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**STEVENS PLANTATION COMMUNITY
DEVELOPMENT DISTRICT**

BASIC FINANCIAL STATEMENTS

September 30, 2011

**STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
BASIC FINANCIAL STATEMENTS
September 30, 2011**

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**BASIC
FINANCIAL STATEMENTS**



INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Stevens Plantation Community Development District
St. Cloud, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and statement of revenues, expenditures and change in fund balance – budget and actual – General Fund of Stevens Plantation Community Development District (the “District”), a component unit of the City of St. Cloud, as of and for the year ended September 30, 2011, which collectively comprise the District’s basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District’s management. Our responsibility is to express an opinion 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund of the District as of September 30, 2011, and the respective changes in its financial position and budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2012 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 and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Stevens Plantation Community Development District

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 3 through 6 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.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 20, 2012

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2011

Our discussion and analysis of Stevens Plantation Community Development District's the "District") financial performance provides an overview of the District's financial activities for the year ended September 30, 2011 and 2010. Please read it in conjunction with the District's basic financial statements, which immediately follow this discussion.

FINANCIAL HIGHLIGHTS

The following are the highlights of financial activity for the year ended September 30, 2011:

- The District's total liabilities exceeded its assets at September 30, 2011 by \$ 9,024,300. Please see Note 8 - Net Assets (Deficit) regarding conveyance of assets.
- The District's total revenues were \$ 1,191,986, \$ 1,165,737 from non-ad valorem assessments, \$ 24,514 from interest income, and \$ 1,735 from miscellaneous income. The District's expenses for this year were \$ 1,816,538.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements, which consist of the following two 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 assets (deficit) presents information on all the District's assets and liabilities, with the difference between the two reported as net assets (deficit). Over time, increases or decreases in net assets 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 District's net assets changed during the year. All changes in net assets 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 can be found on pages 7 and 8 of this report.

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 has only one fund type: governmental funds.

**STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2011**

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 balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government'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 statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 9 through 13 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 14 through 23 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The following table reflects the condensed government-wide statements of net assets (deficit) as of September 30, 2011 and 2010:

Stevens Plantation Community Development District Statements of Net Assets (Deficit)		
	2011	2010
ASSETS:		
Current and other assets	\$ 3,298,428	\$ 3,838,280
Capital assets, net	3,545,577	3,740,637
Total assets	6,844,005	7,578,917
LIABILITIES:		
Other liabilities	578,305	578,665
Long-term liabilities	15,290,000	15,400,000
Total liabilities	15,868,305	15,978,665
NET ASSETS:		
Invested in capital assets, net of related debt	1,756,458	1,927,237
Restricted	668,440	1,221,430
Unrestricted (deficit)	(11,449,198)	(11,548,415)
Total net assets (deficit)	\$ (9,024,300)	\$ (8,399,748)

**STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2011**

Governmental Activities

Governmental activities for the year ended September 30, 2011 decreased the District's net assets by \$ 624,552, as reflected in the table below:

Stevens Plantation Community Development District Statements of Activities		
	2011	2010
REVENUES:		
Program revenue:		
Non-ad valorem assessments	\$ 1,165,737	\$ 1,029,090
General revenue:		
Interest income	24,514	52,417
Miscellaneous income	1,735	-
Total revenues	1,191,986	1,081,507
EXPENSES:		
Physical environment	615,086	593,637
Interest expense	1,033,260	1,040,783
General government	106,319	105,489
Other debt service costs	61,873	61,873
Total expenses	1,816,538	1,801,782
Change in net assets	(624,552)	(720,275)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	(8,399,748)	(7,679,473)
NET ASSETS (DEFICIT), END OF YEAR	\$ <u>(9,024,300)</u>	\$ <u>(8,399,748)</u>

ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year. The General, Debt Service and Capital Project Funds comprise the total governmental funds.

As of the end of the most current fiscal year, the District's governmental funds reported combined ending fund balance of approximately \$ 3,031,000.

**STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2011**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District's investment in capital assets for its governmental activities as of September 30, 2011 amounts to \$ 3,545,577, net of accumulated depreciation and consists of improvements and infrastructure.

At the end of the year, the District had total bonded debt outstanding of \$ 15,400,000. The District's debt represents bonds secured solely by a specified revenue source (i.e., special assessments).

