

**CLAY COUNTY DEVELOPMENT AUTHORITY
REGULAR SCHEDULED PUBLIC MEETING
ORANGE PARK, FLORIDA
September 20, 2017**

AGENDA

**CHAIR
VICE-CHAIR
TREASURER
SECRETARY**

**RUSSELL BUCK
vacant
vacant
MARGE HUTTON**

- | | |
|---|----------------------|
| 1) Welcome/Call to Order 4:00 pm | Russell Buck |
| 2) Roll Call | Josh Cockrell |
| 3) Invocation | Greg Clary |
| 4) Comments from the Public | Russell Buck |
| 5) Economic Development Report | Laura Pavlus |
| 6) Small Business Development Report | Annie Grogan |
| 7) Secretary's Report
Approval of August 9, 2017 Minutes | Marge Hutton |
| 8) Treasurer's Report
August 2017 Financials | Josh Cockrell |
| 9) Committee Reports | Russell Buck |
| 10) Chair's Report | Russell Buck |
| 11) Executive Director's Report
Auditor Negotiations and Contract
Building Update and Next Steps
Report on Grants
Industrial Revenue Bonds | Josh Cockrell |
| 12) Attorney's Report | April Scott |
| 13) Old Business/New Business/Board Comments
Adoption of FY 2017-18 Budget | Russell Buck |

Community Auto Finance Partnership Program
Election of New Officers
Recognitions

14) Adjournment

Russell Buck

Dates of Upcoming CCDA Meetings:

TBD

NOTE: Items 5 through 13, above, are subject to discussion, consideration, and action by the Board of the Clay County Development Authority.

PUBLIC COMMENTS: Pursuant to F.S. s. 286.0114 (2013) [, and Clay County Development Authority policy], speakers intending to offer public comment must complete a provided speaker's card, turn in the same to the recording secretary for the public meeting, and may address the Board when recognized by the Chair of the meeting with their public comments for a period of not more than three (3) minutes. The Chair of the meeting has the authority and discretion to make special provisions for a group or faction spokesperson. The Chair of the meeting has all requisite authority and discretion to maintain orderly conduct or proper decorum of the public meeting.

**CLAY COUNTY DEVELOPMENT AUTHORITY
REGULAR SCHEDULED PUBLIC MEETING
MINUTES**

August 9, 2017

Present: Rev. William Randall, Russell Buck, Mike Davidson, Matt Carlton, Marge Hutton, Paz Patel, Cathy Chambers, Chereese Stewart

Excused: Greg Clary, Chip Dobson

Staff: Josh Cockrell, Taylor Mejia, April Scott; Counsel

Guests: Annie Grogan, Doug Conkey, Blain Claypool, Stephen Nebrat, Amy Pope-Wells, Keith Ward, Bruce Butler, Edward Blocker, Mrs. Blocker

Call to Order: **Russell Buck** called the Clay County Development Authority ("CCDA") Public Meeting to order at 4:05 PM.

Invocation: **Rev. Bill Randall** provided the invocation.

Comments from the Public: Amy Pope-Wells introduced herself to the Board. Keith Ward introduced himself to the Board and stated that he had applied to be a member of the Board. Bruce Butler introduced himself to the Board and expressed his interest in joining the Board. All have applied with Governor's office to be a member of the CCDA Board.

Blain and Doug introduced themselves to the Board and explained that their new building will not be ready for the Chamber to move into by September. They asked if the lease in the CCDA building could be extended for one more month through September. **Rev. Randall** stated that the IRB committee discussed this request and recommends that the Board extend the Chamber lease for one month as well as increase the rent by \$1,000.

Annie Grogan gave a brief update on her work for the SBDC and shared the Clay County Impact Report with the Board.

Economic Development Report

None.

Secretary's Report

Approval of June 21, 2017 Minutes – Cathy Chambers made a motion to approve the minutes as presented. Motion was seconded and passed unanimously.

Treasurer's Report

Matt Carlton presented the 2017 financials for June and July to the Board. **Marge Hutton** made a motion to accept the Treasurer's Report. The motion was seconded and passed unanimously.

Committee Reports

IRB, Project & Organization Finance Committee:

FY 17-18 Service Agreement Recommended for Renewal- **Rev. Bill Randall** informed the Board of the committee's recommendation to accept the contract renewals as presented for IGS, Tolson & Associates, Coleman & Associates, and Landmark Commercial Realty Group. **Marge Hutton** made a motion accept the recommendation. Motion seconded and passed unanimously.

Building Lease/Purchase Agreement- **Mike Davidson** gave a brief overview of the discussion at the IRB and Finance Committee regarding the building lease/purchase agreement opportunity and informed the Board of the recommendation from the committee to accept the lease deal. Edward Blocker introduced himself and his partners to the Board. He explained the history of his business, GoToBrazils and his interest to move into the CCDA Building space for his corporate office needs. The Board continued to asked Mr. Blocker about his current locations and business model. The proposed agreement was shared with the Board for review. Including crediting 50% of rent if purchased in 1st year, crediting 40% if purchased in 2nd year and if purchased in the third year the price would be \$640,000. The Board discussed where mail would be sent, where files would be kept, and where meetings would be held if the building was to be leased and/or sold.

Rev. Randall made a motion to accept Chamber lease extension for one month and additional \$1,000 in rent for September. Motion seconded and passed unanimously.

Mike Davidson made a motion to accept the building lease agreement with option to purchase and also allowing Stephen Nebrat to discuss with the lessee the following: reviewing and possibly changing the balloon term, reviewing and possibly changing the financing terms and rate, and including disclosure requirements for the financial status of the business. Motion seconded and passed unanimously.

Auditor Selection Committee:

Auditing Firm Recommended for Contract Negotiations- **Marge Hutton** informed the Board of the discussion the committee had regarding the process for selection of an auditing firm. She stated that the committee recommended James Moore & Associates as the first preference for auditing services, followed by Mager's and Associates as the second preference, and Carr, Ingram, and Riggs as the third preference. The Board discussed the ranking criteria for the selection process. **Josh Cockrell** informed the Board that there will be startup costs associated with changing to a new auditing firm. **Paz Patel** made a motion to approve the recommendation and allow staff to begin contract negotiations with James Moore & Associates. Motion seconded and passed unanimously.

Organization Development & Marketing Committee:

Sponsorship Recommendations- **Marge Hutton** gave a brief overview of the committee meeting including the requests made by Clay EDC for a \$10,000 sponsorship as well as the already approved SBDC Sponsorship through 2018-2019. She informed the Board that the committee voted to deny the Town of Orange Park request for sponsorship for the Fall Festival. She also stated that the committee recommended to postpone discussion on the Green Cove Springs pool sponsorship request. **Cathy Chambers** made a motion to accept

the sponsorship opportunity for the Clay EDC for \$10,000 for FY 2018-2019. Motion seconded and passed unanimously.

Chair's Report

None.

