

**Stoneybrook West Community
Development District**

ANNUAL FINANCIAL REPORT

September 30, 2018

Stoneybrook West Community Development District

ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2018

TABLE OF CONTENTS

	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	15
Notes to Financial Statements	16-30
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	31-32
MANAGEMENT LETTER	33-34
INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	35



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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Stoneybrook West Community Development District
Winter Garden, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Stoneybrook West Community Development District as of and for the year ended September 30, 2018, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Fort Pierce / Stuart

To the Board of Supervisors
Stoneybrook West Community Development District

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Stoneybrook West Community Development District, as of September 30, 2018, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 3-8 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 a report dated March 15, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stoneybrook West Community Development District's internal control over financial reporting and compliance.

*Berger Toombs Elam
Gaines & Frank*

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

March 15, 2019

Stoneybrook West Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

**Stoneybrook West Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2018.

- ◆ The District's total assets exceeded total liabilities by \$5,002,767 (net position). Unrestricted net position for Governmental Activities was \$248,068. Governmental Activities restricted net position was \$221,833 and net investment in capital assets was \$4,532,866.
- ◆ Governmental activities revenues totaled \$833,171 while governmental activities expenses totaled \$1,209,787.

**Stoneybrook West Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2018	2017
Current assets	\$ 266,674	\$ 274,854
Restricted assets	513,466	535,449
Capital assets, net	9,743,691	10,352,368
Total Assets	<u>10,523,831</u>	<u>11,162,671</u>
 Deferred Outflow of Resources	 <u>299,288</u>	 <u>336,112</u>
 Total Assets and Deferred Outflows	 <u>10,823,119</u>	 <u>11,498,783</u>
 Current liabilities	 411,892	 406,053
Non-current liabilities	5,408,460	5,713,347
Total Liabilities	<u>5,820,352</u>	<u>6,119,400</u>
 Net position - net investment in capital assets	 4,532,866	 4,892,105
Net position - restricted	221,833	224,972
Net position - unrestricted	248,068	262,306
Total Net Position	<u><u>\$ 5,002,767</u></u>	<u><u>\$ 5,379,383</u></u>

The decrease in capital assets was due to depreciation in the current year.

The decrease in non-current liabilities is the result of principal payments on debt during the year.

The decrease in net position – net investment in capital assets was primarily the result of depreciation in excess of principal payments in the current year.

**Stoneybrook West Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change In Net Position

	Governmental Activities	
	2018	2017
Program Revenues		
Charges for services	\$ 826,844	\$ 828,316
General Revenues		
Investment earnings	6,327	3,699
Total Revenues	<u>833,171</u>	<u>832,015</u>
Expenses		
General government	106,739	85,965
Physical environment	762,750	755,774
Interest on long-term debt	340,298	354,662
Total Expenses	<u>1,209,787</u>	<u>1,196,401</u>
Change in Net Position	(376,616)	(364,386)
Net Position - Beginning of Year	<u>5,379,383</u>	<u>5,743,769</u>
Net Position - End of Year	<u><u>\$ 5,002,767</u></u>	<u><u>\$ 5,379,383</u></u>

The increase in general government is related to the increase in legal and trustee fees and payroll expenses in the current year.

The increase in physical environment expenses is related to additional pest control treatments in the current year.

The decrease in interest on long-term debt is due to the principal payments made on long-term debt.

**Stoneybrook West Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2018 and 2017.

<u>Description</u>	Governmental Activities	
	<u>2018</u>	<u>2017</u>
Infrastructure	\$ 16,866,807	\$ 16,866,807
Accumulated depreciation	(7,123,116)	(6,514,439)
Total Capital Assets (Net)	<u>\$ 9,743,691</u>	<u>\$ 10,352,368</u>

The activity for the year consisted of depreciation of \$608,677.

General Fund Budgetary Highlights

The budget expenditures exceeded actual governmental expenditures primarily because of lower contingency and landscape expenditures than were anticipated.

The budget was amended to increase pest control, legal and utility expenditures.

