by the Developer in lieu of taxes, fees, or assessments which might otherwise be levied or imposed by the District.

2. This instrument shall constitute the final and complete expression of the agreement between the parties relating to the subject matter of this Agreement. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both of the parties hereto.

3. The execution of this Agreement has been duly authorized by the appropriate body or official of all parties hereto, each party has complied with all the requirements of law, and each party has full power and authority to comply with the terms and provisions of this instrument.

4. This Agreement may be assigned, in whole or in part, by either party only upon the written consent of the other, which consent shall not be unreasonably withheld.

5. A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which shall include, but not be limited to, the right of damages, injunctive relief and specific performance and specifically including the ability of the District to enforce any and all payment obligations under this Agreement through the imposition and enforcement of a contractual or other lien on property owned by the Developer.

6. In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the prevailing party shall be entitled to recover from the other all costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

7. This Agreement is solely for the benefit of the formal parties herein and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns.

8. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida.

9. This Agreement has been negotiated fully between the parties as an arm's length transaction. The parties participated fully in the preparation of this Agreement with the assistance of their respective counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, the parties are each deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against any party.

10. The Agreement shall take effect as of October 1, 2018.

**IN WITNESS WHEREOF**, the parties execute this Agreement the day and year first written above.

Attest:

**Sunny Hills Units 12-15 Dependent District**

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

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**Spring Ridge Development, LLC, a  
Florida limited liability company**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT A: Fiscal Year 2018/2019 Budget**

**Sunny Hills Unit 12-15 Depen. District**  
Proposed FY 2019 O&M Budget

	YTD Actual Through 05/31/2018	Anticipated 06/2018- 09/2018	Anticipated FY 2018 Total	FY 2018 Adopted Budget	FY 2019 Proposed Budget
<b><u>Revenues</u></b>					
Developer Contributions	\$ 14,184.84	\$ 21,384.24	\$ 35,569.08	\$ 36,000.00	\$ 38,500.00
<b>Net Revenues</b>	<b>\$ 14,184.84</b>	<b>\$ 21,384.24</b>	<b>\$ 35,569.08</b>	<b>\$ 36,000.00</b>	<b>\$ 38,500.00</b>
<b><u>General &amp; Administrative Expenses</u></b>					
Supervisor Fees	\$ 200.00	\$ 800.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Public Officials' Liability Insurance	2,995.00	-	2,995.00	3,295.00	3,295.00
Management	5,000.00	2,500.00	7,500.00	7,500.00	10,000.00
Engineering	-	2,000.00	2,000.00	2,000.00	2,000.00
District Counsel	1,494.50	8,505.50	10,000.00	10,000.00	10,000.00
Audit	2,000.00	2,500.00	4,500.00	4,500.00	4,500.00
Travel and Per Diem	578.00	2,422.00	3,000.00	3,000.00	3,000.00
Telephone	15.23	9.77	25.00	25.00	25.00
Postage & Shipping	7.07	492.93	500.00	500.00	500.00
Copies	82.50	17.50	100.00	100.00	100.00
Legal Advertising	1,036.54	1,036.54	2,073.08	600.00	2,100.00
Miscellaneous	-	-	-	105.00	105.00
Website Maintenance	600.00	300.00	900.00	900.00	900.00
Contingency	-	500.00	500.00	500.00	500.00
Office Supplies	-	300.00	300.00	300.00	300.00
Dues, Licenses, and Fees	175.00	-	175.00	175.00	175.00
<b>Total General &amp; Administrative Expenses</b>	<b>\$ 14,183.84</b>	<b>\$ 21,384.24</b>	<b>\$ 35,568.08</b>	<b>\$ 34,500.00</b>	<b>\$ 38,500.00</b>
<b><u>Capital Projects Expenses</u></b>					
District Counsel	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -
Contingency	-	-	-	500.00	-
<b>Total Capital Projects Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,500.00</b>	<b>\$ -</b>
<b>Total Expenses</b>	<b>\$ 14,183.84</b>	<b>\$ 21,384.24</b>	<b>\$ 35,568.08</b>	<b>\$ 36,000.00</b>	<b>\$ 38,500.00</b>
<b>Net Income (Loss)</b>	<b>\$ 1.00</b>	<b>\$ -</b>	<b>\$ 1.00</b>	<b>\$ -</b>	<b>\$ -</b>



**SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT**

Fiscal Year 2017 Audit

**Sunny Hills Units 12-15  
Dependent District**

**FINANCIAL STATEMENTS**

September 30, 2017

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INGRAM

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**Sunny Hills Units 12-15 Dependent District**  
**Table of Contents**  
**September 30, 2017**

<b>REPORT</b>	
Independent Auditors' Report	1
<b>FINANCIAL STATEMENTS</b>	
Management's Discussion And Analysis (required supplemental information)	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements	
Balance Sheet – Governmental Funds	9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Government Funds to the Statement of Activities	12
Notes to Financial Statements	13
Required Supplemental Information (other than MD&A)	
Budget to Actual Comparison Schedule - General Fund	19
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 <i>Government Auditing Standards</i>	20
Management Letter	22
Attestation Report on Compliance with Section 218.415 Florida Statutes	24



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Supervisors  
Sunny Hills Units 12-15 Dependent District  
Washington County, Florida

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Sunny Hills Units 12-15 Dependent District (hereinafter referred to as "District"), as of and for the year ended September 30, 2017, 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 auditors' 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, 2017, 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**

In accordance with *Government Auditing Standards*, we have also issued our report dated June XX, 2018, 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.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida  
June XX, 2018



**Management's Discussion And Analysis**

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## Sunny Hills Units 12-15 Dependent District Management's Discussion and Analysis

Our discussion and analysis of the Sunny Hills Units 12-15 Dependent District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the District's financial statements, which begin on page 7.

