

**Stonehenge Community Development, LLC**

**Independent Auditor's Report  
Related to the Florida Single Audit Act**

**December 31, 2013**

# Stonehenge Community Development, LLC

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Independent Auditor's on the Schedule of Expenditures of  
State Awards Issued in a Program-Specific Audit

To the Board of Directors  
Stonehenge Community Development, LLC

Report on the Schedule of Expenditures of State Awards

We have audited the accompanying Schedule of expenditures of state awards ("schedule") for the State of Florida New Markets Development Program ("state program") of Stonehenge Community Development, LLC for the year ended December 31, 2013, and the related notes.

*Management's Responsibility for the Schedule of Expenditures of State Awards*

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

*Auditor's Responsibility*

Our responsibility is to express an opinion on this schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Rules of the Auditor General, Florida Single Audit Act. Those standards and the Rules of the Auditor General, Chapter 10.650, Florida Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

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

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

*Opinion*

In our opinion, the schedule referred to above presents fairly, in all material respects, the expenditures of state awards for the state program of Stonehenge Community Development, LLC for the year ended December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

*CohnReznick LLP*

Baltimore, Maryland  
September 29, 2014

Independent Auditor's Report on Compliance for a State Program  
and on Internal Control over Compliance Required by the Florida Single Audit Act

To the Board of Directors  
Stonehenge Community Development, LLC

Report on Compliance for the Florida Single Audit Act

We have audited Stonehenge Community Development, LLC's compliance with the types of compliance requirements described in the Rules of the Auditor General, Florida Single Audit Act that could have a direct and material effect on its State of Florida New Markets Development Program ("state program") for the year ended December 31, 2013.

*Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to the state program.

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for Stonehenge Community Development, LLC's state program based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Rules of the Auditor General, Chapter 10.650, Florida Single Audit Act. Those standards and the Rules of the Auditor General, Chapter 10.650, Florida Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state program occurred. An audit includes examining, on a test basis, evidence about Stonehenge Community Development, LLC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for Stonehenge Community Development, LLC's state program. However, our audit does not provide a legal determination of Stonehenge Community Development, LLC's compliance.

*Opinion on Compliance for the State of Florida New Markets Development Program*

In our opinion, Stonehenge Community Development, LLC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its state program for the year ended December 31, 2013.

## Report on Internal Control over Compliance

Management of Stonehenge Community Development, LLC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Stonehenge Community Development, LLC's internal control over compliance with the types of requirements that could have a direct and material effect on its state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its state program and to test and report on internal control over compliance in accordance with the Rules of the Auditor General, Chapter 10.650, Florida Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Stonehenge Community Development, LLC's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of the Rules of the Auditor General, Chapter 10.650, Florida Single Audit Act. Accordingly, this report is not suitable for any other purpose.



Baltimore, Maryland  
September 29, 2014

**Stonehenge Community Development, LLC**

**Schedule of Expenditures of State Awards  
December 31, 2013**

<u>State Agency</u>	<u>State CSFA Number</u>	<u>Qualified Investment Date</u>	<u>Qualified Investment Amount</u>
<u>Office of Tourism, Trade and Economic Development</u>			
New Markets Development Program	40.020		
Stonehenge Community Development XXV, LLC		8/25/2010	\$ 10,000,000
Stonehenge Community Development XXVI, LLC		8/25/2010	10,000,000
Stonehenge Community Development XXVII, LLC		8/25/2010	10,000,000
Stonehenge Community Development XXVIII, LLC		8/25/2010	10,000,000
Stonehenge Community Development XXIX, LLC		8/25/2010	10,000,000
Stonehenge Community Development XXX, LLC		8/25/2010	10,000,000
Stonehenge Community Development XXXV, LLC		8/25/2010	7,500,000
Stonehenge Community Development XXXVI, LLC		8/25/2010	7,500,000
Stonehenge Community Development LII, LLC		12/23/2010	10,000,000
Stonehenge Community Development LIII, LLC		12/23/2010	7,600,000
Stonehenge Community Development LXXV, LLC		8/22/2012	10,000,000
Stonehenge Community Development LXXVI, LLC		8/22/2012	5,000,000
Stonehenge Community Development LXXVII, LLC		8/22/2012	5,000,000
Stonehenge Community Development LXXVIII, LLC		8/22/2012	6,513,761
Stonehenge Community Development LXXVIII, LLC		10/31/2012	958,149
Stonehenge Community Development LXXIX, LLC		12/11/2012	5,000,000
Stonehenge Community Development LXVI, LLC		9/26/2013	4,807,692
			<u>\$ 129,879,602</u>

See Note to Schedule of Expenditures of State Awards.

**Stonehenge Community Development, LLC**

**Note to Schedule of Expenditures of State Awards  
December 31, 2013**

**Note 1 - Basis of presentation**

The accompanying schedule of expenditures of state awards includes the activity of Stonehenge Community Development, LLC's subsidiary community development entities that participate in the Florida New Markets Development Program and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Rules of the Auditor General, Chapter 10.650, Florida Single Audit Act. Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

**Stonehenge Community Development, LLC**

**Schedule of Findings and Questioned Costs  
December 31, 2013**

**A. Summary of Independent Auditor's Results**

*State Awards*

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified that is not considered to be a material weakness. \_\_\_\_\_ Yes  X  None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Rules of the Auditor General, Chapter 10.650, Florida Single Audit Act? \_\_\_\_\_ Yes  X  No

**B. State Award Findings and Questioned Costs**

None