

**Lexington
Community Development District**

October 8, 2019

Agenda Package

Lexington Community Development District
Inframark, Infrastructure Management Services
210 North University Drive, Suite 702 • Coral Springs, Florida 33071
Telephone: (954) 603-0033 • Fax: (954) 345-1292

October 1, 2019

Board of Supervisors
Lexington Community Development District

Dear Board Members:

A regular meeting of the Board of Supervisors of the Lexington Community Development District will be held on Tuesday, October 8, 2019 at 6:30 P.M. at Beef O'Brady's, 8913 U.S. 301 North, Parrish, FL 34219.

Following is the advance agenda for the meeting:

- 1. Roll Call**
- 2. Public Comment**
- 3. Consent Agenda**
 - A. Approval of the Minutes of the August 13, 2019 Meeting
 - B. Financial Statements and Check Register
 - C. Engagement Letter with Grau and Associate for Fiscal Year 2019 Audit
- 4. District Manager's Report**
- 5. Supervisor's Requests**
- 6. Adjournment**

Supporting materials for the items listed above are included in the agenda package. I look forward to seeing you at the meeting and in the meantime if you have any questions please contact me.

Sincerely,

Andy Mendenhall
District Manager

Third Order of Business

3A.

MINUTES OF MEETING LEXINGTON COMMUNITY DEVELOPMENT DISTRICT

A regular Meeting of the Board of Supervisors of the Lexington Community Development District was held on Tuesday, August 13, 2019 at 6:34 p.m. at Beef O’Brady’s, 8913 U.S. 301 North, Parris, Florida.

Present and constituting a quorum were:

Bryon (Kelley) Klepper	Chairman
David Staples	Vice Chairman
Greg Karpinsky	Treasurer
Amy Brintzinghoffer	Assistant Secretary
Allan Tremmel	Assistant Secretary

Also present:

Mark Vega	District Manager
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FIRST ORDER OF BUSINESS

Roll Call

SECOND ORDER OF BUSINESS

None.

Public Comment

THIRD ORDER OF BUSINESS

Public Hearing for Adoption of the Budget for Fiscal Year 2020

A. Proposed Budget for Fiscal Year 2020

- Mr. Vega opened the public hearing for the adoption of the budget at 6:34 p.m. He asked for questions on the budget.
- After discussion, Mr. Vega noted he will change the budget from \$500 to \$1,553.
- Mr. Vega noted there being no further questions on the budget, the public hearing was closed at 7:05 p.m.

B. Resolution 2019-04 Adopting the Budget for Fiscal Year 2020

On MOTION by Mr. Karpinsky seconded by Ms. Brintzinghoffer with all in favor Resolution 2019-04, a resolution of the Lexington Community Development District relating to the annual appropriations of the District and adopting the budget for the Fiscal Year beginning October 1, 2019 and ending September 30, 2020; providing for the appropriations to the General Fund and Debt Service Fund; providing for supplemental appropriations; providing for the maintenance and benefit special assessments to be levied by the District for said Fiscal Year; providing for an effective date, was adopted as amended.

C. Resolution 2019-05 Levying Non-Ad Valorem Assessments

On MOTION by Mr. Karpinsky seconded by Mr. Tremmel with all in favor Resolution 2019-05, a resolution levying and imposing a non-ad valorem operation and maintenance special assessment for the Lexington Community Development District for Fiscal Year 2020; providing for collection and enforcement of said non-ad valorem assessments; providing for certification and providing for an effective date, was adopted.

FOURTH ORDER OF BUSINESS Consent Agenda**A. Approval of the Minutes of the May 14, 2019 Meeting****B. Financial Statements and Check Register****C. Proposed Meeting Dates for Fiscal Year 2020**

- The dates must coordinate with the HOA. The meeting schedule for Fiscal Year 2020 will not be advertised until after the HOA meeting takes place on September 11, 2019 to learn whether the CDD dates may change.

D. Ratification of Non-Disclosure Agreement with the County

On MOTION by Ms. Brintzinghoffer seconded by Mr. Staples with all in favor the Consent Agenda was approved.

FIFTH ORDER OF BUSINESS

District Manager's Report

- There being no report, the next item followed.

