

**THE HAMMOCKS
COMMUNITY DEVELOPMENT
DISTRICT**

JANUARY 8, 2020

AGENDA PACKAGE

The Hammocks Community Development District

Inframark, Infrastructure Management Services

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Tel: 954-603-0033 * Fax 954-345-1292

December 31, 2019

Board of Supervisors
The Hammocks Community
Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of The Hammocks Community Development District will be held Wednesday, January 8, 2020 at 8:00 a.m. at the Brentwood Clubhouse, 8504 Sandpiper Ridge Avenue, Tampa, Florida. Following is the advanced agenda for the meeting:

1. Call to Order and Roll Call
2. Public Comments on Agenda Items
3. Consent Agenda
 - A. Approval of the Minutes of the November 13, 2019 Meeting
 - B. Approval of the Financial Statements
4. Staff Reports
 - A. Manager
 - i. Ratification of Audit Engagement for FY 2019
 - ii. Ratification of Motion Assigning Fund Balance
 - B. Attorney
 - C. Engineer
5. Supervisors' Requests
6. Audience Comments
7. Adjournment

Any supporting documents not enclosed for the items above will be distributed at the meeting.

The balance of the agenda is routine in nature and staff will present their reports at the meeting. I look forward to seeing you at the meeting and in the meantime, if you have any questions, please contact me.

Sincerely,

Bob Nanni

Manager

cc: Tracy Robin

Tonja Stewart

Denise Ganz

Third Order of Business

3A.

**MINUTES OF MEETING
THE HAMMOCKS
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Hammocks Community Development District held a Regular Meeting on Wednesday, November 13, 2019 at 8:00 a.m. at the Brentwood Clubhouse, 8504 Sandpiper Ridge Avenue, Tampa, Florida.

Present and constituting a quorum were:

Frances Plantikow	Chairperson
Ashley Lynch-Harris	Vice Chairperson
Mike Henke	Assistant Secretary
Juli Moulton	Assistant Secretary

Also present were:

Bob Nanni	District Manager
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The following is a summary of the minutes and actions taken.

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

Mr. Nanni called the meeting to order and called the roll. A quorum was established.

SECOND ORDER OF BUSINESS

Public Comments on Agenda Items

There being none, the next order of business.

THIRD ORDER OF BUSINESS

Consent Agenda

- A. Approval of the Minutes of the September 11, 2019 Meeting**
- B. Approval of the Financial Statements**

On MOTION by Ms. Lynch-Harris seconded by Mr. Henke, with all in favor, the Consent Agenda was approved.
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FOURTH ORDER OF BUSINESS

Staff Reports

A. Manager

- Mr. Nanni addressed the landscape agreement noting it is currently under the CDD.
- Discussion followed the invoicing, payment arrangements and conceptually splitting the landscape contract.

i. Audit Engagement for FY 2019

No action taken.

ii. Motion Assigning Fund Balance

No action taken.

B. Attorney

There being none, the next item followed.

C. Engineer

There being none, the next item followed.

SIXTH ORDER OF BUSINESS

Supervisors' Requests

- Ms. Plantikow noted Buccaneer sprayed on Monday and put signs out, but they need the MSDS sheets for what they are using.

SEVENTH ORDER OF BUSINESS

Audience Comments

There being none.

EIGHTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mr. Henke seconded by Ms. Lynch-Harris, with all in favor, the meeting was adjourned at 8:15 a.m.

Frances Plantikow
Chairperson

3B.

**The Hammocks
Community Development District**

Financial Report

November 30, 2019

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**The Hammocks
Community Development District**

Financial Statements

(Unaudited)

November 30, 2019

Balance Sheet
November 30, 2019

ACCOUNT DESCRIPTION	GENERAL FUND	SERIES 2016 DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>			
Cash - Checking Account	\$ 62,503	\$ -	\$ 62,503
Accounts Receivable	6,704	-	6,704
Investments:			
Certificates of Deposit - 12 Months	41,895	-	41,895
Money Market Account	228,849	-	228,849
Reserve Fund	-	128,816	128,816
Revenue Fund	-	79,201	79,201
TOTAL ASSETS	\$ 339,951	\$ 208,017	\$ 547,968
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,558	\$ -	\$ 5,558
TOTAL LIABILITIES	5,558	-	5,558
<u>FUND BALANCES</u>			
Restricted for:			
Debt Service	-	208,017	208,017
Assigned to:			
Operating Reserves	53,235	-	53,235
Reserves - Ponds	94,978	-	94,978
Unassigned:	186,180	-	186,180
TOTAL FUND BALANCES	\$ 334,393	\$ 208,017	\$ 542,410
TOTAL LIABILITIES & FUND BALANCES	\$ 339,951	\$ 208,017	\$ 547,968