Debt Management

Governmental Activities debt includes the following:

- ◆ In September 2005, the District issued \$1,040,000 Series 2005 Special Assessment Revenue Bonds. These bonds were issued to fund the construction and installation of certain master infrastructure improvements within certain areas of the District. The balance outstanding at September 30, 2018 was \$735,000.
- ◆ In July 2008, the District issued \$6,920,000 Series 2008 Special Assessment Revenue Refunding Bonds. These bonds were issued to refund and defease all of the District's Outstanding Special Assessment Revenue Bonds, Series 2000A. The balance outstanding at September 30, 2018 was \$4,955,000.

**Stoneybrook West Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Stoneybrook West Community Development District issued Special Assessment Refunding Notes, Series 2018A-1 and 2018A-2 in October 2018. Other than the refunding the District does not expect any economic factors to have a significant effect on the financial position or results of operations in fiscal year 2019.

Request for Information

The financial report is designed to provide a general overview of Stoneybrook West Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Stoneybrook West Community Development District, Inframark Infrastructure Management Services, 210 North University Drive, Suite 702, Coral Springs, Florida 33071.

Stoneybrook West Community Development District
STATEMENT OF NET POSITION
September 30, 2018

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 260,568
Deposits	685
Prepaid expenses	5,421
Total Current Assets	266,674
Non-current Assets	
Restricted assets	
Investments	513,466
Capital assets being depreciated	
Infrastructure	16,866,807
Less: accumulated depreciation	(7,123,116)
Total Non-current Assets	10,257,157
Total Assets	10,523,831
 DEFERRED OUTFLOW OF RESOURCES	
Deferred amount on refunding	299,288
Total Assets and Deferred Outflow of Resources	10,823,119
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	9,425
Accrued interest	122,467
Bonds payable	280,000
Total Current Liabilities	411,892
Non-current liabilities	
Bonds payable, net	5,408,460
Total Liabilities	5,820,352
 NET POSITION	
Net investment in capital assets	4,532,866
Restricted for debt service	203,166
Restricted for capital projects	18,667
Unrestricted	248,068
Total Net Position	\$ 5,002,767

See accompanying notes to financial statements.

Stoneybrook West Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenues and Changes in Net Position Governmental Activities</u>
Governmental Activities			
General government	\$ (106,739)	\$ 102,817	\$ (3,922)
Physical environment	(762,750)	138,610	(624,140)
Interest on long-term debt	(340,298)	585,417	245,119
Total Governmental Activities	<u>\$ (1,209,787)</u>	<u>\$ 826,844</u>	<u>(382,943)</u>
General revenues:			
Investment earnings			<u>6,327</u>
		Change in Net Position	(376,616)
		Net Position - October 1, 2017	<u>5,379,383</u>
		Net Position - September 30, 2018	<u>\$ 5,002,767</u>

See accompanying notes to financial statements.

Stoneybrook West Community Development District
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018

ASSETS	General	2005 Debt Service	2008 Debt Service	2005 Capital Projects	Total Governmental Funds
Cash	\$ 260,568	\$ -	\$ -	\$ -	\$ 260,568
Due from other funds	-	809	8,372	-	9,181
Deposits	685	-	-	-	685
Prepaid expenses	5,421	-	-	-	5,421
Restricted assets:					
Investments, at fair value	-	114,706	380,093	18,667	513,466
Total Assets	\$ 266,674	\$ 115,515	\$ 388,465	\$ 18,667	\$ 789,321
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	\$ 9,425	\$ -	\$ -	\$ -	\$ 9,425
Due to other funds	9,181	-	-	-	9,181
Total Liabilities	18,606	-	-	-	18,606
FUND BALANCES					
Nonspendable:					
Deposits	685	-	-	-	685
Prepaid expenses	5,421	-	-	-	5,421
Restricted:					
Debt service	-	115,515	388,465	-	503,980
Capital projects	-	-	-	18,667	18,667
Assigned - operating reserve	60,570	-	-	-	60,570
Unassigned	181,392	-	-	-	181,392
Total Fund Balances	248,068	115,515	388,465	18,667	770,715
Total Liabilities and Fund Balances	\$ 266,674	\$ 115,515	\$ 388,465	\$ 18,667	\$ 789,321

See accompanying notes to financial statements.

