

*Falcon Trace Community
Development District*

Agenda

March 23, 2021

AGENDA

Falcon Trace

Community Development District

219 East Livingston Street, Orlando, FL 32801

Phone: 407-841-5524 - Fax: 407-839-1526

March 10, 2021

Board of Supervisors
Falcon Trace
Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of **Falcon Trace Community Development District** will be held **Wednesday, March 17, 2021 at 6:00 PM at the Big Hawk Lake Recreation Center, 13600 Big Hawk Lake Drive, Orlando, Florida**. Following is the advance agenda for the meeting:

- I. Roll Call
- II. Public Comment Period
- III. Organizational Matters
 - A. Election of Officers
 - B. Consideration of Resolution 2021-02 Electing Officers
- IV. Approval of the Minutes of the January 20, 2021 Meeting
- V. Discussion of New Business Procedure – *Requested by Supervisor Hurst*
- VI. Consideration of Second Amendment to Swim Program License Agreement with Sharks & Minnows Swim School, Inc.
- VII. Consideration of Fee Agreement with Hopping, Green & Sams, P.A.
- VIII. Review and Acceptance of Fiscal Year 2020 Audit Report
- IX. Discussion of Fence Proposals
- X. Staff Reports
 - A. Attorney
 - B. District Manager's Report
 1. Approval of Check Register
 2. Balance Sheet and Income Statement
 3. Action Items List
 4. Field Manager's Report
- XI. Supervisor's Requests
- XII. Adjournment

The second order of business of the Board of Supervisors meeting is the Public Comment Period where the public has an opportunity to be heard on propositions coming before the Board as reflected on the agenda, and any other items.

The third order of business is Organizational matters. Section A is election of officers and Section B is consideration of Resolution 2021-02 electing officers. A copy of the resolution is enclosed for your review.

The fourth order of business is the approval of the minutes from the January 20, 2021 meeting. The minutes are enclosed for your review.

The fifth order of business is discussion of new business procedure. There is no back-up.

The sixth order of business is consideration of Second Amendment to Swim Program License Agreement with Sharks & Minnows Swim School, Inc. A copy of the agreement is enclosed for your review.

The seventh order of business is consideration of fee agreement with Hopping, Green & Sams, P.A. A copy of the agreement is enclosed for your review.

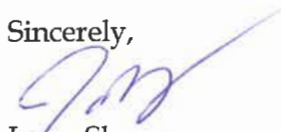
The eighth order of business is review and acceptance of Fiscal Year 2020 Audit Report. A copy of the report is enclosed for your review.

The ninth order of business is discussion of fence proposals. Copies of the proposals are enclosed for your review.

Section B of the seventh order of business is the District Manager's Report. Section 1 includes the check register being submitted for approval and Section 2 includes the balance sheet and income statement for your review. Section 3 is the Action Items List. A copy of the list and corresponding proposal is enclosed for your review. Section 4 is the Field Manager's Report, which will be presented at the meeting.

The balance of the agenda will be discussed at the meeting. In the meantime, if you should have any questions, please do not hesitate to contact me.

Sincerely,



Jason Showe
District Manager

CC: Mike Eckert, District Counsel
Darrin Mossing, GMS

Enclosures

SECTION III

SECTION B

RESOLUTION 2021-02

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT
ELECTING THE OFFICERS OF THE DISTRICT AND
PROVIDING FOR AN EFFECTIVE DATE**

WHEREAS, the Falcon Trace Community Development District (the “District”) is a local unit of special purpose government created and existing pursuant to Chapter 190, Florida Statutes; and

WHEREAS, the Board of Supervisors of the District (“Board”) desires to elect the Officers of the District.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
SUPERVISORS OF THE FALCON TRACE COMMUNITY
DEVELOPMENT DISTRICT:**

Section 1. _____ is elected Chairperson.

Section 2. _____ is elected Vice-Chairperson.

Section 3. _____ is elected Secretary.

Section 4. _____ is elected Assistant Secretary.
_____ is elected Assistant Secretary.
_____ is elected Assistant Secretary.
_____ is elected Assistant Secretary.

Section 5. _____ is elected Treasurer.

Section 6. _____ is elected Assistant Treasurer.

Section 7. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 17th day of March, 2021.

ATTEST:

**FALCON TRACE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson/Vice-Chairperson

SECTION IV

MINUTES OF MEETING
FALCON TRACE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Falcon Trace Community Development District was held Wednesday, January 20, 2021 at 6:00 p.m. at the Big Hawk Lake Recreational Center, 13600 Hawk Lake Drive, Orlando, Florida.

Present and constituting a quorum were:

Sara Hurst	Chairperson
Carole Miller	Vice Chairperson by telephone
Kathy Stark	Assistant Secretary
Sue Marchesi Baron	Assistant Secretary
Perry Shaikh	Assistant Secretary

Also present were:

Jason Showe	District Manager
Mike Eckert	District Counsel by telephone
William Viasalyers	Field Operations
David Tuel	Head Pool Attendant

The following is a summary of the discussions and actions taken at the January 20, 2021 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Showe called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the October 14, 2020 Meeting

On MOTION by Ms. Hurst seconded by Ms. Stark with all in favor the minutes of the October 14, 2020 meeting were approved as amended.

FOURTH ORDER OF BUSINESS

Consideration of Landscape Enhancements Proposal with REW Landscape

Mr. Viasalyers outlined the landscape enhancements contained in the proposal.

On MOTION by Ms. Baron seconded by Ms. Stark with all in favor the proposal from REW Landscape for landscape enhancements in the amount of \$1,760 was approved.

FIFTH ORDER OF BUSINESS

Ratification of Non-Ad Valorem Assessment Administration Agreement with the Orange County Property Appraiser

Mr. Showe stated next is ratification of the agreement with Orange County that will enable us to place our assessments on the tax roll.

On MOTION by Ms. Stark seconded by Ms. Hurst with all in favor the non-ad valorem administration agreement with the Orange County Property Appraiser was ratified.

SIXTH ORDER OF BUSINESS

Discussion of E-Verify Requirements for Special Districts

Mr. Eckert stated this is a result of a new statute that was approved during the last legislative session and essentially all local governments are now required to register with E-Verify. That means the district will have to run all of its direct employees through E-Verify and in addition even districts that don't have employees are required to register with E-Verify if they are going to enter into a contract with any contractor. All districts have to comply with it and it deals with immigration issues and coordination with Homeland Security as well as the Social Security Administration. This agreement is not something we drafted, it is something that the federal government has put together, therefore, you have zero ability to make changes to it. We

recommend its approval to comply with the new Florida Statute that went into effect on January 1.

We have provided the district manager with language that should be included in every contract moving forward, however, that language is not required by Florida Law, but we think it helps protect the district. The other thing that is in the law is if you have a contract with another entity and you find out that entity is not using E-Verify or it has workers who haven't gone through the E-Verify System, you are required as a district or other permitted system to terminate that contract. It doesn't apply to contracts entered into before January 1, 2021 or employees who were hired before January 1, 2021, but it does apply prospectively. We don't have to have the language in contracts that we are recommending but we think it is helpful.

On MOTION by Ms. Stark seconded by Ms. Baron with all in favor the memorandum of understanding with E-Verify was approved.

SEVENTH ORDER OF BUSINESS

Discussion of Reopening Basketball courts

Mr. Showe stated next is about the COVID-19 response and Mr. Shaikh has asked for a discussion about reopening the basketball courts. We handed out the last set of rules that were approved at the October meeting. The only question is if the board wants to reopen the basketball court at this time.

Mr. Shaikh asked what would you recommend? I want to see what other people are doing.

