



Rizzetta & Company

Cascades at Groveland Community Development District

**Board of Supervisors' Meeting
February 17, 2021**

**District Office:
8529 South Park Circle, Suite 330
Orlando, Florida 32819
407.472.2471**

www.cascadesatgrovelandcdd.org

**CASCADES AT GROVELAND
COMMUNITY DEVELOPMENT DISTRICT**

Rizzetta & Company, Inc., 8529 South Park Circle, Suite 330, Orlando, FL 32819

Board of Supervisors	James R. Pekarek Alan Martin Hubert D. Jackson Patrick Hession William Houppermans	Board Supervisor Board Supervisor Board Supervisor Board Supervisor Board Supervisor
District Manager	Gregory Cox	Rizzetta & Company, Inc.
District Counsel	Tucker Mackie	Hopping Green & Sams
District Engineer	Rey Malave	Dewberry BowyerSingleton

All cellular phones must be placed on mute while in the meeting room.

The Audience Comment portion of the agenda is where individuals may make comments on matters that concern the District. Individuals are limited to a total of three (3) minutes to make comments during this time.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting/hearing/workshop is asked to advise the District Office at least forty-eight (48) hours before the meeting/hearing/workshop by contacting the District Manager at (407) 472-2471. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) 1-800-955-8770 (Voice), who can aid you in contacting the District Office.

A person who decides to appeal any decision made at the meeting/hearing/workshop with respect to any matter considered at the meeting/hearing/workshop is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based.

**CASCADES AT GROVELAND COMMUNITY DEVELOPMENT DISTRICT
DISTRICT OFFICE • 8529 SOUTH PARK CIRCLE • SUITE 330 • ORLANDO, FL 32819**

www.cascadesatgrovelandcdd.org

February 10, 2021

Board of Supervisors
**Cascades at Groveland Community
Development District**

Dear Board Members:

AGENDA

The **regular** meeting of Board of Supervisors of the Cascades at Groveland Community Development District will be held on **Wednesday, February 17, 2021, at 2:00 p.m.** at the **Magnolia House Sports Pavilion, located at 100 Falling Acorn Avenue, Groveland, FL 34736.** Following is the agenda for the meeting:

AUDIT COMMITTEE MEETING:

1. **CALL TO ORDER/ROLL CALL**
2. **BUSINESS ADMINISTRATION**
 - A. Consideration of Auditor Selection Evaluation Criteria.....Tab 1
 - B. Consideration of Audit Proposal Instructions.....Tab 2
 - C. Consideration of Advertisement for Proposals for Annual Auditing.....Tab 3
3. **ADJOURNMENT**

BOARD OF SUPERVISORS MEETING:

1. **CALL TO ORDER/ROLL CALL**
2. **AUDIENCE COMMENTS ON AGENDA ITEMS**
3. **STAFF REPORTS**
 - A. District Engineer
 - i. Discussion of Proposed Solution to D308 Standing Water at 128-134 Balmy Coast
 - ii. Authorize Supervisor Hession to Hire Surveyor for D308 Project
 - B. MBS Capital Markets
 - i. Update by MBS Capital Markets
 - ii. Discussion Regarding Timing of Meeting to Adopt O&M vs. DS Assessment for 2021 Property Tax Statement
 - iii. Discussion of DC for Refinancing Documents
 - iv. Authorize Supervisor Pekarek to Negotiate with Vendors for Bond Refinancing
 - v. Set Meeting Date for \$605 Assessment for Refinancing
 - vi. Discussion of Timing of Board Approval of Offering Documents
 - C. District Counsel
 - D. District Manager
4. **BUSINESS ADMINISTRATION**
 - A. Consideration of the Minutes of the Board of Supervisors' Regular Meeting held January 20, 2021.....Tab 4
 - B. Consideration of the Operation & Maintenance Expenditures for December 2020Tab 5
5. **BUSINESS ITEMS**
 - A. Consideration of Audit Review Committee's Recommendations
 - B. Acceptance of Fiscal Year End 2020 Annual AuditTab 6
6. **SUPERVISOR REQUESTS**
7. **ADJOURNMENT**

I look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to contact me at (407) 472-2471.