Stoneybrook West Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2018

Total Governmental Fund Balances	\$	770,715
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets being depreciated, infrastructure (\$16,866,807), net of accumulated depreciation (\$7,123,116), used in governmental activities are not financial resources and therefore, are not reported in the fund level statements.		9,743,691
Long-term liabilities, including bonds payable (\$5,690,000) net of bond discount (\$1,540) are not due and payable in the current period and therefore, are not reported in the fund level statements.		(5,688,460)
Deferred outflow of resources are not financial resources and therefore, are not reported in the fund level statements.		299,288
Accrued interest expense for long-term debt is not a financial use and therefore, is not reported in the fund level statements.		<u>(122,467)</u>
Net Position of Governmental Activities	\$	<u><u>5,002,767</u></u>

See accompanying notes to financial statements.

Stoneybrook West Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	General	2005 Debt Service	2008 Debt Service	2005 Capital Projects	Total Governmental Funds
Revenues					
Special assessments	\$ 241,427	\$ 74,580	\$ 510,837	\$ -	\$ 826,844
Investment earnings	5,147	271	867	42	6,327
Total Revenues	<u>246,574</u>	<u>74,851</u>	<u>511,704</u>	<u>42</u>	<u>833,171</u>
Expenditures					
Current					
General government	106,739	-	-	-	106,739
Physical environment	154,073	-	-	-	154,073
Debt service					
Principal	-	50,000	240,000	-	290,000
Interest	-	44,950	262,878	-	307,828
Other	-	200	1,371	-	1,571
Total Expenditures	<u>260,812</u>	<u>95,150</u>	<u>504,249</u>	<u>-</u>	<u>860,211</u>
Excess revenues over expenditures	(14,238)	(20,299)	7,455	42	(27,040)
Other financing sources (uses)					
Transfers in	-	-	-	1,813	1,813
Transfers out	-	(1,813)	-	-	(1,813)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,813)</u>	<u>-</u>	<u>1,813</u>	<u>-</u>
Net change in fund balances	(14,238)	(22,112)	7,455	1,855	(27,040)
Fund Balances - October 1, 2017	<u>262,306</u>	<u>137,627</u>	<u>381,010</u>	<u>16,812</u>	<u>797,755</u>
Fund Balances - September 30, 2018	<u>\$ 248,068</u>	<u>\$ 115,515</u>	<u>\$ 388,465</u>	<u>\$ 18,667</u>	<u>\$ 770,715</u>

See accompanying notes to financial statements.

Stoneybrook West Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (27,040)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount of depreciation in the current period. (608,677)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 290,000

Governmental funds report bond discounts as expenditures. However, in the Statement of Activities, the cost of those assets are allocated based on an effective interest rate as amortization expense. This is the amount of amortization expense in the current year. (113)

The deferred outflow of resources for refundings of debt is recognized as a component of interest expense in the Statement of Activities, but not in the governmental funds. This is the amount of current year interest. (36,824)

In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net amount between the prior year and the current year accruals. 6,038

Change in Net Position of Governmental Activities \$ (376,616)

See accompanying notes to financial statements.

Stoneybrook West Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND

For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Special assessments	\$ 240,779	\$ 240,779	\$ 241,427	\$ 648
Investment earnings	1,500	1,500	5,147	3,647
Total Revenues	<u>242,279</u>	<u>242,279</u>	<u>246,574</u>	<u>4,295</u>
Expenditures				
Current				
General government	103,180	115,180	106,739	8,441
Physical environment	139,099	165,099	154,073	11,026
Total Expenditures	<u>242,279</u>	<u>280,279</u>	<u>260,812</u>	<u>19,467</u>
Net change in fund balances	-	(38,000)	(14,238)	23,762
Fund Balance - October 1, 2017	<u>264,938</u>	<u>262,306</u>	<u>262,306</u>	-
Fund Balances - September 30, 2018	<u><u>\$ 264,938</u></u>	<u><u>\$ 224,306</u></u>	<u><u>\$ 248,068</u></u>	<u><u>\$ 23,762</u></u>

See accompanying notes to financial statements.