Additional information on the District's long-term debt can be found in Note 5 on pages 21 and 22 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund revenues were over budget, while expenditures were under the adopted budget for the year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

There are no facts, decisions or conditions that are expected to have a significant effect on the financial position or results of operations of the District in fiscal year 2012. The 2012 General Fund budgeted revenues and expenditures are in line with the 2011 fiscal year adopted budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Stevens Plantation Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Stevens Plantation Community Development District, 210 North University Drive, Suite 702, Coral Springs, FL 33071.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF NET ASSETS (DEFICIT)
September 30, 2011

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 2,724,494
Accrued interest receivable	1,123
Due from other governments	9,088
Investments	335,754
Capital assets:	
Depreciable, net	3,545,577
Unamortized bond issuance costs	<u>227,969</u>
Total assets	<u>6,844,005</u>
 LIABILITIES:	
Accounts payable	39,592
Accrued interest payable	428,713
Bonds payable, due within one year	110,000
Bonds payable, due in more than one year	<u>15,290,000</u>
Total liabilities	<u>15,868,305</u>
 NET ASSETS:	
Invested in capital assets, net of related debt	1,756,458
Restricted for:	
Debt service	668,440
Unrestricted (deficit)	<u>(11,449,198)</u>
Total net assets (deficit)	<u>\$ (9,024,300)</u>

The accompanying notes to basic financial statements are an integral part of these statements.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2011

		Program Revenues			Governmental Activities Net Revenue (Expense) and Change in Net Assets (Deficit)
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
FUNCTIONS/PROGRAMS:					
Governmental activities:					
Physical environment	\$ 615,086	\$ 484,926	\$ -	\$ -	\$ (130,160)
Interest expense	1,033,260	587,956	-	-	(445,304)
General government	106,319	92,855	-	-	(13,464)
Other debt service cost	61,873	-	-	-	(61,873)
 Total governmental activities	 <u>\$ 1,816,538</u>	 <u>\$ 1,165,737</u>	 <u>\$ -</u>	 <u>\$ -</u>	 (650,801)
 General revenues:					
					24,514
					1,735
					(624,552)
					(8,399,748)
					\$ (9,024,300)

The accompanying notes to basic financial statements are an integral part of these statements.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2011

A S S E T S

	Major Governmental Funds			Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund	
ASSETS:				
Cash and cash equivalents	\$ 227,154	\$ 2,476,638	\$ 20,702	\$ 2,724,494
Accrued interest receivable	1,123	-	-	1,123
Due from other governments	4,504	4,584	-	9,088
Investments	251,551	84,203	-	335,754
	<u>484,332</u>	<u>2,565,425</u>	<u>20,702</u>	<u>3,070,459</u>
Total assets	\$ <u>484,332</u>	\$ <u>2,565,425</u>	\$ <u>20,702</u>	\$ <u>3,070,459</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:				
Accounts payable	\$ <u>39,592</u>	\$ -	\$ -	\$ <u>39,592</u>
FUND BALANCES:				
Restricted for:				
Debt service	-	2,565,425	-	2,565,425
Capital projects	-	-	20,702	20,702
Unassigned	444,740	-	-	444,740
	<u>444,740</u>	<u>2,565,425</u>	<u>20,702</u>	<u>3,030,867</u>
Total fund balance	\$ <u>444,740</u>	\$ <u>2,565,425</u>	\$ <u>20,702</u>	\$ <u>3,030,867</u>
Total liabilities and fund balances	\$ <u>484,332</u>	\$ <u>2,565,425</u>	\$ <u>20,702</u>	\$ <u>3,070,459</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS (DEFICIT)
September 30, 2011**

TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS IN THE BALANCE SHEET, PAGE 9 **\$ 3,030,867**

Amounts reported for governmental activities in the statement of net assets (deficit) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	4,711,834
Less accumulated depreciation	(1,166,257)

Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Deferred charge on issuance costs (to be amortized over the life of the debt)	717,796
Less accumulated amortization	(489,827)

Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:

Accrued interest payable	(428,713)
Governmental revenue bonds payable	<u>(15,400,000)</u>

NET ASSETS (DEFICIT) OF GOVERNMENTAL ACTIVITIES, PAGE 7 **\$ (9,024,300)**

The accompanying notes to basic financial statements are an integral part of these statements.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2011