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending November 30, 2019

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ 2,206	\$ 368	\$ 497	\$ 129
Special Assmnts- Tax Collector	219,731	60,000	30,683	(29,317)
Special Assmnts- Discounts	(8,789)	(2,400)	(1,243)	1,157
TOTAL REVENUES	213,148	57,968	29,937	(28,031)
EXPENDITURES				
Administration				
P/R-Board of Supervisors	6,000	1,000	800	200
FICA Taxes	459	77	61	16
ProfServ-Engineering	2,000	334	174	160
ProfServ-Legal Services	3,500	584	-	584
ProfServ-Mgmt Consulting Serv	47,612	7,936	7,935	1
ProfServ-Special Assessment	12,500	-	-	-
ProfServ-Trustee Fees	3,718	3,718	3,717	1
Auditing Services	5,024	-	-	-
Postage and Freight	300	50	9	41
Insurance - General Liability	10,732	10,732	9,756	976
Printing and Binding	250	42	58	(16)
Legal Advertising	1,200	200	-	200
Misc-Bank Charges	695	116	123	(7)
Misc-Assessmnt Collection Cost	4,395	1,200	589	611
Misc-Web Hosting	1,000	166	1,786	(1,620)
Office Supplies	25	4	-	4
Annual District Filing Fee	175	175	175	-
Total Administration	99,585	26,334	25,183	1,151
Field				
Contracts-Landscape	56,599	9,434	9,433	1
Contracts-Lakes	5,064	844	844	-
R&M-Fence	5,000	834	-	834
R&M-Irrigation	1,000	166	1,552	(1,386)
R&M-Mulch	4,500	-	-	-
Misc-Contingency	21,400	3,566	-	3,566
Reserve - Ponds	20,000	-	-	-
Total Field	113,563	14,844	11,829	3,015
TOTAL EXPENDITURES	213,148	41,178	37,012	4,166

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending November 30, 2019

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
Excess (deficiency) of revenues				
Over (under) expenditures	-	16,790	(7,075)	(23,865)
Net change in fund balance	\$ -	\$ 16,790	\$ (7,075)	\$ (23,865)
FUND BALANCE, BEGINNING (OCT 1, 2019)	341,468	341,468	341,468	
FUND BALANCE, ENDING	\$ 341,468	\$ 358,258	\$ 334,393	

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending November 30, 2019

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
<u>REVENUES</u>				
Interest - Investments	\$ 526	\$ 88	\$ 544	\$ 456
Special Assmnts- Tax Collector	350,774	95,783	48,982	(46,801)
Special Assmnts- Discounts	(14,031)	(3,831)	(1,984)	1,847
TOTAL REVENUES	337,269	92,040	47,542	(44,498)
<u>EXPENDITURES</u>				
<u>Administration</u>				
Misc-Assessmnt Collection Cost	7,015	1,916	940	976
Total Administration	7,015	1,916	940	976
<u>Debt Service</u>				
Principal Debt Retirement	185,000	-	-	-
Principal Prepayments	-	-	5,000	(5,000)
Interest Expense	140,000	70,000	70,000	-
Total Debt Service	325,000	70,000	75,000	(5,000)
TOTAL EXPENDITURES	332,015	71,916	75,940	(4,024)
Excess (deficiency) of revenues				
Over (under) expenditures	5,254	20,124	(28,398)	(48,522)
<u>OTHER FINANCING SOURCES (USES)</u>				
Contribution to (Use of) Fund Balance	5,254	-	-	-
TOTAL FINANCING SOURCES (USES)	5,254	-	-	-
Net change in fund balance	\$ 5,254	\$ 20,124	\$ (28,398)	\$ (48,522)
FUND BALANCE, BEGINNING (OCT 1, 2019)	236,415	236,415	236,415	
FUND BALANCE, ENDING	\$ 241,669	\$ 256,539	\$ 208,017	

