

**WATERCHASE
COMMUNITY DEVELOPMENT
DISTRICT**

JUNE 9, 2020

AGENDA PACKAGE

Waterchase Community Development District

Inframark, Infrastructure Management Services

210 North University Drive Suite 702, Coral Springs, Florida 33071 Phone: 954-603-0033 Fax: 954-345-1292

June 2, 2020

Board of Supervisors
Waterchase Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of the Waterchase Community Development District is scheduled for **Tuesday, June 9, 2020 at 6:00 p.m.** via ZOOM.

Login URL: <https://zoom.us/j/4141930280?pwd=dUpkaUMwanBveDYwSC9tZzQ3YXpldz09>

Meeting ID: 414-193-0280, Password: 421279. Following is the advance agenda for the meeting:

- 1. Roll Call**
- 2. Audience Comments**
- 3. Discussion of Pond/Canal**
 - A.** Discussion on Pond 12 Bank Restoration Project
 - B.** Discussion of the Maintenance of Pond 22
 - C.** Solitude Lake - Update on Invasive Vine Control
- 4. Race Track Road Median - North Side Maintenance Needed**
- 5. Consent Agenda**
 - A.** Approval of the Minutes of the May 12, 2020 Meeting
 - B.** Financial Report
- 6. Manager's Report**
 - A.** Approval of the ACPLM Proposal
 - B.** Acceptance of the Financial Audit for Fiscal Year 2019
- 7. Attorney's Report**
- 8. Engineer's Report.**
 - A.** Update on Tree Removal Proposals
- 9. Supervisor Requests**
- 10. Audience Comments**
- 11. Adjournment**

Any supporting material for the items listed above, not included in the agenda package, will be provided as soon as available or they will be distributed at the meeting. I look forward to seeing you at the meeting, but in the meantime if you have any questions, please contact me.

Fifth Order of Business

5A.

MINUTES OF MEETING WATERCHASE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Waterchase Community Development District was held Tuesday, May 12, 2020 at 6:00 p.m. via webinar and teleconference under the auspices of Florida Executive Orders 20-52, 20-69, 20-112, as extended by 20-114. and Section 120.54(5)(b)2, Florida Statutes.

Present and constituting a quorum were:

G. Arnie Daniels	Chairman
Salvatore Mancini	Vice Chairman
Ian Watson	Assistant Secretary
Mike Acheson	Assistant Secretary
Christopher J. Rizzo	Assistant Secretary

Also present were:

Bob Nanni	District Manager
Tonja Stewart	Engineer
Residents	

The following is a summary of the discussions and actions taken at the May 12, 2020 Waterchase Community Development District's Board of Supervisors meeting.

FIRST ORDER OF BUSINESS

A quorum was established.

Roll Call

SECOND ORDER OF BUSINESS

None

Audience Comments

THIRD ORDER OF BUSINESS

Discussion of Pond/Canal

A. Discussion on Pond 12 Bank Restoration Project

- Brief discussion ensued regarding the work done incorrectly by Solitude.

B. Discussion of Pond 22

- Mr. Daniels tabled this discussion item until after current pandemic.

FOURTH ORDER OF BUSINESS

Consent Agenda

- A. Approval of the Minutes of the April 14, 2020 Meeting**
- B. Financial Report**

On MOTION by Mr. Daniels seconded by Mr. Mancini, with all in favor the Consent Agenda was approved. 5-0

FIFTH ORDER OF BUSINESS

Manager's Report

- A. Discussion of the Solitude Lake Management Increase**
 - There was Board consensus to hold off on the increase at this time.
- B. Discussion of the Fiscal Year 2021 Budget**
 - Mr. Nanni explained this line will remain on the agenda for discussion.
- C. Approval of the Campus Suite Agreement**
 - Brief discussion ensued regarding the Campus Suite Agreement.

On MOTION by Mr. Watson seconded by Mr. Mancini, with all in favor, the Campus Suite agreement was approved. 5-0

SIXTH ORDER OF BUSINESS

Attorney's s Report

There being none, next item followed.

SEVENTH ORDER OF BUSINESS

Engineer's Report

- A. Discussion of Additional Tree Removal Proposal from Mid-Florida Tree Services**
 - Ms. Stewart provided an update on several properties with tree removal concerns.
 - Discussion ensued.

On MOTION by Mr. Daniels seconded by Mr. Mancini, with all in favor, Mid Florida Tree proposal dated May 11, 2020 in the amount of \$19,500 for tree removal pending clarification on property 12018 Meridian point, was approved. 5-0

EIGHTH ORDER OF BUSINESS

Supervisor Report

There being none, next item followed.

NINTH ORDER OF BUSINESS

Audience Comments

There being none, next item followed.

TENTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mr. Daniels seconded by Mr. Mancini with all in favor, the meeting was adjourned. 5-0
--

G. Arnie Daniels
Chairman

5B

WATERCHASE
Community Development District

Financial Report

April 30, 2020

(unaudited)

Prepared by



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WATERCHASE
Community Development District

Financial Statements

(Unaudited)

April 30, 2020

Balance Sheet

April 30, 2020

ACCOUNT DESCRIPTION	GENERAL FUND	SERIES 2017 DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>			
Cash - Checking Account	\$ 157,491	\$ -	\$ 157,491
Due From Other Funds	-	38,204	38,204
Investments:			
Money Market Account	811,916	-	811,916
Reserve Fund	-	67,816	67,816
Revenue Fund	-	757,267	757,267
Utility Deposits - TECO	400	-	400
TOTAL ASSETS	\$ 969,807	\$ 863,287	\$ 1,833,094
<u>LIABILITIES</u>			
Accounts Payable	\$ 25,854	\$ -	\$ 25,854
Due To Other Funds	38,204	-	38,204
TOTAL LIABILITIES	64,058	-	64,058
<u>FUND BALANCES</u>			
Nonspendable:			
Deposits	400	-	400
Restricted for:			
Debt Service	-	863,287	863,287
Assigned to:			
Operating Reserves	83,374	-	83,374
Reserves- Lake Embank/Drainage	728,057	-	728,057
Reserves - Streetlights	75,000	-	75,000
Unassigned:	18,918	-	18,918
TOTAL FUND BALANCES	\$ 905,749	\$ 863,287	\$ 1,769,036
TOTAL LIABILITIES & FUND BALANCES	\$ 969,807	\$ 863,287	\$ 1,833,094

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending April 30, 2020

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
<u>REVENUES</u>				
Interest - Investments	\$ 8,779	\$ 5,121	\$ 7,773	\$ 2,652
Interest - Tax Collector	-	-	230	230
Special Assmnts- Tax Collector	338,248	338,248	331,024	(7,224)
Special Assmnts- Discounts	(13,530)	(13,530)	(12,551)	979
TOTAL REVENUES	333,497	329,839	326,476	(3,363)
<u>EXPENDITURES</u>				
<u>Administration</u>				
P/R-Board of Supervisors	24,000	14,000	13,800	200
FICA Taxes	1,836	1,071	1,056	15
ProfServ-Arbitrage Rebate	600	-	-	-
ProfServ-Dissemination Agent	1,000	1,000	-	1,000
ProfServ-Engineering	25,000	14,583	13,426	1,157
ProfServ-Legal Services	8,000	4,667	5,888	(1,221)
ProfServ-Mgmt Consulting Serv	57,783	33,707	33,707	-
ProfServ-Special Assessment	9,000	9,000	9,000	-
ProfServ-Trustee Fees	4,337	4,337	4,337	-
ProfServ-Web Site Development	1,030	601	583	18
Auditing Services	4,823	4,823	4,800	23
Website Compliance	-	-	3,065	(3,065)
Postage and Freight	900	525	162	363
Insurance - General Liability	8,237	8,237	7,488	749
Printing and Binding	500	292	230	62
Legal Advertising	3,466	2,022	1,512	510
Misc-Bank Charges	200	117	-	117
Misc-Assessmnt Collection Cost	6,763	6,763	6,370	393
Misc-Contingency	1,000	583	420	163
Office Supplies	100	58	-	58
Annual District Filing Fee	175	175	175	-
Total Administration	158,750	106,561	106,019	542

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending April 30, 2020

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
<u>Field</u>				
Contracts-Wetland Mitigation	10,465	6,105	6,500	(395)
Contracts-Lakes	21,012	12,257	11,830	427
Contracts-Canal Maint/Cleaning	6,468	3,773	1,233	2,540
Contracts-Aquatic Midge Mgmt	12,870	7,508	10,420	(2,912)
Contracts-RTR Landscaping	9,070	5,291	5,291	-
Electricity - Streetlighting	25,000	14,583	12,212	2,371
Electricity - Fountain	-	-	1,827	(1,827)
R&M-Fountain	1,000	583	416	167
R&M-Irrigation	3,000	1,750	-	1,750
R&M-Lake	15,000	8,750	-	8,750
R&M-Streetlights	17,000	9,917	11,171	(1,254)
R&M-Landscape Pond Areas	1,200	700	200	500
Misc-Interlocal Agreement	9,000	9,000	6,930	2,070
Misc-Contingency	43,662	25,470	17,976	7,494
Reserve-Lake Embankm/Drainage	-	-	77,937	(77,937)
Total Field	174,747	105,687	163,943	(58,256)
TOTAL EXPENDITURES	333,497	212,248	269,962	(57,714)
Excess (deficiency) of revenues				
Over (under) expenditures	-	117,591	56,514	(61,077)
Net change in fund balance	\$ -	\$ 117,591	\$ 56,514	\$ (61,077)
FUND BALANCE, BEGINNING (OCT 1, 2019)	849,235	849,235	849,235	
FUND BALANCE, ENDING	\$ 849,235	\$ 966,826	\$ 905,749	