	Major Governmental Funds			Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund	
REVENUES:				
Non-ad valorem assessments	\$ 577,781	\$ 587,956	\$ -	\$ 1,165,737
Investment income	4,140	20,215	159	24,514
Miscellaneous income	1,735	-	-	1,735
	<u>583,656</u>	<u>608,171</u>	<u>159</u>	<u>1,191,986</u>
EXPENDITURES:				
Current:				
General government	85,032	21,287	-	106,319
Physical environment	420,026	-	-	420,026
Debt service:				
Principal	-	105,000	-	105,000
Interest	-	1,036,366	-	1,036,366
	<u>505,058</u>	<u>1,162,653</u>	<u>-</u>	<u>1,667,711</u>
Net change in fund balances	78,598	(554,482)	159	(475,725)
FUND BALANCES,				
October 1, 2010	<u>366,142</u>	<u>3,119,907</u>	<u>20,543</u>	<u>3,506,592</u>
FUND BALANCES,				
September 30, 2011	<u>\$ 444,740</u>	<u>\$ 2,565,425</u>	<u>\$ 20,702</u>	<u>\$ 3,030,867</u>

The accompanying notes to basic financial statements are an integral part of these statements.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2011

NET CHANGES IN FUND BALANCES - TOTAL	
GOVERNMENTAL FUNDS, PAGE 11	\$ (475,725)
 Amounts reported for governmental activities in the statement of activities are difference because:	
 Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Less current provision for depreciation	(195,060)
 Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets (deficit).	
	105,000
 Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Change in accrued interest payable	3,106
Provision for amortization of bond issuance costs	<u>(61,873)</u>
 CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 8	 \$ <u>(624,552)</u>

The accompanying notes to basic financial statements are an integral part of these statements.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2011

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Non-ad valorem assessments	\$ 578,842	\$ 577,781	\$ (1,061)
Interest income	500	4,140	3,640
Miscellaneous income	-	1,735	1,735
	<u>579,342</u>	<u>583,656</u>	<u>4,314</u>
EXPENDITURES:			
Current:			
General government:	93,106	85,032	8,074
Physical environment	486,236	420,026	66,210
	<u>579,342</u>	<u>505,058</u>	<u>74,284</u>
Net change in fund balances	-	78,598	78,598
FUND BALANCE, October 1, 2010	<u>366,142</u>	<u>366,142</u>	<u>-</u>
FUND BALANCE, September 30, 2011	<u>\$ 366,142</u>	<u>\$ 444,740</u>	<u>\$ 78,598</u>

The accompanying notes to basic financial statements are an integral part of these statements.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE 1 - ORGANIZATION AND OPERATIONS

Stevens Plantation Community Development District (a component unit of the City of St. Cloud, Florida) (the "District") was created August 21, 2003, under the provisions of Chapter 190 of the Florida Statutes by the City of St. Cloud (the "City"). The District was created for the purpose of planning, financing, constructing, operating and maintaining certain portions of community-wide infrastructure. The District consists of 590 acres of land, which is not owned or carried as an asset of the District, and is located within the municipal boundaries of St. Cloud, Florida.

The District is governed by the Board of Supervisors (the "Board") which is composed of five members. The Board consists of three City Council members from the City and two residents. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. Further, the City owns or will own all vacant or undeveloped land within the District through a dependent special district (Stevens Plantation Improvement Project Dependent Special District) (the "DSD") created for the purpose of acquiring all lands for development (Note 7).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The District's more significant accounting policies are described below:

The financial reporting entity:

The criteria used for including component units consists of identification of legally separate organizations for which the Board of Supervisors of the District are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting District's basic financial statements to be misleading or incomplete. Based upon this review, there were no potential component units of the District.

The District is a component unit of the City of St. Cloud, Florida for financial reporting purposes and as such, the financial statements of the District will be included in the City's comprehensive annual financial report.

Basis of presentation:

FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. All of the District's activities are classified as governmental activities.

In the government-wide statement of net assets, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full-accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations, when and if applicable.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The net costs, by function, are also supported by general revenues, other revenue, etc. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflect capital-specific grants. For the year ended September 30, 2011, the District had \$ 1,165,737 in program revenues.

This government-wide focus is more on the ability to sustain the District as an entity and the change in the District's net assets resulting from the current year's activities.

FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The accounts of the District are organized on the basis of funds. The operations of the funds are accounted for with separate self-balancing accounts that comprise their assets, liabilities, fund equity, revenues and expenditures.

The District reports the following major governmental funds:

General Fund - This fund is used to account for all operating activities of the District. At this time, revenues are derived principally from non-ad valorem assessments and investment income.