Mr. Showe stated there was discussion at the last meeting about not opening it. Some districts are opening them, some are not, it is up to each board to set the policy.

Ms. Hurst stated I don't want there to be unnecessary pressure on our pool attendants to try to maintain a level of masking up of our residents. They aren't here five days out of the week and on Saturday and Sunday the hammer comes down if someone doesn't have a mask on. We have to be as a board willing to trust our residents to do what is best for them.

The fence proposals are in the package. How long do you think it will take before we can get the fences installed if we move forward on any of the fencing tonight?

Mr. Viasalyers stated a few weeks out at a minimum.

Ms. Hurst asked do you think by spring break?

Mr. Viasalyers stated hopefully.

Ms. Hurst stated if we can get the fencing installed by spring, vaccines will have continued to move forward and we will have more pool staff here and have the access control installed and we would have more confidence.

After further discussion staff was directed reinstall the hoops after signage can made and posted at the basketball courts in the interim before the fence, gate and access control system can be installed.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Eckert stated the Florida Legislature is in committee meetings now and we do anticipate that we are going to see the sovereign immunity limits being discussed again and also amendment 12 hasn't picked up any steam yet but there is going to be a significant amount of debate on that issue. Part of amendment 12 that the voters passed on 2018 says if you are a member of a public board you cannot engage in any lobbying activity of any other public board or public entity. If anybody here has occasion to ask a government for approval for their employer or as part of their job please reach out to me separately and I can advise you on where that law stands right now.

B. Manager

1. Approval of Check Register

On MOTION by Ms. Stark seconded by Ms. Hurst with all in favor the check register was approved.

2. Balance Sheet and Income Statement

A copy of the financials was included in the agenda package.

3. Action items List

Mr. Viasalyers stated painting the pool deck and tower will be done after the roof is completed. The restroom refurbishment is expected to be completed in the next month. The roof replacement contract will be executed tonight. Proposals for the gate access for tennis and basketball will be discussed tonight.

4. Field Manager's Report

Mr. Viasalyers gave an overview of the items addressed during the last meeting.

Mr. Showe stated we just passed a year on the parking lot and are looking at the warranty items. The engineer we used when the work was completed came out and the vendor addressed some issues. William and I noted more today and we are following up with the engineer to see if they are items of concern.

i. Discussion of Fence Proposals

Mr. Viasalyers stated the proposal from All County is \$11,996.00 for the fencing and the three gates. The second proposal is from Datson Fence for a total of \$9,944.00 and \$2,482 for the three gates. The third proposal is from Fence Direct and they will do the same work for \$10,638 for both projects. I recommend we go with Datson because when I met with all three, Datson seemed to have the better feeling. I know their price is a little bit more, but it seemed like they knew more about what they were doing.

Ms. Hurst asked have we had experience with any of the three?

Mr. Viasalyers responded no.

Mr. Showe stated the attorney will draft a frontend document that will go with all of these projects.

On MOTION by Ms. Hurst seconded by Ms. Baron with all in favor the proposal from Datson Fence for \$9,994 for fencing and \$2,482 for the three gates was approved.

ii. Discussion of Access Control Proposal

Mr. Viasalyers stated once the gates are installed then we will need the access control system installed and this proposal is to add the key card access points to the tennis court and basketball court.

Mr. Showe stated we just did a similar project in Melbourne and it has been successful. We will try to use the homeowners' association to get the word out that after a certain date you will need your card to gain access to the tennis court or basketball court.

On MOTION by Ms. Baron seconded by Mr. Shaikh with all in favor the proposal from Access Control Technologies for access control in the amount of \$11,835.00 was approved.

iii. Discussion of Painting Proposals

Mr. Viasalyers stated the first proposal is from Orlando Painting Company in the amount of \$9,895.00. The second proposal is from A painters Touch in the amount of \$7,110.00. My recommendation is to go with A Painters Touch, they have outstanding reviews as well.

On MOTION by Ms. Stark seconded by Ms. Hurst with all in favor the proposal from A Painters Touch in the amount of \$7,110.00 was approved.

NINTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Shaikh discussed the current agreement with Hopping Green & Sams and requested an updated agreement be presented to the board for consideration.

Mr. Eckert stated I will prepare an agreement that reflects both hourly and a flat rate fee structure at your next meeting.

Ms. Hurst stated in the future rather than bringing items up at the meeting, call Jason and ask him to put it on the agenda so that he can put any backup material in the package for the board to review.

In reviewing the minutes and going through what we were talking about in October, did your dog station get installed?

A resident stated it has not yet been installed, there was a problem in the ordering process, the new company is completely on board and at this point we are still working out the kinks with them. It should be installed soon.

Mr. Showe stated we gave them permission, sent it out, didn't get any comments so they were good to go from our end.

Ms. Hurst stated we talked about dock lighting.

Mr. Viasalyers stated I'm bring more proposals back.

TENTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Stark seconded by Ms. Hurst with all in favor
the meeting adjourned at 7:48 p.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman

SECTION VI

**SECOND AMENDMENT TO THE AGREEMENT BETWEEN THE FALCON TRACE
COMMUNITY DEVELOPMENT DISTRICT AND SHARKS AND MINNOWS SWIM
SCHOOL, INC. REGARDING THE SWIM PROGRAM LICENSE**

This Second Amendment is made and entered into as of this 17th day of March, 2021, by and between:

Falcon Trace Community Development District, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, and located in Orange County, Florida, whose address is 219 East Livingston Street, Orlando, FL 32801 ("District") and

Sharks and Minnows Swim School, Inc., a Florida corporation, whose address is 4201 Roanne Drive, Orlando, Florida 32817, (the "Licensee").

RECITALS

WHEREAS, the District, pursuant to Chapter 190, Florida Statutes, owns and operates certain recreational facilities located in Orange County in the development known as "Falcon Trace", including a swimming pool; and

WHEREAS, the District and the Licensee entered into a Swim Program License Agreement on March 20, 2019 ("Agreement"); and

WHEREAS, the District desires to continue to provide its residents and fee payers with access to recreational swimming programs that include swimming lessons; and

WHEREAS, Section 2 of the Agreement provides for the renewal of the Agreement for up to two additional swim seasons at terms and conditions agreed to by the parties.

Now, THEREFORE, in consideration of the mutual covenants contained in this Second Amendment, it is agreed that:

1. SECOND AMENDMENT. The District hereby extends the non-exclusive license (the "Extended License") to teach swimming lessons at the recreational facility operated by the District, located at 3600 Hawk Lake Drive, Orlando, Florida 32837, (hereinafter referred to as the "Pool Facilities"); in Orange County.

1.1. Term. The term of the Extended License shall be from April 1, 2021 to September 30, 2021. The Extended License may be suspended immediately by the District if a danger to the public health or safety requires the District to close the pool for any reason, including, but not limited to, impending or imminent severe weather, or violation of any health related rules or regulations.

1.2 Exemption; Fees. In consideration for this Extended License, Sharks & Minnows agrees to provide the District with a total of ten (10) Sharks and Minnows \$50-off

swimming lesson vouchers per session, during the term of the Extended License. The District named herein shall be the sole owner of said swimming lesson vouchers and may distribute them in its sole discretion. Licensee shall not be obligated to honor any unused or non-scheduled vouchers after the effective date of termination or expiration of the Agreement. Licensee shall be entitled to establish and collect fees for taking swimming lessons provided under the Extended License for persons residing within the geographical boundaries of the District as well as persons not residing within the geographical boundaries of the District. Licensee shall retain all such fees and be responsible for any and all taxes on such fees. The District shall in no way be liable or responsible for any disputes relating to the fees charged by Licensee.