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established on November 23, 1999 by the City Commission of Winter Garden, Florida pursuant to City Ordinance 99-60 and the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and waste water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or without the boundaries of the Stoneybrook West Community Development District. The District is governed by a five-member Board of Supervisors, who are elected for terms of four years. The District operates within the criteria established by Chapter 190.

The District, located in Winter Garden, Florida, encompasses approximately 814 acres within Stoneybrook West.

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

Based upon the application of the above-mentioned criteria as set forth in principles established by the Governmental Accounting Standards Board the District has identified no component units.

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting

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

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

a. Government-wide Financial Statements

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities which normally are supported by special assessments, developer assessments and interest, are reported separately from business-type activities. Program revenues include charges for services, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

b. Fund Financial Statements

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

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

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

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

The District has various policies governing the fund balance classifications.

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

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

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

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

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

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

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

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

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

2005 Debt Service Fund – Accounts for debt service requirements to retire certain special assessment bonds which were used to finance the construction of District infrastructure improvements and finance certain additional improvements. The bond series is secured by a pledge of debt service special assessment revenues in any fiscal year related to the improvements. A lien is placed on all benefited land in relationship to the debt outstanding.

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

2008 Debt Service Fund – Accounts for debt service requirements to retire certain special assessment bonds which were used to finance the construction of District infrastructure improvements and finance certain additional improvements. The bond series is secured by a pledge of debt service special assessment revenues in any fiscal year related to the improvements. A lien is placed on all benefited land in relationship to the debt outstanding.

2005 Capital Projects Fund – The Capital Project Fund accounts for construction of infrastructure improvements within the boundaries of the district, which is funded by bond proceeds of the 2005 Series Bond.

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as special assessment bonds, be reported in the governmental activities column in the government-wide statement of net position.

4. Assets, Liabilities and Net Position or Equity

a. Cash and Investments

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

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities and Net Position or Equity (Continued)

a. Cash and Investments (Continued)

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

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

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

b. Restricted Net Position

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

c. Capital Assets

Capital assets, which include land and improvements, buildings and infrastructure, are reported in the applicable governmental activities column.

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

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities and Net Position or Equity (Continued)

c. Capital Assets (Continued)

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

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

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

Infrastructure	20-40 years
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d. Deferred Outflow of Resources

Deferred outflow of resources is the consumption of net position by the government that is applicable to a future reporting period. Deferred amount on refunding is amortized and recognized as a component of interest expense over the life of the bond.

e. Budgets

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

f. Unamortized Bond Discounts

Bond discounts are presented on the government-wide financial statements. The costs are amortized over the life of the bonds using the method of accounting. For financial reporting, the unamortized bond discounts are netted against the applicable long-term debt.

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

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

“Total fund balances” of the District’s governmental funds (\$770,715) differs from “net position” of governmental activities (\$5,002,767) reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance. The effect of the differences is illustrated below.

Capital related items

When capital assets (property, plant and equipment that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the District as a whole.

Infrastructure	\$ 16,866,807
Accumulated depreciation	(7,123,116)
Total	\$ 9,743,691

Long-term debt transactions

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2018 were:

Bonds payable	\$ (5,690,000)
Bonds discount, net	1,540
Total	\$ (5,688,460)

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

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

Deferred outflow of resources

Deferred outflow of resources applicable to the District's governmental activities are not financial resources and therefore, are not reported as fund deferred outflow of resources:

Deferred amount on refunding	\$ <u>299,288</u>
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Accrued interest

Accrued liabilities in the statement of net position differ from the amount reported in governmental funds due to accrued interest on bonds.