Executive Director's Report

Update on Board Appointments – Josh Cockrell informed the Board that four applications have been submitted to the Governor's office for approval.

Report on Grants – Josh Cockrell gave a brief update on the status of the land purchase grant and roadway resurfacing grant as well as the task force grant that is now accepting applications. **Matt Carlton** made a motion to allow staff to move forward in applying for the task force grant. Motion seconded and passed unanimously.

September Board Meetings- Josh Cockrell informed the Board that the budget will be presented for approval at the next meeting as well as officer elections.

IRB Guidelines & Application Update – Josh Cockrell informed the Board of the IRB application that was received and then withdrawn. He explained that the County also offers bond financing at a rate that may be more competitive than CCDA. **April Scott** stated that she has questions regarding the legality of the review process the CCDA has to go through with the Governor's office, and that the CCDA could possibly be allowed to be reviewed and approved by the County instead. She stated that there is an unresolved legal opinion and she is interested in vetting that for the CCDA. **Josh Cockrell** stated that the applicant requested a refund of the \$1,000 application fee. **Chereese Stewart** made a motion to authorize staff to work with Peter Dame to review the IRB guidelines and application process for potential revision. Motion seconded and passed unanimously.

Attorney's Report

No report.

Old Business/New Business/ Board Comments

Community Auto Finance Partnership Program – Rev. Randall informed the Board of the status of the program, including an offer from the President of Manatee County to match the CCDA's amount.

Recognitions – Recognition awards were presented to Rev. Randall and Bill Garrison.

Josh Cockrell informed the Board that the CCDA did not file in time to be tax exempt for property taxes on the CCDA Building. He stated that with the new tenant coming in, the estimated property taxes are \$8,000. CCDA staff will continue to work with the County to come to a determination of the requirement to pay property taxes.

Adjourned: 5:42 PM



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of
Clay County Development Authority
Orange Park, FL

Management is responsible for the accompanying government-wide balance sheets of Clay County Development Authority (a governmental organization) as of August 31, 2017 and 2016, and the related statements of revenues and expenses for the one month and eleven months then ended which collectively comprise the Authority's financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the management discussion and analysis, the governmental fund financial statements and substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the management discussion and analysis and governmental fund financial statements and omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Accounting principles generally accepted in the United States of America require that budget to actual statements for the one month and eleven months ending August 31, 2017 be presented to supplement the 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. This information is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

We are not independent with respect to the Clay County Development Authority.

Coleman & Associates Cpa firm

September 13, 2017

Clay County Development Authority

GOVERNMENTWIDE BALANCE SHEET

As of August 31, 2017

	TOTAL	
	AS OF AUG 31, 2017	AS OF AUG 31, 2016 (PY)
ASSETS		
Current Assets		
Bank Accounts		
100002 First Atlantic Checking - 1484	76,408	58,893
100007 Investment - Florida Prime - A	153,848	152,267
100016 Compass Bank Money Market - Pub	177,612	176,344
100018 First Atlantic Bank MMKT -1493	1,274,421	1,018,662
100025 Fifth-Third CD	0	76,428
100026 Fifth-Third 2 (CD)	0	76,428
Total Bank Accounts	\$1,682,289	\$1,559,022
Accounts Receivable		
115002 Revenue Receivable	45,487	485,045
Total Accounts Receivable	\$45,487	\$485,045
Other Current Assets		
115001 Loan to Clay Co. Chamber of Com	0	12,149
Total Other Current Assets	\$0	\$12,149
Total Current Assets	\$1,727,777	\$2,056,216
Fixed Assets		
162901 Buildings and real estate	442,328	0
162950 Leasehold Improvements - Devcom	28,842	28,842
166900 Office Equipment	58,348	58,348
167900 Accum Depreciation	(87,190)	(87,190)
Total Fixed Assets	\$442,328	\$0
Other Assets		
162900 Equity Interest - Devcom	0	200,882
175000 Escrow deposit with Tolson	6,000	
Total Other Assets	\$6,000	\$200,882
TOTAL ASSETS	\$2,176,104	\$2,257,097
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
200000 Accounts Payable	0	356
Total Accounts Payable	\$0	\$356
Other Current Liabilities		
220000 Security Deposits	7,473	1,788
Dept of Revenue Payable	287	94
Total Other Current Liabilities	\$7,760	\$1,882
Total Current Liabilities	\$7,760	\$2,237
Total Liabilities	\$7,760	\$2,237
Equity		

	TOTAL	
	AS OF AUG 31, 2017	AS OF AUG 31, 2016 (PY)
272000 Net Asset Balance	1,807,068	2,113,684
280000 Invest in Fixed Assets	441,536	200,882
320000 Retained Earnings	0	(22,975)
Net Income	(80,260)	(36,731)
Total Equity	\$2,168,344	\$2,254,860
TOTAL LIABILITIES AND EQUITY	\$2,176,104	\$2,257,097

Clay County Development Authority

STATEMENT OF REVENUES AND EXPENSES

August 2017

	TOTAL	
	AUG 2017	OCT 2016 - AUG 2017 (YTD)
INCOME		
331000 Grant Revenues		444,663
362000 Rents & Royalties	4,095	39,586
369000 Miscellaneous Revenues	2,459	12,181
Total Income	\$6,553	\$496,430
GROSS PROFIT	\$6,553	\$496,430
EXPENSES		
512200 Sponsorships	5,000	22,000
513300 Professional Fees	7,813	81,293
513440 Insurance		2,961
513468 Building Expenses - 1734 Kingsley Ave	3,697	29,815
513510 Office and Operating Expenses	124	5,135
559000 Grant Expense		435,487
Total Expenses	\$16,633	\$576,690
NET OPERATING INCOME	\$ (10,080)	\$ (80,260)
NET INCOME	\$ (10,080)	\$ (80,260)

Clay County Development Authority

STATEMENT OF REVENUES AND EXPENSES

October 2016 - August 2017

	TOTAL		
	OCT 2016 - AUG 2017	OCT 2015 - AUG 2016 (PY)	CHANGE
INCOME			
331000 Grant Revenues	444,663	494,528	(49,865)
362000 Rents & Royalties	39,586	21,180	18,406
369000 Miscellaneous Revenues	12,181	49,397	(37,215)
Total Income	\$496,430	\$565,104	\$ (68,674)
GROSS PROFIT	\$496,430	\$565,104	\$ (68,674)
EXPENSES			
512200 Sponsorships	22,000	27,500	(5,500)
513300 Professional Fees	81,293	86,282	(4,990)
513440 Insurance	2,961	3,014	(53)
513460 Devcom LLP Expense		18,150	(18,150)
513468 Building Expenses - 1734 Kingsley Ave	29,815		29,815
513510 Office and Operating Expenses	5,135	5,837	(702)
559000 Grant Expense	435,487	461,052	(25,565)
Total Expenses	\$576,690	\$601,835	\$ (25,144)
NET OPERATING INCOME	\$ (80,260)	\$ (36,731)	\$ (43,529)
NET INCOME	\$ (80,260)	\$ (36,731)	\$ (43,529)

