

**Beacon Lakes Community  
Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2017**

**Beacon Lakes Community Development District**

**ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended September 30, 2017**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
Beacon Lakes Community Development District  
Miami-Dade County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of Beacon Lakes Community Development District as of and for the year ended September 30, 2017, and the related notes to financial statements, which collectively comprise the Districts, basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

Fort Pierce / Stuart

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To the Board of Supervisors  
Beacon Lakes Community Development District

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Beacon Lakes Community Development District, as of September 30, 2017, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated June 26, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beacon Lakes Community Development District's internal control over financial reporting and compliance.

*Berger Toombs Elam  
Gaines & Frank*

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

June 26, 2018

**Beacon Lakes Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

**Beacon Lakes Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

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

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

**Financial Highlights**

The following are the highlights of financial activity for the year ended September 30, 2017.

- ◆ The District's total assets exceeded total liabilities by \$15,505,897 (net position). Net investment in capital assets for the District was \$8,841,556. Unrestricted net position for Governmental Activities was \$(1,578,262). Governmental activities restricted net position was \$8,242,603.
- ◆ Governmental activities revenues totaled \$999,395 while governmental activities expenses totaled \$669,002.

**Beacon Lakes Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District**

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

**Net Position**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Current assets	\$ 1,053,963	\$ 772,892
Restricted assets	8,409,791	8,610,862
Capital assets	8,906,408	8,675,118
Total Assets	18,370,162	18,058,872
Current liabilities	616,647	345,615
Non-current liabilities	2,247,618	2,537,753
Total Liabilities	2,864,265	2,883,368
Net Position		
Net investment in capital assets	8,841,556	8,610,266
Restricted	8,242,603	8,500,946
Unrestricted	(1,578,262)	(1,935,708)
Total Net Position	\$ 15,505,897	\$ 15,175,504

The decrease in non-current liabilities and the increase in unrestricted net position are primarily related to refund payments to landowners.

Capital assets and net investment in capital assets increased due to capital additions in excess of depreciation in the current year.

The decrease in restricted assets is the result of capital asset additions in the current year.

The increase in current liabilities is the accrued landowner payable at September 30, 2017.

**Beacon Lakes Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District (Continued)**

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

**Change In Net Position**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Program Revenues		
Charges for services	\$ 977,879	\$ 978,250
General Revenues		
Investment earnings	17,526	10,639
Miscellaneous revenues	3,990	4,234
Total Revenues	<u>999,395</u>	<u>993,123</u>
Expenses		
General government	142,505	132,827
Physical environment	506,180	544,993
Interest on long-term debt	20,317	20,627
Total Expenses	<u>669,002</u>	<u>698,447</u>
Change in Net Position	330,393	294,676
Net Position - Beginning of Year	<u>15,175,504</u>	<u>14,880,828</u>
Net Position - End of Year	<u><u>\$ 15,505,897</u></u>	<u><u>\$ 15,175,504</u></u>

The increase in general government is primarily due to an increase in professional services and property taxes.

The decrease in physical environment expenses is due to a decrease in repairs and maintenance.



**Beacon Lakes Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Capital Assets Activity**

The following schedule provides a summary of the District's capital assets as of September 30, 2017 and 2016.

	Governmental Activities	
	2017	2016
Land and improvements	\$ 7,937,118	\$ 7,833,702
Construction in progress	262,120	94,237
Infrastructure	918,050	918,050
Improvements other than buildings	25,525	25,525
Less: accumulated depreciation	(236,405)	(196,396)
 Governmental Activities Capital Assets	 \$ 8,906,408	 \$ 8,675,118

During the year, \$167,883 of construction in progress was added, \$103,416 in land was added and depreciation was \$40,009.

**General Fund Budgetary Highlights**

The budget exceeded governmental expenditures primarily due to lower repairs and maintenance expenses than were anticipated.

There were no amendments to the September 30, 2017 budget.

**Debt Management**

Governmental Activities debt includes the following:

- ◆ In August 2007, the District issued \$8,580,000 Series 2007B Special Assessment Bonds. These bonds were issued to finance and refinance the acquisition and construction of certain infrastructure improvements within the District. The balance outstanding at September 30, 2017 was \$135,000.
- ◆ During fiscal year 2013, the District collected excess special assessment prepayments from landowners. As of September 30, 2017, the District owes landowners \$1,365,633 and \$1,034,380 in assessments related to the Series 2003A and Series 2007 Special Assessment Bonds, respectively.