Accrued interest on bonds payable	\$ <u>(122,467)</u>
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2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The "net change in fund balances" for government funds (\$(27,040)) differs from the "change in net position" for governmental activities (\$(376,616)) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

Depreciation	\$ <u>(608,677)</u>
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Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

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

Long-term debt transactions

Repayments of bond principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Debt principal payments	\$	290,000
Bond discount amortization		(113)
Total		\$ 289,887

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

Net change in accrued interest payable	\$	6,038
Decrease in deferred amount on refunding		(36,824)
Total		\$ (30,786)

NOTE C – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2018, the District's bank balance was \$267,367 and the carrying value was \$260,568. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2018, the District had the following investments and maturities:

Investment	Maturity Date	Fair Value
U.S. Bank N.A. Open Commercial Paper Compound Monthly Manual Sweep	N/A	\$ 513,466

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits (Continued)

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

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

Based on the criteria in the preceding paragraph, the investments in Commercial Paper are Level 1 assets.

Interest Rate Risk

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

Credit Risk

The District's investments in treasury funds, commercial paper, and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2018, the District's investments in U.S. Bank N.A. Open Commercial Paper Compound Monthly Manual Sweep were rated A-1+ by Standard & Poor's.

Concentration of Credit Risk

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

The types of deposits and investments and their level of risk exposure as of September 30, 2018 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE D – SPECIAL ASSESSMENT REVENUES

Special assessment revenues recognized for the 2017-2018 fiscal year were levied in July 2017. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount.

All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on, or prior to, June 1; therefore, there were no material taxes receivable at fiscal year end.

NOTE E – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Infrastructure	\$ 16,866,807	\$ -	\$ -	\$ 16,866,807
Less accumulated depreciation for:				
Infrastructure	<u>(6,514,439)</u>	<u>(608,677)</u>	<u>-</u>	<u>(7,123,116)</u>
Total Capital Assets Depreciated, Net	<u>\$ 10,352,368</u>	<u>\$ (608,677)</u>	<u>\$ -</u>	<u>\$ 9,743,691</u>

Depreciation in the amount of \$608,677 was charged to physical environment.

NOTE F – LONG-TERM DEBT

The following is a summary of activity for long-term debt of the District for the year ended September 30, 2018:

Long-term debt at October 1, 2017	\$ 5,980,000
Principal payments	<u>(290,000)</u>
Long-term debt at September 30, 2018	5,690,000
Less: Bond Discount, Net	<u>(1,540)</u>
Bonds Payable, Net	<u>\$ 5,688,460</u>

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE F – LONG-TERM DEBT (CONTINUED)

Special Assessment Debt with Governmental Commitment

Long-term debt is comprised of the following:

<p>\$1,040,000 Series 2005 Capital Improvement Revenue Bonds due in annual principal installments beginning May 2006, maturing in May 2035. Interest at a rate of 5.80% is due May and November beginning November 2005.</p>	<p>\$ 735,000</p>
<p>\$6,920,000 Series 2008 Special Assessment Revenue Refunding Bonds due in annual principal installments beginning May 2008, maturing in May 2032. Interest is due semi-annually on May 1 and November 1, beginning November 1, 2008, at a rate of 4.830% on the \$5,130,000 bonds, with a maturity date of May 1, 2028 and 5.50% on the \$1,790,000 bonds, with a maturity date of May 1, 2032.</p>	<p><u>4,955,000</u></p>
<p>Total</p>	<p><u>\$ 5,690,000</u></p>

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2018 are as follows:

Year Ending September 30,	Principal	Interest	Total
2019	\$ 280,000	\$ 293,916	\$ 573,916
2020	295,000	280,150	575,150
2021	310,000	265,610	575,610
2022	320,000	250,346	570,346
2023	340,000	234,599	574,599
2024-2028	1,970,000	904,764	2,874,764
2029-2033	2,050,000	336,565	2,386,565
2034-2035	<u>125,000</u>	<u>11,019</u>	<u>136,019</u>
Totals	<u>\$ 5,690,000</u>	<u>\$ 2,576,969</u>	<u>\$ 8,266,969</u>

The Series 2005 and Series 2008 Revenue Bonds above were paid off in October 2018 with the issuance of Special Assessment Revenue Notes Series 2018A-1 and Series 2018A-2 in the amounts of \$649,000 and \$4,896,000, respectively.