Debt Service Fund - This fund is used to account for the accumulation of resources for the payment of long-term debt principal and interest.

Capital Projects Fund - This fund is used to account for financial resources segregated for the acquisition or construction of capital facilities.

Measurement focus, basis of accounting and presentation:

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the government-wide statements use the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current year.

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

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budget:

Prior to August 15 of each year, the District management submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means for financing these expenditures. During September, public hearings are conducted to obtain public comments. The budget for each fund is adopted by resolution of the Board of Supervisors prior to September 30.

A budget is adopted for the General Fund and Debt Service Fund on an annual basis. Appropriations lapse at fiscal year end. Changes or amendments to the total budgeted expenditures of the District must be approved by the District Board of Supervisors. The legal level of budgetary control is at the total fund level.

The District prepared the annual budget on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

Cash and cash equivalents:

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments:

Investments, if held, are stated at their fair value, which is based on quoted market prices. Unrealized gains and losses in fair value are recognized. Certain money market investments are stated at amortized cost if they have a remaining maturity of one year or less when purchased.

Capital assets:

Capital assets are reported in the governmental activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Special assessments:

The District's special assessment revenue (non ad-valorem) is levied through Osceola County based on the approved budget submitted to the County by the District on or before September 15 of each tax year. The assessment is included in the County's property tax levy each November 1 and is due on or before March 31.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The District is required to impose special assessments on each parcel of benefitted land within the District in accordance with the Bond Indenture. Certain assessments are collected upon closing on each lot sold and are used to prepay a portion of the Bonds and to pay a portion of the interest owed. The District must also levy and collect additional annual assessments to provide funds for additional debt service on the portion of the Bonds which are not paid for from the prepaid assessments.

Equity classifications:

Government-wide statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets - consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

Fund statements

During the year, the District adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District classifies prepaid items and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Supervisors (the "Board"). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District classifies existing fund balance to be used in the subsequent year's budget for elimination of a deficit as assigned.

Unassigned: This classification includes the residual fund balance for the General Fund.

The District would typically use restricted fund balances first, followed by committed fund balances, assigned fund balances and finally unassigned fund balances.

Bond issuance costs:

In the government-wide financial statements, bond issuance costs will be amortized over the life of the applicable bond issue using the straight-line method.

Date of management review:

Subsequent events have been evaluated through January 20, 2012, which is the date the financial statements were available to be issued.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits:

The District's deposits must be placed with banks and savings and loans which are qualified as public depositories under Chapter 280, Florida Statutes. These deposits are insured by the FDIC up to \$ 250,000. Monies deposited in amounts greater than the insurance coverage are secured by the banks pledging securities with the State Treasurer in the collateral pool. At year end, the carrying amount of the District's General Fund deposits were \$ 51,158 and the bank balance was \$ 60,100.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Investments:

The investment of funds is authorized by Florida Statutes, which allows the District to invest in the Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, SEC registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the U.S. Treasury. Investments of the Debt Service and Capital Projects Funds are governed by the Bond Indenture.

The District invests surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the "State Pool"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. The State Pool is structured into two separate pools ("Florida PRIME" and "Fund B").

The Florida PRIME has adopted operating procedures consistent with the requirement for a 2a7-like fund. The District's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

The Fund B is reported at fair value, determined by the fair value per share of the pool's underlying portfolio.

Investments as of September 30, 2011 were as follows:

		Reported Amount - Fair Value or Amortized Cost
		<hr/>
Money market mutual funds	\$	175,996
Certificates of deposit		251,551
Florida PRIME		2,497,340
Fund B		84,203
		<hr/>
		\$ <u>3,009,090</u>

These deposits and investments are reflected in the accompanying statement of net assets and balance sheet - governmental funds as cash and cash equivalents except for the certificates of deposit and Fund B due to their maturity dates.

Credit risk:

Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency. The money market mutual funds held by the District are rated AAAM by Standard and Poor's and Aaa by Moody's Investors Service. The Florida PRIME is rated AAAM by Standard and Poors at September 30, 2011 and Fund B is not rated by any nationally recognized statistical rating agency.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Interest rate risk:

Florida Statutes state that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. The weighted average days to maturity of Florida PRIME at September 30, 2011 was 38 days and the weighted average life of Fund B is estimated at 4.82 years. The certificates of deposit will mature in March 2012.