Very truly yours,
Gregory Cox
Gregory Cox
District Manager

cc: *Tucker Mackie, Hopping Green & Sams, P.A.*
Rey Malave, PE, Dewberry

Audit Committee Meeting

Tab 1

Tab 2

CASCADES AT GROVELAND COMMUNITY DEVELOPMENT

DISTRICT REQUEST FOR PROPOSALS

**District Auditing Services for Fiscal Years 2022, 2023, 2024,
2025 and 2026**

Lake County, Florida

INSTRUCTIONS TO PROPOSERS

SECTION 1. DUE DATE. Sealed proposals must be received no later than **{Insert Day, Month, Date, Year}, at 12:00 p.m.**, at the offices of District Manager, located at Rizzetta & Company, Inc., 8529 South Park Circle, Suite 330, Orlando, FL 32819, telephone (407) 472-2471. Proposals will be publicly opened at that time.

SECTION 2. FAMILIARITY WITH THE LAW. By submitting a proposal, the Proposer is assumed to be familiar with all federal, state, and local laws, ordinances, rules and regulations that in any manner affect the work. Ignorance on the part of the Proposer will in no way relieve it from responsibility to perform the work covered by the proposal in compliance with all such laws, ordinances and regulations.

SECTION 3. QUALIFICATIONS OF PROPOSER. The contract, if awarded, will only be awarded to a responsible Proposer who is qualified by experience and licensing to do the work specified herein. The Proposer shall submit with its proposal satisfactory evidence of experience in similar work and show that it is fully prepared to complete the work to the satisfaction of the District.

SECTION 4. SUBMISSION OF ONLY ONE PROPOSAL. Proposers shall be disqualified and their proposals rejected if the District has reason to believe that collusion may exist among the Proposers, the Proposer has defaulted on any previous contract or is in arrears on any previous or existing contract, or for failure to demonstrate proper licensure and business organization.

SECTION 5. SUBMISSION OF PROPOSAL. Submit eight (8) hard copies and one (1) electronic copy of the Proposal Documents, and other requested attachments at the time and place indicated herein, which shall be enclosed in an opaque sealed envelope, marked with the title “Auditing Services – Cascades at Groveland Community Development District” on the face of it. Please deliver via UPS, FedEx or Hand Delivery ONLY and label as “Sealed Bid – Do Not Open”.

SECTION 6. MODIFICATION AND WITHDRAWAL. Proposals may be modified or withdrawn by an appropriate document duly executed and delivered to the place where proposals are to be submitted at any time prior to the time and date the proposals are due. No proposal may be withdrawn after opening for a period of ninety (90) days.

SECTION 7. PROPOSAL DOCUMENTS. The proposal documents shall consist of the notice announcing the request for proposals, these instructions, the Evaluation Criteria Sheet and a proposal with all required documentation pursuant to Section 12 of these instructions (the “Proposal Documents”).

SECTION 8. PROPOSAL. In making its proposal, each Proposer represents that it has read and understands the Proposal Documents and that the proposal is made in accordance therewith.

SECTION 9. BASIS OF AWARD/RIGHT TO REJECT. The District reserves the right to reject any and all proposals, make modifications to the work, and waive any informalities or irregularities in proposals as it is deemed in the best interests of the District.

SECTION 10. CONTRACT AWARD. Within fourteen (14) days of receipt of the Notice of Award from the District, the Proposer shall enter into and execute a Contract (engagement letter) with the District.

SECTION 11. LIMITATION OF LIABILITY. Nothing herein shall be construed as or constitute a waiver of the District's limited waiver of liability contained in Section 768.28, *Florida Statutes*, or any other statute or law.

SECTION 12. MISCELLANEOUS. All proposals shall include the following information in addition to any other requirements of the proposal documents.

- A. List the position or title of all personnel to perform work on the District audit. Include resumes for each person listed; list years of experience in present position for each party listed and years of related experience.
- B. Describe proposed staffing levels, including resumes with applicable certifications.
- C. Three references from projects of similar size and scope. The Proposer should include information relating to the work it conducted for each reference as well as a name, address and phone number of a contact person.
- D. The lump sum cost of the provision of the services under the proposal, plus the lump sum cost of two (2) annual renewals.

SECTION 13. PROTESTS. In accordance with the District's Rules of Procedure, any protest regarding the Proposal Documents, must be filed in writing, at the offices of the District Manager, within seventy-two (72) calendar hours (excluding Saturday, Sunday, and state holidays) after the receipt of the Proposal Documents. The formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days (including Saturday, Sunday, and state holidays) after the initial notice of protest was filed. Failure to timely file a notice of protest or failure to timely file a formal written protest shall constitute a waiver of any right to object or protest with respect to the aforesaid Proposal Documents.