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE F – LONG-TERM DEBT (CONTINUED)

Summary of Significant Bonds Resolution Terms and Covenants

The District levies special assessments pursuant to Section 190.022, Florida Statutes and the assessment rolls are approved by resolutions of the District Board. The collections are to be strictly accounted for and applied to the debt service of the bond series for which they were levied. The District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds. However, payment of principal and interest is dependent on the money available in the debt service fund and the District's ability to collect special assessments levied.

The bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date, or in part on an interest payment date, without premium, together with accrued interest to the redemption date if monies are available to retire the debt in accordance with the provisions of the indenture.

The bond resolution and the trust indenture provide for the establishment of certain accounts and an order in which revenues are to be deposited into these accounts. The accounts include a construction, revenue, redemption, reserve, interest and prepayment account and are maintained by a trustee.

The bond indenture provides for Debt Service Reserve Funds, which shall be held by the Trustee separate and apart from all other funds. The following is a schedule of reserve requirements and balances in the reserve accounts at September 30, 2018:

	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Series 2005	\$ 56,912	\$ 53,287
Series 2008	\$ 125,060	\$ 125,060

Stoneybrook West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE G – INTERFUND BALANCES

Interfund balances at September 30, 2018, consisted for the following:

Receivable Fund	Payable Fund
	General Fund
2005 Debt Service Fund	\$ 809
2008 Debt Service Fund	8,372
Total	\$ 9,181

Interfund balances between the General Fund and Debt Service Funds are the result of special assessments deposited into the General Fund that are owed to the Debt Service Funds.

NOTE H – INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2018, consisted for the following:

Transfer In	Transfer Out
	2005 Debt Service Fund
2005 Capital Projects Fund	\$ 1,813

The transfer between 2005 Capital Project Fund and 2005 Debt Service Fund is the result of reserve funds in excess of the reserve requirement.

NOTE I – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Stoneybrook West Community Development District
Winter Garden, 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 Stoneybrook West Community Development District, as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Stoneybrook West Community Development District's internal control over financial reporting 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 Stoneybrook West Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Stoneybrook West Community Development District's internal control over financial reporting.

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

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

To the Board of Supervisors
Stoneybrook West Community Development District

Compliance and Other Matters

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

Purpose of this Report

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



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

March 15, 2019



Berger, Toombs, Elam, Gaines & Frank

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MANAGEMENT LETTER

To the Board of Supervisors
Stoneybrook West Community Development District
Winter Garden, Florida

Report on the Financial Statements

We have audited the financial statements of the Stoneybrook West Community Development District as of and for the year ended September 30, 2018, and have issued our report thereon dated March 15, 2019.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 15, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Stoneybrook West Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that Stoneybrook West Community Development District did not meet any of the conditions described in Section 218.503(1) Florida Statutes.

Fort Pierce / Stuart

To the Board of Supervisors
Stoneybrook West Community Development District

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 Stoneybrook West Community Development District. It is management's responsibility to monitor the Stoneybrook West Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2018.

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

Additional Matters

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

Purpose of this Letter

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

*Berger Toombs Elam
Gaines + Frank*

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

March 15, 2019



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**INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Stoneybrook West Community Development District
Winter Garden, Florida

We have examined Stoneybrook West Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2018. Management is responsible for Stoneybrook West Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Stoneybrook West Community Development District's compliance based on our examination.

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

In our opinion, Stoneybrook West Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2018.

*Berger Toombs Elam
Gaines & Frank*

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

March 15, 2019

Fort Pierce / Stuart