**The Hammocks
Community Development District**

Supporting Schedules

November 30, 2019

Cash and Investment Report

November 30, 2019

General Fund

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Yield</u>	<u>Balance</u>
Checking Account - Operating	Hancock	n/a	0.00%	\$62,503
Certificate of Deposit - 12 months	Bank United	CD maturing 3/11/20	2.65%	\$41,895
MMA	Bank United	Money Market Account	1.35%	\$228,849
			Subtotal	<u>\$333,247</u>

Debt Service Funds

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Yield</u>	<u>Balance</u>
Series 2016 Reserve	US Bank	US Bank Open Ended CP	1.30%	\$128,816
Series 2016 Revenue Fund	US Bank	US Bank Open Ended CP	1.30%	\$79,201
			Subtotal	<u>\$208,017</u>
			Total	<u><u>\$541,264</u></u>

The Hammocks CDD

Bank Reconciliation

Bank Account No. 2057 Hancock Bank - GF
Statement No. 11-19
Statement Date 11/30/2019

G/L Balance (LCY)	62,503.32	Statement Balance	62,871.89
G/L Balance	62,503.32	Outstanding Deposits	0.00
Positive Adjustments	0.00		
	<hr/>	Subtotal	62,871.89
Subtotal	62,503.32	Outstanding Checks	368.57
Negative Adjustments	0.00	Differences	0.00
	<hr/>		
Ending G/L Balance	62,503.32	Ending Balance	62,503.32
Difference	0.00		

Posting Date	Document Type	Document No.	Description	Amount	Cleared Amount	Difference
Outstanding Checks						
11/13/2019	Payment	3303	FRANCES K. PLANTIKOW	183.87	0.00	183.87
11/13/2019	Payment	3305	ASHLEY LYNCH-HARRIS	184.70	0.00	184.70
Total Outstanding Checks.....				368.57		368.57

THE HAMMOCKS

Community Development District

Payment Register by Bank Account

For the Period from 11/1/19 to 11/30/19

(Sorted by Check / ACH No.)

Pymt Type	Check / ACH No.	Date	Payee Type	Payee	Invoice No.	Payment Description	Invoice / GL Description	G/L Account #	Amount Paid
HANCOCK BANK - GF - (ACCT# XXXXX2057)									
Check	3301	11/01/19	Vendor	AQUATIC SYSTEMS, INC	0000460021	NOV LAKE/WETLAND SVCS	Contracts-Lakes	001-534084-53901	\$422.00
Check	3302	11/04/19	Vendor	INFRAMARK, LLC	45699	OCT MGMT FEES	GODADDY RENEWAL	001-549915-51301	\$66.73
Check	3302	11/04/19	Vendor	INFRAMARK, LLC	45699	OCT MGMT FEES	ADMIN FEES	001-531027-51201	\$3,967.67
Check	3302	11/04/19	Vendor	INFRAMARK, LLC	45699	OCT MGMT FEES	POSTAGE	001-541006-51301	\$5.00
Check	3302	11/04/19	Vendor	INFRAMARK, LLC	45699	OCT MGMT FEES	WEB HOSTING	001-549915-51301	\$83.33
Check	3302	11/04/19	Vendor	INFRAMARK, LLC	45699	OCT MGMT FEES	COPIES	001-547001-51301	\$29.00
Check	3303	11/13/19	Employee	FRANCES K. PLANTIKOW	PAYROLL	November 13, 2019 Payroll Posting			\$183.87
Check	3304	11/13/19	Employee	MICHAEL J. HENKE	PAYROLL	November 13, 2019 Payroll Posting			\$184.70
Check	3305	11/13/19	Employee	ASHLEY LYNCH-HARRIS	PAYROLL	November 13, 2019 Payroll Posting			\$184.70
Check	3306	11/13/19	Employee	JULI L. MOULTON	PAYROLL	November 13, 2019 Payroll Posting			\$183.87
Check	3307	11/14/19	Vendor	BUCCANEER LANDSCAPE MANAGEMENT	56170	IRR REPAIRS	R&M-Irrigation	001-546041-53901	\$252.00
Check	3307	11/14/19	Vendor	BUCCANEER LANDSCAPE MANAGEMENT	55998	NOV LANDSCAPE MAINT - PERF PAY	IRR REPAIRS	001-546041-53901	\$2,855.08
Check	3307	11/14/19	Vendor	BUCCANEER LANDSCAPE MANAGEMENT	55997	NOV LANDSCAPE - BASE PAY	Contracts-Landscape	001-534050-53901	\$8,565.24
Check	3308	11/22/19	Vendor	HAMMOCKS CDD C/O US BANK N.A.	111819	TRFR FY 2020 ASSESSMENTS	Due From Other Funds	131000	\$21,162.82
Check	3309	11/25/19	Vendor	HAMMOCKS CDD C/O US BANK N.A.	112119	TRFR OF FY 2020 ASSESSMENTS	Due From Other Funds	131000	\$24,894.74
Account Total									\$63,040.75