Clay County Development Authority

BUDGET VS. ACTUALS: CCDA - FY16/17 - LAST MONTH

August 2017

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
INCOME				
242000 Fund Balance - PY Carryforward		5,995	(5,995)	
362000 Rents & Royalties				
362003 Tocol Engineering llc	670	750	(80)	89.00 %
362007 Rent - Tomlinson & Co		700	(700)	
362008 Rent-Leland Management	900	900	0	100.00 %
362009 Rent-Clay County Chamber	1,650	0	1,650	
362010 Rent- GoTobrazils Waxing	875	1,200	(325)	73.00 %
Total 362000 Rents & Royalties	4,095	3,550	545	115.00 %
369000 Miscellaneous Revenues				
361000 Investment Earnings	716	1,000	(284)	72.00 %
369002 Interest Income from CCC	172		172	
369003 Collections allowance	6		6	
369004 Revenue from IRB	1,000		1,000	
369005 Miscellaneous Revenue	565		565	
Total 369000 Miscellaneous Revenues	2,459	1,000	1,459	246.00 %
Total Income	\$6,553	\$10,545	\$ (3,992)	62.00 %
GROSS PROFIT	\$6,553	\$10,545	\$ (3,992)	62.00 %
EXPENSES				
512200 Sponsorships				
512250 Funding to SBDC	2,500	0	2,500	
512500 Funding to CEDC	2,500	0	2,500	
Total 512200 Sponsorships	5,000	0	5,000	
513300 Professional Fees				
513305 Administration Contract IGS	5,500	5,500	0	100.00 %
513310 Attorney	750	750	0	100.00 %
513340 Attorney Ancillary Charges	1,563	300	1,263	521.00 %
Total 513300 Professional Fees	7,813	6,550	1,263	119.00 %
513468 Building Expenses - 1734 Kingsley Ave	3,697	3,700	(3)	100.00 %
513510 Office and Operating Expenses				
513490 Business Meeting		25	(25)	
513514 Misc Office Expense		50	(50)	
513516 Telephone	55	60	(5)	91.00 %
513519 Travel		100	(100)	
513521 Advertising & Marketing	69	60	9	115.00 %
Total 513510 Office and Operating Expenses	124	295	(171)	42.00 %
Total Expenses	\$16,633	\$10,545	\$6,088	158.00 %
NET OPERATING INCOME	\$ (10,080)	\$0	\$ (10,080)	0%
NET INCOME	\$ (10,080)	\$0	\$ (10,080)	0%

Clay County Development Authority

BUDGET VS. ACTUALS: CCDA - FY16/17 - LAST MONTH

October 2016 - August 2017

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
INCOME				
242000 Fund Balance - PY Carryforward		92,580	(92,580)	
331000 Grant Revenues				
330106 DTF 16-144 Buffer Land Purchase	390,000	390,000	0	100.00 %
330107 DTF 16-144 Buffer Land Purchase - Admin Fees	9,176	10,000	(824)	92.00 %
330108 DIG# S0059 Roadway Resurfacing	45,487	0	45,487	
Total 331000 Grant Revenues	444,663	400,000	44,663	111.00 %
362000 Rents & Royalties				
362003 Tocol Engineering llc	7,370	8,010	(640)	92.00 %
362007 Rent - Tomlinson & Co	3,291	7,610	(4,319)	43.00 %
362008 Rent-Leland Management	9,900	9,900	0	100.00 %
362009 Rent-Clay County Chamber	18,150	9,900	8,250	183.00 %
362010 Rent- GoTobrazils Waxing	875	9,600	(8,725)	9.00 %
Total 362000 Rents & Royalties	39,586	45,020	(5,434)	88.00 %
369000 Miscellaneous Revenues				
361000 Investment Earnings	9,195	11,000	(1,805)	84.00 %
369002 Interest Income from CCC	172		172	
369003 Collections allowance	65		65	
369004 Revenue from IRB	1,000		1,000	
369005 Miscellaneous Revenue	1,750		1,750	
Total 369000 Miscellaneous Revenues	12,181	11,000	1,181	111.00 %
Total Income	\$496,430	\$548,600	\$ (52,170)	90.00 %
GROSS PROFIT	\$496,430	\$548,600	\$ (52,170)	90.00 %
EXPENSES				
512200 Sponsorships				
512250 Funding to SBDC	10,000	10,000	0	100.00 %
512500 Funding to CEDC	10,000	10,000	0	100.00 %
512600 Clay Day Event Sponsor	2,000		2,000	
Total 512200 Sponsorships	22,000	20,000	2,000	110.00 %
513300 Professional Fees				
513305 Administration Contract IGS	60,500	60,500	0	100.00 %
513310 Attorney	9,000	8,250	750	109.00 %
513320 Auditor	4,725	7,225	(2,500)	65.00 %
513321 Accounting	3,015	2,820	195	107.00 %
513335 Accounting Ancillary Charges	2,240	2,750	(510)	81.00 %
513340 Attorney Ancillary Charges	1,813	3,300	(1,488)	55.00 %
Total 513300 Professional Fees	81,293	84,845	(3,553)	96.00 %
513440 Insurance				
513443 General Liability Coverage	822	0	822	
513444 Public Officials Liability	2,139	2,200	(61)	97.00 %
Total 513440 Insurance	2,961	2,200	761	135.00 %

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
513468 Building Expenses - 1734 Kingsley Ave	29,815	40,700	(10,885)	73.00 %
513510 Office and Operating Expenses				
513480 Special Promotions/Events Sponsorship		300	(300)	
513490 Business Meeting	123	275	(152)	45.00 %
513494 Dues & Subscriptions	525	1,275	(750)	41.00 %
513512 Office Supplies	518		518	
513514 Misc Office Expense		550	(550)	
513516 Telephone	620	660	(40)	94.00 %
513517 Licenses & Fees	200	175	25	114.00 %
513518 Website expenses	1,284	6,360	(5,076)	20.00 %
513519 Travel	642	400	242	161.00 %
513520 Conferences	325	200	125	162.00 %
513521 Advertising & Marketing	888	660	228	134.00 %
513522 Bank Service Charges	10		10	
Total 513510 Office and Operating Expenses	5,135	10,855	(5,720)	47.00 %
559000 Grant Expense				
559008 DTF 16-144 Buffer Land Purchase	390,000	390,000	0	100.00 %
559009 DIG# S0059 Roadway Resurfacing	45,487	0	45,487	
Total 559000 Grant Expense	435,487	390,000	45,487	112.00 %
Total Expenses	\$576,690	\$548,600	\$28,090	105.00 %
NET OPERATING INCOME	\$ (80,260)	\$0	\$ (80,260)	0%
NET INCOME	\$ (80,260)	\$0	\$ (80,260)	0%

August 24, 2017

To the Board of Directors,
Clay County Development Authority:

You have requested that we audit the financial statements of the governmental activities and each major fund of the Clay County Development Authority (the Authority), as of September 30, 2017, 2018, and 2019, and for the years then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In addition, if applicable, we will audit the Authority's compliance over major federal award programs and/or major state projects for the periods ended September 30, 2017, 2018, and 2019. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the Authority's major federal award programs and major state projects.