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending April 30, 2020

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ 559	\$ 326	\$ 1,921	\$ 1,595
Special Assmnts- Tax Collector	737,129	737,129	721,387	(15,742)
Special Assmnts- Discounts	(29,485)	(29,485)	(27,352)	2,133
TOTAL REVENUES	708,203	707,970	695,956	(12,014)
EXPENDITURES				
Administration				
Misc-Assessmnt Collection Cost	14,743	14,743	13,881	862
Total Administration	14,743	14,743	13,881	862
Debt Service				
Debt Retirement Series A	460,000	-	-	-
Interest Expense Series A	224,781	-	112,391	(112,391)
Total Debt Service	684,781	-	112,391	(112,391)
TOTAL EXPENDITURES	699,524	14,743	126,272	(111,529)
Excess (deficiency) of revenues				
Over (under) expenditures	8,679	693,227	569,684	(123,543)
OTHER FINANCING SOURCES (USES)				
Contribution to (Use of) Fund Balance	8,679	-	-	-
TOTAL FINANCING SOURCES (USES)	8,679	-	-	-
Net change in fund balance	\$ 8,679	\$ 693,227	\$ 569,684	\$ (123,543)
FUND BALANCE, BEGINNING (OCT 1, 2019)	293,603	293,603	293,603	
FUND BALANCE, ENDING	\$ 302,282	\$ 986,830	\$ 863,287	

WATERCHASE
Community Development District

Supporting Schedules

April 30, 2020

WATERCHASE

Community Development District

Non-Ad Valorem Special Assessments (Hillsborough County Tax Collector - Monthly Collection Distributions) For the Fiscal Year Ending September 30, 2020

						Allocation By Fund	
Date Received	Net Amt Rcvd	Discount / (Penalties) Amount	Tax Coll Cost	Gross Amount Received		General Fund	Debt Service Fund
Assmnts Levied For FY 2020					\$1,075,377	\$338,248	\$737,129
Allocation %					100%	31%	69%
11/05/19	\$ 13,094	\$ 724	\$ 268	\$ 14,085		\$ 4,430	\$ 9,655
11/15/19	75,223	3,198	1,535	79,956		25,149	54,807
11/11/19	71,922	3,058	1,468	76,447		24,046	52,402
12/06/19	687,492	29,231	14,030	730,753		229,850	500,903
12/12/19	39,142	1,621	799	41,562		13,073	28,489
01/07/20	43,627	1,357	890	45,874		14,429	31,445
02/17/20	22,052	511	450	23,014		7,239	15,775
03/03/20	14,995	155	306	15,456		4,861	10,594
04/09/20	24,710	49	504	25,263		7,946	17,317
TOTAL	\$ 992,256	\$ 39,904	\$ 20,250	\$ 1,052,411		\$ 331,024	\$ 721,387
% COLLECTED					98%	98%	98%
TOTAL				\$ 22,966		\$ 7,224	\$ 15,742

Cash and Investment Report

April 30, 2020

General Fund

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Maturity</u>	<u>Yield</u>	<u>Balance</u>
Checking Acct - Operating	CenterState	Public Funds Checking	n/a	0.00%	\$ 157,491
			sub total		\$ 157,491
Money Market Account	BankUnited	Business MMA	n/a	0.25%	\$ 811,916
			sub total		\$ 811,916
			GF Subtotal		\$ 969,407

Debt Service Fund

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Maturity</u>	<u>Yield</u>	<u>Balance</u>
Series 2017 Revenue Fund	US Bank	US Bank Open End CP	05/01/32	0.2%	\$ 757,267
Series 2017 Reserve Fund	US Bank	US Bank Open End CP	05/01/32	0.2%	\$ 67,816
			DS Subtotal		\$ 824,807
			Total		\$ 1,794,214

Waterchase CDD

Bank Reconciliation

Bank Account No. 5719 Centerstate Bank GF Checking
Statement No. 04/20
Statement Date 4/30/2020

G/L Balance (LCY)	157,490.56	Statement Balance	157,490.56
G/L Balance	157,490.56	Outstanding Deposits	0.00
Positive Adjustments	0.00		
		Subtotal	157,490.56
Subtotal	157,490.56	Outstanding Checks	0.00
Negative Adjustments	0.00	Differences	0.00
Ending G/L Balance	157,490.56	Ending Balance	157,490.56
Difference	0.00		

Posting Date	Document Type	Document No.	Description	Amount	Cleared Amount	Difference
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WATERCHASE COMMUNITY DEVELOPMENT DISTRICT