### FINANCIAL HIGHLIGHTS

- At September 30, 2017, the assets of the District exceed its liabilities by approximately \$1.8 million.
- As of September 30, 2017, the District has temporarily stopped its infrastructure construction project. Its activities were minimal and were largely administrative in nature.

### 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 7 – 8 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 9. 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 4. 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.

## Sunny Hills Units 12-15 Dependent District Management's Discussion and Analysis

### *Reporting the District's Most Significant Funds*

Our analysis of the District's major funds begins on page 5. The fund financial statements begin on page 9 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. 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.

<i>September 30,</i>	<b>2017</b>	<b>2016</b>	<b>Change</b>
<b>Assets</b>			
Current and other assets	\$ 983	\$ 13,762	\$ (12,779)
Capital assets	1,770,313	1,770,313	-
<b>Total assets</b>	<b>\$ 1,771,296</b>	<b>\$ 1,784,075</b>	<b>\$ (12,779)</b>
<b>Liabilities</b>			
Current liabilities	\$ 701	\$ 10,398	\$ (9,697)
<b>Total liabilities</b>	<b>701</b>	<b>10,398</b>	<b>(9,697)</b>
<b>Net position</b>			
Net investment in capital assets	1,770,313	1,773,981	(3,668)
Unrestricted	282	(304)	586
<b>Total net position</b>	<b>1,770,595</b>	<b>1,773,677</b>	<b>(3,082)</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 1,771,296</b>	<b>\$ 1,784,075</b>	<b>\$ (12,779)</b>

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

During the fiscal year ended September 30, 2017, total assets and liabilities decreased by approximately \$12,800 and \$9,700, respectively from the prior year. The decrease in both assets and liabilities are primarily due to timing of developer contributions and vendor payments.



## Sunny Hills Units 12-15 Dependent District Management's Discussion and Analysis

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

<i>Year ended September 30,</i>	<b>2017</b>	<b>2016</b>	<b>Change</b>
<b>Revenues:</b>			
Program revenues:			
Grants and contributions	\$ 17,847	\$ 21,469	\$ (3,622)
Total revenues	17,847	21,469	(3,622)
<b>Expenses:</b>			
General government	20,929	21,323	(394)
Total expenses	20,929	21,323	(394)
Change in net position	(3,082)	146	(3,228)
Net position, beginning of year	1,773,677	1,773,531	146
Net position, end of year	\$ 1,770,595	\$ 1,773,677	\$ (3,082)

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

Program revenues and expenses both decreased approximately \$3,600 and \$400, respectively from the prior year. The decreases in both program revenues and expenses are primarily due to timing in developer contributions and vendor invoices. The overall result was a \$3,082 decrease in net position for the fiscal year 2017.

### THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 9) reported a combined fund balance of \$282, which is an increase from last year's fund balance deficit that totaled \$331. Significant transactions are discussed below.

- During the fiscal year ended September 30, 2017, the Developer contributed approximately \$22,000 to fund the operations of the District.

The overall increase in fund balance for the year ended September 30, 2017 totaled \$613.

## Sunny Hills Units 12-15 Dependent District Management's Discussion and Analysis

### GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

An operating budget was established by the District's governing board and approved by the Washington County, Florida Board of County Commissioners pursuant to the requirements of the Florida Statutes and Washington County Ordinance 2006-12. The budget to actual comparison for the General Fund, including the original budget and final adopted budget, is shown at page 20.

The District experienced unfavorable variances in revenues and favorable variances in expenditures as compared to the budget in the amount of approximately \$15,500 and \$16,000, respectively. The variance in expenditures occurred primarily due to anticipated budgeted operating expenditures for district counsel, travel and per diem, and website maintenance that were not incurred during the year. The variance in revenue is a result of the lower expenditure level.

### CAPITAL ASSETS

At September 30, 2017, the District had approximately \$1.8 million invested in capital assets. This amount did not change from the prior year.

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

<i>September 30,</i>	<b>2017</b>	<b>2016</b>	<b>Change</b>
Infrastructure under construction	\$ 1,770,313	\$ 1,770,313	\$ -
Total capital assets, not being depreciated	\$ 1,770,313	\$ 1,770,313	\$ -

More information about the District's capital assets is presented in Note 3 to the financial statements.