1.3 Hours and Area of Use.

A. Subject to the approval of the District's recreational facilities manager (the "Manager"), the Licensee may teach swimming lessons at the Pool Facilities at the following times:

Monday to Friday: 10:00 a.m. to 7:00 p.m.

Saturday: 10:00 a.m. to 2:00 p.m.

B. Additional hours or revisions to the schedule may be authorized in writing by the Manager and the Licensee. The parties acknowledge that weather conditions may affect the use of the Pool Facilities and that the District shall have the right to temporarily close the Pool Facilities at any time due to inclement weather, including but not limited to rain, lightning, hail, and/or strong winds. Additionally, the District shall have the right to temporarily close the Pool Facilities at any time in the event that a danger to public health, safety or welfare exists. Licensee shall abide by the decision of the District as to the closure of the Pool Facilities, and shall be responsible for the safety of its employees, agents, representatives, students, guests and/or invitees during such times.

C. The swimming lessons shall be conducted in an area of the Pool Facilities that is designated by the Manager. Licensee shall not have exclusive use of the entirety of the Pool Facilities, but shall have exclusive use of the designated portion or area of the Pool Facilities.

2. AGREEMENT. Except for the terms enumerated in Section 1 of this Second Amendment, all other terms of the Agreement are unaffected and shall remain in full force and effect throughout the existing and extended term. Licensee shall provide current evidence of insurance coverage required by the Agreement prior to engaging in any activities pursuant to this Second Amendment.

3. AUTHORIZATION. The execution of this Second Amendment has been duly authorized

by the appropriate body or official of the District and the Licensee, both the District and the Licensee have complied with all the requirements of law, and both the District and the Licensee have full power and authority to comply with the terms and provisions of this Second Amendment.

4. **EFFECTIVENESS.** This Second Amendment shall be effective after execution by both the District and the Licensee.
5. **COUNTERPARTS.** This Second Amendment may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument.

IN WITNESS WHEREOF, the parties execute this agreement the day and year Second written above.

Attest:

**FALCON TRACE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairman, Board of Supervisors

Print Name

Print Name

**SHARKS AND MINNOWS SWIM
SCHOOL, INC., a Florida corporation**

Signature of Witness _____

By: _____

Its: _____

Print Name of Witness _____

Print Name: _____

SECTION VII

**HOPPING GREEN & SAMS PA
FEE AGREEMENT**

I. PARTIES

THIS AGREEMENT is made and entered into by and between the following parties:

- A. Falcon Trace Community Development District ("Client")
c/o Government Management Services
219 East Livingston Street
Orlando, Florida 32801

and

- B. Hopping Green & Sams, P.A. ("HGS")
119 South Monroe Street, Suite 300 (32301)
P.O. Box 6526
Tallahassee, Florida 32314

II. SCOPE OF SERVICES

In consideration of the mutual undertakings and agreements contained herein, the parties agree as follows:

- A. The Client agrees to employ and retain HGS as its legal representative in connection with the day-to-day operations of the District.
- B. HGS accepts such employment and agrees to serve as attorney for and provide legal representation to the Client in connection with those matters referenced above.

III. CLIENT FILES

The files and work product materials ("Client File") of the Client generated or received by HGS will be maintained confidentially to the extent permitted by law and in accordance with the Florida Bar rules. At the conclusion of the representation, the Client File will be stored by HGS for a minimum of five (5) years. After the five (5) year storage period, the Client hereby acknowledges and consents that HGS may confidentially destroy or shred the Client File, unless HGS is provided a written request from the Client requesting return of the Client File, to which HGS will return the Client File at Client's expense.

IV. FEES

- A. Except as provided below, the Client agrees to compensate HGS for services rendered in connection with any matters covered by this Agreement according to the standard hourly billing rates for individual HGS lawyers plus actual expenses

incurred by HGS in accordance with the attached standard Expense Reimbursement Policy (Attachment A, incorporated herein by reference).

- B. For example, the hourly rates of Michelle Rigoni and Michael Eckert, the attorneys who are initially expected to handle the bulk of Client's work, are \$245.00 and \$335.00, respectively for the remainder of Fiscal Year 2021; paralegals who are most likely to assist in this work are billed at a standard hourly rate of \$135.00 for the remainder of Fiscal Year 2021. HGS' standard hourly billing rates are reevaluated annually and are subject to change each year. Client agrees to annual rate increases to the extent hourly rates are not increased beyond \$15/hour for attorneys and paralegals working on this matter and upon notice to the Client. Any increase in excess of \$15/hour per year for an attorney or paralegal requires prior consent of Client. For the Fiscal Year beginning October 1, 2021, a \$15/hour rate increase is expected. To the extent practicable and consistent with the requirements of sound legal representation, HGS will attempt to reduce Client's bills by assigning each task to the person best able to perform it at the lowest rate so long as he or she has the requisite knowledge and experience.
- C. For attendance at board meetings, a flat fee is agreed. This flat fee includes meeting preparation, meeting attendance travel to and from the meeting, and routine meeting follow up. For the remainder of 2021, the flat fee per meeting is \$1600 plus expenses. Client agrees to an annual flat fee increase of not to exceed 3% per year without further Client consent and upon notice to Client.
- D. As an alternative to a flat fee for attendance at board meetings, Client can elect at any time in writing to switch to a hybrid arrangement for future board meeting attendance. Under this approach, Client will pay HGS \$1600 (as may be adjusted annually) plus expenses for board meetings HGS attends in person and will pay HGS standard hourly rates for attendance via telephone. To be clear, this alternative is solely at Client's election.
- E. As an additional alternative and for a trial period of one year, our firm would be willing to consider a flat fee arrangement at \$24,000 per year for routine general counsel services and six meetings per year, plus expenses. This fee would be billed proportionately on a monthly basis and would cover meeting attendance and preparation, routine resolution and notice preparation (i.e. for budgets), routine agreement preparation for recurring services, review of meeting minutes and the agenda and attendance at board meetings in person or, as may be appropriate, telephonically or through media technology, and routine phone and email conversations. This flat fee arrangement would not include time spent on 1) transactional documents for non-recurring services, 2) settlement negotiations, 3) threatened or actual litigation, or 4) other extraordinary efforts. Such items would be excluded from the flat fee agreement and billed on an hourly basis at our standard rates. If this alternative is selected, HGS and Client agree to reevaluate the viability of the alternative after one year.

- F. HGS will include costs and expenses (including interest charges on past due statements) on its billing statements for Client reimbursement in accordance with the attached standard Expense Reimbursement Policy.

V. BILLING AND PAYMENT

The Client agrees to pay HGS monthly billings for fees and expenses incurred within thirty (30) days following receipt of a statement from HGS. HGS shall not be obligated to perform further legal services under this Fee Agreement if any such billing statement remains unpaid longer than thirty (30) days after submittal to and receipt by Client. Non-payment of billing statements shall be a basis for HGS to immediately withdraw from the representation without regard to remaining actions necessitating attention by HGS as part of the representation.

VI. DEFAULT

In the event of a dispute arising under this Agreement, whether or not a lawsuit or other proceeding is filed, the substantially prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, including attorneys' fees and costs incurred in litigating entitlement to attorneys' fees and costs, as well as in determining or quantifying the amount of recoverable attorneys' fees and costs. The reasonable costs to which the substantially prevailing party is entitled shall include costs that are taxable under any applicable statute, rule, or guideline, as well as non-taxable costs, including, but not limited to, costs of investigation, telephone charges, mailing and delivery charges, information technology support charges, consultant and expert witness fees, travel expenses, court reporter fees, and mediator fees, regardless of whether such costs are otherwise taxable. Venue of any such action shall be exclusive in the state courts of the Second Judicial Circuit in and for Leon County, Florida.