Total Amount Paid	\$63,040.75
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Fourth Order of Business

4A.

4Ai.



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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September 13, 2019

To Board of Supervisors
The Hammocks Community Development District
210 N. University Drive, Suite 702
Coral Springs, FL 33071

We are pleased to confirm our understanding of the services we are to provide The Hammocks Community Development District, Hillsborough County, Florida ("the District") for the fiscal year ended September 30, 2019. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of The Hammocks Community Development District as of and for the fiscal year ended September 30, 2019. In addition, we will examine the District's compliance with the requirements of Section 218.415 Florida Statutes. This letter serves to renew our agreement and establish the terms and fee for the 2019 audit.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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.

The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary comparison schedule

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Examination Objective

The objective of our examination is the expression of an opinion as to whether the District is in compliance with Florida Statute 218.415 in accordance with Rule 10.556(10) of the Auditor General of the State of Florida. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and will include tests of your records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our examination of the District's compliance. The report will include a statement that the report is intended solely for the information and use of management, those charged with governance, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the District's compliance is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

Other Services

We will assist in preparing the financial statements and related notes of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for compliance with Florida Statute 218.415 and will provide us with the information required for the examination. The accuracy and completeness of such information is also management's responsibility. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. In addition, you will be required to make certain representations regarding compliance with Florida Statute 218.415 in the management representation letter. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for designing, implementing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Grau & Associates and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Grau & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. Notwithstanding the foregoing, the parties acknowledge that various documents reviewed or produced during the conduct of the audit may be public records under Florida law. The District agrees to notify Grau & Associates of any public record request it receives that involves audit documentation.

Our fee for these services will not exceed \$5,000 for the September 30, 2019 audit. The fee for each annual renewal will be agreed upon separately.

We will complete the audit within prescribed statutory deadlines, with the understanding that your employees will provide information needed to perform the audit on a timely basis.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices will be submitted in sufficient detail to demonstrate compliance with the terms of this agreement. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate.

This agreement is automatically renewed each year thereafter subject to the mutual agreement by both parties to all terms and fees. The fee for each annual renewal will be agreed upon separately.

The District has the option to terminate this agreement with or without cause by providing thirty (30) days written notice of termination to Grau & Associates. Upon any termination of this agreement, Grau & Associates shall be entitled to payment of all work and/or services rendered up until the effective termination of this agreement, subject to whatever claims or off-sets the District may have against Grau & Associates.

We will provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2016 peer review report accompanies this letter.

We appreciate the opportunity to be of service to The Hammocks Community Development District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Grau & Associates



(Antonio J. Grau)

RESPONSE:

This letter correctly sets forth the understanding of The Hammocks Community Development District.

By: Robert Manni

Title: Secretary

Date: 11-13-19



PEER REVIEW PROGRAM

is proud to present this

Certificate of Recognition

to

Grau & Associates

For having a system of quality control for its accounting and auditing practice in effect for the year ended June 30, 2016 which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

A handwritten signature in black ink, reading "Anita Ford", written over a horizontal line.

Anita Ford, Chair
AICPA Peer Review Board
2016

4Aii.

**THE HAMMOCKS
COMMUNITY DEVELOPMENT DISTRICT**

Motion: Assigning Fund Balance as of 9/30/19

The Board hereby assigns the FY 2019 Reserves per the September 30, 2019 Balance Sheet as follows:

Operating Reserve	\$53,235
Reserves-Ponds	\$94,978