Accounting principles generally accepted in the United States of America require that supplementary information, such as management's discussion and analysis (MD&A) or 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budget and Actual

Schedule of Expenditures of Federal Awards and State Financial Assistance

If applicable, we will subject the schedule of expenditures of federal awards and state financial assistance to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards and state financial assistance is presented fairly in all material respects in relation to the financial statements as a whole.

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Telephone: 850/386-6184
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tlh@jmco.com

Data Collection Form

Prior to the completion of our engagement, if a federal single audit is applicable, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance) (if applicable), Section 215.97, Florida Statutes, Florida Single Audit Act (if applicable), and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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 error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. 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. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS; Government Auditing Standards of the Comptroller General of the United States of America; Section 215.97, Florida Statutes, Florida Single Audit Act; the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General and will include tests of accounting records, a determination of major state project(s) in accordance with Chapter 10.550, Rules of the State of

Florida, Office of the Auditor General and other procedures we consider necessary to enable us to express such opinions and to render the required reports.

In making our risk assessments, we consider 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. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Clay County Development Authority's basic financial statements. Our report will be addressed to the Board of Directors of the Clay County Development Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We also will issue a written report as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General upon completion of our audit.

Audit of Major Program/Project Compliance

If applicable, our audit of Clay County Development Authority's major federal award program(s) and/or state project(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; the Uniform Guidance; and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General; and will include tests of accounting records, a determination of major programs/projects in accordance with the Uniform Guidance, Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, and other procedures we consider necessary to enable us to express such an opinion on major federal award program and major state project compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

As required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award

programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

Chapter 10.550, Rules of the State of Florida, Office of the Auditor General requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major state projects. Our procedures will consist of tests of transactions and other applicable procedures described in the State of Florida State Projects Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Organization's major state projects. The purpose of these procedures will be to express an opinion on Clay County Development Authority's compliance with requirements applicable to each of its major state projects in our report on compliance issued pursuant to Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

Also, as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major state project. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs and major state projects, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For 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 error fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
3. For safeguarding assets;
4. For identifying all federal awards and state financial assistance expended during the period including federal awards and funding increments received prior to December 26, 2014, and those received in accordance with the Uniform Guidance generally received after December 26, 2014;
5. For preparing the schedule of expenditures of federal awards and state financial assistance (including notes and noncash assistance received) in accordance with the Uniform Guidance and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General requirements;
6. For the design, implementation, and maintenance of internal control over compliance;
7. For identifying and ensuring that the entity complies with laws, regulations, grants, and contracts applicable to its activities and its federal award programs;
8. For following up and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;

9. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
10. For submitting the reporting package and data collection form to the appropriate parties;
11. For making the auditor aware of any significant vendor relationships where the vendor is responsible for program compliance;
12. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal award programs and state financial assistance projects, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
13. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
14. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter; and
15. For identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review upon the commencement of audit fieldwork.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

Investment Attestation Engagement

You have requested that we examine compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* of the Authority for the years then ended September 30, 2017, 2018, and 2019. We are pleased to confirm our acceptance and our understanding of this examination engagement by means of this letter. Our examination will be conducted with the objective of expressing an opinion as to whether the Authority complied in all material respects with Section 218.415, Florida Statutes, *Local Government Investment Policies*.

Practitioner Responsibilities

We will conduct our examination in accordance with the attestation standards related to examinations of the American Institute of Certified Public Accountants. An examination-level attestation engagement involves performing procedures to obtain attest evidence about whether compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* is fairly presented, in all material respects, in conformity with Section 218.415, Florida Statutes, *Local Government Investment Policies*. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement or misrepresentation of the subject matter, whether due to fraud or error.

Because of the inherent limitations of an examination, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or misrepresentations may not be detected exists, even though the examination is properly planned and performed in accordance with the attestation standards related to examinations of the American Institute of Certified Public Accountants. However, we will inform you of any material errors or fraud that comes to our attention, unless clearly inconsequential.

Management Responsibilities

Our examination will be conducted on the basis that *management and, when appropriate, those charged with governance* acknowledge and understand that they have responsibility:

1. For the design, implementation, and maintenance of internal control relevant to Section 218.415, Florida Statutes, *Local Government Investment Policies*, which is the best means of preventing or detecting errors or fraud;
2. For selecting and determining the suitability and appropriateness of the criteria upon which the Section 218.415, Florida Statutes, *Local Government Investment Policies* will be evaluated; and
3. To provide us with:
 - a. Access to all information of which *management* is aware that is relevant to the Section 218.415, Florida Statutes, *Local Government Investment Policies* such as records, documentation, and other matters and that you are responsible for the accuracy and completeness of that information;
 - b. Additional information that we may request from *management* for the purpose of the examination; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain attest evidence.

As part of our examination process, we will request from you written confirmation concerning representations made to us in connection with the examination.

Reporting

We will issue a written report upon completion of our examination of Section 218.415, Florida Statutes, *Local Government Investment Policies*. Our report will be addressed to the Board of Directors of the Authority. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

Engagement Administration, Fees, and Other

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

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

James Halleran is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit 3-4 months after the respective fiscal year-end and to issue our reports by the June 30 following each respective year-end under audit.

Our fees for these services, including expenses, are listed below:

<u>Year Ending September 30,</u>	<u>Audit Fee</u>	<u>Single Audit Fee per Major Program (if applicable)</u>
2017	\$8,250	\$1,500
2018	\$8,500	\$1,500
2019	\$8,750	\$1,500
2020*	\$9,000	\$1,500
2021*	\$9,000	\$1,500

*Renewal options to be evidenced by a new engagement letter.

Upon completion of the audit for the year ended September 30, 2021, this engagement may be renewed for an additional five-year period at the option of both parties. Any further renewals will be evidenced by an engagement letter.

At the conclusion of our audit engagement, we will communicate to management the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and

- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

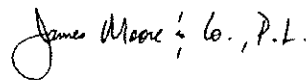
We will perform the following nonattest services: preparation of financial statements, preparation of management's discussion and analysis, and preparation of electronic AFR report to the State of Florida. With respect to any nonattest services we perform, the Clay County Development Authority's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual (Josh Cockrell, Executive Director, and outside CPA firm Coleman & Associates) to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

The audit documentation for this engagement is the property of James Moore & Co., P.L. and constitutes confidential information. However, we may be requested to make certain audit documentation available to a grantor or their designee, a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office pursuant to authority given to it by laws or regulation, or to peer reviews. If requested, access to such audit documentation will be provided under the supervision of James Moore & Co., P.L. personnel. We will notify you of any such request. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

This engagement letter includes the attached James Moore & Co., P.L. Standard Terms and Conditions as Attachment A which is incorporated and made a part of this engagement letter by reference.