Payment Register by Fund
For the Period from 4/1/2020 to 4/30/2020
(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	001853	04/02/20	SOLITUDE LAKE MANAGEMENT	SMOR-324022	SHORELINE RESTORATION	R&M-Lake	546042-53901	\$11,376.50
001	001854	04/09/20	TAMPA ELECTRIC	3.27.2020 CHECK	SERVICE FOR 2/26-3/23/2020	Electricity - Streetlighting	543013-53901	\$57.98
001	001860	04/15/20	GREENPOINT PROPERTY SERVICES INC.	7134	4/2020 LANDSCAPE MAINT	Contracts-RTR Landscaping	534346-53901	\$755.83
001	001861	04/15/20	INFRAMARK, LLC	50686	4/2020 MANAGEMENT FEES	ProfServ-Mgmt Consulting Serv	531027-51201	\$4,815.25
001	001861	04/15/20	INFRAMARK, LLC	50686	4/2020 MANAGEMENT FEES	Postage and Freight	541006-51301	\$6.50
001	001861	04/15/20	INFRAMARK, LLC	50686	4/2020 MANAGEMENT FEES	Printing and Binding	547001-51301	\$43.80
001	001861	04/15/20	INFRAMARK, LLC	50686	4/2020 MANAGEMENT FEES	ProfServ - Web Site Development	531047-51301	\$83.33
001	001862	04/15/20	SOLITUDE LAKE MANAGEMENT	PI-A00388817	4/2020 LAKE & POND MAINT	Contracts-Lakes	534084-53901	\$1,133.00
001	001862	04/15/20	SOLITUDE LAKE MANAGEMENT	PI-A00388818	4/2020 LAKE & POND MANAGEMENT SERVICE	Contracts-Lakes	534084-53901	\$1,850.00
001	001863	04/15/20	STANTEC CONSULTING SERVICES INC	1640688	GENERAL CONSULTING PERIOD 3/20/2020	ProfServ-Engineering	531013-51501	\$1,281.00
001	001864	04/15/20	STAR ELECTRIC SERVICES INC	3540	LIGHT POOL REPAIR	R&M-Streetlights	546095-53901	\$1,426.00
001	001865	04/15/20	STRALEY ROBIN VERICKER	18201	GENERAL THRU 3/15/2020	ProfServ-Legal Services	531023-51401	\$1,810.00
001	001866	04/23/20	TIMES PUBLISHING COMPANY	0000076662	NOTICE OF MEETING 4/14/2020	Legal Advertising	548002-51301	\$596.00
001	DD159	04/17/20	TAMPA ELECTRIC	03.27.2020 ACH		Electricity - Streetlighting	543013-53901	\$1,772.54
001	001848	04/02/20	SALVATORE MANCINI	PAYROLL	April 02, 2020 Payroll Posting			\$184.70
001	001849	04/02/20	GEORGE A DANIELS, JR	PAYROLL	April 02, 2020 Payroll Posting			\$184.70
001	001850	04/02/20	IAN WATSON	PAYROLL	April 02, 2020 Payroll Posting			\$184.70
001	001851	04/02/20	MICHAEL W. ACHESON	PAYROLL	April 02, 2020 Payroll Posting			\$184.70
001	001852	04/02/20	CHRISTOPHER J. RIZZO	PAYROLL	April 02, 2020 Payroll Posting			\$184.70
001	001855	04/16/20	SALVATORE MANCINI	PAYROLL	April 16, 2020 Payroll Posting			\$184.70
001	001856	04/16/20	GEORGE A DANIELS, JR	PAYROLL	April 16, 2020 Payroll Posting			\$184.70
001	001857	04/16/20	IAN WATSON	PAYROLL	April 16, 2020 Payroll Posting			\$184.70
001	001858	04/16/20	MICHAEL W. ACHESON	PAYROLL	April 16, 2020 Payroll Posting			\$184.70
001	001859	04/16/20	CHRISTOPHER J. RIZZO	PAYROLL	April 16, 2020 Payroll Posting			\$184.70
Fund Total								\$28,854.73

Total Checks Paid	\$28,854.73
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Sixth Order of Business

6A

March 18, 2020

Proposal #10713320

Contact

Tonja Stewart
Phone: 813 223-9500
Mobile: 813 426-4916
tonja.stewart@stantec.com

Customer

Waterchase CDD
14401 Waterchase Boulevard
Tampa, Florida 33626

Job

Waterchase CDD
14604 Turning Leaf Court
Tampa, Florida 33626

PROPERTY IMPROVEMENTS

Excavation and Investigation

Scope of Work:

1. Saw cut and excavate 1 area of 6" thick concrete driveway and dirt approximately 13' x 20' totalling 260 square feet to a depth of approximately 48" to try to determine the cause of undermining. If the problem is minor, i.e. pipe has a slipped joint or a cracked pipe we will make necessary repairs using hydraulic cement cast on pipe joint.
2. Alternatively, if the problem is minor, i.e. decaying vegetation, garbage, construction debris etc., we will remove debris and make necessary repairs to the sub-base, base and asphalt.
3. Haul debris from site.
4. Backfill and compact the sub-base in 12" lifts to ensure proper compaction.
5. Install 6" of crushed concrete base material to 1 area and compact.
6. Set forms and pour 1 new section of 6" thick concrete driveway totaling approximately 260 square feet using 5,000 PSI concrete reinforced with commercial fiber mesh.
7. Apply a broom finish and apply control joints as required.

Labor and Material - \$8,600.00

Notes:

- *WORK TO BE DONE IN ONE MOBILIZATION, WHICH COVERS THE DURATION AND COMPLETION OF THE PROJECT. IF ADDITIONAL MOBILIZATIONS ARE REQUESTED BY THE CUSTOMER THE ADDITIONAL MOBILIZATIONS WILL BE AN EXTRA CHARGE.
- *WORK TO BE DONE ON WEEKDAYS DURING DAYLIGHT HOURS.
- *90% OF THE CONTRACT AMOUNT AND CHANGE ORDERS MUST BE PAID PRIOR TO COMPLETING PUNCH LIST ITEMS AND/OR CHANGES FOR ADDITIONAL WORK REQUIRED BY CITIES OR MUNICIPALITIES.
- *THIS CONTRACTOR IS NOT RESPONSIBLE FOR LANDSCAPING AND SOD DAMAGED OR REMOVED DURING THE INSTALLATION OF CONCRETE.
- *ACPLM IS NOT RESPONSIBLE FOR DAMAGE TO UNDERGROUND UTILITIES TO INCLUDE PUBLIC UTILITIES AND PRIVATE UTILITIES SUCH AS, BUT NOT LIMITED TO, IRRIGATION, PHONE AND CABLE LINES. ANY ADDITIONAL WORK REQUIRED BY ANY ADDITIONAL OF THESE TYPES OF ITEMS, WILL BE AN EXTRA COST TO BE PAID BY THE CUSTOMER.