**Beacon Lakes Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Economic Factors and Next Year's Budget**

Beacon Lakes Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2018.

**Request for Information**

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

**Beacon Lakes Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2017**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 1,043,861
Accounts receivable	5,003
Prepaid expenses	5,099
Total Current Assets	1,053,963
Non-Current Assets	
Restricted Assets	
Investments - debt service	83,316
Investments - capital projects	8,326,475
Capital Assets, Not Being Depreciated	
Land and improvements	7,937,118
Construction in progress	262,120
Capital Assets, Being Depreciated	
Infrastructure	918,050
Improvements other than buildings	25,525
Less: accumulated depreciation	(236,405)
Total Non-current Assets	17,316,199
Total Assets	18,370,162
 <b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	40,629
Bonds payable	5,000
Accrued landowners payable	285,135
Due to landowners	282,395
Accrued interest	3,488
Total Current Liabilities	616,647
Non-Current Liabilities	
Bonds payable	130,000
Due to landowners	2,117,618
Total Non-Current Liabilities	2,247,618
Total Liabilities	2,864,265
 <b>NET POSITION</b>	
Net investment in capital assets	8,841,556
Restricted - capital projects	8,242,603
Unrestricted	(1,578,262)
Total Net Position	\$ 15,505,897

See accompanying notes to financial statements.

**Beacon Lakes Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2017**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues Charges for Services</b>	<b>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</b>
Governmental Activities			
General government	\$ (142,505)	\$ 148,391	\$ 5,886
Physical environment	(506,180)	527,088	20,908
Interest on long-term debt	(20,317)	302,400	282,083
Total Governmental Activities	\$ (669,002)	\$ 977,879	308,877
<b>General Revenues</b>			
			17,526
			3,990
			21,516
		Change in Net Position	330,393
		Net Position - October 1, 2016	15,175,504
		Net Position - September 30, 2017	\$ 15,505,897

See accompanying notes to financial statements.

**Beacon Lakes Community Development District**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2017**

	General	Debt Service 201	Debt Service 202	Capital Projects 302	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 1,043,861	\$ -	\$ -	\$ -	\$ 1,043,861
Accounts receivable	5,003	-	-	-	5,003
Prepaid expenses	-	-	5,099	-	5,099
Due from other funds	10,479	207,243	-	-	217,722
<b>Restricted assets</b>					
Investments, at fair value	-	-	83,316	8,326,475	8,409,791
<b>Total Assets</b>	<b>\$ 1,059,343</b>	<b>\$ 207,243</b>	<b>\$ 88,415</b>	<b>\$ 8,326,475</b>	<b>\$ 9,681,476</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 27,682	\$ -	\$ -	\$ 12,947	\$ 40,629
Due to other funds	207,243	-	4,406	6,073	217,722
Accrued landowners payable	-	207,243	77,892	-	285,135
<b>Total Liabilities</b>	<b>234,925</b>	<b>207,243</b>	<b>82,298</b>	<b>19,020</b>	<b>543,486</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Deferred revenues	4,112	-	-	-	4,112
<b>FUND BALANCES</b>					
Nonspendable - prepaid expenses	-	-	5,099	-	5,099
<b>Restricted:</b>					
Debt service	-	-	1,018	-	1,018
Capital projects	-	-	-	8,307,455	8,307,455
<b>Assigned:</b>					
Operating reserves	174,539	-	-	-	174,539
Renewals and replacements	72,277	-	-	-	72,277
Unassigned	573,490	-	-	-	573,490
<b>Total Fund Balances</b>	<b>820,306</b>	<b>-</b>	<b>6,117</b>	<b>8,307,455</b>	<b>9,133,878</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 1,059,343</b>	<b>\$ 207,243</b>	<b>\$ 88,415</b>	<b>\$ 8,326,475</b>	<b>\$ 9,681,476</b>

See accompanying notes to financial statements.