### FUTURE FINANCIAL FACTORS

Sunny Hills Units 12-15 Dependent District is a dependent special district that operates under the provisions of Chapter 189, Florida Statutes. The District operates under an elected Board of Supervisors, which has the authority to establish policy and impose special assessments. For the fiscal year 2018, the Developer has agreed to fund 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 Sunny Hills Units 12-15 Dependent District's management company, Fishkind & Associates, Inc., located at 12051 Corporate Blvd., Orlando, Florida 32817.

**Basic Financial Statements**

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**Sunny Hills Units 12-15 Dependent District  
Statement of Net Position**

<i>September 30,</i>	<b>2017</b>
	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 282
Due from developer	701
Capital assets:	
Not being depreciated	1,770,313
<b>Total assets</b>	<b>1,771,296</b>
<b>Liabilities</b>	
Accounts payable	701
<b>Total liabilities</b>	<b>701</b>
<b>Net position</b>	
Net investment in capital assets	1,770,313
Unrestricted	282
<b>Total net position</b>	<b>\$ 1,770,595</b>

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

**Sunny Hills Units 12-15 Dependent District  
Statement of Activities**

*Year ended September 30,*

**2017**

Functions/Programs	Expenses	<u>Program Revenues</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>  <u>Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ (20,929)	\$ 17,847		\$ (3,082)
<b>Total governmental activities</b>	<b>\$ (20,929)</b>	<b>\$ 17,847</b>		<b>(3,082)</b>
				Change in net position (3,082)
				Net position - beginning of the year 1,773,677
				Net position - end of the year \$ 1,770,595

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

**Sunny Hills Units 12-15 Dependent District  
Balance Sheet – Governmental Funds**

*September 30,*

**2017**

		<b>General Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$	282
Due from developer		701
<hr/>		
<b>Total assets</b>	<b>\$</b>	<b>983</b>
<hr/>		
<b>Liabilities and fund balance</b>		
<b>Liabilities</b>		
Accounts payable	\$	701
<b>Total liabilities</b>		<b>701</b>
<hr/>		
<b>Fund balance</b>		
Unassigned		282
<b>Total fund balance</b>		<b>282</b>
<hr/>		
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b>983</b>
<hr/>		

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

**Sunny Hills Units 12-15 Dependent District  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of  
Net Position**

<i>September 30,</i>	<b>2017</b>
Total fund balance, governmental funds	\$ 282
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level statements.	1,770,313
<b>Total net position - governmental activities</b>	<b>\$ 1,770,595</b>

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

**Sunny Hills Units 12-15 Dependent District  
Statement of Revenues, Expenditures and Changes in Fund Balances –  
Governmental Funds**

<i>Year ended September 30,</i>	<b>2017</b>
	<b>General Fund</b>
<b>Revenues</b>	
Developer contributions	\$ 21,542
Total revenues	21,542
<b>Expenditures</b>	
Current:	
General government	20,929
Total expenditures	20,929
Excess revenues over expenditures	613
Fund balance (deficit), beginning of year	(331)
Fund balance, end of year	\$ 282

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



**Sunny Hills Units 12-15 Dependent District  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balance of Governmental Funds to the Statement of Activities**

<i>Year ended September 30,</i>	<b>2017</b>
Net change in fund balances - governmental funds	\$ 613
Certain revenues that did not represent current financial resources in the prior year were deferred in the fund level financial statements but were recognized as revenue in the government-wide financial statements in the prior year.	(3,695)
<b>Change in net position of governmental activities</b>	<b>\$ (3,082)</b>

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

## Sunny Hills Units 12-15 Dependent District Notes to the Financial Statements

### NOTE 1: NATURE OF ORGANIZATION

The Sunny Hills Units 12-15 Dependent District (the "District") was established on August 14, 2006 pursuant to Chapter 189, Florida Statutes, by Washington County Ordinance 2006-12. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and the power to levy ad valorem taxes 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 required to have their budget approved by Washington County, Florida on an annual basis. For the fiscal year ended September 30, 2017, the District did not engage in construction activities and its expenditures were largely administrative in nature.

The District is governed by a Board of Supervisors ("Board"), which is comprised of three members. The Supervisors are elected on an at large basis by the owners of the property within the District. The majority of the Board of Supervisors are currently affiliated with the Developer, Spring Ridge Development, LLC or its affiliates. The District is economically dependent on the Developer. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 189, Florida Statutes.

The Board has the final responsibility for:

1. Allocating and levying special assessments.
2. Exercising control over facilities and properties.
3. Controlling the use of funds generated by the District.
4. Approving the hiring and firing of key personnel.
5. 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 criteria identified therein, 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.

## Sunny Hills Units 12-15 Dependent District Notes to the 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 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, 2017, 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.

Developer contributions 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.

The District reports the following major governmental fund:

General Fund – 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.

## Sunny Hills Units 12-15 Dependent District Notes to the Financial Statements

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

For the year ended September 30, 2017, 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 governmental fund financial statements, it is the District's policy to use committed resources first, followed by assigned resources, and 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, direct obligations of the United States Treasury; the Local Government Surplus Funds Trust 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.

#### ***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.

## Sunny Hills Units 12-15 Dependent District Notes to the Financial Statements

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

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 will be depreciated using the straight-line method upon completion and being placed into service.

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.

#### *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position and/or balance sheet – governmental funds 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, 2017.