SECTION 14. EVALUATION OF PROPOSALS. The criteria to be used in the evaluation of proposals are presented in the Evaluation Criteria Sheet, contained within the Proposal Documents.

Tab 3

**CASCADES AT GROVELAND COMMUNITY DEVELOPMENT
DISTRICT REQUEST FOR PROPOSALS FOR ANNUAL AUDIT
SERVICES**

The Cascades at Groveland Community Development District hereby requests proposals for annual financial auditing services. The proposal must provide a fee for the auditing of the District's financial records for five fiscal years ending September 30, 2022, 2023, 2024, 2025 and 2026. The District is a local unit of special-purpose government created under Chapter 190, Florida Statutes, for the purpose of financing, constructing, and maintaining public infrastructure. The District has previously issued Special Assessment Revenue Bonds to finance the acquisition and construction of certain improvements for the benefit of the District, and has an operating budget for fiscal year ending September 30, 2021 of approximately \$522,401.58 inclusive of debt service. The final contract will require that, among other things, the audit for the period ending September 30, 2021, will be completed no later than April 15, 2022.

The auditing entity submitting a proposal must be duly licensed under Chapter 173, Florida Statutes and be qualified to conduct audits in accordance with "Government Auditing Standards," as adopted by the Florida Board of Accountancy. Audits shall be conducted in accordance with Florida law and particularly Section 218.39, Florida Statutes, and the rules of the Florida Auditor General.

Proposal packages, which include evaluation criteria and instructions to proposers, are available from the District Manager at the address and telephone number listed below.

Proposers must provide eight (8) copies and one (1) digital copy of their proposal to Matthew Huber, District Manager, c/o Rizzetta & Company, Inc., located at 8529 South Park Circle, Suite 330, Orlando, FL 32819, in an envelope marked on the outside "Auditing Services – Cascades at Groveland Community Development District." Please deliver via UPS, FedEx or Hand Delivery ONLY and label as "Sealed Bid – Do Not Open". Proposals must be received by **{Insert Day, Month, Date, Year}, at 12:00 p.m.**, at the office of the District Manager. Please direct all questions regarding this Notice to the District Manager, who can be reached at (407) 472-2471.

Cascades at Groveland
Community Development District
Gregory Cox, District Manager

Run Date(s): **TBD**

Board of Supervisors Meeting

Tab 4

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

CASCADES AT GROVELAND
COMMUNITY DEVELOPMENT DISTRICT

The **regular** meeting of the Board of Supervisors of Cascades at Groveland Community Development District was held on **Wednesday, January 20, 2021, at 2:00 p.m.** at the **Magnolia House Sports Pavilion, located at 100 Falling Acorn Avenue, Groveland, FL 34736.**

Present and constituting a quorum:

James Pekarek	Board Supervisor, Chairman
Patrick Hession	Board Supervisor, Vice Chair
Alan Martin	Board Supervisor, Assistant Secretary
Hubert Jackson	Board Supervisor, Assistant Secretary

Also present were:

Bryan Radcliff	District Manager, Rizzetta & Company, Inc.
Tucker Mackie	District Counsel, Hopping, Green & Sams, P.A. (phone)
Deb Sier	District Counsel, Hopping, Green & Sams, P.A. (phone)
Rey Malave	District Engineer, Dewberry (phone)
Brett Sealy	MBS Capital Markets, LLC (phone)
Audience	Present

FIRST ORDER OF BUSINESS

Call to Order

Mr. Radcliff called the meeting to order and read the roll.

SECOND ORDER OF BUSINESS

Audience Comments on Agenda Items

A resident commented on drainage and wall issues which are HOA concerns.

THIRD ORDER OF BUSINESS

Staff Reports

A. District Engineer
No Report.

B. District Counsel
Ms. Sier presented a report on the verify system that the District is required to register with.

On a motion by Mr. Pekarek, seconded by Mr. Martin, with all in favor, the Board approved to designate Mr. Radcliff to register online on behalf of the District, for Cascades at Groveland Community Development District.

C. District Manager
No Report.

Mr. Radcliff administered the oath of office to Mr. Hubert Jackson and Mr. Patrick Hession. Mr. Hubert Jackson and Mr. Patrick Hession both declined compensation.

FOURTH ORDER OF BUSINESS

Consideration of Candidates for Vacant Supervisor Seat

The Board appointed Mr. William Houpperman's to Seat 4 of the Board of Supervisors for the Cascades at Groveland Community Development District. Mr. Houpperman's was not present.