VII. CONFLICTS

It is important to disclose that HGS represents a number of special districts, trustees (including U.S. Bank National Association ("U.S. Bank"), Regions Bank, and Wells Fargo National Association), bondholders, developers, and other entities throughout Florida relating to community development districts and other special districts. HGS understands that Client may enter into an agreement with U.S. Bank or other trustee in connection with the issuance of bonds, and that Client may request that HGS simultaneously represent Client in connection with the issuance of bonds, while HGS is also representing U.S. Bank or other trustee on unrelated matters. By accepting this Agreement, Client agrees that (1) Client was provided with an explanation of the implications of the common representation(s) and the advantages and risks involved; (2) HGS will be able to provide competent and diligent representation of Client, regardless of HGS' other representations, and (3) there is not a substantial risk that HGS' representation of Client would be materially limited by HGS' responsibilities to another client, a former client or a third person or by a personal interest. Acceptance of this fee proposal will constitute your waiver of any "conflict" with HGS' representation of various special districts, trustees, bondholders, developers, and other entities relating to community development districts and other special districts in Florida.

VIII. TERMINATION

Either party may terminate this Fee Agreement upon providing prior written notice to the other party at its regular place of business. All fees due and payable in accordance with this Agreement shall accrue and become payable pursuant to the terms of this Agreement through the date of termination.

IX. EXECUTION OF AGREEMENT

This Agreement shall be deemed fully executed upon its signing by HGS and the Client. The contract formed between HGS and the Client shall be the operational contract between the parties.

X. ENTIRE CONTRACT

This Agreement constitutes the entire agreement between the parties.

Accepted and Agreed to:

FALCON TRACE
COMMUNITY DEVELOPMENT DISTRICT

HOPPING GREEN & SAMS PA

By: _____

By: _____

Date: _____

Its: _____

ATTEST:

Date: _____

Secretary/Assistant Secretary

HOPPING GREEN & SAMS PA
CDD EXPENSE REIMBURSEMENT POLICY

The following is Hopping Green & Sams' standard expense reimbursement policy for community development district representation. This policy applies unless a different arrangement has been negotiated based on the unique circumstances of a particular client or matter.

All expenses are billed monthly. Billings ordinarily reflect expenses for the most recent month, except where there are delays in receiving bills from third party vendors.

Teleconference Calls. All telephone charges are billed at an amount approximating actual cost.

Photocopying and Printing. In-house photocopying and printing is charged at \$0.25 per page (black & white) and \$0.50 per page (color). Outside copying is billed as a pass-through of the outside vendor's charges.

Facsimile. Outgoing facsimile transmissions are charged at \$1.00 per page. There is no charge for incoming faxes.

Postage. Postage is billed at actual cost.

Overnight Delivery. Overnight delivery is billed at actual cost.

Local Messenger Service. Local messenger service is billed at 44.5 cents per mile pursuant to Section 112.061, Florida Statutes. Should the State increase the mileage allowance specified in Section 112.061, Florida Statutes, HGS shall, without further action, be entitled to reimbursement at the increased rate.

Computerized Legal Research. Charges for computerized legal research are billed at an amount approximating actual cost.

Travel. Travel (including air fare, rental cars, taxicabs, hotel, meals, tips, etc.) is billed at actual cost. Where air travel is required, coach class is used wherever feasible. Out-of-town mileage is billed at 44.5 cents per mile pursuant to Section 112.061, Florida Statutes. Should the State increase the mileage allowance specified in Section 112.061, Florida Statutes, HGS shall, without further action, be entitled to reimbursement at the increased rate. Reasonable travel-related expenses for meals, lodging, gratuities, taxi fares, tolls, parking fees and business-related telephone, telegraph and facsimile charges shall also be reimbursed.

Consultants. Unless prior arrangements are made, consultants are ordinarily employed directly by the client. Where consultants are employed by the firm, their charges are passed-through with no mark-up. The client is responsible for notifying the firm of any particular billing arrangements or procedures which the client requires of the consultant.

Other Expenses. Other outside expenses, such as court reporters, agency copies, etc. are billed at actual cost.

Word Processing and Secretarial Overtime. No charge is made for word processing. No charge is made for secretarial overtime except in major litigation matters where unusual overtime demands are imposed.

ATTACHMENT A

SECTION VIII

**FALCON TRACE
COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA**

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Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Falcon Trace Community Development District
Orange County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Falcon Trace Community Development District, Orange County, Florida ("District") as of and for the fiscal year ended September 30, 2020, 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, 2020, 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 December 30, 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.



December 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Falcon Trace Community Development District, Orange County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2020. 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 of the District exceeded its liabilities at the close of the fiscal year ended September 30, 2020 resulting in a net position balance of \$1,176,305.
- The change in the District's total net position in comparison with the prior fiscal year was \$243,752, 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, 2020, the District's governmental funds reported combined ending fund balances of \$651,708, a decrease of (\$127,343) in comparison with the prior fiscal year. A portion of fund balance is non-spendable for prepaid items, assigned to capital reserves, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

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.

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.

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 outflows 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 three individual governmental funds. 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 fund, debt service fund and capital projects fund, all of which are considered 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.

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 exceeded liabilities at the close of the fiscal year.

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

NET POSITION SEPTEMBER 30,		
	2020	2019
Current and other assets	\$ 662,409	\$ 784,616
Capital assets, net of depreciation	524,597	544,003
Total assets	1,187,006	1,328,619
Deferred outflows of resources	-	11,906
Current liabilities	10,701	12,972
Long-term liabilities	-	395,000
Total liabilities	10,701	407,972
Net position		
Net investment in capital assets	524,597	170,435
Restricted	-	232,984
Unrestricted	651,708	529,134
Total net position	\$ 1,176,305	\$ 932,553

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 expense.

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

CHANGES IN NET POSITION FOR THE FISCAL YEAR END SEPTEMBER 30,		
	2020	2019
Revenues:		
Program revenues		
Charges for services	\$ 789,242	\$ 789,782
Operating grants and contributions	259	959
Capital grants and contributions	70	194
General revenues	777	2,861
Total revenues	790,348	793,796
Expenses:		
General government	108,324	114,258
Maintenance and operations	415,998	262,284
Interest	22,274	43,772
Total expenses	546,596	420,314
Change in net position	243,752	373,482
Net position - beginning	932,553	559,071
Net position - ending	\$ 1,176,305	\$ 932,553

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2020 was \$546,596. The costs of the District's activities were primarily funded by program revenues, which were mostly comprised of assessment revenue. The District also received funds from investment earnings and miscellaneous revenues which are also included in program revenues. The majority of the change in expenses results from the increase in maintenance and operation costs.

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 amendment that increases the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2020.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2020, the District had \$1,833,157 invested in capital assets for its governmental activities. In the government-wide financial statements, depreciation of \$1,308,560 has been taken, which resulted in a net book value of \$524,597. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

In June 2020, the District paid off the Series 2007 bonds. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S 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 the Falcon Trace Community Development District's Finance Department at 219 E. Livingston St., Orlando, Florida 32801.