In addition to liabilities, the statement of net position and/or balance sheet – governmental funds 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, 2017.

#### *Fund Equity*

Net position in the government-wide financial statements is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net assets related to infrastructure and property, plant and equipment. Restricted net position represents the net position restricted by outside parties. September 30, 2017, the District did not have restricted net position.

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.

**Sunny Hills Units 12-15 Dependent District  
Notes to the Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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.

***Budgets***

The District is required to establish a budgetary system and an annual budget, which is submitted for approval to the Washington County, Florida Board of County Commissioners. Annual budgets are legally adopted on a basis consistent with GAAP for the General Fund. Any revision to the budget must also be approved by the County. 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.

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

- A. On or before each July 15, the District shall prepare a proposed budget for the ensuing fiscal year.
- B. No later than each August 1, the proposed budget shall be delivered to the County Manager.
- C. The budget for the District shall be approved and adopted by the Board of County Commissioners no later than September 30.
- D. All significant budget changes must be approved by the Board of County Commissioners.
- E. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**NOTE 3: CAPITAL ASSETS**

The following is a summary of changes in the capital assets for the year ended September 30, 2017:

	Beginning Balance	Additions	Disposals and Conveyances	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital assets not being depreciated</i>				
Land	\$ 1,770,313	\$ -	\$ -	\$ 1,770,313
Total capital assets, not being depreciated	1,770,313	-	-	1,770,313
Governmental activities capital assets, net	\$ 1,770,313	\$ -	\$ -	\$ 1,770,313

## Sunny Hills Units 12-15 Dependent District Notes to the Financial Statements

### **NOTE 3: CAPITAL ASSETS (Continued)**

The total project costs of the infrastructure improvements for the District have been estimated at \$96.5 million. The Developer has agreed to fund the ongoing construction of the District. See Note 4 – Related Party Transactions. The infrastructure will include roadways, utilities, potable water and stormwater management systems, and land improvements. Upon completion, certain improvements are to be maintained and operated by Washington County.

Because of current economic conditions, the District is not currently pursuing the implementation of the capital improvement program, and development activities are on hold. The District believes any erosion or loss of value related to the infrastructure under construction is temporary in nature until the development stoppage is ended; thus, no permanent impairment charge has been recorded.

### **NOTE 4: RELATED PARTY TRANSACTIONS**

A significant portion of the District's activity is dependent upon the continued involvement of the Developer, Spring Ridge Development, LLC, the loss of which could have a materially adverse effect on the District's operations. At September 30, 2017, the Developer owned a majority of the assessable property located within the District's boundaries.

The Developer has agreed to fund the General Fund operations of the District. In connection with that agreement, Developer contributions to the General Fund for the year ended September 30, 2017 totaled \$17,847. A total of \$701 is recorded as Due from developer on the accompanying Statement of Net Position and Balance Sheet – Governmental Funds.

### **NOTE 5: 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. Settled claims have not exceeded this commercial coverage in the previous three years, as there have been no claims.

### **NOTE 6: MANAGEMENT COMPANY**

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory 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.

**Required Supplemental Information  
(Other Than MD&A)**

DRAFT



**Sunny Hills Units 12-15 Dependent District  
Budget to Actual Comparison Schedule – General Fund**

*Year ended September 30,*

**2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Developer contributions	\$ 37,000	\$ 21,542	\$ (15,458)
<b>Total revenues</b>	<b>37,000</b>	<b>21,542</b>	<b>(15,458)</b>
<b>Expenditures</b>			
General government	37,000	20,929	16,071
<b>Total expenditures</b>	<b>37,000</b>	<b>20,929</b>	<b>16,071</b>
<b>Excess of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ 613</b>	<b>\$ 613</b>

DRAFT



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

(850) 837-3141  
(850) 654-4619 (fax)  
CRlcpa.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  
Sunny Hills Units 12-15 Dependent District  
Washington 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 Sunny Hills Units 12-15 Dependent District (hereinafter referred to as the "District"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report dated June XX, 2018.

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

**Purpose of this Report**

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida  
June XX, 2018

DRAFT



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

## MANAGEMENT LETTER

To the Board of Supervisors  
Sunny Hills Units 12-15 Dependent District  
Washington County, Florida

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

### Report on the Financial Statements

We have audited the financial statements of Sunny Hills Units 12-15 Dependent District ("District") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated June XX, 2018.

### 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 Florida Auditor General.

### Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' 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 June XX, 2018, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual audit report.

### Official Title and Legal Authority

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

### Financial Condition

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

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

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

#### **Annual Financial Report**

Section 10.554(1)(i)5.b. 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 the annual financial report for the District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

#### **Special District Component Units**

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

#### **Other 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 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.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida  
June XX, 2018



**CRI** CARR  
RIGGS &  
INGRAM  
CPAs and Advisors

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 ACCOUNTANTS' REPORT

To the Board of Supervisors  
Sunny Hills Units 12-15 Dependent District  
Washington County, Florida

We have examined Sunny Hills Units 12-15 Dependent District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida  
June XX, 2018

**SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT**

Financial Advisory Agreement



## FINANCIAL ADVISORY AGREEMENT

### 1.0 Registration as a Municipal Advisor

Fishkind & Associates, Inc. ("FA" or "Advisor") is a registered Municipal Advisor pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB") License Number K1055. As such, FA is bound by the SEC's Municipal Advisor Rule that imposes a: (a) registration regime upon municipal advisors, i.e., firms that give advice to municipal entities, such as community development districts, and (b) fiduciary duty upon municipal advisors that give advice to municipal entities.