SIXTH ORDER OF BUSINESS

Supervisor's Request

- There being no Supervisor Requests, the next item followed.

SEVENTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mr. Karpinsky seconded by Mr. Tremmel with all in favor the meeting was adjourned at 7:14 p.m.

Bryon K. Klepper
Chairman

3B.

Lexington
Community Development District

Financial Report

August 31, 2019

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LEXINGTON

Financial Statements

(Unaudited)

August 31, 2019

Balance Sheet
August 31, 2019

ACCOUNT DESCRIPTION	GENERAL FUND	SERIES 2007 DEBT SERVICE FUND	SERIES 2015 DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>				
Cash - Checking Account	\$ 12,890	\$ -	\$ -	\$ 12,890
Due From Other Funds	763	-	-	763
Investments:				
Money Market Account	29,590	-	-	29,590
Prepayment Account	-	1,922	-	1,922
Reserve Fund	-	15,365	58,643	74,008
Revenue Fund	-	11,147	54,957	66,104
Prepaid Items	2,385	-	-	2,385
TOTAL ASSETS	\$ 45,628	\$ 28,434	\$ 113,600	\$ 187,662
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	-	763	-	763
TOTAL LIABILITIES	-	763	-	763
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	2,385	-	-	2,385
Restricted for:				
Debt Service	-	27,671	113,600	141,271
Assigned to:				
Operating Reserves	10,940	-	-	10,940
Unassigned:	32,303	-	-	32,303
TOTAL FUND BALANCES	\$ 45,628	\$ 27,671	\$ 113,600	\$ 186,899
TOTAL LIABILITIES & FUND BALANCES	\$ 45,628	\$ 28,434	\$ 113,600	\$ 187,662

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending August 31, 2019

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)	YTD ACTUAL AS A % OF ADOPTED BUD
REVENUES					
Interest - Investments	\$ -	\$ -	\$ 479	\$ 479	0.00%
Interest - Tax Collector	-	-	138	138	0.00%
Special Assmnts- Tax Collector	44,140	44,140	44,052	(88)	99.80%
Special Assmnts- Discounts	(1,766)	(1,766)	(1,590)	176	90.03%
Other Miscellaneous Revenues	-	-	668	668	0.00%
TOTAL REVENUES	42,374	42,374	43,747	1,373	103.24%
EXPENDITURES					
Administration					
P/R-Board of Supervisors	4,000	3,000	3,600	(600)	90.00%
FICA Taxes	306	230	306	(76)	100.00%
ProfServ-Engineering	500	-	-	-	0.00%
ProfServ-Legal Services	4,000	3,000	393	2,607	9.83%
ProfServ-Mgmt Consulting Serv	18,870	17,298	17,298	-	91.67%
ProfServ-Property Appraiser	662	662	637	25	96.22%
ProfServ-Trustee Fees	7,187	7,187	7,745	(558)	107.76%
ProfServ-Web Site Development	500	458	558	(100)	111.60%
Auditing Services	3,700	3,700	3,800	(100)	102.70%
Postage and Freight	150	138	154	(16)	102.67%
Insurance - General Liability	2,022	2,022	1,838	184	90.90%
Legal Advertising	400	300	346	(46)	86.50%
Misc-Bank Charges	450	413	476	(63)	105.78%
Misc-Assessmnt Collection Cost	662	662	637	25	96.22%
Office Supplies	175	160	148	12	84.57%
Annual District Filing Fee	175	175	175	-	100.00%
Total Administration	43,759	39,405	38,111	1,294	87.09%
TOTAL EXPENDITURES	43,759	39,405	38,111	1,294	87.09%
Excess (deficiency) of revenues					
Over (under) expenditures	(1,385)	2,969	5,636	2,667	n/a
OTHER FINANCING SOURCES (USES)					
Contribution to (Use of) Fund Balance	(1,385)	-	-	-	0.00%
TOTAL FINANCING SOURCES (USES)	(1,385)	-	-	-	0.00%
Net change in fund balance	\$ (1,385)	\$ 2,969	\$ 5,636	\$ 2,667	n/a
FUND BALANCE, BEGINNING (OCT 1, 2018)	39,992	39,992	39,992		
FUND BALANCE, ENDING	\$ 38,607	\$ 42,961	\$ 45,628		