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	Governmental Activities
ASSETS	
Cash	\$ 570,736
Investments	58,017
Due from other	25
Assessments receivable	8,253
Prepays	25,378
Capital assets:	
Depreciable, net	524,597
Total assets	<u>1,187,006</u>
 LIABILITIES	
Accounts payable	<u>10,701</u>
Total liabilities	<u>10,701</u>
 NET POSITION	
Investment in capital assets	524,597
Unrestricted	651,708
Total net position	<u>\$ 1,176,305</u>

See notes to the financial statements

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs Primary government:	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 108,324	\$ 108,324	\$ -	\$ -	\$ -
Maintenance and operations	415,998	278,706	-	70	(137,222)
Interest on long-term debt	22,274	402,212	259	-	380,197
Total governmental activities	546,596	789,242	259	70	242,975
General revenues:					
Unrestricted investment earnings					88
Miscellaneous					689
Total general revenues					777
Change in net position					243,752
Net position - beginning					932,553
Net position - ending					\$ 1,176,305

See notes to the financial statements

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Major Funds		Total
	General	Capital Projects	Governmental Funds
ASSETS			
Cash	\$ 253,356	\$ 317,380	\$ 570,736
Investments	58,017	-	58,017
Due from other funds	25	-	25
Assessments receivable	8,253	-	8,253
Prepays	25,378	-	25,378
Total assets	<u>\$ 345,029</u>	<u>\$ 317,380</u>	<u>\$ 662,409</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 10,701	\$ -	\$ 10,701
Total liabilities	<u>10,701</u>	<u>-</u>	<u>10,701</u>
Fund balances:			
Nonspendable:			
Prepaid items	25,378	-	25,378
Assigned:			
Capital reserves	-	317,380	317,380
Unassigned	308,950	-	308,950
Total fund balances	<u>334,328</u>	<u>317,380</u>	<u>651,708</u>
Total liabilities and fund balances	<u>\$ 345,029</u>	<u>\$ 317,380</u>	<u>\$ 662,409</u>

See notes to the financial statements

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Fund balance - governmental funds	\$ 651,708
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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 funds. 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	1,833,157	
Accumulated depreciation	(1,308,560)	524,597
Net position of governmental activities		\$ 1,176,305

See notes to the financial statements

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Major Funds			Total
	General	Debt Service	Capital Projects	Governmental Funds
REVENUES				
Assessments	\$ 387,030	\$ 402,212	\$ -	\$ 789,242
Interest	88	259	70	417
Miscellaneous revenue	689	-	-	689
Total revenues	387,807	402,471	70	790,348
EXPENDITURES				
Current:				
General government	108,324	-	-	108,324
Maintenance and operations	209,663	-	140,259	349,922
Debt service:				
Principal	-	395,000	-	395,000
Interest	-	17,775	-	17,775
Capital outlay	-	-	46,670	46,670
Total expenditures	317,987	412,775	186,929	917,691
Excess (deficiency) of revenues over (under) expenditures	69,820	(10,304)	(186,859)	(127,343)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(16,510)	(230,087)	246,597	-
Total other financing sources (uses)	(16,510)	(230,087)	246,597	-
Net change in fund balances	53,310	(240,391)	59,738	(127,343)
Fund balances - beginning	281,018	240,391	257,642	779,051
Fund balances - ending	\$ 334,328	\$ -	\$ 317,380	\$ 651,708

See notes to the financial statements

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT
ORANGE 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, 2020**

Net change in fund balances - total governmental funds	\$ (127,343)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures, however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.	46,670
Depreciation on capital assets is not recognized in the governmental fund financial statements but is reported as an expense in the statement of activities.	(66,076)
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statement but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	395,000
Amortization of deferred charges is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(11,906)
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.	<u>7,407</u>
Change in net position of governmental activities	<u>\$ 243,752</u>

See notes to the financial statements

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Falcon Trace Community Development District ("District") was established on April 8, 1998 by the Orange County Board of County Commissioners, Ordinance 98-10 as amended by Ordinance 98-30, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development and to levy and assess non-ad valorem assessments for the financing and maintenance of improvements.

The District is governed by the Board of Supervisors ("Board") which is composed of five members. The Supervisors are elected on an at large basis by the qualified electors residing 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 responsibility for:

1. Allocating 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 Board of Supervisors 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*.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 property within the District. Operations and maintenance assessments are based upon the adopted budget and levied annually at a public hearing of the District. Debt service assessments are levied when Bonds are issued and assessed and collected on an annual basis. The District may collect assessments directly or utilize the uniform method of collection under Florida Statutes. Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by the County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the debt service assessments on their property subject to various provisions in the Bond documents.

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.

Capital Projects Fund

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District and for the accumulation of funds for capital reserves.

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.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deposits and Investments (Continued)

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.

The State Board of Administration's ("SBA") Local Government Surplus Funds Trust Fund ("Florida PRIME") is a "2a-7 like" pool. A "2a-7 like" pool is an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The District has reported its investment in Florida PRIME at amortized cost for financial reporting purposes

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 and any unspent Bond proceeds are required to be held in investments as specified in the Bond Indenture.

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 acquisition 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>
Infrastructure – recreational facilities	30
Equipment – recreational facilities	10

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Refundings of Debt

For current refundings and advance 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 ratably as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. In connection with the refunding, \$11,906 was recognized as a component of interest expense in the current fiscal year.

Unearned Revenue

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

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 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 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 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 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 all governmental funds. 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 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

Deposits

The District's cash balances 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 (Continued)

Investments

The District's investments were held as follows at September 30, 2020:

	Amortized Cost	Credit Risk	Maturities
Investment in Local Government Surplus			Weighted average maturity:
Funds Trust Fund (Florida PRIME)	\$ 58,017	S&P AAAm	48 days

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.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2020 were as follows:

Fund	Transfer in	Transfer Out
General	\$ -	\$ 16,510
Debt service	-	230,087
Capital projects	246,597	-
Total	\$ 246,597	\$ 246,597

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfer from the general fund to a capital reserve account were made to fund for future capital projects within the District. Transfers from the debt service fund to the capital projects fund were made in accordance with the Bond indenture.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Construction in Progress	\$ 16,893	\$ -	\$ (16,893)	\$ -
Total capital assets, not being depreciated	16,893	-	(16,893)	-
Capital assets, being depreciated				
Infrastructure - recreational facilities	1,741,669	-	-	1,741,669
Equipment - recreational facilities	27,925	63,563	-	91,488
Total capital assets, being depreciated	1,769,594	63,563	-	1,833,157
Less accumulated depreciation for:				
Infrastructure - recreational facilities	1,234,485	58,056	-	1,292,541
Equipment - recreational facilities	7,999	8,020	-	16,019
Total accumulated depreciation	1,242,484	66,076	-	1,308,560
Total capital assets, being depreciated, net	527,110	(2,513)	-	524,597
Governmental activities capital assets, net	\$ 544,003	\$ (2,513)	\$ (16,893)	\$ 524,597

In the current fiscal year, depreciation was charged to the maintenance and operations function/program.

NOTE 7 – LONG-TERM LIABILITIES

On July 1, 2007, the District issued \$4,085,000 of Special Assessment Refunding Bonds. The Series 2007 Bonds were applied together with other legally available funds to refund the Series 1999 Special Assessment Bonds. The Series 2007 Bonds bear interest at rates from 4.00% to 4.50%. Interest is paid semiannually on each May 1 and November 1, commencing November 1, 2007. Principal on the 2007 Bonds is paid serially and commences on May 1, 2008. The Bonds mature at various dates through May 1, 2020. During the current fiscal year, the District paid off the outstanding Series 2007 Bond balance.

Changes in long-term liability activity for the fiscal year ended September 30, 2020 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2007	\$ 395,000	\$ -	\$ 395,000	\$ -	\$ -
	\$ 395,000	\$ -	\$ 395,000	\$ -	\$ -

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, computer 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 were no settled claims during the past three years.