FA also must comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act. As part of our registration FA is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving FA. Pursuant to MSRB Rule G-42, FA is required to disclose any legal or disciplinary event that is material to the District's evaluation of FA or the integrity of its management or advisory personnel. FA has determined that no such event exists. Copies of FA's filings with the SEC can currently be found by accessing the SEC's Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") system Company Search Page which is currently available at <https://www.sec.gov/edgar/searchedgar/companysearch.html>.

In addition, G-42 requires FA to disclose in writing all material conflicts of interest. FA is not aware of any conflicts of interest related to this engagement.

### 2.0 Scope of Work

#### 2.1 Municipal Advisor Role

The Municipal Advisor is engaged as a recognized independent expert whose primary responsibility is to give objective fiscal advice on the structure and issuance of any debt under state and federal securities law.



## 2.2 Specific Advisory Services

We will provide the following services.

- a. Formulation of the District's assessment methodology or similar security for the debt including consultation with the District's underwriter, bond counsel, district counsel, and consulting engineer.
- b. Assistance to the District and its underwriter in developing the financing plan for the District's funding of its infrastructure.
- c. Recommendations as to the appropriate financial structures for the proposed financings, as requested.
- d. Advice on terms and features of bonds, the timing of marketing of bond issues and the analysis of market conditions as they relate to bond sales.
- e. Assistance with the District's underwriter in the review and preparation of cash flow forecasts for proposed issues addressing debt service requirements and sources of funding.
- f. Assistance, as requested, in the preparation of financing schedules, bond documents, inter local agreements and official statements.
- g. Assistance in negotiations with the underwriter regarding the underwriter's gross spread (bond discount).
- h. Assistance, with the District's underwriter, regarding any interim financing, if necessary or desirable.
- i. Advice to the District, if requested, on the selection of a trustee, paying agent and other financial intermediaries.
- j. Assistance in the proceedings for the validation of the District's bonds, the preparation of materials in support of validation, and determination of the validation amount as requested.
- k. Assistance to the District with regard to the sale of its bonds by the underwriter, including an analysis of the proposed interest rate and other factors affecting the sale.
- l. Assistance with the District's bond closing, including the printing, signing and delivery of the District's bonds and the transfers of moneys to the District by the underwriter.
- m. Calculation of the preliminary and final assessment rolls or their equivalent.
- n. Assistance to the District in investing the proceeds of any debt offering as requested.

- q. Attendance at all necessary meetings as determined by the District Manager.

### **3.0 Compensation**

#### **3.1 General Considerations and Avoidance of Conflicts of Interest**

There are several potential conflicts of interest that may apply to our engagement with you concerning compensation. For example, fixed fees or “lump sum” compensation represents a potential conflict of interest, because if the transaction requires more work than originally contemplated, the financial advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives, or fail to do a full analysis of alternatives. Fees based upon the par amount of debt presents a conflict of interest, because the advisor may have an incentive to advise the client to increase the size of the securities issue for the purpose of increasing the advisor’s compensation. Contingent fees create a potential conflict of interest because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. When facts or circumstances arise that could cause the financing to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances.

#### **3.2 Fee Proposal and Budget**

FA’s plan to mitigate conflicts of interest regarding compensation is to charge for our services on a time and expense basis at our standard rate of \$450 per hour. Reasonable out-of-pocket expenses incurred by the Advisor in the performance of his duties shall be billed and paid on a pro rata monthly basis in accordance with Section 112.061, Florida Statutes.

We propose a not-to-exceed budget of \$1,000 for this engagement based on our estimate for the cost of the work involved in rendering financial advisory services on a routine basis. We will bill hourly against this budget.

Should the work expand beyond the budget, we will notify you promptly with documentation supporting a proposed budget increase. Such expansions would include: (a) developing assessment methodologies, (b) crafting financing strategies, and (c) managing the issuance of any debt obligations. In such circumstances, we expect that the Advisor’s fee and expenses will be paid from the proceeds of the District’s debt issuance. Therefore, the payment of our fees and expenses for any expansion of our routine financial advisory services will be deferred until the later of the time when: (a) the District closes on a debt issuance or (b) the District defers or abandons its issuance of debt. However, our fees are not contingent upon the District’s issuance of debt.

### **4.0 General Provisions**

#### 4.1 Advisor Not to Participate as Underwriter

The Advisor is precluded from being an underwriter of any debt obligations issued by the District and shall not participate, in any manner, in the initial syndication for the issuance of any of the District's debt obligations. However, the Advisor may act as a placement agent for debt obligations.