Custodial credit risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2011, the District has no investments that are subject to custodial credit risk.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011 was as follows:

	<u>Balance at October 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at September 30, 2011</u>
Governmental Activities:				
Capital assets, being depreciated				
Improvements	\$ 2,279,907	\$ -	\$ -	\$ 2,279,907
Infrastructure	<u>2,431,927</u>	<u>-</u>	<u>-</u>	<u>2,431,927</u>
Total capital assets, being depreciated	<u>4,711,834</u>	<u>-</u>	<u>-</u>	<u>4,711,834</u>
Total capital assets	<u>4,711,834</u>	<u>-</u>	<u>-</u>	<u>4,711,834</u>
Less accumulated depreciation for:				
Improvements	566,689	113,996	-	680,685
Infrastructure	<u>404,508</u>	<u>81,064</u>	<u>-</u>	<u>485,572</u>
Total accumulated depreciation	<u>971,197</u>	<u>195,060</u>	<u>-</u>	<u>1,166,257</u>
Total capital assets, being depreciated, net	<u>3,740,637</u>	<u>195,060</u>	<u>-</u>	<u>3,545,577</u>
Governmental activities: capital assets, net	<u>\$ 3,740,637</u>	<u>\$ 195,060</u>	<u>\$ -</u>	<u>\$ 3,545,577</u>

Provision for depreciation was charged to functions as follows:

Governmental Activities:	
Physical environment	\$ <u>195,060</u>

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE 5 - LONG-TERM DEBT

a. Summary of Long-Term Debt of Governmental Activities

Long-term debt of the governmental activities at September 30, 2011 is comprised of the following bond issue:

\$ 7,055,000 Special Assessment Revenue Bonds, Series 2003A; due in annual installments commencing 2006 through 2035; interest payable semiannually at 7.10%.	\$ 6,505,000
\$ 20,150,000 Special Assessment Revenue Bonds, Series 2003B; final installment due in 2013; interest payable semiannually at 6.375%.	<u>8,895,000</u>
	<u>\$ 15,400,000</u>

The following is a summary of changes in governmental activities long-term debt for the year ended September 30, 2011:

	Balance October 1, 2010	Additions	Deletions	Balance September 30, 2011	Due Within One Year
Special Assessment Revenue Bonds, Series 2003A	\$ 6,610,000	\$ -	\$ 105,000	\$ 6,505,000	\$ 110,000
Special Assessment Revenue Bonds, Series 2003B	<u>8,895,000</u>	<u>-</u>	<u>-</u>	<u>8,895,000</u>	<u>-</u>
	<u>\$ 15,505,000</u>	<u>\$ -</u>	<u>\$ 105,000</u>	<u>\$ 15,400,000</u>	<u>\$ 110,000</u>

b. Summary of Significant Debt Terms of Governmental Activities

\$ 7,055,000 Special Assessment Revenue Bonds, Series 2003A - The District previously issued \$ 7,055,000 in Special Assessment Revenue Bonds, Series 2003A for the purpose of funding certain projects within the boundaries of the District. The bonds are payable in annual principal installments commencing 2006 through 2035. Interest at 7.10% is payable semiannually on the first day of each May and November.

The District is required by the bond indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments is restricted and applied to the debt service requirements of the bond issue. Further, the District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds as they become due.

The bonds are subject to mandatory redemption at par on a schedule of annual redemptions commencing in May 2006 through May 2035, the maturity date. The District is required to redeem the bonds at par prior to schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture. The bonds are subject to redemption at the option of the District at par at any time on or after May 1, 2014.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE 5 - LONG-TERM DEBT (continued)

The indenture requires a reserve fund equal to \$ 573,518. As of September 30, 2011, the reserve fund account balance was sufficient to satisfy this requirement.

\$ 20,150,000 Special Assessment Revenue Bonds, Series 2003B - The District previously issued \$ 20,150,000 in Special Assessment Revenue Bonds, Series 2003B for the purpose of funding certain projects within the boundaries of the District. The final principal installment is due in 2013. Interest at 6.375% is payable semiannually on the first day of each May and November.

The District is required by the bond indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments is restricted and applied to the debt service requirements of the bond issue. Further, the District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds as they become due.

The bonds are subject to mandatory redemption at par. The District is required to redeem the bonds at par prior to schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture. The bonds are not subject to redemption prior to maturity at the option of the District.

The indenture requires a reserve fund equal to 10.0% of the 2003B Bonds deemed outstanding. As of September 30, 2011, the reserve fund account balance was sufficient to satisfy this requirement.