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Assessments	\$ 355,855	\$ 387,030	\$ 31,175
Interest	-	88	88
Miscellaneous revenue	1,600	689	(911)
Total revenues	357,455	387,807	30,352
EXPENDITURES			
Current:			
General government	111,002	108,324	2,678
Maintenance and operations	229,943	209,663	20,280
Total expenditures	340,945	317,987	22,958
Excess (deficiency) of revenues over (under) expenditures	16,510	69,820	53,310
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(16,510)	(16,510)	-
Total other financing sources (uses)	(16,510)	(16,510)	-
Net change in fund balances	\$ -	53,310	\$ 53,310
Fund balance - beginning		281,018	
Fund balance - ending		\$ 334,328	

See notes to required supplementary information

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT
ORANGE 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 appropriations, is in the aggregate. Any budget amendment that increases the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2020.



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

**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
Falcon Trace Community Development District
Orange 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 Falcon Trace Community Development District, Orange County, Florida ("District") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated December 30, 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.



December 30, 2020



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CERTIFIED PUBLIC ACCOUNTANTS

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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
Falcon Trace Community Development District
Orange County, Florida

We have examined Falcon Trace Community Development District, Orange 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, 2020. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on 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, 2020.

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 Falcon Trace Community Development District, Orange County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

December 30, 2020



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Supervisors
Falcon Trace Community Development District
Orange County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Falcon Trace Community Development District, Orange County, Florida ("District") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated December 30, 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 Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of 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 December 30, 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 Falcon Trace Community Development District, Orange County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Falcon Trace Community Development District, Orange 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.



December 30, 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, 2019.

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, 2020.

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, 2020.

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, 2020. 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.

SECTION IX



227 Glenwood Road
Deland, FL. 32720
allcountyfence.com
Fax: 407-386-7791

March 1, 2021

To: Hawk Lake.

Re: Court Fence and Perimeter Gates

Attn: Terry McMullen

We are pleased to offer the following quotation for fencing at the above referenced project.

Qty	Unit	Description - Courts	Unit Price	Total
134	lf	Remove / Dispose Existing 4' Tennis Court Fence	\$3.00	\$402.00
317	lf	10' High Gm Chain Link Tennis Court Fence	\$44.00	\$13,948.00
2	ea	7x4' Single Gates at Tennis Court	\$1,010.00	\$2,020.00
TOTAL				\$16,370.00

Qty	Unit	Description - White Pedestrian Gates	Unit Price	Total
1	ea	Replace 3 Single Aluminum Pedestrian Gates	\$3,310.00	\$3,310.00
TOTAL				\$3,310.00

Please Note;

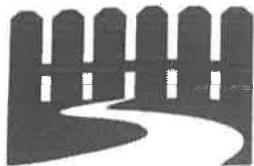
Quote good for 20 days

White aluminum pedestrian gates include the following;

2 locations include new gates, hinges and childproof latch

1 location includes new gate, new posts and adjoining section of fence.

Respectfully,
Stephen P. Ryan
Cell # 386-530-9316
E mail: allcountyfence@aol.com



Byers Fence

386-457-2045

www.byersfence.com

Fence Quote

Date: 1/1

Name: William Viasalyers

Phone: 407 451 4047

Address: 13600 Hawk Lake Dr

City, State & Zip: Orlando, FL

E-Mail: wviasalyers@gmail.com

Total Footage 233'

Type Aluminum Wood Chainlink Vinyl
Other _____

Style 2" Rec Vinyl coated

Height 10' Feet _____ Inches

Color Black Other Green

of Gates: 2 Gate Width 4'x5'

Post Caps Pyramid Other _____

Comments: _____

Fence Flow: ☒ with Ground Flow

☐ Level (Stepped)

Gate Option: ☒ Flat ☐ Arched

Hinges: _____

☐ Wood - Standard

☐ Wood - Self Closing

☐ PVC - Standard

☐ PVC - Self Closing

☒ Metal - Standard T

☐ Metal - Self Closing

Latch Options: _____

☐ Wood - Thumb

☐ Maxima Deluxe

☐ PVC - Standard

☐ Key Lockable

☒ Metal - Thumb Fork latch

☐ Key Lockable

☐ Magnetic Lockable

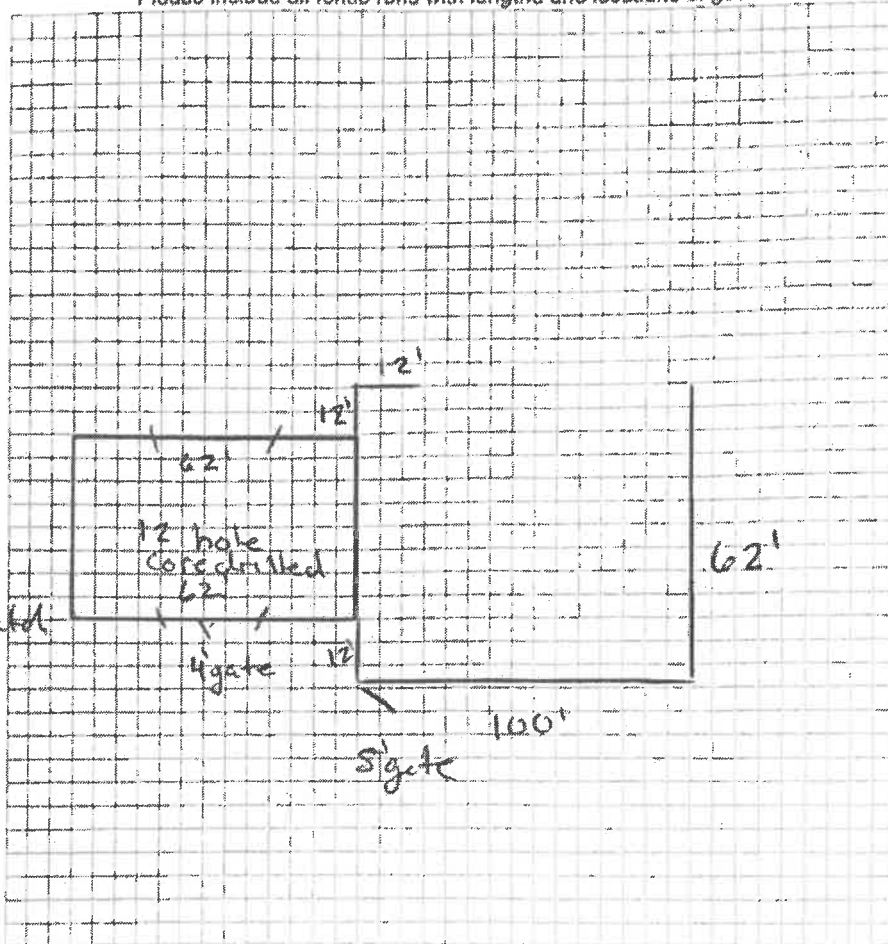
☐ Tear Out and Removal

☐ Pool Enclosure

☐ Permit Included

Notes: _____

Please include all fence runs with lengths and locations of gates



This quote is valid for 30 days.

Sign Here to Approve Layout: _____

TOTAL: \$15,332.00

This quote is valid for 30 days. Price includes materials, tax, and normal installation unless specified otherwise.
Licensed and Insured Contractor in Volusia, Seminole, Orange, Lake, and Osceola.