#### 4.2 Termination of Relationship

The District has the right to terminate this Agreement for "good cause" which shall include misfeasance, malfeasance, nonfeasance or dereliction of duties by the Advisor. Termination for "good cause" shall be effected by provision of a minimum of ten (10) days written notice to Advisor. Either party hereto shall have the right to terminate the relationship between the District and the Advisor, at any time and for any reason whatsoever, upon the District providing a minimum of thirty (30) days advance written notice to the Advisor and the Advisor providing a minimum of sixty (60) days advance written notice of intention to terminate. All notices shall be mailed to the person and address specified for use in the giving of notice, in paragraph 4.10, hereof. Should the relationship be terminated, all work product produced by the Advisor, to the date of termination, shall be the sole property of the District. The Advisor's fee shall be prorated according to the amount of work completed as determined by the District. Finally, the Advisor shall be entitled to all expenses not reimbursed as of the notice of termination.

#### 4.4 Disclaimer of Advisor

The District acknowledges that the Advisor is not an attorney and may not render legal advice or opinions. Although the Advisor may participate in accumulating information necessary for documents required by the District to finalize any particular financing, such information shall be verified by the District as to its correctness; provided, however, that the District shall not be required to verify the correctness of any information originated by the Advisor or the correctness of any information originated by the Advisor which the Advisor has used to formulate its opinions and advice given to the District.

#### 4.4 Attorney Fees and Governing Law

In the event either party is required to take any action to enforce this Agreement, the prevailing party shall be entitled to attorney's fees and costs, including fees and costs incurred in determining entitlement to and reasonableness of such fees and costs. This Agreement shall be interpreted in accordance with and shall be governed by the laws of the State of Florida.

#### 4.5 Indemnification

The Advisor agrees to indemnify, defend, and hold the District harmless from and against any and all claims, actions, suits, demands, assessments or

judgments asserted and any and all losses, liabilities, damages, costs, court costs, and expenses, including attorney's fees, that the District may hereafter incur, become responsible for, or be caused to pay out arising out of or relating to the negligent, reckless and/or intentionally wrongful acts or omissions of the Advisor. The indemnification provided for herein shall not be deemed exclusive of any other rights to which the District may be entitled and shall continue after the Advisor has ceased to be engaged under this Agreement.

Nothing herein shall be construed to limit the District's sovereign immunity limitations of liability provided in section 768.28, Florida Statutes or other applicable law.

#### 4.6 Insurance

The Advisor shall provide and maintain the following levels of insurance coverage at all times subsequent to the execution of this Agreement:

- a) Worker's Compensation insurance to cover full liability under worker's compensation laws in effect from time to time in Florida.
- b) General Liability insurance with limit of one million dollars (\$1,000,000.00) per each occurrence.
- c) Professional Liability insurance with limit of one million dollars (\$1,000,000.00) per each occurrence.
- d) Employment Practices Liability insurance with limit of two million dollars (\$2,000,000.00) per each occurrence.
- e) Commercial Crime insurance with limit of two million dollars (\$2,000,000.00) per each occurrence.
- f) Comprehensive Automobile Liability insurance for all vehicles used by the Consultant's staff, whether owned or hired, with a combined single limit of one million dollars (\$1,000,000.00).

The District (and its staff, consultants, and supervisors as applicable) will be listed as additional insureds on the General Liability and Automobile insurance policies described above. The District (and its staff, consultants, and supervisors as applicable) will be listed as a joint loss payee on the Commercial Crime insurance. None of the policies above may be canceled during the term of this Agreement (or otherwise cause the District to not be named as an additional insured or joint loss payee where applicable) without sixty (60) days written notice to the District. Advisor will furnish the District with a Certificate of Insurance evidencing compliance with this section prior to Agreement commencement and upon request.

#### 4.7 Time of the Essence

The District and the Advisor agree that time is of the essence and that the services of the Advisor shall be performed expeditiously.

#### 4.8 Term of This Agreement

This Agreement shall renew automatically until terminated by either the District or the Advisor.

#### 4.9 Entire Agreement

This Agreement constitutes the entirety of the terms and conditions of the agreement between the parties for District Management services. Any amendment or change to this Agreement shall be in writing and executed by all parties to the Agreement.

#### 4.10 Notices

All notices, requests, or authorizations which may from time to time be required or expedient shall be in writing and shall be delivered or mailed as follows:

District: Sunny Hills Units 12-15 Dependent District  
12051 Corporate Blvd.  
Orlando, FL 32817

With a copy to: Hopping Green & Sams  
Tucker F. Mackie  
119 South Monroe Street, Suite 300  
Tallahassee, FL 32301

Advisor: Fishkind & Associates, Inc.  
Dr. Hank Fishkind  
12051 Corporate Blvd.  
Orlando, Florida 32817  
hankf@fishkind.com

#### 4.11 Authority to Execute

Each of the parties hereto covenant to the other that it has the lawful authority to enter into this relationship, that the governing or managing body of each party has approved this relationship and has similarly authorized the execution of this Agreement.