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending August 31, 2019

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)	YTD ACTUAL AS A % OF ADOPTED BUD
REVENUES					
Interest - Investments	\$ 113	\$ 113	\$ 481	\$ 368	425.66%
Special Assmnts- Tax Collector	22,692	22,692	22,692	-	100.00%
Special Assmnts- Discounts	(908)	(908)	(876)	32	96.48%
Other Miscellaneous Revenues	-	-	494	494	0.00%
TOTAL REVENUES	21,897	21,897	22,791	894	104.08%
EXPENDITURES					
Debt Service					
ProfServ-Tax Collector	340	340	340	-	100.00%
Misc-Assessmnt Collection Cost	340	340	340	-	100.00%
Principal Debt Retirement	7,000	7,000	7,000	-	100.00%
Interest Expense	12,204	12,204	12,204	-	100.00%
Total Debt Service	19,884	19,884	19,884	-	100.00%
TOTAL EXPENDITURES	19,884	19,884	19,884	-	100.00%
Excess (deficiency) of revenues Over (under) expenditures	2,013	2,013	2,907	894	144.41%
OTHER FINANCING SOURCES (USES)					
Contribution to (Use of) Fund Balance	2,013	-	-	-	0.00%
TOTAL FINANCING SOURCES (USES)	2,013	-	-	-	0.00%
Net change in fund balance	\$ 2,013	\$ 2,013	\$ 2,907	\$ 894	144.41%
FUND BALANCE, BEGINNING (OCT 1, 2018)	24,764	24,764	24,764		
FUND BALANCE, ENDING	\$ 26,777	\$ 26,777	\$ 27,671		

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending August 31, 2019

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)	YTD ACTUAL AS A % OF ADOPTED BUD
REVENUES					
Interest - Investments	\$ 788	\$ 788	\$ 2,756	\$ 1,968	349.75%
Special Assmnts- Tax Collector	157,643	157,643	157,643	-	100.00%
Special Assmnts- Discounts	(6,306)	(6,306)	(5,659)	647	89.74%
Other Miscellaneous Revenues	-	-	142	142	0.00%
TOTAL REVENUES	152,125	152,125	154,882	2,757	101.81%
EXPENDITURES					
Debt Service					
ProfServ-Tax Collector	2,365	2,365	2,470	(105)	104.44%
Misc-Assessmnt Collection Cost	2,365	2,365	2,470	(105)	104.44%
Principal Debt Retirement	80,000	80,000	80,000	-	100.00%
Interest Expense	63,693	63,693	63,693	-	100.00%
Total Debt Service	148,423	148,423	148,633	(210)	100.14%
TOTAL EXPENDITURES	148,423	148,423	148,633	(210)	100.14%
Excess (deficiency) of revenues Over (under) expenditures	3,702	3,702	6,249	2,547	168.80%
OTHER FINANCING SOURCES (USES)					
Contribution to (Use of) Fund Balance	3,702	-	-	-	0.00%
TOTAL FINANCING SOURCES (USES)	3,702	-	-	-	0.00%
Net change in fund balance	\$ 3,702	\$ 3,702	\$ 6,249	\$ 2,547	168.80%
FUND BALANCE, BEGINNING (OCT 1, 2018)	107,351	107,351	107,351		
FUND BALANCE, ENDING	\$ 111,053	\$ 111,053	\$ 113,600		

LEXINGTON

Supporting Schedules

August 31, 2019

Non-Ad Valorem Special Assessments
Manatee County Tax Collector - Monthly Collection Report
For the Fiscal Year Ending September 30, 2019