On Motion by Mr. Pekarek, seconded by Mr. Martin, with all in favor, the Board appointed Mr. William Houpperman's to Seat 4 of the Board of Supervisors, for Cascades at Groveland Community Development District.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2021-01, Designating Officers of the District

The Board designated Mr. Pekarek as Chairman, Mr. Hession as Vice Chairman, the remaining 3 Supervisors and Ms. Dobbins as Assistant Secretaries.

On Motion by Mr. Pekarek, seconded by Mr. Jackson, with all in favor, the Board approved Resolution 2021-01, Designating Officers of the District, for Cascades at Groveland Community Development District.

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91 **SIXTH ORDER OF BUSINESS**

**Consideration of the Minutes of the
Board of Supervisors' Meeting held
August 19, 2020**

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95 The Board approved the Minutes of the Board of Supervisors' meeting held on
96 August 19, 2020 pending outlined changes made by Mr. Pekarek and Ms. Mackie.
97

On Motion by Mr. Martin, seconded by Mr. Pekarek, with all in favor, the Board approved the Minutes of the Board of Supervisors' Regular Meeting held on August 19, 2020, with noted changes, for Cascades at Groveland Community Development District.

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99 **SEVENTH ORDER OF BUSINESS**

**Consideration of the Operation and
Maintenance Expenditures for July
through November 2020**

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103 Mr. Radcliff reviewed the expenditures for July through November 2020 with the
104 Board of Supervisors.
105

On Motion by Mr. Hession, seconded by Mr. Pekarek, with all in favor, the Board ratified the Operation and Maintenance Expenditures for July 2020 (\$6,433.38), August 2020 (\$9,717.77), September 2020 (\$13,792.76), October 2020 (\$14,474.72) and November 2020 (\$6,326.42), for Cascades at Groveland Community Development District.

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107 **EIGHTH ORDER OF BUSINESS**

Establishment of Audit Committee

108
109 On a motion by Mr. Pekarek, seconded by Mr. Jackson, with all in favor, the Board approved
110 and established the Board of Supervisors as the Audit Committee, for Cascades at
111 Groveland Community Development District.

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113 **NINTH ORDER OF BUSINESS**

**Discussion Regarding Bond
Refinancing and Private Placement
with One Bank Versus Public Offering**

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117 Mr. Sealy presented his report to the Board on bond refinancing and private
118 placement with one bank versus public offering.
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131 **TENTH ORDER OF BUSINESS** **Discussion Regarding Debt Related**
132 **Matters**

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134 *i. Discussion of Maximum O&M and DS Assessments for FY 2020-2021 Tax*
135 *Year Billed in November 2021*

136 The Board discussed the different options outlined by Mr. Sealy for bond refinancing.
137 A conversation ensued.

A motion was made by Mr. Pekarek and seconded by Mr. Martin to approve an overall \$605.00 assessment increase of which \$519.00 would be directed towards the gross debt service for Cascades at Groveland Community Development District.

139 Mr. Hession opposed.

- 140
141
142 *ii. Discussion of the Use of Excess DS Funds for 5/1 Debt Paydown Versus*
143 *Payment of Bond Refinancing Costs*

144 Mr. Pekarek reviewed this agenda item with the Board.

- 145
146 *iii. Debt Prepayment Amount for Payments before 3/1/2021*

147 Mr. Pekarek reviewed this agenda item with the Board.

148
149 Mr. Radcliff advised the Board that Mr. Brizendine (Manager, District Financial
150 Services) from Rizzetta & Company would need to be consulted on estoppel calculations
151 to further address this topic.

152
153 **ELEVENTH ORDER OF BUSINESS** **Consideration of Cascades at**
154 **Groveland District Services Proposal**
155 **2020**

156
157 *The Board agreed to table this agenda item until the May 2021 meeting.*

158
159 **TWELFTH ORDER OF BUSINESS** **Consideration of Resolution 2021-02,**
160 **Budget Amendment Resolution**

161
162 Resolution 2021-02, Budget Amendment Resolution was presented to the Board.

On a motion by Mr. Pekarek, seconded by Mr. Hession, with all in favor, the Board approved Resolution 2021-02, Budget Amendment Resolution, for Cascades at Groveland Community Development District.