March 18, 2020

Proposal #10713320

Contact

Tonja Stewart
Phone: 813 223-9500
Mobile: 813 426-4916
tonja.stewart@stantec.com

Customer

Waterchase CDD
14401 Waterchase Boulevard
Tampa, Florida 33626

Job

Waterchase CDD
14604 Turning Leaf Court
Tampa, Florida 33626

PROPERTY IMPROVEMENTS

Notes Continued:

- *IF MORE SEVERE DAMAGE IS UNCOVERED AT THE TIME OF THE INVESTIGATION, IT WILL BE BROUGHT TO MANAGEMENT'S ATTENTION FOR A CHANGE ORDER BEFORE WORK PROCEEDS.
- *NOT INCLUDED IN THIS PROPOSAL ARE IMPACT FEES, TESTING, AS-BUILT DRAWINGS AND ENGINEERING.
- *NEW CONCRETE IS SUSCEPTIBLE TO SCUFFING AND MARKS UNTIL IT HAS PROPERLY CURED.
- *CONCRETE SAW CUTTING WILL CAUSE DUST TO ACCUMULATE IN THE AIR AND WIND MAY CAUSE THE DUST TO SETTLE ON NEARBY PARKED CARS AND BUILDING STRUCTURE.
- *ACPLM IS NOT RESPONSIBLE FOR ANY PERSONS WHO WRITE OR DRAW IN THE NEW CONCRETE DURING THE CONCRETES CURING TIME. A CHANGE ORDER WILL BE REQUIRED TO FIX DAMAGED AREAS CAUSED BY VANDALISM.
- *IN ORDER TO ENSURE PROPER STRUCTURAL STRENGTH TO THE NEWLY POURED CONCRETE, IT IS RECOMMENDED THAT ALL TRAFFIC STAY OFF THOSE AREAS FOR A MINIMUM OF 24 HOURS.
- *IT IS THE CUSTOMER'S RESPONSIBILITY TO HAVE A TOWING COMPANY ON SITE AND AVAILABLE FOR TOWING VEHICLES OBSTRUCTING THE JOB SITE. IF VEHICLES CANNOT BE MOVED IN A TIMELY MANNER, WE WILL NEED TO RESCHEDULE THE WORK AND A CHANGE ORDER WILL BE REQUIRED FOR THE ADDITIONAL MOBILIZATION.
- *BARRICADES WILL BE PROVIDED TO CLOSE OFF WORK AREAS. ACPLM IS NOT RESPONSIBLE FOR PERSONS ENTERING WORK AREAS CLOSED OFF WITH BARRICADES NOR FOR DAMAGE TO PROPERTY OR INJURY TO PERSONS ENTERING THE BARRICADED AREAS.
- *PERMIT FEES AND PROCUREMENT FEES ARE NOT INCLUDED. THE COST OF THE PERMIT, IF REQUIRED, AND ALL COSTS ASSOCIATED WITH OBTAINING A PERMIT, AND ANY ADDITIONAL WORK, TESTING OR INSPECTIONS REQUIRED BY THE PERMIT, WILL BE AN EXTRA COST THAT SHALL BE PAID BY THE CUSTOMER.
- *MATERIAL AND WORKMANSHIP ARE GUARANTEED FOR 12 MONTHS.



Office: 813.633.0548
Fax: 813.634.2686



www.acplm.net
www.sealcoatingamerica.com



P.O. Box 6412
Sun City Center, FL 33571

March 18, 2020

Proposal #10713320

Contact

Tonja Stewart
Phone: 813 223-9500
Mobile: 813 426-4916
tonja.stewart@stantec.com

Customer

Waterchase CDD
14401 Waterchase Boulevard
Tampa, Florida 33626

Job

Waterchase CDD
14604 Turning Leaf Court
Tampa, Florida 33626

PROPERTY IMPROVEMENTS

Terms - Net Upon Completion

ACPLM Authorized Signature _____
Richard Ostrander
Cell: 813 753-4486 rostrander@acplm.net

Acceptance of Proposal – The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. All payments later than 30 days after the due date shall bear interest at 18% per annum.

Date of Acceptance _____

Customer's Authorized Signature _____

Terms and Conditions: Payment is due in full upon project completion unless prior arrangements have been made in advance. If any legal action arises out of this agreement or breach thereof, the customer will be responsible for all attorney fees and incurred late fees. Any alteration or deviation from the above specifications involving extra costs of material or labor will be an additional charge outside of the scope listed in this proposal. Sprinkler systems on the property are to be off for the duration of the project. Customer assumes responsibility for removing all vehicles from the area outlined above.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or authorized deviation from the original specifications, involving extra cost, to be executed only upon receiving written change orders and will become an extra charge over and above this estimate. All agreements contingent upon strikes, accidents, weather or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our employees are fully covered by Workers Compensation Insurance. Due to the unpredictable movement of material and production costs, this proposal is good for 60 days from proposal date, after which prices are subject to change to accommodate current industry pricing.