						Allocation by Fund		
Date Received	Net Amount Received	Discount/ (Penalties) Amount	Collection Costs	Property Appraiser	Gross Amount Received	General Fund	Series 2007	Series 2015
ASSESSMENTS LEVIED FY 2019					\$ 224,475	\$ 44,140	\$ 22,692	\$ 157,643
Allocation %					100%	19.66%	10.11%	70.23%
11/19/18	\$ 1,545	\$ 64	\$ 24	\$ 24	\$ 1,657	\$ -	\$ -	\$ 1,657
11/20/18	\$ 374	\$ 16	\$ 6	\$ 6	\$ 401	\$ 401	\$ -	\$ -
11/29/18	\$ 3,490	\$ 145	\$ 54	\$ 54	\$ 3,744	\$ 3,744	\$ -	\$ -
11/30/18	\$ 1,363	\$ 57	\$ 42	\$ 42	\$ 1,504	\$ -	\$ 1,504	\$ -
12/03/18	\$ 12,435	\$ 518	\$ 387	\$ 387	\$ 13,727	\$ -	\$ -	\$ 13,727
12/12/18	\$ 18,404	\$ 767	\$ 285	\$ 285	\$ 19,740	\$ -	\$ 19,734	\$ -
12/12/18	\$ 105,707	\$ 4,404	\$ 1,635	\$ 1,635	\$ 113,381	\$ -	\$ -	\$ 113,381
12/12/18	\$ 29,799	\$ 1,242	\$ 461	\$ 461	\$ 31,962	\$ 31,962	\$ -	\$ -
12/14/18	\$ 9,371	\$ 390	\$ 145	\$ 145	\$ 10,052	\$ -	\$ -	\$ 10,052
12/14/18	\$ 682	\$ 28	\$ 11	\$ 11	\$ 731	\$ -	\$ 731	\$ -
12/14/18	\$ 2,581	\$ 108	\$ 40	\$ 40	\$ 2,769	\$ 2,769	\$ -	\$ -
01/08/19	\$ 1,709	\$ 53	\$ 26	\$ 26	\$ 1,815	\$ 1,815	\$ -	\$ -
01/08/19	\$ 6,070	\$ 188	\$ 94	\$ 94	\$ 6,446	\$ -	\$ -	\$ 6,446
02/12/19	\$ 1,214	\$ 25	\$ 19	\$ 19	\$ 1,277	\$ 1,277	\$ -	\$ -
02/12/19	\$ 687	\$ 14	\$ 11	\$ 11	\$ 722	\$ -	\$ 722	\$ -
02/12/19	\$ 4,373	\$ 89	\$ 68	\$ 68	\$ 4,598	\$ -	\$ -	\$ 4,598
03/20/19	\$ 246	\$ 2	\$ 4	\$ 4	\$ 256	\$ 256	\$ -	\$ -
03/21/19	\$ 484	\$ 5	\$ 7	\$ 7	\$ 504	\$ -	\$ -	\$ 504
04/16/19	\$ 838	\$ -	\$ 13	\$ 13	\$ 864	\$ 864	\$ -	\$ -
04/16/19	\$ 3,523	\$ -	\$ 54	\$ 54	\$ 3,632	\$ -	\$ -	\$ 3,632
05/15/19	\$ 313	\$ -	\$ 5	\$ 5	\$ 323	\$ 323	\$ -	\$ -
05/15/19	\$ 1,199	\$ -	\$ 19	\$ 19	\$ 1,237	\$ -	\$ -	\$ 1,237
06/19/19	\$ 155	\$ -	\$ 2	\$ 2	\$ 160	\$ 160	\$ -	\$ -
06/19/19	\$ 1,884	\$ -	\$ 29	\$ 29	\$ 1,943	\$ -	\$ -	\$ 1,943
06/21/19	\$ 522	\$ -	\$ 8	\$ 8	\$ 539	\$ -	\$ -	\$ 468
06/21/19	\$ 467	\$ -	\$ 7	\$ 7	\$ 481	\$ 481	\$ -	\$ -
TOTAL	\$ 209,439	\$ 8,116	\$ 3,455	\$ 3,455	\$ 224,464	\$ 44,052	\$ 22,692	\$ 157,643

% COLLECTED 99.80% 100.00% 100.00%

TOTAL OUTSTANDING	\$ 88.00	\$ -	\$ -
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Lexington CDD

Bank Reconciliation

Bank Account No. 3135 Hancock Bank Checking - GF
Statement No. 08-19
Statement Date 8/31/2019