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217 **NINETEENTH ORDER OF BUSINESS**

Adjournment

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On Motion by Mr. Pekarek, seconded by Mr. Martin with all in favor, the Board adjourned the Board of Supervisors' Meeting at 3:54 p.m. for Cascades at Groveland Community Development District.

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Assistant Secretary

Chairman/Vice Chair

DRAFT

Tab 5

CASCADES AT GROVELAND COMMUNITY DEVELOPMENT DISTRICT

District Office · 8529 South Park Circle · Suite 330 · Orlando, FL 32819

Operation and Maintenance Expenditures December 2020 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from December 1, 2020 through December 31, 2020. This does not include expenditures previously approved by the Board.

The total items being presented: **\$9,354.26**

Approval of Expenditures:

_____ Chairperson

_____ Vice Chairperson

_____ Assistant Secretary

Cascades at Groveland Community Development District

Paid Operation & Maintenance Expenditures

December 1, 2020 Through December 31, 2020

<u>Vendor Name</u>	<u>Check #</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Rizzetta & Company, Inc	002194	INV0000054659	District Management Services 12/20	\$ 2,865.42
Rizzetta Technology Services, LLC	002195	INV0000006574	Website & EMail Hosting Services 12/20	\$ 160.00
Rolling Hills of Central Florida, Inc	002193	5489	Grounds Maintenance 11/20	\$ 3,164.42
Rolling Hills of Central Florida, Inc	002196	5811	Grounds Maintenance 12/20	<u>\$ 3,164.42</u>
Report Total				<u>\$ 9,354.26</u>

Tab 6

**CASCADES AT GROVELAND
COMMUNITY DEVELOPMENT DISTRICT
CITY OF GROVELAND, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

**CASCADES AT GROVELAND COMMUNITY DEVELOPMENT DISTRICT
CITY OF GROVELAND, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Cascades at Groveland Community Development District
City of Groveland, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Cascades at Groveland Community Development District, City of Groveland, Florida ("District") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2020, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

January 18, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Cascades at Groveland Community Development District, City of Groveland, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$912,850.
- The change in the District's total net position in comparison with the prior fiscal year was (\$64,504), a decrease. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2020, the District's governmental funds reported combined ending fund balance of \$432,925, a decrease of (\$508,984) in comparison with the prior fiscal year. A portion of the fund balance is non-spendable for prepaid items, restricted for debt service, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenue. The District does not have any business-type activities. The governmental activities of the District include the general government (management), maintenance, and recreation functions.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund, both of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities at the close of the most recent fiscal year

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

	NET POSITION	
	SEPTEMBER 30,	
	2020	2019
Current and other assets	\$ 437,143	\$ 947,036
Capital assets, net	3,835,362	4,126,315
Total assets	<u>4,272,505</u>	<u>5,073,351</u>
Current liabilities	76,872	93,681
Long-term liabilities	3,282,783	4,002,316
Total liabilities	<u>3,359,655</u>	<u>4,095,997</u>
Net position		
Net investment in capital assets	552,579	259,112
Restricted for debt service	263,139	612,228
Unrestricted	97,132	106,014
Total net position	<u>\$ 912,850</u>	<u>\$ 977,354</u>

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position decreased during the most recent fiscal year. The majority of the decrease represents the extent to which the cost of operations and depreciation expense exceeded ongoing program revenues.

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

	CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,	
	2020	2019
Revenues:		
Program revenues		
Charges for services	\$ 523,671	\$ 537,490
Operating grants and contributions	4,359	9,059
General revenues		
Unrestricted investment earnings	668	9,958
Total revenues	<u>528,698</u>	<u>556,507</u>
Expenses:		
General government	76,425	97,330
Maintenance and operations	326,985	341,327
Culture and recreation	8,330	-
Interest	181,462	218,164
Total expenses	<u>593,202</u>	<u>656,821</u>
Change in net position	(64,504)	(100,314)
Net position - beginning	977,354	1,077,668
Net position - ending	<u>\$ 912,850</u>	<u>\$ 977,354</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2020 was \$593,202. The costs of the District's activities were funded by program revenues. Program revenues, comprised primarily of assessments, decreased during the fiscal year as a result of a decrease in prepaid assessments coupled with a decrease in the per unit O&M assessment and an increase in the debt service assessment. In total, expenses decreased from the prior fiscal year. The majority of the change in expenses results from the decrease in interest expense. Based on the amortization schedule of the Bonds, as the balance outstanding of the Bonds decreases over time, the portion of each debt service payment allocated to principal increases accordingly thereby decreasing the amount allocated to interest.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures for the fiscal year ended September 30, 2020 exceeded appropriations by \$10,787. The over expenditures were funded by available fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2020, the District had \$7,273,824 invested in stormwater facilities. In the government-wide financial statements depreciation of \$3,438,462 has been taken, which resulted in a net book value of \$3,835,362. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Capital Debt

At September 30, 2020, the District had \$3,290,000 in Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District does not anticipate any major projects or significant changes in its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide homeowners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Cascades at Groveland Community Development District's Finance Department at 12750 Citrus Park Lane, Suite 115, Tampa, Florida 33625.