**Beacon Lakes Community Development District**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**September 30, 2017**

Total Governmental Fund Balances	\$ 9,133,878
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets (land and improvements (\$7,937,118), construction in progress (\$262,120), infrastructure (\$918,050) and improvements other than buildings (\$25,525), and net of accumulated depreciation (\$(236,405)) used in governmental activities are not financial resources and; therefore, are not reported at the fund statement level.	8,906,408
Long-term liabilities, including due to landowners (\$(2,400,013)) and bonds payable (\$135,000) are not due and payable in the current period and; therefore, are not reported at the fund statement level.	(2,535,013)
Certain receivables were not collected within 60 days of year end and thus, are not financial resources in the current period and; therefore, are reported as deferred inflow of resources at the fund statement level.	4,112
Accrued interest expense for long-term debt is not a financial use and; therefore, is not reported at the fund statement level.	(3,488)
Net Position of Governmental Activities	\$ 15,505,897

See accompanying notes to financial statements.

**Beacon Lakes Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2017**

	General	Debt Service 201	Debt Service 202	Capital Projects 302	Totals Governmental Funds
<b>Revenues</b>					
Special assessments	\$ 675,479	\$ 209,336	\$ 93,064	\$ -	\$ 977,879
Investment income	4,185	-	95	13,246	17,526
Miscellaneous revenue	3,990	-	-	-	3,990
<b>Total Revenues</b>	<b>683,654</b>	<b>209,336</b>	<b>93,159</b>	<b>13,246</b>	<b>999,395</b>
<b>Expenditures</b>					
Current					
General government	142,505	-	-	-	142,505
Physical environment	467,184	-	-	-	467,184
Capital outlay	-	-	-	271,299	271,299
Debt service					
Principal	-	207,243	82,892	-	290,135
Interest	-	-	8,680	-	8,680
Other	-	2,093	9,673	-	11,766
<b>Total Expenditures</b>	<b>609,689</b>	<b>209,336</b>	<b>101,245</b>	<b>271,299</b>	<b>1,191,569</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>73,965</b>	<b>-</b>	<b>(8,086)</b>	<b>(258,053)</b>	<b>(192,174)</b>
<b>Other financing sources/(uses)</b>					
Transfers in	-	-	-	21	21
Transfers out	-	-	(21)	-	(21)
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>(21)</b>	<b>21</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>73,965</b>	<b>-</b>	<b>(8,107)</b>	<b>(258,032)</b>	<b>(192,174)</b>
<b>Fund Balances - October 1, 2016</b>	<b>746,341</b>	<b>-</b>	<b>14,224</b>	<b>8,565,487</b>	<b>9,326,052</b>
<b>Fund Balances - September 30, 2017</b>	<b>\$ 820,306</b>	<b>\$ -</b>	<b>\$ 6,117</b>	<b>\$8,307,455</b>	<b>\$9,133,878</b>

See accompanying notes to financial statements.

**Beacon Lakes Community Development District**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2017**

Net Change in Fund Balances - Total Governmental Funds \$ (192,174)

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 allocated over their estimated useful lives as depreciation expense. This is the amount capital outlay (\$271,299) exceeded depreciation (\$(40,009)) in the current period. 231,290

Repayments to landowners are expenditures in the governmental funds statements, but the repayment reduces long-term liabilities in the Statement of Net Position. 285,135

Repayments of bond principal are expenditures in the governmental funds statements, but the repayment reduces long-term liabilities in the Statement of Net Position. 5,000

Revenues in the Statement of Activities that do not provide current financial resources are deferred in the governmental fund statements. This is the change in deferred revenues in the current period. 1,013

In the Statement of Activities, interest is accrued on outstanding bonds; whereas at the governmental funds level, interest expenditures are reported when due. This is the change in accrued interest in the current period. 129

Change in Net Position of Governmental Activities \$ 330,393

See accompanying notes to financial statements.



**Beacon Lakes Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended September 30, 2017**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues				
Special assessments	\$ 673,922	\$ 673,922	\$ 675,479	\$ 1,557
Investment income	1,500	1,500	4,185	2,685
Miscellaneous revenue	-	-	3,990	3,990
Total Revenues	<u>675,422</u>	<u>675,422</u>	<u>683,654</u>	<u>8,232</u>
Expenditures				
Current				
General government	145,195	145,195	142,505	2,690
Physical environment	552,961	552,961	467,184	85,777
Total Expenditures	<u>698,156</u>	<u>698,156</u>	<u>609,689</u>	<u>88,467</u>
Net Change in Fund Balances	(22,734)	(22,734)	73,965	96,699
Fund Balances - October 1, 2016	<u>726,599</u>	<u>726,599</u>	<u>746,341</u>	<u>19,742</u>
Fund Balances - September 30, 2017	<u><u>\$ 703,865</u></u>	<u><u>\$ 703,865</u></u>	<u><u>\$ 820,306</u></u>	<u><u>\$ 116,441</u></u>

See accompanying notes to financial statements.