Proposal Amount - \$8,600.00



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www.acplm.net
www.sealcoatingamerica.com



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**WATERCHASE
COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019**

**WATERCHASE COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Waterchase Community Development District
Hillsborough County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters*Required Supplementary Information*

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2020, 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, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

January 23, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Waterchase Community Development District, Hillsborough County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2019. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$4,559,756.
- The change in the District's total net position in comparison with the prior fiscal year was \$254,272, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2019, the District's governmental funds reported combined ending fund balances of \$1,142,839, a decrease of (\$7,443) in comparison with the prior fiscal year. The total fund balance is non-spendable for prepaid items and deposits, restricted for debt service, and assigned to operating reserves, lake embankment/drainage, and streetlights.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: **1)** government-wide financial statements, **2)** fund financial statements, and **3)** notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

1) Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

2) Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and debt service funds, both of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

3) Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

NET POSITION SEPTEMBER 30,		
	2019	2018
Current and other assets	\$ 1,177,019	\$ 1,156,058
Capital assets, net of depreciation	10,238,099	10,384,522
Total assets	11,415,118	11,540,580
Deferred outflows of resources	523,477	567,100
Current liabilities	127,839	105,196
Long-term liabilities	7,251,000	7,697,000
Total liabilities	7,378,839	7,802,196
Net position		
Net investment in capital assets	3,510,576	3,254,622
Restricted	199,944	175,924
Unrestricted	849,236	874,938
Total net position	\$ 4,559,756	\$ 4,305,484

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing program revenues exceeded the cost of operations and depreciation expenses.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 1,035,792	\$ 1,102,281
Operating grants and contributions	1,294	840
General revenues	17,888	12,246
Total revenues	1,054,974	1,115,367
Expenses:		
General government	134,647	139,745
Maintenance and operations	389,586	349,002
Interest	276,469	327,225
Bond issuance costs	-	239,857
Total expenses	800,702	1,055,829
Change in net position	254,272	59,538
Net position - beginning	4,305,484	4,245,946
Net position - ending	\$ 4,559,756	\$ 4,305,484

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2019 was \$800,702. The costs of the District's activities were primarily funded by program revenues. Program revenues were comprised primarily of assessments for both the current and prior fiscal years. The decrease in current fiscal year expenses is primarily the result of costs related to the Bond refunding done in the prior year that did not occur in the current year.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2019 was amended to increase appropriations and use of fund balance by \$50,000. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2019.

CAPITAL ASSETS AND DEBT ADMINISTRATIONCapital Assets

At September 30, 2019, the District had \$13,099,198 invested in land, land improvements, infrastructure, drainage system and other improvements. In the government-wide financial statements depreciation of \$2,861,099 has been taken, which resulted in a net book value of \$10,238,099. More detailed information about the District's capital assets is presented in the notes of the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Debt

At September 30, 2019, the District had \$7,251,000 in Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact Waterchase Community Development District's Finance Department at 210 N. University Drive, Suite 702, Coral Springs, Florida 33071.

**WATERCHASE COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 490,669
Investments	394,710
Assessments receivable	8,377
Prepaid items	38
Deposits	400
Restricted assets:	
Investments	282,825
Capital assets:	
Nondepreciable	6,735,805
Depreciable, net	3,502,294
Total assets	<u>11,415,118</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding (debit)	<u>523,477</u>
Total deferred outflows of resources	<u>523,477</u>
LIABILITIES	
Accounts payable	34,180
Accrued interest payable	93,659
Non-current liabilities:	
Due within one year	460,000
Due in more than one year	6,791,000
Total liabilities	<u>7,378,839</u>
NET POSITION	
Net investment in capital assets	3,510,576
Restricted for debt service	199,944
Unrestricted	849,236
Total net position	<u>\$ 4,559,756</u>

See notes to the financial statements

**WATERCHASE COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

<u>Functions/Programs</u>	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Primary government:				Governmental Activities
Governmental activities:				
General government	\$ 134,647	\$ 134,647	\$ -	\$ -
Maintenance and operations	389,586	191,150	-	(198,436)
Interest on long-term debt	276,469	709,995	1,294	434,820
Total governmental activities	800,702	1,035,792	1,294	236,384
General revenues:				
Unrestricted Investment earnings				16,638
Miscellaneous revenue				1,250
Total general revenues				17,888
Change in net position				254,272
Net position - beginning				4,305,484
Net position - ending				\$ 4,559,756