FINANCIAL STATEMENTS

**CASCADES AT GROVELAND COMMUNITY DEVELOPMENT DISTRICT
CITY OF GROVELAND, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 97,680
Prepaid items	3,670
Restricted assets:	
Investments	335,793
Capital assets:	
Depreciable, net	3,835,362
Total assets	4,272,505
 LIABILITIES	
Accounts payable and accrued expenses	4,218
Accrued interest payable	72,654
Non-current liabilities:	
Due within one year	135,000
Due in more than one year	3,147,783
Total liabilities	3,359,655
 NET POSITION	
Net investment in capital assets	552,579
Restricted for debt service	263,139
Unrestricted	97,132
Total net position	\$ 912,850

See notes to the financial statements

**CASCADES AT GROVELAND COMMUNITY DEVELOPMENT DISTRICT
CITY OF GROVELAND, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	
Primary government:				
Governmental activities:				
General government	\$ 76,425	\$ 76,425	\$ -	\$ -
Maintenance and operations	326,985	34,811	-	(292,174)
Culture and recreation	8,330	-	-	(8,330)
Interest on long-term debt	181,462	412,435	4,359	235,332
Total governmental activities	593,202	523,671	4,359	(65,172)
		General revenues:		
		Unrestricted investment earnings	668	
		Total general revenues	668	
		Change in net position		(64,504)
		Net position - beginning		977,354
		Net position - ending		\$ 912,850

See notes to the financial statements

**CASCADES AT GROVELAND COMMUNITY DEVELOPMENT DISTRICT
CITY OF GROVELAND, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Major Funds		Total Governmental Funds
	General	Debt Service	
ASSETS			
Cash and equivalents	\$ 97,680	\$ -	\$ 97,680
Investments	-	335,793	335,793
Prepaid items	3,670	-	3,670
Total assets	<u>\$ 101,350</u>	<u>\$ 335,793</u>	<u>\$ 437,143</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 4,218	\$ -	\$ 4,218
Total liabilities	<u>4,218</u>	<u>-</u>	<u>4,218</u>
Fund balances:			
Nonspendable:			
Prepaid items	3,670	-	3,670
Restricted for:			
Debt service	-	335,793	335,793
Unassigned	93,462	-	93,462
Total fund balances	<u>97,132</u>	<u>335,793</u>	<u>432,925</u>
Total liabilities and fund balances	<u>\$ 101,350</u>	<u>\$ 335,793</u>	<u>\$ 437,143</u>

See notes to the financial statements

**CASCADES AT GROVELAND COMMUNITY DEVELOPMENT DISTRICT
CITY OF GROVELAND, FLORIDA
RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Total fund balances - governmental funds \$ 432,925

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources; therefore, they are not reported as assets in the governmental funds. The statement of net position includes those capital assets in the assets of the government as a whole.

Cost of capital assets	7,273,824	
Accumulated depreciation	<u>(3,438,462)</u>	3,835,362

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Accrued interest payable	(72,654)	
Bonds payable	<u>(3,282,783)</u>	<u>(3,355,437)</u>

Net position of governmental activities		<u>\$ 912,850</u>
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See notes to the financial statements

**CASCADES AT GROVELAND COMMUNITY DEVELOPMENT DISTRICT
CITY OF GROVELAND, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Major Funds		Total Governmental Funds
	General	Debt Service	
REVENUES			
Assessments	\$ 111,236	\$ 412,435	\$ 523,671
Interest	668	4,359	5,027
Total revenues	<u>111,904</u>	<u>416,794</u>	<u>528,698</u>
EXPENDITURES			
Current:			
General government	76,425	-	76,425
Maintenance and operations	36,032	-	36,032
Culture and recreation	8,330	-	8,330
Debt service:			
Principal	-	720,000	720,000
Interest	-	196,895	196,895
Total expenditures	<u>120,787</u>	<u>916,895</u>	<u>1,037,682</u>
Excess (deficiency) of revenues over (under) expenditures	(8,883)	(500,101)	(508,984)
Fund balances - beginning	<u>106,015</u>	<u>835,894</u>	<u>941,909</u>
Fund balances - ending	<u>\$ 97,132</u>	<u>\$ 335,793</u>	<u>\$ 432,925</u>