**Beacon Lakes Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Reporting Entity**

The District was established on May 6, 2003, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance #03-105 of the Board of County Commissioners of Miami-Dade County, as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Beacon Lakes Community Development District. The District is governed by a Board of Supervisors who are elected to four year terms. The District operates within the criteria established by Chapter 190.

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

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board Statement Number 61, The Financial Reporting Entity, the District has identified no component units.

**2. Measurement Focus and Basis of Accounting**

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

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

**Beacon Lakes Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**a. Government-wide Financial Statements**

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

Governmental activities are supported by special assessments and interest. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program

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

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

**b. Fund Financial Statements**

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

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

**Beacon Lakes Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds**

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

The District has various policies governing the fund balance classifications.

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

**Restricted Fund Balance** – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

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

**Unassigned Fund Balance** – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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

**Beacon Lakes Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

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

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

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

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

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

Debt service expenditures are recorded only when payment is due.

**3. Basis of Presentation**

**a. Governmental Major Funds**

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

**Beacon Lakes Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Basis of Presentation (Continued)**

**a. Governmental Major Funds (Continued)**

Debt Service Funds – Accounts for debt service requirements to retire the special assessment bonds which were used to finance the construction of District infrastructure improvements. The bonds are secured by a first lien on and pledge of the Pledged Revenues.

Capital Projects Funds – The Capital Projects Funds account for construction of infrastructure improvements within the boundaries of the district.

**b. Non-current Governmental Assets/Liabilities**

GASB Statement 34 requires that non-current governmental assets, such as land and improvements, and non-current governmental liabilities, such as general obligation bonds and due to developer be reported in the governmental activities column in the government-wide Statement of Net Position.

**4. Assets, Liabilities, and Net Position or Equity**

**a. Cash and Investments**

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

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

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

**Beacon Lakes Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**a. Cash and Investments (Continued)**

For purposes of the statement of cash flows, cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

**b. Restricted Assets**

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

**c. Capital Assets**

Capital assets, which include land and improvements, and construction in progress, are reported in the governmental activities column.

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

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

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets range from 15 to 40 years.

**Beacon Lakes Community Development District  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2017**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**d. Budgets**

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190 and Section 200.065, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

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

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

“Total fund balances” of the District’s governmental funds, \$9,133,878, differs from “Net Position” of governmental activities, \$15,505,897, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below.

**Capital related items**

When capital assets (land, buildings, and improvements and infrastructure that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Land and improvements	\$ 7,937,118
Construction in progress	262,120
Infrastructure	918,050
Improvements other than buildings	25,525
Less: accumulated depreciation	<u>(236,405)</u>
Total	<u><u>\$ 8,906,408</u></u>



**Beacon Lakes Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

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

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

**Long-term debt transactions**

Governmental Activities long-term liabilities are not due and payable in the current period and are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2017 were:

Bonds payable	\$ (135,000)
Due to landowners	<u>(2,400,013)</u>
Total	<u>\$ (2,535,013)</u>

**Deferred inflow of resources**

Deferred revenues in the Statement of Net Position differ from the amount reported in the governmental funds due to receivables. Governmental fund financial statements report deferred revenues or revenues, which are measurable but not available as deferred revenues. However, deferred revenues in governmental funds are susceptible to full accrual on the government-wide financial statements.

Deferred revenues	<u>\$ 4,112</u>
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**Accrued interest**

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to the accrued interest on bonds.

Accrued interest	<u>\$ (3,488)</u>
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**2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities**

The “net change in fund balances” for government funds, \$(192,174), differs from the “change in net position” for governmental activities, \$330,393, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Beacon Lakes Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

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

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

**Capital related items**

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

Depreciation	\$ (40,009)
Capital outlay	<u>271,299</u>
Net Change in Capital Related Items	<u><u>\$ 231,290</u></u>

**Deferred inflow of resources**

Deferred revenues reported in the governmental funds have been recognized as revenues in the Statement of Activities. This is the current year change.