See notes to the financial statements

**WATERCHASE COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Major Funds		Total Governmental Funds
	General	Debt Service	
ASSETS			
Cash and equivalents	\$ 490,669	\$ -	\$ 490,669
Investments	394,710	282,825	677,535
Assessments receivable	2,597	5,780	8,377
Due from other fund	-	4,998	4,998
Prepaid items	38	-	38
Deposits	400	-	400
Total assets	<u>\$ 888,414</u>	<u>\$ 293,603</u>	<u>\$ 1,182,017</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 34,180	\$ -	\$ 34,180
Due to other fund	4,998	-	4,998
Total liabilities	<u>39,178</u>	<u>-</u>	<u>39,178</u>
Fund balances:			
Nonspendable:			
Prepays items and Deposits	438	-	438
Restricted for:			
Debt service	-	293,603	293,603
Assigned to:			
Operating reserves	45,741	-	45,741
Lake embankment/drainage	728,057	-	728,057
Streetlights	75,000	-	75,000
Total fund balances	<u>849,236</u>	<u>293,603</u>	<u>1,142,839</u>
Total liabilities and fund balances	<u>\$ 888,414</u>	<u>\$ 293,603</u>	<u>\$ 1,182,017</u>

See notes to the financial statements

**WATERCHASE COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

Fund balance - governmental funds	\$ 1,142,839
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental fund financial statements. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	13,099,198	
Accumulated depreciation	<u>(2,861,099)</u>	10,238,099

Deferred charges on refunding of long-term debt are shown as deferred outflows/inflows of resources in the government-wide financial statements; however, this amount is expensed in the governmental fund financial statements.

523,477

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund financial statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Accrued interest payable	(93,659)	
Bonds payable	<u>(7,251,000)</u>	<u>(7,344,659)</u>

Net position of governmental activities	<u><u>\$ 4,559,756</u></u>
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See notes to the financial statements

**WATERCHASE COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Major Funds		Total Governmental Funds
	General	Debt Service	
REVENUES			
Assessments	\$ 325,797	\$ 709,995	\$ 1,035,792
Interest	16,638	1,294	17,932
Miscellaneous revenue	1,250	-	1,250
Total revenues	<u>343,685</u>	<u>711,289</u>	<u>1,054,974</u>
EXPENDITURES			
Current:			
General government	126,224	8,423	134,647
Maintenance and operations	205,363	-	205,363
Debt service:			
Principal	-	446,000	446,000
Interest	-	238,607	238,607
Capital outlay	37,800	-	37,800
Total expenditures	<u>369,387</u>	<u>693,030</u>	<u>1,062,417</u>
Excess (deficiency) of revenues over (under) expenditures	(25,702)	18,259	(7,443)
Fund balances - beginning	<u>874,938</u>	<u>275,344</u>	<u>1,150,282</u>
Fund balances - ending	<u>\$ 849,236</u>	<u>\$ 293,603</u>	<u>\$ 1,142,839</u>

See notes to the financial statements

**WATERCHASE COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

Net change in fund balances - total governmental funds	\$	(7,443)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is eliminated and capitalized as capital assets.		37,800
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Depreciation on capital assets is not recognized in the governmental fund financial statements but is reported as an expense in the statement of activities.		(184,223)
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Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.		446,000
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Amortization of deferred amount on refunding is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.		(43,623)
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The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.		5,761
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Change in net position of governmental activities	\$	<u>254,272</u>
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See notes to the financial statements

**WATERCHASE COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Waterchase Community Development District ("the District") was created on March 22, 2001 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by Hillsborough County Ordinance 01-5. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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

The District is governed by the Board of Supervisors ("the Board") which is composed of five members. The Supervisors are elected by the owners of the property within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

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

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Operating-type special assessments for maintenance and debt service are treated as charges for services. and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

Assessments are non-ad valorem assessments on benefited lands within the District. Assessments are levied to pay for the operations and maintenance of the District. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. The District's annual assessments for operations and debt service are billed and collected by the County Tax Assessor/Collector. The amounts remitted to the District are net of applicable discounts or fees and include interest on monies held from the day of collection to the day of distribution.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Landscape and irrigation	30
Infrastructure and other	20-35

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

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Assets, Liabilities and Net Position or Equity (Continued)**Refunding of Debt

For current refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt. In connection with the refunding, \$43,623 was recognized as a component of interest expense in the current fiscal year.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position (Continued)

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 - BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

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

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances including certificates of deposit shown below were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Investments

The District's investments were held as follows at September 30, 2019:

	Amortized	Credit Risk	Maturity
US Bank N.A. Commercial Paper	\$ 282,825	N/A	N/A
Bank United Certificate of Deposit 12 months	104,726	N/A	3/12/2020
Bank United Certificate of Deposit 12 months	104,726	N/A	3/12/2020
Bank United Certificate of Deposit 18 months	104,467	N/A	4/5/2020
Bank United Certificate of Deposit 18 months	80,791	N/A	3/17/2020
Total Investments	<u>\$ 677,535</u>		

The commercial paper investments are held by the trustee but not in the District's name.

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

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

However, the Bond Indenture limits the type of investments held using unspent proceeds.

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The District used the market approach as the valuation technique.

Non-negotiable, non-transferable certificates of deposits that do not consider market rates are required to be reported at amortized cost, as such, the investments have been reported at amortized cost above.