We appreciate the opportunity to be of service to the Clay County Development Authority 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,



JAMES MOORE & CO., P.L.

RESPONSE:

This letter correctly sets forth the understanding of the Clay County Development Authority.

By _____

Title _____

Date _____

Attachment A
James Moore and Co., P.L.
Standard Terms and Conditions

The terms and conditions set forth below are incorporated into the engagement letter agreement pursuant to which James Moore & Co., P.L. ("JMCO", the "Firm") will provide services to the Clay County Development Authority ("Client").

1. **Management's Responsibilities**—Management of Client is responsible for establishing and maintaining an effective internal control system. JMCO services may include advice and recommendations which management may or may not adopt. Client's management shall be fully and solely responsible for applying independent business judgment with respect to the services and work product provided by JMCO, to make implementation decisions, if any, and to determine further courses of action with respect to any matters addressed in any advice, recommendations, services, reports, or other work product or deliveries to Client. Management is responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the engagement to us. Client should retain all the documents, canceled checks, and other data that form the basis of income and deductions. If the engagement also includes tax services, these records may be necessary to prove the accuracy and completeness of tax returns to a taxing authority. Client has final responsibility for the tax return(s) and; therefore should review the return(s) carefully before signing and filing.
2. **Responsible Person**—Client designates the individual signing the engagement letter ("Representative") as the individual to whom JMCO should look to provide information, communicate, answer questions and make elections. Client understands that JMCO will rely on the Representative designated above and that decisions by the Representative may be beneficial to some and detrimental to others. JMCO is directed to rely on the Representative for all Client decisions including but not limited to tax treatments, allocation of income and expense items, tax elections and accounting treatments. All communication with the Representative is deemed to be communication with Client.
3. **Advice in Writing**—JMCO only provides advice for Client to rely upon in writing. Casual discussions of tax, accounting or other issues and informal communication are not advice upon which Client can rely. Client agrees that the only advice from JMCO upon which Client may rely is written advice received from JMCO on our letterhead or via e-mail.
4. **Unencrypted E-Mail Use Authorized for Communication**—In connection with this engagement, JMCO may communicate with Client or others via e-mail transmission. As e-mails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, JMCO cannot guarantee or warrant that e-mails from JMCO will be properly delivered and read only by the addressee. Therefore, JMCO specifically disclaims and waives any liability or responsibility whatsoever for interception or unintentional disclosure or communication of e-mail transmissions or for the unauthorized use or failed delivery of e-mails transmitted by JMCO in connection with the performance of this engagement. In that regard, Client agrees that JMCO shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information. During the term of this engagement Client may elect by notification in writing to JMCO to suspend or terminate the use of e-mail.

5. **Cooperation**—Client agrees to cooperate with JMCO in the performance of JMCO services for the Client, including providing JMCO with reasonable facilities and timely access to Client's data, information and personnel. Client shall be responsible for the performance of Client's employees and agents and for the accuracy and completeness of all data and information provided to JMCO for purposes of this engagement. In the event that JMCO is unable to obtain required information on a timely basis JMCO may revise its estimate of fees, alter the services required and/or terminate the engagement.
6. **Independent Contractor**—Client and JMCO are both independent contractors and neither Client nor JMCO are, or shall be considered to be, an agent, distributor or representative of the other. Neither Client nor JMCO shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf, or in the name of, the other.
7. **Payment of Invoices**—JMCO will bill Client for professional services, expenses, and out-of-pocket costs on a monthly basis. Payment is due within 30 days of the date on the billing statement. JMCO reserves the right to suspend work or terminate the engagement in the event that payment is not received within 30 days of the date on the billing statement. JMCO may also suspend work or terminate the engagement if information furnished is not satisfactory for JMCO to perform work on a timely basis. JMCO will notify Client if work is suspended or terminated. If JMCO elects to terminate the engagement for nonpayment or for any other reason provided for in this letter, the engagement will be deemed to have been completed for purposes of payment being due from Client. Upon written notification of termination, even if JMCO has not released work product, Client will be obligated to compensate JMCO for all time expended and to reimburse JMCO for all out-of-pocket costs through the date of termination. Suspension of work or termination of the engagement may result in missed deadlines, penalties/interest along with other consequences and Client agrees that suspended work or termination of the engagement shall not entitle Client to recover damages from JMCO. All fees, charges and other amounts payable to JMCO hereunder do not include any sales, use, value added or other applicable taxes, tariffs or duties, payment of which shall be the sole responsibility of Client, excluding any applicable taxes based on JMCO's net income or taxes arising from the employment or independent contractor relationship between JMCO and JMCO's personnel. A late payment charge of 1½% per month will be assessed on any balance that remains unpaid after deduction of current payments, credits, and allowances after 90 days from the date of billing. This is an Annual Percentage Rate of 18%.
8. **Confidential & Proprietary Information**—Client and JMCO both acknowledge and agree that all information communicated by one party (the "Disclosing Party") to the other (the "Receiving Party") in connection with this engagement shall be received in confidence, shall be used only for purposes of this engagement, and no such confidential information shall be disclosed by the Receiving Party or its agents or personnel without the prior written consent of the other party. Except to the extent otherwise required by applicable law or professional standards, the obligations under this section do not apply to information that: (a) is or becomes generally available to the public other than as a result of disclosure by the Receiving Party, (b) was known to the Receiving Party or had been previously possessed by the Receiving Party without restriction against disclosure at the time of receipt thereof by the Receiving Party, (c) was independently developed by the Receiving Party without violation of this agreement or (d) Client and JMCO agree from time to time to disclose. Each party shall be deemed to have met its nondisclosure obligations under this paragraph as long as it exercises the same level of care to protect the other's information, except to the extent that applicable law, regulations or professional standards impose a higher requirement. JMCO may retain, subject to the terms of this Paragraph, one copy of Client's confidential information required for compliance with applicable professional standards or internal policies. If either Client or JMCO receives a subpoena or other validly issued administrative or judicial demand requiring it to disclose the other party's confidential information, such party shall (if permitted to do so) provide written notice to the other of such demand in order to permit it to seek a protective order. So long as the notifying party gives

notice as provided herein, the notifying party shall be entitled to comply with such demands to the extent permitted by law, subject to any protective order or the like that may have been entered in the matter. In the event that Client wishes to assert a privilege or Client fails to respond and JMCO asserts the privilege on Client's behalf, Client agrees to pay for all expenses incurred by JMCO in defending the privilege, including, by way of illustration only, JMCO's attorney's fees, court costs, outside adviser's costs, penalties and fines imposed as a result of Client asserting the privilege or Client's direction to JMCO to assert the privilege. JMCO's techniques, judgments, methodology and practices relating to its engagement practices are agreed by Client and JMCO to constitute proprietary confidential business information in the nature of trade secrets, security measures, systems and procedures which are in the nature of competitive interests which would impair the competitive business of JMCO should the information be released.