The annual debt service requirements for the Special Assessment Revenue Bonds, Series 2003A and B consist of:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 110,000	\$ 1,028,911	\$ 1,138,911
2013	9,015,000	1,021,101	10,036,101
2014	130,000	445,525	575,525
2015	135,000	436,295	571,295
2016	150,000	426,710	576,710
2017-2021	920,000	1,958,535	2,878,535
2022-2026	1,310,000	1,580,815	2,890,815
2027-2031	1,870,000	1,041,925	2,911,925
2032-2035	1,760,000	293,940	2,053,940
	<u>\$ 15,400,000</u>	<u>\$ 8,233,757</u>	<u>\$ 23,633,757</u>

The Bond Indenture, Series 2003A and B, required that certain amounts from the sale of land within the District be utilized to establish a land sales reserve fund and a customer retention reserve fund. In addition, all future land sales to private developers were to be allocated to the District and the DSD at 50% each. At the time of the Bond issuance, Series 2003, Stevens Plantation Improvement Project Dependent Special District (the "DSD") transferred \$ 2,520,000 to the District for the creation of the customer retention reserve funds and \$ 582,352 for the creation of the land sale reserve funds.

STEVENS PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2011

NOTE 6 - RISK MANAGEMENT

The District purchased an insurance policy that provided coverage of up to a \$ 1,000,000 maximum for each general liability occurrence in combination with a maximum annual aggregate coverage of approximately \$ 2,000,000 for the policy year ending September 30, 2011. Other insurance policies carried by the District during the year included automobile, public officials' liability and employment practices liability. Deductible amounts ranged from \$ 0 to \$ 2,500. Settlement amounts have not exceeded insurance coverage during the last three (3) fiscal years.

NOTE 7 - RELATED PARTIES

The District is a related component unit to the City of St. Cloud as three members of the City Council also serve on the District's Board of Supervisors. The City Council serves in the same capacity for the DSD. The DSD was created by the City on August 21, 2003, via City Ordinance 2003-47, pursuant to section 189.4041 of the Florida Statutes. The purpose of the DSD is to acquire land within a geographical boundary from the proceeds of Bonds for resale to developers in association with the District. The DSD is included in the government wide financial statements of the City. Further information on the DSD can be obtained from the City.

In addition, the District also reimbursed or paid the City approximately \$ 139,000 for electricity and the use of potable water. As of September 30, 2011, the District owed the City \$ 9,579.

NOTE 8 - NET ASSETS (DEFICIT)

The District has a government-wide net assets deficit of \$ 9,024,300 as of September 30, 2011. There is no such deficit reflected in the governmental fund statements. The deficit primarily relates to various infrastructure improvements which have been financed through the issuance of long-term debt, but were conveyed to other entities. The deficit also relates to the accrual of certain expenses, principally interest, which are not currently recorded in the fund statements. When recognized as expenditures in the fund statements, they will be recovered from the City of St. Cloud or through assessment to benefitted property owners.

**OTHER REPORTS OF
INDEPENDENT AUDITORS**



INDEPENDENT AUDITORS' 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
Stevens Plantation Community Development District
St. Cloud, Florida

We have audited the financial statements of the governmental activities and each major fund of Stevens Plantation Community Development District (the "District"), a component unit of the City of St. Cloud, as of September 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 20, 2012. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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*.

Stevens Plantation Community Development District

This report is intended solely for the information and use of District management, members of the Board of Supervisors, and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 20, 2012



INDEPENDENT AUDITORS' REPORT TO DISTRICT MANAGEMENT

To the Board of Supervisors
Stevens Plantation Community Development District
St. Cloud, Florida

We have audited the basic financial statements of Stevens Plantation Community Development District (the "District"), a component unit of the City of St. Cloud, as of and for the year ended September 30, 2011, and have issued our report thereon dated January 20, 2012.