We are here to help. Any Questions? Please Call us at 386-457-2045
or email us at: wayne@byersfence.com and feel free to visit our website at: www.byersfence.com

SECTION X

SECTION B

SECTION 1

Falcon Trace

Community Development District

Check Register Summary

December 01, 2020 through January 31, 2021

Fund	Date	Check No.'s		Amount
General Fund	12/4/20	4128-4130	\$	4,675.70
	12/11/20	4131	\$	6,217.16
	12/16/20	4132-4137	\$	6,039.78
	1/11/21	4139-4145	\$	6,531.10
	1/13/21	4146	\$	722.40
	1/20/21	4147-4152	\$	4,977.99
Total			\$	29,164.13

AP300R

*** CHECK DATES 12/01/2020 - 01/31/2021 *** YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 3/09/21 PAGE 1
FALCON TRACE CDD -GENERAL FUND
BANK A FALCON TRACE CDD

CHECK DATE	VEND#	INVOICE DATE	INVOICE YRMO	EXPENSED TO... DPT ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK.... AMOUNT	#
12/04/20	00027	11/24/20	578	202011	320-53800-12200		POOL ATTENDANTS NOV/2020	*	3,045.70	3,045.70	004128
12/04/20	00015	10/25/20	118642	202010	310-51300-31500		GOVERNMENTAL MANAGEMENT SERVICES PREPARE MEETING/ATTEND	*	1,600.00	1,600.00	-
12/04/20	00022	11/18/20	359524	202011	320-53800-47400		HOPPING GREEN & SAMS TANK RENTAL	*	30.00	30.00	004129
12/11/20	00027	12/01/20	580	202012	310-51300-34000		SPIES POOL, LLC MANAGEMENT FEES - DEC20	*	4,430.25	4,430.25	004130
12/01/20	580	202012	310-51300-35100		TECHNOLOGY FEES - DEC20			*	120.83	120.83	-
12/01/20	580	202012	310-51300-51000		OFFICE SUPPLIES			*	.33	.33	-
12/01/20	580	202012	310-51300-42000		POSTAGE			*	5.50	5.50	-
12/01/20	581	202012	320-53800-12000		FIELD MANAGEMENT - DEC20			*	1,660.25	1,660.25	-
12/16/20	00079	11/30/20	12337	202011	320-53800-47000		GOVERNMENTAL MANAGEMENT SERVICES LAKE MAINT-NOV/2020	*	300.00	300.00	004131
12/09/20	12375	202012	320-53800-47000		INCREASE BUDGET OCT-DEC20			*	300.00	300.00	-
12/16/20	00027	11/30/20	579	202011	320-53800-47600		AQUATIC WEED MANAGEMENT, INC. DESINFECTING SERV NOV/20	*	700.00	700.00	004132
12/16/20	00038	12/08/20	1468	202012	310-51300-49300		GOVERNMENTAL MANAGEMENT SERVICES ANNUAL CDD FEE FY21	*	902.00	902.00	004133
12/16/20	00100	12/01/20	6441	202012	320-53800-47400		ORANGE COUNTY PROPERTY APPRAISER POOL MAINT 12/2020	*	600.00	600.00	004134
12/16/20	00071	12/01/20	729244	202012	320-53800-47500		ROBERTS POOL SERVICE AND REPAIR INC LANDSCAPE MAINT DEC/2020	*	2,368.38	2,368.38	004135
-	-	-	-	-	-	-	REW LANDSCAPE CORP	-	-	2,368.38	004136

FALC FALCON TRACE IARAUJO

AP300R
 *** CHECK DATES 12/01/2020 - 01/31/2021 ***
 YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER
 RUN 3/09/21
 PAGE 2

CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB	VENDOR NAME SUBCLASS	STATUS	AMOUNT AMOUNTCHECK.... AMOUNT #
---------------	-------	-----------------------------------	---	-------------------------	--------	------------------	---------------------------

SPIES POOL, LLC				785.50	004137
12/18/20	00090	12/10/20	10769272 202012 300-15500-10000	*	49.95
			PLATINUM MONITORING 01/21		
12/10/20	10769272	202012	300-15500-10000	*	33.95

[illegible]

1/11/21	00015	12/21/20	119310	202011	310-51300-31500	GRAU AND ASSOCIATES	3,400.00	004141
							67.00	
							*	

1/11/21	00100	1/01/21	6520	202101	320-53800-47400	ORLANDO WEEKLY	567.00	004143
							600.00	
							*	

	TANK RENTAL	
12/21/20	360740	202012 320-53800-47400
		DOCK CHEMICALS
		* 692.10
		50.00

SPIES POOL, LLC 722.40 004146

FALC FALCON TRACE IARAUIJO

AP300R
*** CHECK DATES 12/01/2020 - 01/31/2021 *** YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 3/09/21 PAGE 3
FALCON TRACE CDD -GENERAL FUND
BANK A FALCON TRACE CDD

CHECK DATE	VEND#	INVOICE DATE	EXPENSED TO YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK.... AMOUNT #
1/20/21	00079	12/23/20	12438	202012 320-53800-47000	LAKE MAINT DEC/2020	*	400.00	
1/20/21	00009	1/12/21	332-4758	202010 320-53800-47600	AQUATIC WEED MANAGEMENT, INC.	*	219.75	400.00 004147
1/20/21	00010	11/10/20	7-176-90	202011 310-51300-42000	PLAYGROUND SIGN & STAND	*	20.88	219.75 004148
1/20/21	00027	12/23/20	584	202012 320-53800-12200	FEDEX	*	1,496.98	20.88 004149
1/20/21	00071	1/01/21	729406	202101 320-53800-47500	POOL ATTENDANCE DEC/2020	*	2,368.38	1,496.98 004150
1/20/21	00022	1/05/21	361425	202101 320-53800-47400	GOVERNMENTAL MANAGEMENT SERVICES	*	472.00	2,368.38 004151
					REW LANDSCAPE CORP	*		472.00 004152
					BULK BLEACH	*		
					SPIES POOL, LLC	*		

TOTAL FOR BANK A 29,164.13
TOTAL FOR REGISTER 29,164.13

FALC FALCON TRACE IARAUJO

SECTION 2

Falcon Trace
Community Development District

Unaudited Financial Reporting
January 31, 2021

GMS

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Falcon Trace
Community Development District
Combined Balance Sheet
January 31, 2021

	<i>General Fund</i>	<i>Capital Projects Fund</i>	<i>Total Governmental Funds</i>
Assets:			
Cash - Wells Fargo	\$ 445,197	\$ -	\$ 445,197
Cash - SunTrust	\$ -	\$ 316,511	\$ 316,511
State Board	\$ 58,060	\$ -	\$ 58,060
Total Assets	\$ 503,257	\$ 316,511	\$ 819,767
Liabilities:			
Accounts Payable	\$ 17,045	\$ 20,136	\$ 37,181
Fica Payable	\$ 153	\$ -	\$ 153
Total Liabilities	\$ 17,198	\$ 20,136	\$ 37,334
Fund Balances:			
Unassigned	\$ 486,059	\$ -	\$ 486,059
Assigned for Capital Reserves	\$ -	\$ 296,375	\$ 296,375
Total Fund Balances	\$ 486,059	\$ 296,375	\$ 782,434
Total Liabilities & Fund Balance	\$ 503,257	\$ 316,511	\$ 819,767

Falcon Trace

Community Development District

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance For The Period Ending January 31, 2021