#### 4.12 Public Records Disclosure

Advisor understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records, and, accordingly, Advisor agrees to comply with all applicable provisions of Florida law in handling such records, including but not limited to Section 119.0701, Florida Statutes. Consultant acknowledges that the designated public records

custodian for the District is Fishkind & Associates, Inc. ("Public Records Custodian"). Among other requirements and to the extent applicable by law, the Advisor shall 1) keep and maintain public records required by the District to perform the service; 2) upon request by the Public Records Custodian, provide the District with the requested public records or allow the records to be inspected or copied within a reasonable time period at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes; 3) ensure that public records which are exempt or confidential, and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the Agreement term and following the Agreement term if the Advisor does not transfer the records to the Public Records Custodian of the District; and 4) upon completion of the Agreement, transfer to the District, at no cost, all public records in Advisor's possession or, alternatively, keep, maintain and meet all applicable requirements for retaining public records pursuant to Florida laws. When such public records are transferred by the Advisor, the Advisor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the District in a format that is compatible with Microsoft Word or Adobe PDF formats.

**IF THE FA HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE FA'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS, FISHKIND & ASSOCIATES, INC., AT 407-382-3256, 12051 CORPORATE BLVD., ORLANDO, FLORIDA 32817.**

In witness whereof, the parties hereto have executed this Agreement, in duplicate, this 28<sup>th</sup> day of June, 2018.

Board of Supervisors  
Sunny Hills Units 12-15 Dependent District

Sign \_\_\_\_\_

Print Name \_\_\_\_\_

Fishkind & Associates, Inc.

\_\_\_\_\_  
Hank Fishkind, Ph.D., President

**SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT**

Funding Requests 2018-05 – 2018-08

# SUNNY HILLS UNITS 12-15 DEPENDENT DISTRICT

12051 Corporate Boulevard, Orlando, FL 32817

(407) 382-3256

## Funding Request FY18-5

2/26/2018

Item No.	Payee	Invoice Number	General Fund
1	<b>Fishkind &amp; Associates, Inc.</b> DM Fees & Reimb. - 2018.02	22208	\$ 700.94
2	<b>Hopping Green &amp; Sams</b> Legal Services thru 12.31.2017	98193	\$ 47.00
3	<b>Gatehouse Media/WCN</b> Legal Ad - 01.31.18	5306902-0118	\$ 346.00
4	<b>Supervisor Fees</b> Jim Town	02.18.2018	\$ 200.00
<b>TOTAL</b>			<b>\$ 1,293.94</b>



**SUNNY HILLS UNITS 12-15 DEPENDENT DISTRICT**  
12051 Corporate Boulevard, Orlando, FL 32817  
(407) 382-3256

Funding Request FY18-6  
3/26/2018

<b>Item No.</b>	<b>Payee</b>	<b>Invoice Number</b>	<b>General Fund</b>
1	<b>Fishkind &amp; Associates, Inc.</b> DM Fees & Reimb. - 2018.03	22367	\$ 1,279.00
2	<b>Carr Riggs &amp; Ingram</b> Initial Progress Billing - FY17 Audit	16413198	\$ 2,000.00
3	<b>Hopping Green &amp; Sams</b> Legal Services thru 2.28.2018	99183	\$ 493.50
<b>TOTAL</b>			<b>\$ 3,772.50</b>

**SUNNY HILLS UNITS 12-15 DEPENDENT DISTRICT**

12051 Corporate Boulevard, Orlando, FL 32817

(407) 382-3256

**Funding Request FY18-7**

4/23/2018

<b>Item No.</b>	<b>Payee</b>	<b>Invoice Number</b>	<b>General Fund</b>
<b>1</b>	<b>Fishkind &amp; Associates, Inc.</b> DM Fees & Reimb. - 2018.04	22538	\$ 716.17
<b>TOTAL</b>			<b>\$ 716.17</b>

**SUNNY HILLS UNITS 12-15 DEPENDENT DISTRICT**

12051 Corporate Boulevard, Orlando, FL 32817

(407) 382-3256

**Funding Request FY18-8**

5/29/2018

<b>Item No.</b>	<b>Payee</b>	<b>Invoice Number</b>	<b>General Fund</b>
<b>1</b>	<b>Fishkind &amp; Associates, Inc.</b> DM Fees & Reimb. - 2018.05	22703	\$ 702.35
<b>2</b>	<b>Hopping Green &amp; Sams</b> Legal Svcs Billed Through 03.31.18	99956	\$ 258.50
<b>TOTAL</b>			<b>\$ 960.85</b>