Deferred revenues	<u><u>\$ 1,013</u></u>
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**Long-term debt transactions**

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

Refund to landowners	<u><u>\$ 285,135</u></u>
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Repayments of bond principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Bonds principal payments	<u><u>\$ 5,000</u></u>
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Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.

Change in accrued interest payable	<u><u>\$ 129</u></u>
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**Beacon Lakes Community Development District  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2017**

**NOTE C – CASH AND INVESTMENTS**

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2017, the District's bank balance was \$1,151,102 and the carrying value was \$1,043,861. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2017, the District had the following investments and maturities:

<b>Investment</b>	<b>Maturities</b>	<b>Fair Value</b>
Commercial Paper	N/A	\$ 8,409,791

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

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

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

Interest Rate Risk

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

**Beacon Lakes Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE C – CASH AND INVESTMENTS (CONTINUED)**

Credit Risk

The District's investments in treasury funds, commercial paper, and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2017, the District's investments in Commercial paper were rated A-1+ by Standard & Poor's.

Concentration of Credit Risk

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

The types of deposits and investments and their level of risk exposure as of September 30, 2017 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

**NOTE D – RELATED PARTY TRANSACTIONS**

All voting members of the board of supervisors are employed by the District's property management company. Payments made to the property management company for property management services and refunds to landowner totaled \$48,000 and \$14,972, respectively, during the fiscal year ended September 30, 2017.

**Beacon Lakes Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE E – CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2017 was as follows:

	Balance October 1, 2016	Additions	Deletions	Balance September 30, 2017
<b><u>Governmental activities:</u></b>				
Capital assets, not being depreciated:				
Land and land improvements	\$ 7,833,702	\$ 103,416	\$ -	\$ 7,937,118
Construction in progress	<u>94,237</u>	<u>167,883</u>	<u>-</u>	<u>262,120</u>
Total Capital Assets, Not Depreciated	<u>7,927,939</u>	<u>271,299</u>	<u>-</u>	<u>8,199,238</u>
Capital assets, being depreciated:				
Improvements	25,525	-	-	25,525
Infrastructure	<u>918,050</u>	<u>-</u>	<u>-</u>	<u>918,050</u>
Total Capital Assets, Being Depreciated	<u>943,575</u>	<u>-</u>	<u>-</u>	<u>943,575</u>
Less accumulated depreciation for:				
Improvements	(10,353)	(1,702)	-	(12,055)
Infrastructure	<u>(186,043)</u>	<u>(38,307)</u>	<u>-</u>	<u>(224,350)</u>
Total Accumulated Depreciation	<u>(196,396)</u>	<u>(40,009)</u>	<u>-</u>	<u>(236,405)</u>
Total Capital Assets Depreciated, Net	<u>747,179</u>	<u>(40,009)</u>	<u>-</u>	<u>707,170</u>
Governmental Activities Capital Assets	<u>\$ 8,675,118</u>	<u>\$ 231,290</u>	<u>\$ -</u>	<u>\$ 8,906,408</u>

Current year depreciation of \$40,009 was charged to physical environment.

**NOTE F – LONG-TERM DEBT**

The following is a summary of activity in the long-term debt account group of the District for the year ended September 30, 2017:

Long-term debt at October 1, 2016	\$ 2,825,148
Principal payments	<u>290,135</u>
Long-term debt at September 30, 2017	<u>\$ 2,535,013</u>

**Beacon Lakes Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE F – LONG-TERM DEBT (CONTINUED)**

Long-term debt is comprised of the following:

Special Assessment Bonds

\$8,580,000 Series 2007B Bonds, interest at 6.2%, maturing May 1, 2009 thru May 1, 2038, payable on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners. \$ 135,000

Other Notes Payable

\$3,181,473 Refund to Landowners, payments are due annually beginning in fiscal year 2015 thru fiscal year 2024 (Series 2003A) and beginning in fiscal year 2016 thru fiscal year 2031 (Series 2007). 2,400,013

Total \$ 2,535,013

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2017 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 5,000	\$ 8,370	\$ 13,370
2019	5,000	8,060	13,060
2020	5,000	7,750	12,750
2021	5,000	7,440	12,440
2022	5,000	7,130	12,130
2023-2027	25,000	31,000	56,000
2028-2032	25,000	23,250	48,250
2033-2037	50,000	12,400	62,400
2038	<u>10,000</u>	<u>620</u>	<u>10,620</u>
Totals	<u>\$ 135,000</u>	<u>\$ 106,020</u>	<u>\$ 241,020</u>

**Beacon Lakes Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE F – LONG-TERM DEBT (CONTINUED)**

As a result of the excess special assessment prepayments by the landowners, the District owes the landowners \$1,365,633 and \$1,034,380 in assessments related to the Series 2003A and Series 2007 Special Assessment Bonds, respectively. During the year, the Series 2007 Special Assessment Bond repayment to landowners schedule was amended and refund payments will begin in fiscal year 2016. The liabilities will be paid from excess reserve funds and annual special assessments as follows.