	Adopted	Prorated Budget	Actual	
	Budget	Thru 01/31/21	Thru 01/31/21	Variance
Revenues:				
Maintenance Assessments	\$ 355,855	\$ 270,189	\$ 270,189	\$ -
Miscellaneous Income	\$ 1,500	\$ 500	\$ -	\$ (500)
Interest Income	\$ 100	\$ 42	\$ 42	\$ -
Total Revenues	\$ 357,455	\$ 270,731	\$ 270,231	\$ (500)
Expenditures:				
General & Administrative:				
Supervisors Fees	\$ 8,000	\$ 2,667	\$ 2,000	\$ 667
FICA Expense	\$ 612	\$ 204	\$ 153	\$ 51
Engineering Fees	\$ 1,000	\$ 333	\$ -	\$ 333
Assessment Roll	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Attorney Fees	\$ 18,800	\$ 6,267	\$ 6,097	\$ 170
Annual Audit	\$ 3,400	\$ 3,400	\$ 3,400	\$ -
Management Fees	\$ 53,163	\$ 17,721	\$ 17,721	\$ 0
Information Technology	\$ 1,450	\$ 483	\$ 493	\$ (10)
Telephone	\$ 50	\$ 17	\$ -	\$ 17
Postage	\$ 800	\$ 267	\$ 246	\$ 20
Printing and Binding	\$ 600	\$ 200	\$ 37	\$ 163
Insurance	\$ 11,250	\$ 11,250	\$ 11,466	\$ (216)
Legal Advertising	\$ 2,500	\$ 567	\$ 567	\$ -
Contingency	\$ 1,200	\$ 400	\$ 77	\$ 323
Property Appraiser	\$ 1,000	\$ 1,000	\$ 902	\$ 98
Office Supplies	\$ 500	\$ 167	\$ 17	\$ 150
Dues, Licenses, & Subscriptions	\$ 175	\$ 175	\$ 175	\$ -
Total General & Administrative:	\$ 109,500	\$ 50,117	\$ 48,351	\$ 1,766
Operation and Maintenance				
Field Management	\$ 19,923	\$ 6,641	\$ 6,641	\$ 0
Property Insurance	\$ 6,750	\$ 6,750	\$ 8,828	\$ (2,078)
Pool Staff Payroll	\$ 78,280	\$ 26,093	\$ 16,110	\$ 9,983
Security	\$ 1,500	\$ 500	\$ 336	\$ 164
Telephone Expense	\$ 2,799	\$ 933	\$ 870	\$ 63
Electric	\$ 18,900	\$ 6,300	\$ 4,948	\$ 1,352
Irrigation/Water	\$ 13,500	\$ 4,500	\$ 1,447	\$ 3,053
Lake Maintenance	\$ 8,600	\$ 2,867	\$ 2,400	\$ 467
Pest Control	\$ 650	\$ 217	\$ -	\$ 217
Pool Maintenance	\$ 29,500	\$ 9,833	\$ 7,294	\$ 2,539
Grounds Maintenance	\$ 33,000	\$ 11,000	\$ 9,584	\$ 1,416
General Facility Maintenance	\$ 15,500	\$ 5,167	\$ 8,892	\$ (3,725)
Refuse Service	\$ 6,000	\$ 2,000	\$ 2,153	\$ (153)
Field Contingency	\$ 6,000	\$ 2,000	\$ 647	\$ 1,353
Transfer Out - Current Year	\$ 17,151	\$ -	\$ -	\$ -
Total O&M Expenses:	\$ 258,053	\$ 84,801	\$ 70,150	\$ 14,651
Total Expenditures	\$ 367,554	\$ 134,918	\$ 118,501	\$ 16,417
Excess Revenues (Expenditures)	\$ (10,099)		\$ 151,730	
Fund Balance - Beginning	\$ 10,099		\$ 334,329	
Fund Balance - Ending	\$ 0		\$ 486,059	

Falcon Trace

Community Development District

Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending January 31, 2021

	Adopted Budget	Prorated Budget Thru 01/31/21	Actual Thru 01/31/21	Variance
Revenues:				
Interest	\$ 150	\$ 50	\$ 11	\$ (39)
Total Revenues	\$ 150	\$ 50	\$ 11	\$ (39)
Expenditures:				
Parking Lot Resurfacing	\$ -	\$ -	\$ 631	\$ (631)
Landscape Improvements	\$ 15,000	\$ 5,000	\$ -	\$ 5,000
Roof Replacement	\$ 50,000	\$ 16,667	\$ 10,000	\$ 6,667
Restroom Renovation	\$ 75,000	\$ 25,000	\$ 9,880	\$ 15,120
Slide Tower Painting	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Miscellaneous	\$ -	\$ -	\$ 505	\$ (505)
Total Expenditures	\$ 150,000	\$ 56,667	\$ 21,016	\$ 35,650
Transfer In/Out	\$ 17,151	\$ -	\$ -	\$ -
Excess Revenues (Expenditures)	\$ (132,699)		\$ (21,006)	
Fund Balance - Beginning	\$ 253,462		\$ 317,380	
Fund Balance - Ending	\$ 120,763		\$ 296,375	

Falcon Trace

[illegible]

Falcon Trace
Community Development District
Special Assessment Receipts
Fiscal Year 2021

TOTAL ASSESSMENT LEVY									
Gross \$373,569.40 \$373,569.40									
ASSESSED THROUGH COUNTY									
100.00% 100.00%									
DATE	DESCRIPTION	GROSS AMT	COMMISSIONS	DISC/PENALTY	INTEREST	NET RECEIPTS	O&M Portion	Total	
11/09/20	5/12/20 - 10/23/19	\$3,959.07	\$195.79	\$0.00	\$0.00	\$3,763.28	\$3,763.28	\$3,763.28	
11/16/20	10/24/20 - 11/04/20	\$7,435.00	\$288.18	\$0.00	\$0.00	\$7,146.82	\$7,146.82	\$7,146.82	
11/23/20	11/05/20 - 11/11/20	\$8,813.70	\$352.59	\$0.00	\$0.00	\$8,461.11	\$8,461.11	\$8,461.11	
12/07/20	11/12/20 - 11/18/20	\$29,158.37	\$0.00	\$1,161.81	\$0.00	\$27,996.56	\$27,996.56	\$27,996.56	
12/14/20	11/19/20 - 11/21/20	\$41,970.00	\$0.00	\$1,679.00	\$0.00	\$40,291.00	\$40,291.00	\$40,291.00	
12/21/20	11/22/20 - 11/25/20	\$24,342.60	\$0.00	\$973.82	\$11.55	\$23,380.33	\$23,380.33	\$23,380.33	
01/11/21	11/26/20	\$165,781.50	\$0.00	\$6,632.05	\$0.00	\$159,149.45	\$159,149.45	\$159,149.45	
TOTAL		\$281,460.24	\$836.56	\$10,446.68	\$11.55	\$270,186.55	\$270,186.55	\$270,186.55	

75% Gross Percent Collected
\$92,109.16 Balance Remaining to Collect

SECTION 3

Falcon Trace
Action Items

Task	Status	Estimated Completion
Painting Pool Deck/Tower	Repairs complete, roof complete, awaiting contract for paint	First Quarter 2021
Restroom Refurbishment	COMPLETE	COMPLETE
Roof Replacement	COMPLETE	COMPLETE
Gate/Access for Tennis/Basketball	Proposals for review for fencing	Ongoing
Dock Lighting	Proposals for review in March	

SECTION 4

Falcon Trace Community Development District
219 E. Livingston St, Orlando Florida 32801

Memorandum

DATE: March 17th, 2021

TO: Jason Showe
District Manager **via email**

FROM: William Viasalyers
Field Services Manager

RE: Falcon Trace CDD Monthly Managers Report – March 17th, 2021

The following is a summary of activities related to the field operations of the Falcon Trace Community Development District.

Lakes:

1. Aquatic contractor continues to work on the lakes addressing any issues present. Staff worked with Aquatic contractor to remove any/all trash around the pond.
2. Staff working with lake vendor to continue treatment of hydrilla in lake.

Landscaping:

1. Landscaping company continues to maintain the landscaping around all common areas with no issues.
2. Landscaping enhancements-Update

Other:

1. Bathroom Remodeling-Update
2. Roofing project-Update
3. Waterslide tower painting project-Update
4. Staff worked on replacing lens in ceiling lights in clubroom
5. Staff replaced bad ballast in ceiling lights
6. Staff painted refrigerator

Should you have any questions please call me at 407-451-4047

Respectfully,

William Viasalyers