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. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report, which is dated January 20, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of 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 more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Stevens Plantation Community Development District

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District was established August 21, 2003 by Ordinance No. 2003-46 of the City of St. Cloud, Florida, pursuant to the provisions of Chapter 190, of the laws of the State of Florida. The District does not have any component units.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions of financial emergency described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2011, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2011. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 20, 2012

6D



August 30, 2011

Members of the Board of Supervisors
Stevens Plantation Community Development District
210 North University Drive
Coral Springs, FL 33071

Dear Members of the Board of Supervisors:

We are pleased to confirm our understanding of the services we are to provide Stevens Plantation Community Development District (the "District") for the year ended September 30, 2011. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the District as of and for the year ended September 30, 2011. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with generally accepted auditing standards established by the Auditing Standards Board (United States) and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will prepare a draft of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District and the respective changes in financial position in conformity with accounting principles generally accepted in the United States of America.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

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

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

Audit Procedures—General

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

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

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

Audit Procedures—Internal Controls

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

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

Audit Procedures—Compliance

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

Audit Administration, Fees and Other

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

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Keefe, McCullough & Co., LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the Auditor General or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Keefe, McCullough & Co., LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

Our fee for the current year engagement will be \$ 7,250. This fee includes GASB 34 conversion entries and the preparation of government-wide financial statements and related notes. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on the District providing us with a fully adjusted accrual based trial balance. The above fee is also based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. This engagement may be renewed each year, based on the mutual agreement to all terms, including fees, of both parties.

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

Very truly yours,

KEEFE, McCULLOUGH & CO., LLP

Cindy Calvert

Cynthia L. Calvert, C.P.A.

RESPONSE:

This letter correctly sets forth the understanding of the Stevens Plantation Community Development District.

By:

[Handwritten Signature]

Title:

District Manager

Date:

NOV 3, 2011

Seventh Order of Business

7C*i*

**STEVENS PLANTATION CDD
FIELD MANAGEMENT
REPORT**

Stevens Plantation CDD
FIELD MANAGEMENT REPORT
January 2012

LIST OF ITEMS COMPLETED:

- 11/30/2011 Irrigation backflow leaking, reuse turned off. Turned reuse back on and repaired the backflow.
- 11/30/2011 Checked on complaint regarding the fence at 3902 Cedar Hammock Trail. Fence is not CDD.
- 11/30/2011 Checked on both fountains west fountain has a problem the relay is heating up. The electrician will do an inspection.
- 11/30/2011 Extended sleeve & pipe across now right turn lane on the east end of New Nolte Rd.
- 12/6/2011 Installed and removed Christmas Lights.
- 12/27/2011 Performed an inspection of the community and checked the fountains.
- 12/30/2011 Checked on the 4" main line that was repaired.
- 10/26/2011 Checked on the leak behind the side walk it is a 3" at 90 degrees leaking This was repaired.
- 10/25/2011 Performed a light outage to make all lights were working. Also inspected the big fountain lights, 3 of these were repaired. Re did the landscaping lights and wires.
- 11/1/2011 Installed 2 new lights at the top of the fountain, these reflect light to the "Stevens plantation" sign.
- 11/4/2011 West irrigation controller - the clock had blown the fuses. Valve #3 solenoid was bad, it needed to be replaced. It is working fine now.
- 11/8/2011 John Deere landscape - picked up solenoids that needed to be replaced at valve #4. A new one was installed.
- 10/18/2011 Prepped, cleaned and painted sign. Prepped, cleaned the fountain at
to
10/27/2011 the main entrance for painting.
- 11/11/2011 Prepped and cleaned the second fountain at Nolte Road and Canoe Creek Road.
- 11/14/2011 Prepped and cleaned and completed the second fountain.
- 11/15/2011 West Fountain: Investigated the cost to install 9 new nozzles in order to try to keep the water off of the black marble.

7C ii

**STEVENS PLANTATION CDD
LANDSCAPE REPORT**



STEVENS PLANTATION

LANDSCAPE UPDATES

January 18, 2012

The following is an outline of recent work being conducted at Stevens Plantation CDD.

Irrigation

We are continuing to work on the coverage issues of the irrigation system by adjusting head heights and due to 2 recent main line breaks we have been working on cleaning debris out of the heads.

December

- 4 inch T joint came loose and repaired this.
- Several rotors gears or seals went bad due to age
- Extended pipe and chase on the Southeast end of New Nolte. This was done to accommodate the additional turn lane installed by the work for the New Nolte extension

January

- 4 inch main line elbow blew and this was repaired
- Solenoids went bad on 3 valves.
- Several rotor heads gears went bad due to age.

Landscape Maintenance

Ongoing work has been being done to get the overall appearance of the project improved. We have worked on getting separation between plant materials that have grown together. We are and will continue through the winter months to get the jasmine separated from the other plant material they have infiltrated.

Ligustrum trees trimmed

Facahatchee Grasses have been trimmed

Bed areas are being prepared for mulch installation. Mulch is scheduled for install in February.