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at September 30, 2019 were as follows:

Fund	Receivable	Payable
General	\$ -	\$ 4,998
Debt service	4,998	-
Total	<u>\$ 4,998</u>	<u>\$ 4,998</u>

The outstanding balances between funds result primarily from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. In the case of the District, the balances between the general fund and the debt service fund relate to assessments collected in the general fund that have not yet been transferred to the debt service fund.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 6,735,805	\$ -	\$ -	\$ 6,735,805
Total capital assets, not being depreciated	6,735,805	-	-	6,735,805
Capital assets, being depreciated				
Landscaping and irrigation	29,678	-	-	29,678
Infrastructure - water control and other	6,139,546	-	-	6,139,546
Streetlight Project-LED	96,959	-	-	96,959
Fountains	43,770	37,800	-	81,570
Aeration System	15,640	-	-	15,640
Total capital assets, being depreciated	6,325,593	37,800	-	6,363,393
Less accumulated depreciation for:				
Landscaping and irrigation	7,914	989	-	8,903
Infrastructure - water control and other	2,631,237	175,416	-	2,806,653
Streetlight Project-LED	31,916	4,848	-	36,764
Fountains	5,288	2,188	-	7,476
Aeration System	521	782	-	1,303
Total accumulated depreciation	2,676,876	184,223	-	2,861,099
Total capital assets, being depreciated, net	3,648,717	(146,423)	-	3,502,294
Governmental activities capital assets, net	\$ 10,384,522	\$ (146,423)	\$ -	\$ 10,238,099

Depreciation expense was charged to the maintenance and operations function.

NOTE 7 - LONG TERM LIABILITIES**Series 2017**

On October 26, 2017, the District issued \$8,129,000 of Series 2017 Capital Improvement Revenue Refunding Bonds due May 1, 2032 with a fixed interest rate of 3.1%. The Series 2017 Bonds were issued to refund the Series 2007 Capital Improvement Revenue Refunding Bonds. Interest is paid semiannually on each May 1 and November 1, commencing November 1, 2017. Principal on the 2017 Bonds is paid serially commencing May 1, 2019 through May 1, 2032.

The Series 2017 Bonds are subject to redemption in part prior to maturity at the option of the District at a redemption price as set forth in the Bond Indenture. The Bonds are also subject to extraordinary mandatory redemption and optional redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2019.

NOTE 7 - LONG TERM LIABILITIES (Continued)**Long-term Debt Activity**

Changes in long-term liability activity for the fiscal year ended September 30, 2019 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Series 2017 Bonds	\$ 7,697,000	\$ -	\$ 446,000	\$ 7,251,000	\$ 460,000
Total	<u>\$ 7,697,000</u>	<u>\$ -</u>	<u>\$ 446,000</u>	<u>\$ 7,251,000</u>	<u>\$ 460,000</u>

At September 30, 2019, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2020	\$ 460,000	\$ 224,781	\$ 684,781
2021	475,000	210,521	685,521
2022	489,000	195,796	684,796
2023	505,000	180,637	685,637
2024	521,000	164,982	685,982
2025-2029	2,860,000	572,322	3,432,322
2030-2032	1,941,000	121,582	2,062,582
Total	<u>\$ 7,251,000</u>	<u>\$ 1,670,621</u>	<u>\$ 8,921,621</u>

NOTE 8 - MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There have not been claims from these risks that exceeded commercial insurance coverage over the past three years.

**WATERCHASE COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Assessments	\$ 324,718	\$ 324,718	\$ 325,797	\$ 1,079
Interest	3,500	3,500	16,638	13,138
Miscellaneous revenue	-	-	1,250	1,250
Total revenues	328,218	328,218	343,685	15,467
EXPENDITURES				
Current:				
General government	125,078	125,078	126,224	(1,146)
Maintenance and operations	203,140	253,140	205,363	47,777
Capital outlay	-	-	37,800	(37,800)
Total expenditures	328,218	378,218	369,387	8,831
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (50,000)	(25,702)	\$ 24,298
OTHER FINANCING SOURCES				
Use of fund balance	-	50,000	-	(50,000)
Total other financing sources (uses)	-	50,000	-	(50,000)
Net change in fund balances	\$ -	\$ -	(25,702)	\$ (25,702)
Fund balance - beginning			874,938	
Fund balance - ending			\$ 849,236	

See notes to required supplementary information

**WATERCHASE COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2019 was amended to increase appropriations and use of fund balance by \$50,000. Actual general fund expenditures did not exceeded appropriations for the fiscal year ended September 30, 2019.



**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
Waterchase Community Development District
Hillsborough County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Waterchase Community Development District, Hillsborough County, Florida (the "District") as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated January 23, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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.

January 23, 2020



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors
Waterchase Community Development District
Hillsborough County, Florida

We have examined Waterchase Community Development District, Hillsborough County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2019. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

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

This report 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, management, and the Board of Supervisors of Waterchase Community Development District, Hillsborough County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

January 23, 2020



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors
Waterchase Community Development District
Hillsborough County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Waterchase Community Development District, Hillsborough County, Florida ("District") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated January 23, 2020.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 23, 2020, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Supervisors of Waterchase Community Development District, Hillsborough County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Waterchase Community Development District, Hillsborough County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

January 23, 2020

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2018.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2019.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2019.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2019. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.