9. **Disclosures**—Certain communications involving advice are privileged and not subject to disclosure. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, Client, Client's employees or Client's agents may be waiving this privilege. To protect this right to privileged communication, please consult with JMCO or an attorney prior to disclosing any information about JMCO advice. Should Client determine that it is appropriate for JMCO to disclose any potentially privileged communication; Client agrees to provide JMCO with written, advance authority to make that disclosure.
10. **Force Majeure**—Neither Client nor JMCO shall be liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any government agency or authority.
11. **Indemnification**—Client, its officers and directors hereby agrees to indemnify; agrees to pay for the defense (with counsel of JMCO's choosing) of JMCO, (including JMCO's principals, employees and authorized agents) and agrees to hold JMCO harmless from any and all suits, claims, actions, proceedings, liabilities, judgments, losses and costs whatsoever (including but not limited to attorneys' fees and litigation costs) arising in connection with any services performed or products provided by JMCO pursuant to, or under the cover of this engagement letter (Indemnity) as described in this paragraph. This Indemnity relates only to circumstances in which there is a knowing misrepresentation by Client and/or its management relating to this engagement. The foregoing indemnity is intended to apply to the extent not contrary to applicable law. This provision shall survive the termination of this engagement for a period of five years.
12. **Document Retention and Ownership**—The parties agree that JMCO will endeavor to retain documents and records in accordance with the Firm's Record Retention and Destruction Policy. Client agrees that after the specified period of retention expires (typically seven (7) years), documents and records may not be available. However, the related engagement records will not be destroyed regardless of the retention period, if JMCO has knowledge of potential or pending legal action and/or investigation by a regulatory agency, and it has been determined by the Firm that the records in question are relevant to said legal action and/or investigation. If it is determined that the records in question are relevant to the legal action and/or investigation, the Firm will impose a litigation hold on the records thereby suspending the scheduled destruction of the records. As potential or pending legal action or an investigation may not be public knowledge, we request that you inform us of any such legal action or investigation in a timely manner. Likewise, we request that you inform us when all legal action or investigation has been concluded so that the Firm can release the litigation hold and the records related to our engagement can be destroyed in accordance with our Record Retention and Destruction Policy. JMCO does not retain original client records or documents. Records prepared by us specifically for you as part of this engagement (for example, financial statements and other financial reports, tax returns, general ledgers, depreciation schedules, etc.) and other supporting records prepared by us (for example, adjusting entries and related support,

data combining schedules, calculations supporting amounts in tax returns and financial statements, letters, memos and electronic mail, etc.) will remain part of the engagement records. When any records are returned or provided to you, it is your responsibility to retain and protect them for possible future use, including potential examination by any government or regulatory agencies. JMCO owns and retains the rights to JMCO's internal working papers; any information created by JMCO is not the property of Client. In the event that documents are requested by the Representative or any other individual considered by law or regulation to be our client we will furnish the documents readily available in the Client file (which shall not include any obligation on JMCO's part to undertake a search of JMCO's electronic document and email files) to the requesting party.

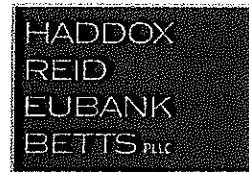
- 13. Professional Standards**—JMCO will perform this engagement in accordance with the professional standards applicable to the engagement including those standards promulgated by the American Institute of Certified Public Accountants. In the event that issues arise that present a conflict of interest and/or a potential for breach of professional standards it may become necessary to terminate or suspend services of this engagement.
- 14. Use of Third Party Providers**—In the normal course of business, JMCO uses the services of third-parties and individual contractors, which are not employees of JMCO. Those services are performed at various levels and in various aspects of JMCO's engagements including bookkeeping, tax return preparation, consulting, audit and other attest services and clerical and data entry functions. It is possible that during the course of the engagement JMCO may utilize such third-party and individual contractor sources. Additionally, the engagement will, of necessity, require JMCO to handle confidential information and JMCO expects third-party service providers and individual contractors to maintain the confidentiality of such information. To be reasonably assured that unauthorized release of confidential client information does not occur, JMCO requires those individuals and third-party service providers to enter into a written agreement to maintain the confidentiality of such information. Client acceptance of this arrangement acknowledges and accepts our handling of confidential Client information including access by third-party and individual service providers.
- 15. Limitation of Liability and Actions**—Neither party may assert against the other party any claim in connection with this engagement unless the asserting party has given the other party written notice of the claim within one (1) year after the asserting party first knew or should have known of the facts giving rise to such claim. Notwithstanding anything to the contrary, JMCO's maximum aggregate liability in this engagement (regardless of the nature of the any claim asserted, including contract, statute, any form of negligence, tort, strict liability or otherwise and whether asserted by Client, JMCO or others) shall be limited to twice the sum of the fees paid to JMCO during the term of this engagement. In no event shall JMCO be liable for consequential, incidental, special or punitive loss, damage or expense (including, without limitation, lost profits, opportunity costs, etc.) even if JMCO had been advised of their possible existence. This provision shall survive the termination of this agreement.
- 16. Mediation**—Prior to resorting to arbitration or litigation that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement the parties agree to attempt resolution of any dispute in mediation administered by and conducted under the rules of the American Arbitration Association in mediation session(s) in Alachua County, Florida. Unless the parties agree in writing to the contrary, the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. The results of any such mediation shall be binding only upon agreement of each party to be bound. Each party may disclose any facts to the other party or to the mediator that it in good faith considers reasonably necessary to resolve the dispute. However, all such disclosures shall be deemed in furtherance of settlement efforts and shall not be admissible in any subsequent proceeding against the disclosing party. Except as agreed to in writing by both parties, the mediator shall keep confidential all information disclosed during mediation. The mediator shall not act as a witness for either party in

any subsequent proceeding between the parties. The costs of any mediation proceeding shall be shared equally by the participating parties.