The Lorpetulum installed at the estates over the summer that did not perform up to expectations was replaced in December. These were done under warranty and no cost to the community.

There was a little damage to shrubs from the recent frost. All should recover.

Fertilization

We are seeing improvements to the turf overall. There are still issues with weeds due to the large amount of areas we inherited. We will continue to address these areas throughout the winter.

We have also been working on the Bermuda Grass, Alexander Grass and Crab Grass infestation we inherited throughout the property. These areas are showing brown right now as these types of nuisance grasses show the effects of the frost more than Saint Augustine. The only true cure for these grasses is to kill the area infected with them and install new Saint Augustine sod.

January Application

- Liquid Iron, magnesium and manganese
- Wall to Wall pre/post emergent in the turf
- Humic Acid Based organic additive.
- Treated Brown Patch fungus with a fungicide

Upcoming Items

- Tree canopies will be lifted
- Jasmine bed clean up
- Crape Myrtle clean up

7C iii

**STEVENS PLANTATION CDD
AQUATIC WEED CONTROL
REPORT**



**Aquatic Management Services
Aquatic Weed Control**

Monthly Highlights for Stevens Plantation

<u>DATE</u>	<u>DESCRIPTION</u>
10/10/11	The Grove: Treated Brush & Grasses using: .047gls of Aquamaster, .0234gls of 2,4D and .0234gls of Sunwet.
	Green Line Item: Continue to target all vegetation control in all ponds.

P.O. Box 1469 • Eagle Lake, Florida 33839 • (863) 533-8882 • 1-800-408-8882

**Terrestrial Weed Control
Industrial and Right of Way**

Weed-Tech



**Aquatic Management Services
Aquatic Weed Control**

Monthly Highlights for Country Greens CDD

<u>DATE</u>	<u>DESCRIPTION</u>
10/25/11	Treated pond #2 for Brush and Grasses: Using .125gls of Aquamaster, .062gls of 2,4D and .062gls of Sunwet. Inspected ponds #1 & #3

Green Line Item: Continue to target all vegetation control in all ponds.

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**Terrestrial Weed Control
Industrial and Right of Way**

Weed-Tech



**Aquatic Management Services
Aquatic Weed Control**

Monthly Highlights for Country Greens CDD

<u>DATE</u>	<u>DESCRIPTION</u>
11/30/11	Treated pond #2 for Floating Heart: Using: .047gls of Aquamaster, .0234gls of Habitat and .0234gls of Sunwet. Inspected ponds #1 & #3

Green Line Item: Continue to target all vegetation control in all ponds.

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**Terrestrial Weed Control
Industrial and Right of Way**

Weed-Tech



**Aquatic Management Services
Aquatic Weed Control**

Monthly Highlights for Stevens Plantation

<u>DATE</u>	<u>DESCRIPTION</u>
11/9/11	Veranda Lake 2: Treated Algae using: 15# of Copper Sulfate. The Estates: Treated Algae using: 15# of Copper Sulfate.

Green Line Item: Continue to target all vegetation control in all ponds.

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**Aquatic Management Services
Aquatic Weed Control**

Monthly Highlights for Stevens Plantation

DATE

DESCRIPTION

12/7/11

Magnolia Green: Treated Brush and Grasses using: .375gls of Aquamaster and .188gls of Sunwet.

The Estates: Treated Brush and Grasses using: .75gls of Aquamaster and .375gls of Sunwet.

Corporate Campus: Treated Brush and Grasses using: .25gls of Aquamaster and .125gls of Sunwet

Green Line Item: Continue to target all vegetation control in all ponds.



**Aquatic Management Services
Aquatic Weed Control**

Monthly Highlights for Stevens Plantation

<u>DATE</u>	<u>DESCRIPTION</u>
1/10/12	Magnolia Green: Treated Brush and Grasses using: .25gls of Reward and .25gls of Kammo.
	The Estates: Treated Brush and Grasses using: .5gls of Reward and .25gls of Kammo.
	Corporate Campus #2: Treated Brush and Grasses using: .25gls of Reward and .125gls of Kammo.
	Veranda Lakes: Treated Brush and Grasses using: .5gls of Reward and .25gls of Kammo.
	The Grove: Treated Brush and Grasses using: .25gls of Reward and .125gls of Kammo
	Green Line Item: Continue to target all vegetation control in all ponds.

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**Terrestrial Weed Control
Industrial and Right of Way**

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