G/L Balance (LCY)	12,889.90	Statement Balance	13,443.17
G/L Balance	12,889.90	Outstanding Deposits	0.00
Positive Adjustments	0.00		
		Subtotal	13,443.17
Subtotal	12,889.90	Outstanding Checks	553.27
Negative Adjustments	0.00	Differences	0.00
Ending G/L Balance	12,889.90	Ending Balance	12,889.90
Difference	0.00		

Posting Date	Document Type	Document No.	Description	Amount	Cleared Amount	Difference
Outstanding Checks						
8/19/2019	Payment	3230	GREGORY A. KARPINSKY	183.87	0.00	183.87
8/19/2019	Payment	3232	BRYON K. KLEPPER	184.70	0.00	184.70
8/19/2019	Payment	3234	AMY VAZQUEZ-BRINTZINGHOFFER	184.70	0.00	184.70
Total Outstanding Checks.....				553.27		553.27

LEXINGTON

Community Development District

Payment Register by Fund
For the Period from 8/1/2019 to 8/31/2019
(Sorted by Check / ACH No.)

Fund No.	Check / ACH No.	Date	Payee	Invoice No.	Payment Description	Invoice / GL Description	G/L Account #	Amount Paid
GENERAL FUND - 001								
001	3227	08/09/19	INFRAMARK, LLC	42964	JULY MGMNT SERVICES	ProfServ-Mgmt Consulting Serv	531027-51201	\$1,572.50
001	3227	08/09/19	INFRAMARK, LLC	42964	JULY MGMNT SERVICES	Office Supplies	551002-51301	\$1.35
001	3227	08/09/19	INFRAMARK, LLC	42964	JULY MGMNT SERVICES	Postage and Freight	541006-51301	\$2.00
001	3227	08/09/19	INFRAMARK, LLC	42964	JULY MGMNT SERVICES	Office Supplies	551002-51301	\$41.67
001	3228	08/09/19	Persson & Cohen P.A	23007	JULY GEN COUNSEL	ProfServ-Legal Services	531023-51401	\$23.80
001	3229	08/09/19	SARASOTA HERALD-TRIBUNE	SC52G0RN68	8/13/19 MTG NOTICE	Legal Advertising	548002-51301	\$177.50
001	3235	08/20/19	SARASOTA HERALD-TRIBUNE	11534171		10033302	548002-51301	\$168.75
001	3236	08/22/19	INFRAMARK, LLC	43702	Management Fees- August 2019	ProfServ-Mgmt Consulting Serv	531027-51201	\$1,572.50
001	3236	08/22/19	INFRAMARK, LLC	43702	Management Fees- August 2019	Office Supplies	551002-51301	\$7.00
001	3236	08/22/19	INFRAMARK, LLC	43702	Management Fees- August 2019	Postage and Freight	541006-51301	\$0.50
001	3236	08/22/19	INFRAMARK, LLC	43702	Management Fees- August 2019	Web Hosting	531047-51301	\$41.67
001	3236	08/22/19	INFRAMARK, LLC	43702	Management Fees- August 2019	Web Hosting	531047-51301	\$137.86
001	3230	08/19/19	GREGORY A. KARPINSKY	PAYROLL	August 19, 2019 Payroll Posting			\$183.87
001	3231	08/19/19	ALLAN M. TREMMEL	PAYROLL	August 19, 2019 Payroll Posting			\$184.70
001	3232	08/19/19	BRYON K. KLEPPER	PAYROLL	August 19, 2019 Payroll Posting			\$184.70
001	3233	08/19/19	DAVID W. STAPLES	PAYROLL	August 19, 2019 Payroll Posting			\$184.70
001	3234	08/19/19	AMY VAZQUEZ-BRINTZINGHOFFER	PAYROLL	August 19, 2019 Payroll Posting			\$184.70
Fund Total								\$4,669.77

Total Checks Paid	\$4,669.77
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3C



Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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September 13, 2019

To Board of Supervisors
 Lexington 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 Lexington Community Development District, Manatee 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 Lexington 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 \$3,800 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 Lexington 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 Lexington Community Development District.

By: _____

Title: _____

Date: _____



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.

Anita Ford, Chair
 AICPA Peer Review Board
 2016