17. **Binding Arbitration**—All disputes not resolved by mediation (as described above) arising out of and/or related to the services and/or relationship with JMCO and Client will be resolved through binding arbitration. The parties agree that they are irrevocably voluntarily waiving the right to a trial by jury by entering into this voluntary binding arbitration agreement. The arbitration proceeding shall take place in Alachua County, Florida. The arbitration shall be governed by the provisions of the laws of Florida (except if there is no applicable state law providing for such arbitration, then the Federal Arbitration Act shall apply) and the substantive law of Florida shall be applied without reference to conflicts of law rules. In any arbitration instituted hereunder, the proceedings shall proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the American Arbitration Association (AAA), except that discovery shall be limited to identification of witnesses, exchange of expert reports, deposition of experts only, exchange of documents in the Client file and interrogatories and shall not include any exchange of e-mail or any requirement to produce or search for e-mail. Any Dispute regarding discovery, or the relevance or scope thereof, shall be determined by the Arbitration Panel (as defined below). For amounts in dispute less than One Million Dollars, the arbitration shall be conducted before a single arbitrator appointed as a neutral by the American Arbitration Association. The single arbitrator shall be both a licensed attorney and a licensed certified public accountant at the time of appointment as the arbitrator. If the amount in dispute is One Million Dollars or more, the arbitration shall be conducted before a panel of three persons, all panel members must be members of the American Arbitration Association's panel of neutrals with one arbitrator selected by each party (party selection shall be completed within twenty days of receipt of the panel nominees from the American Arbitration Association or, failing party selection the panel members shall be appointed by the American Arbitration Association), and the third member of the panel will be selected by the American Arbitration Association will be licensed as a certified public accountant at the time of appointment to the panel (the "Arbitration Panel"). The party-selected arbitrators shall be treated as neutrals. The Arbitration Panel shall have no authority to award non-monetary or equitable relief, but nothing herein shall be construed as a prohibition against a party from pursuing non-monetary or equitable relief in a state or federal court. The parties also waive the right to punitive damages and the arbitrators shall have no authority to award such damages or any other damages that are not strictly compensatory in nature. In rendering their award the Arbitration Panel shall issue a reasoned award. The arbitration panel is directed to award attorneys' fees and costs along with the costs of the arbitration proceeding to the prevailing party as determined by the Arbitration Panel. The confidentiality provisions applicable to mediation shall also apply to arbitration. The award issued by the Arbitration Panel may be confirmed in a judgment by any federal or state court of competent jurisdiction. In no event shall a demand for arbitration be made after the date on which the initiation of the legal or equitable proceeding on the same Dispute would be barred by the applicable statute of limitations or statute of repose or this agreement. For the purposes of applying the statute of limitations or repose or this agreement, receipt of a written demand for arbitration by the AAA shall be deemed the initiation of the legal or equitable proceeding based on such Dispute.

18. **Employees**—Both Client and JMCO agree that they will not employ any employee of the other within one year of the employee's last day of employment with the other. Employment of a former employee within one year of the employee leaving the other party may cause significant economic losses and/or breach of professional standards for JMCO and potential economic loss and/or potential conflicts of interest for Client.

19. **Posting and Distribution of Information**—JMCO's permission is required prior to distribution or posting of JMCO work product. If Client plans to distribute or post online any of JMCO's work product, a copy of the document, reproduction master or proof will be submitted to JMCO not less than seven days prior to distribution or posting to provide JMCO sufficient time for our reading and approval prior to distribution or posting. If, in our professional judgment, the circumstances require, we may withhold our written consent. Client agrees that prior to posting an electronic copy of any of JMCO's work product, including but not limited to financial statements and our report(s) thereon, that Client will ensure that there are no differences in content between the electronic version posted and the original signed version provided to management by JMCO. Client agrees to indemnify JMCO, defend using counsel of JMCO's choosing and hold JMCO harmless from any and all claims that may arise from any differences between electronic and original signed versions of JMCO's work product.
20. **Assignment**—Neither party may assign any of its rights or obligations under the terms of this engagement without the prior written consent to the other.
21. **Additional Work**—From time to time Client may request that JMCO undertake to complete additional work. In the event that such work is undertaken without a separate written engagement understanding then the terms of this engagement letter shall govern the additional work.
22. **Entire Agreement**—This engagement letter constitutes the entire understanding between the parties regarding the JMCO services and supersedes all prior understandings relating to JMCO services. No amendment, modification, waiver or discharge of the terms of this engagement letter shall be valid unless in writing and signed by authorized representatives of both parties. This understanding has been entered into solely between Client and JMCO, and no third-party beneficiaries are created hereby. In the event any provision(s) of the terms of this document shall be invalidated or otherwise deemed unenforceable, such finding shall not cause the remainder of this document to become unenforceable. The proper venue for all actions involving the relationship between JMCO and Client are the tribunals of principal jurisdiction in Alachua County, Florida. This engagement and the relationship between the parties shall be construed and enforced in accordance with, and governed by Florida law without giving effect to Florida's choice of law principles. This document may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record; however, this document must then remain capable of being retained and accurately reproduced, from time to time, by electronic record by the parties and all other persons or entities required by law. An electronically transmitted signature or acknowledgment will be deemed an acceptable original for purposes of binding the party providing such electronic signature.



CPAs & Advisors

SYSTEM REVIEW REPORT

January 22, 2015

To the Members
James Moore & Co., P.L.
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. (the firm) in effect for the year ended October 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, and examinations of service organizations (Service Organizations Control (SOC) 2 engagements).

In our opinion, the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. in effect for the year ended October 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. James Moore & Co., P.L. has received a peer review rating of *pass*.

Haddox Reid Eubank Betts PLLC

Jackson, Mississippi

CLAY COUNTY TAXING AUTHORITY
P O BOX 38
GREEN COVE SPRINGS, FL 32043

Notice of Proposed Property Taxes

DO NOT PAY THIS IS NOT A BILL

The taxing authorities which levy property taxes against your property will soon hold Public Hearings to adopt budgets and tax rates for the next year. The purpose of these Public Hearings is to receive opinions from the general public and to answer questions on the proposed tax changes and budget Prior to Taking Final Action. Each taxing authority may Amend or Alter its proposals at the hearing.