Year Ending September 30,	Series 2003	Series 2007	Total
2018	\$ 204,503	\$ 77,892	\$ 282,395
2019	204,503	77,892	282,395
2020	204,503	77,892	282,395
2021	204,503	77,892	282,395
2022	204,503	77,892	282,395
2023-2027	343,118	389,460	732,578
2028-2031	-	255,460	255,460
Total	<u>\$ 1,365,633</u>	<u>\$ 1,034,380</u>	<u>\$ 2,400,013</u>

**Significant Bond Provisions**

The Series 2007B Bonds is subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2013 or May 1, 2017, respectively, at a redemption price set in the Bond indenture. The Bonds are subject to extraordinary mandatory 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 certain amounts be maintained in a reserve account. In addition, the Bond Indenture has certain 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.

**Beacon Lakes Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE F – LONG-TERM DEBT (CONTINUED)**

Depository Funds

The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

Reserve Fund – The 2007B Reserve Account is funded from the proceeds of the Bonds in an amount equal to the lesser of: (A) (i) 50% Maximum Annual Debt Service Requirement for all Outstanding 2007B Bonds, (ii) at any time after the issuance of the 2007B Bonds, the series 2007B reserve percentage times the deemed outstanding bond (B) 125% of the average annual debt service for all Outstanding 2007B, or (C) 10% of the proceeds of the 2007B Bonds calculated as of the date of original issuance thereof. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

	Special Assessment Bonds	
	Reserve Balance	Reserve Requirement
Series 2007B Special Assessment Bonds	\$ 10,324	\$ 9,895

**NOTE G – INTERFUND BALANCES**

	Due To			
Due From	General Fund	Debt Service Fund 202	Capital Projects Fund	Total
General Fund	\$ -	\$ 4,406	\$ 6,073	\$ 10,479
Debt Service Fund 201	207,243	-	-	207,243
Total	\$ 207,243	\$ 4,406	\$ 6,073	\$ 217,722

Interfund balances primarily relate to assessments collected and expenditures paid by the General Fund for activity related to the other funds.

**NOTE H – 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 for which the government carries commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.





Berger, Toombs, Elam,  
Gaines & Frank

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

To the Board of Supervisors  
Beacon Lakes Community Development District  
Miami-Dade 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 Beacon Lakes Community Development District, as of and for the year ended September 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2018.

**Internal Control Over Financial Reporting**

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

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

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



To the Board of Supervisors  
Beacon Lakes Community Development District  
Miami-Dade County, Florida

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

June 26, 2018



Berger, Toombs, Elam,  
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## MANAGEMENT LETTER

To the Board of Supervisors  
Beacon Lakes Community Development District  
Miami-Dade County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Beacon Lakes Community Development District as of and for the year ended September 30, 2017, and have issued our report thereon dated June 26, 2018.

### Auditor's Responsibility

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

### Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated June 26, 2018, should be considered in conjunction with this Management Letter.

### Prior Audit Findings

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

### Financial Condition

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



To the Board of Supervisors  
Beacon Lakes Community Development District

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2017 for the Beacon Lakes Community Development District. It is management's responsibility to monitor the Beacon Lakes Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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

### **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the Beacon Lakes Community Development District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

### **Additional Matters**

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

### **Purpose of this Letter**

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

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

June 26, 2018



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

To the Board of Supervisors  
Beacon Lakes Community Development District  
Miami-Dade County, Florida

We have examined Beacon Lakes Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2017. Management is responsible for Beacon Lakes Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Beacon Lakes Community Development District's compliance based on our examination.

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

In our opinion, Beacon Lakes Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2017.

*Berger Toombs Elam  
Gaines & Frank*

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

June 26, 2018

Fort Pierce / Stuart

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