See notes to the financial statements

**CASCADES AT GROVELAND COMMUNITY DEVELOPMENT DISTRICT
CITY OF GROVELAND, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Net change in fund balances - total governmental funds	\$ (508,984)
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Amounts reported for governmental activities in the statement of activities are different because:

Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(290,953)
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Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	720,000
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Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds. The details of the differences are as follows:

Change in accrued interest	15,900
Amortization of original issue discount	(467)
Change in net position of governmental activities	\$ (64,504)

See notes to the financial statements

**CASCADES AT GROVELAND COMMUNITY DEVELOPMENT DISTRICT
CITY OF GROVELAND, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Cascades at Groveland Community Development District ("District") was created on October 13, 2005, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by City of Groveland Ordinance 2005-10-47. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

In fiscal year 2019, the City of Groveland adopted Ordinance 2018-12-46 which contracted the boundaries of the District by deleting approximately 29.552 acres of land.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Board of Supervisors are elected by qualified electors who reside within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for, among other things:

1. Allocating and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; operating-type special assessments for maintenance and debt service are treated as charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

Assessments, including debt service assessments and operations and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. Operations and maintenance assessments are levied by the District prior to the start of the fiscal year which begins on October 1 and ends on September 30. Operations and maintenance special assessments are imposed upon all benefited lands in the District. Debt service special assessments are imposed upon certain lots and lands as described in each resolution imposing the special assessment for each series of Bonds issued by the District.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on the Bonds.

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

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

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deposits and Investments

The District's cash on hand and demand deposits are considered to be cash and cash equivalents.

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury;

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured. Any unspent proceeds are required to be held in investments allowed in as specified in the Bond Indenture.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Stormwater facilities	25

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Unearned Revenue

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 – BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved annual budget. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) A public hearing is conducted to obtain comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) Subject to the terms of the District's annual appropriations resolutions, all budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriations for annually budgeted funds lapse at the end of the year.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

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

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
First American Treasury Obligation Fund - Class Z	<u>\$ 335,793</u>	S&P AAAm	Weighted average of the fund portfolio: 46 days
Total Investments	<u><u>\$ 335,793</u></u>		

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

The Bond indenture limits the type of investments held using unspent Bond proceeds.

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

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

NOTE 5 – ASSESSMENT REFUND

In fiscal year 2019, the District decided to use excess amounts held in the general fund to prepay the Series 2006 Bonds in November 2019. As a result, a transfer of \$530,000 was made in September 2019 to the debt service fund. Since the amounts were obtained from homeowners via operation and maintenance assessments which all homeowners pay, those homeowners that had already prepaid their debt would also be contributing to the payoff. In order to make whole lot owners that had already prepaid their debt assessments, a refund was issued in the current fiscal year. As of September 30, 2020, the District refunded a total of \$5,160.

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental activities</u>				
Capital assets, being depreciated:				
Stormwater facilities	\$ 7,273,824	\$ -	\$ -	\$ 7,273,824
Total capital assets, being depreciated	7,273,824	-	-	7,273,824
Less accumulated depreciation for:				
Stormwater facilities	(3,147,509)	(290,953)	-	(3,438,462)
Total accumulated depreciation	(3,147,509)	(290,953)	-	(3,438,462)
Total capital assets, being depreciated, net	4,126,315	(290,953)	-	3,835,362
Governmental activities capital assets, net	\$ 4,126,315	\$ (290,953)	\$ -	\$ 3,835,362

Depreciation expense was charged to the maintenance and operations function/program.

NOTE 7 – LONG-TERM LIABILITIES

On March 21, 2006, the District issued \$5,600,000 of Capital Improvement Revenue Bonds, Series 2006 due May 1, 2036 with a fixed interest rate of 5.3%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1. Principal on the Bonds is paid serially commencing May 1, 2007 through May 1, 2036.

The Series 2006 Bonds are subject to redemption at the option of the District prior to maturity. The Series 2006 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. This occurred during the current fiscal year as the District used excess funds transferred from the general fund and funds on hand and prepaid \$590,000 of the Series 2006 Bonds.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service. The District is in compliance with the requirements of the Bond Indenture at September 30, 2020.