2017 REAL ESTATE PROPERTY *** AMENDED TRIM ***

07-04-26-012913-012-00
CLAY COUNTY DEVELOPMENT
AUTHORITY
1734 KINGSLEY AVE
ORANGE PARK FL 32073

SEC 7 TWN 4 RNG 26
PT OF LOT 39 AS REC O R 3902
PG 913



Taxing Authority	COLUMN 1*		COLUMN 2*		COLUMN 3*		PUBLIC HEARING INFORMATION A public hearing on the proposed taxes and budget will be held on:
	Tax Rate 2016	Your Property Taxes 2016	Tax Rate IF NO Budget Change is Adopted 2017	Your Property Taxes IF NO Budget Change is Adopted 2017	Tax Rate PROPOSED 2017	Your Property Taxes IF PROPOSED Budget is Adopted 2017	
001							
COUNTY SERVICES	5.23490	.00	4.99580	655.02	5.23490	686.37	SEPT 12, 2017 5:05PM 4TH FLOOR ADMIN BLDG 477 HOUSTON ST GCS, FL
SCHOOL RLE	4.51400	.00	4.31820	566.18	4.19000	549.37	SEPT 7, 2017 6:00PM FLEM ISL HI SCH 2233 VILLAGE SQUARE PKWY FI, FL
LOCAL BOARD	2.24800	.00	2.15050	281.96	2.24800	294.74	SEPT 7, 2017 6:00PM FLEM ISL HI SCH 2233 VILLAGE SQUARE PKWY FI, FL
SJRWMD	.28850	.00	.27240	35.72	.27240	35.72	SEPT 12, 2017 5:05PM SJRWMD 4049 REID ST. PALATKA, FL
UNINCORP SERVICES MSTU	.11100	.00	.10580	13.87	.11100	14.55	SEPT 12, 2017 5:05PM 4TH FLOOR ADMIN BLDG 477 HOUSTON ST GCS, FL
LAW ENFORCEMENT MSTU-4	2.25030	.00	2.14450	281.17	2.25030	295.05	SEPT 12, 2017 5:05PM 4TH FLOOR ADMIN BLDG 477 HOUSTON ST GCS, FL
FIRE CONTROL MSTU-8	.50480	.00	.48160	63.14	.50480	66.19	SEPT 12, 2017 5:05PM 4TH FLOOR ADMIN BLDG 477 HOUSTON ST GCS, FL
TOTAL PROPERTY TAXES	15.15150	.00	14.46880	1,897.06	14.81140	1,941.99	

Taxing Districts	Market Value		Assessed Value		Exemptions		Taxable Value	
	2016	2017	2016	2017	2016	2017	2016	2017
County	506,220	524,458	506,220	524,458	506,220	393,344	0	131,114
School	506,220	524,458	506,220	524,458	506,220	393,344	0	131,114
Other	506,220	524,458	506,220	524,458	506,220	393,344	0	131,114

Assessment Reductions	Applicable to:	Value
None		

Exemptions	Applicable to:	Value
Other	All Taxes	393,344

* See reverse side for explanations.
* If you feel the market value of your property is inaccurate or does not reflect fair market value or if you are entitled to an exemption that is not reflected above contact your county property appraiser at 477 HOUSTON ST. ADMIN BL GREEN COVE SPGS, FL 904-284-6305
* If the property appraiser's office is unable to resolve the matter as to market value, classification, or an exemption, you may file a petition for adjustment with the Value Adjustment Board. Petition forms are available from the county property appraiser and must be filed **ON OR BEFORE 9-12-2017**
* Your final tax bill may contain non-ad valorem assessments which may not be reflected on this notice such as assessments for roads, drainage, garbage, fire, lighting, water, sewer, or other government services and facilities which may be levied by your county, city, or any special district.

PENDING/CLOSED	GRANTS	GRANT AMOUNT	CCDA PROJECTED DISBURSEMENT	CCDA DISBURSED TO DATE	PROJECTED DATE OF DISBURSEMENT	REIMBURSEMENT RECEIVED TO DATE	REIMBURSEMENT OWED TO DATE	PROJECTED ADMIN FEE	ACTUAL ADMIN FEE	PROJECTED DATE OF REIMBURSEMENT	STATUS
CLOSED	DIG 14-08 Commercial Entrance Security Upgrade	\$ 200,000.00	\$ 200,000.00	\$ 194,792.17	11/20/2014	\$ 200,000.00	\$ -	\$ -	\$ 5,707.83	2/1/2015	Reimbursed and Closed.
CLOSED	DIG 15-01 Surveillance System	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	8/24/2015	\$ 40,000.00	\$ -	\$ 8,000.00	\$ -	10/1/2015	Reimbursed and Closed.
CLOSED	DIG 16-01 Utility Infrastructure Upgrade	\$ 90,000.00	\$ 81,000.00	\$ 81,052.00	6/8/2016	\$ 89,602.00	\$ -	\$ 9,000.00	\$ 8,550.00	10/1/2016	Reimbursed and Closed.
CLOSED	DTF 14-02 Airspace Monitoring System	\$ 474,000.00	\$ 474,000.00	\$ 429,979.90	8/1/2014	\$ 474,000.00	\$ -	\$ -	\$ 44,020.10	11/13/2015	Reimbursed and Closed.
CLOSED	DTF 14-03 Mass Notification System	\$ 255,000.00	\$ 255,000.00	\$ 250,206.00	7/1/2014	\$ 255,000.00	\$ -	\$ -	\$ 4,794.00	9/1/2014	Reimbursed and Closed.
CLOSED	DTF 15-01 Buffer Land Purchase	\$ 400,000.00	\$ 360,000.00	\$ 380,000.00	7/28/2016	\$ 394,725.75	\$ -	\$ 40,000.00	\$ 14,725.75	11/1/2016	Reimbursed and Closed.
CLOSED	DTF 16-01 Buffer Land Purchase	\$ 400,000.00	\$ 360,000.00	\$ 380,000.00	9/15/2015	\$ 390,200.00	\$ -	\$ 40,000.00	\$ 10,200.00	3/1/2016	Reimbursed and Closed.
CLOSED	DTF 16-144 Buffer Land Purchase	\$ 400,000.00	\$ 380,000.00	\$ 390,000.00	11/2/2016	\$ 399,175.75	\$ -	\$ 20,000.00	\$ 9,175.75	1/26/2017	Reimbursed and Closed.
PENDING	DIG 50059 Roadway Resurfacing	\$ 300,000.00	\$ 285,000.00	\$ 45,487.36	10/1/2017	\$ -	\$ 45,487.36	\$ -	\$ -	2/1/2017	Project in progress.
PENDING	CON 17-161 Buffer Land Purchase	\$ 400,000.00	\$ 385,000.00	\$ -	12/1/2017	\$ -	\$ -	\$ 15,000.00	\$ -	11/1/2017	Project in progress.
PENDING	DIG 50086 Force Security Canopy	\$ 300,000.00	\$ 285,000.00	\$ -	9/1/2018	\$ -	\$ -	\$ 15,000.00	\$ -	12/1/2018	Project to begin in 2/2018
	OTHER	\$ 3,259,000.00	\$ 3,105,000.00	\$ 2,191,017.43		\$ 2,242,703.50	\$ 45,487.36	\$ 162,000.00	\$ 97,173.43		

APPLICATION SUBMITTED	DTF 18 Buffer Land Purchase	GRANT AMOUNT	CCDA PROJECTED DISBURSEMENT	CCDA DISBURSED TO DATE	PROJECTED DATE OF DISBURSEMENT	REIMBURSEMENT RECEIVED TO DATE	REIMBURSEMENT OWED TO DATE	PROJECTED ADMIN FEE	ACTUAL ADMIN FEE	PROJECTED DATE OF REIMBURSEMENT	STATUS
		\$ 500,000.00	\$ 485,000.00	\$ -	9/1/2018	\$ -	\$ -	\$ 15,000.00	\$ -	12/1/2018	Application submitted. Award notification in 6/2018.

TOTAL OWED \$ 45,487.36

TOTAL PENDING DISBURSEMENT \$ 909,512.64

TOTAL OWED & PENDING DISBURSEMENT \$ 955,000.00