**SUNNY HILLS UNITS 12-15  
DEPENDENT DISTRICT**

Statements of the District's  
Financial Position

**Sunny Hills Unit 12-15 Depen. District**  
**Statement of Activities**  
**As of 5/31/2018**

	<b>General</b>	<b>Capital Projects</b>	<b>Total</b>
<b><u>Revenues</u></b>			
Developer Contributions	\$14,184.84		\$14,184.84
Total Revenues	\$14,184.84	\$0.00	\$14,184.84
<b><u>Expenses</u></b>			
Supervisor Fees	\$200.00		\$200.00
Public Officials' Liability Insurance	2,995.00		2,995.00
Management	5,000.00		5,000.00
District Counsel	1,494.50		1,494.50
Audit	2,000.00		2,000.00
Travel and Per Diem	578.00		578.00
Telephone	15.23		15.23
Postage & Shipping	7.07		7.07
Copies	82.50		82.50
Legal Advertising	1,036.54		1,036.54
Web Site Maintenance	600.00		600.00
Dues, Licenses, and Fees	175.00		175.00
Total Expenses	\$14,183.84	\$0.00	\$14,183.84
<b><u>Other Revenues (Expenses) &amp; Gains (Losses)</u></b>			
Interest Income	\$0.06		\$0.06
Total Other Revenues (Expenses) & Gains (Losses)	\$0.06	\$0.00	\$0.06
<b>Change In Net Assets</b>	<b>\$1.06</b>	<b>\$0.00</b>	<b>\$1.06</b>
<b>Net Assets At Beginning Of Year</b>	<b>\$282.05</b>	<b>\$0.00</b>	<b>\$282.05</b>
<b>Net Assets At End Of Year</b>	<b>\$283.11</b>	<b>\$0.00</b>	<b>\$283.11</b>

**Sunny Hills Unit 12-15 Depen. District**  
**Statement of Financial Position**  
**As of 5/31/2018**

	General	Capital Projects	Total
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
General Checking Account	\$283.11		\$283.11
Accounts Receivable - Due from Developer	6,149.52		6,149.52
Total Current Assets	\$6,432.63	\$0.00	\$6,432.63
 <b>Total Assets</b>	<b>\$6,432.63</b>	<b>\$0.00</b>	<b>\$6,432.63</b>
<b><u>Liabilities and Net Assets</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable	\$6,149.52		\$6,149.52
Total Current Liabilities	\$6,149.52	\$0.00	\$6,149.52
 <b>Total Liabilities</b>	<b>\$6,149.52</b>	<b>\$0.00</b>	<b>\$6,149.52</b>
 <b><u>Net Assets</u></b>			
Net Assets, Unrestricted	(\$4,537.99)		(\$4,537.99)
Net Assets - General Government	4,820.04		4,820.04
Current Year Net Assets - General Government	1.06		1.06
Net Assets, Unrestricted		(\$157.76)	(\$157.76)
Net Assets, Unrestricted		157.76	157.76
<b>Total Net Assets</b>	<b>\$283.11</b>	<b>\$0.00</b>	<b>\$283.11</b>
 <b>Total Liabilities and Net Assets</b>	<b>\$6,432.63</b>	<b>\$0.00</b>	<b>\$6,432.63</b>

**Sunny Hills Unit 12-15 Depen. District**  
**Budget to Actual**  
**For the Month Ending 05/31/2018**

	YTD Actual	YTD Budget	YTD Variance	FY 2018 Adopted Budget
<b><u>Revenues</u></b>				
Developer Contributions	\$ 14,184.84	\$ 24,000.00	\$ (9,815.16)	\$ 36,000.00
<b>Net Revenues</b>	<b>\$ 14,184.84</b>	<b>\$ 24,000.00</b>	<b>\$ (9,815.16)</b>	<b>\$ 36,000.00</b>
<b><u>General &amp; Administrative Expenses</u></b>				
Supervisor Fees	\$ 200.00	\$ 666.67	\$ (466.67)	\$ 1,000.00
Public Officials' Liability Insurance	2,995.00	2,196.67	798.33	3,295.00
Management	5,000.00	5,000.00	-	7,500.00
Engineering	-	1,333.33	(1,333.33)	2,000.00
District Counsel	1,494.50	6,666.67	(5,172.17)	10,000.00
Audit	2,000.00	3,000.00	(1,000.00)	4,500.00
Travel and Per Diem	578.00	2,000.00	(1,422.00)	3,000.00
Telephone	15.23	16.67	(1.44)	25.00
Postage & Shipping	7.07	333.33	(326.26)	500.00
Copies	82.50	66.67	15.83	100.00
Legal Advertising	1,036.54	400.00	636.54	600.00
Miscellaneous	-	70.00	(70.00)	105.00
Website Maintenance	600.00	600.00	-	900.00
Contingency	-	333.33	(333.33)	500.00
Office Supplies	-	200.00	(200.00)	300.00
Dues, Licenses, and Fees	175.00	116.67	58.33	175.00
<b>Total General &amp; Administrative Expenses</b>	<b>\$ 14,183.84</b>	<b>\$ 23,000.00</b>	<b>\$ (8,816.16)</b>	<b>\$ 34,500.00</b>
<b><u>Capital Projects Expenses</u></b>				
District Counsel	\$ -	\$ 666.67	\$ (666.67)	\$ 1,000.00
Contingency	-	333.33	(333.33)	500.00
<b>Total Capital Projects Expenses</b>	<b>\$ -</b>	<b>\$ 1,000.00</b>	<b>\$ (1,000.00)</b>	<b>\$ 1,500.00</b>
<b>Total Expenses</b>	<b>\$ 14,183.84</b>	<b>\$ 24,000.00</b>	<b>\$ (9,816.16)</b>	<b>\$ 36,000.00</b>
<b>Net Income (Loss)</b>	<b>\$ 1.00</b>	<b>\$ -</b>	<b>\$ 1.00</b>	<b>\$ -</b>