Long-term Debt Activity

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2006	\$ 4,010,000	\$ -	\$ 720,000	\$ 3,290,000	\$ 135,000
Less bond discount	(7,684)	-	(467)	(7,217)	-
Total	\$ 4,002,316	\$ -	\$ 719,533	\$ 3,282,783	\$ 135,000

NOTE 7 – LONG-TERM LIABILITIES (Continued)

At September 30, 2020, the scheduled debt service requirements on the long-term debt were as follows:

Year ending, September 30:	Governmental Activities		
	Principal	Interest	Total
2021	\$ 135,000	\$ 174,370	\$ 309,370
2022	140,000	167,215	307,215
2023	150,000	159,795	309,795
2024	160,000	151,845	311,845
2025	165,000	143,365	308,365
2026-2030	975,000	575,050	1,550,050
2031-2035	1,270,000	286,730	1,556,730
2036	295,000	15,635	310,635
Total	<u>\$ 3,290,000</u>	<u>\$ 1,674,005</u>	<u>\$ 4,964,005</u>

NOTE 8 – LANDOWNER TRANSACTIONS AND CONCENTRATION

The MFS Cascades, LLC, a major landowner, and Shea Homes, a home developer, own a significant portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by them.

The District's activity is dependent upon the continued involvement of MFS Cascades, LLC and Shea Homes, the loss of which could have a material adverse effect on the District's operations.

NOTE 9 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management services, which include financial and accounting consulting services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. The District has not filed any claims under this commercial insurance coverage during the last three years.

**CASCADES AT GROVELAND COMMUNITY DEVELOPMENT DISTRICT
CITY OF GROVELAND, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - Positive (Negative)</u>
	Original & Final	Actual Amounts	
REVENUES			
Assessments	\$ 110,000	\$ 111,236	\$ 1,236
Interest	-	668	668
Total revenues	<u>110,000</u>	<u>111,904</u>	<u>1,904</u>
EXPENDITURES			
Current:			
General government	67,385	76,425	(9,040)
Maintenance and operations	36,600	36,032	568
Culture and recreation	6,015	8,330	(2,315)
Total expenditures	<u>110,000</u>	<u>120,787</u>	<u>(10,787)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>(8,883)</u>	<u>\$ (8,883)</u>
Fund balance - beginning		<u>106,015</u>	
Fund balance - ending		<u>\$ 97,132</u>	

See notes to required supplementary information

**CASCADES AT GROVELAND COMMUNITY DEVELOPMENT DISTRICT
CITY OF GROVELAND, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the General Fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures for the fiscal year ended September 30, 2020 exceeded appropriations by \$10,787. The over expenditures were funded by available fund balance.



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

To the Board of Supervisors
Cascades at Groveland Community Development District
City of Groveland, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Cascades at Groveland Community Development District, City of Groveland, Florida ("District") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated January 18, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted a matter that we reported to management of the District in a separate letter dated January 18, 2021.

The District's response to the finding identified in our audit is described in the accompanying Management Letter. We did not audit the District's response and, accordingly, we express no opinion on it.

Purpose of this Report

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

January 18, 2021



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors
Cascades at Groveland Community Development District
City of Groveland, Florida

We have examined Cascades at Groveland Community Development District, City of Groveland, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2020. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Cascades at Groveland Community Development District, City of Groveland, Florida and is not intended to be and should not be used by anyone other than these specified parties.

January 18, 2021



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

To the Board of Supervisors
Cascades at Groveland Community Development District
City of Groveland, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Cascades at Groveland Community Development District ("District") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated January 18, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 18, 2021, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General of the state of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of Cascades at Groveland Community Development District, City of Groveland, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Cascades at Groveland Community Development District, City of Groveland, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

January 18, 2021

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2020-01 Budget:

Observation: Actual expenditures exceeded appropriations in the general fund for the fiscal year ended September 30, 2020.

Recommendation: The District should amend the budget during the fiscal year or within statutory guidelines to ensure that all expenditures are properly budgeted.

Management Response: The District's Board of Supervisors was unable to amend its budget for the fiscal year ended September 30, 2020 prior to the statutory deadline. The District will amend its budget for any future years in which actual expenditures exceeded appropriations in the general fund.

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2019.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2020, except as noted above.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2020.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2020. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.