

# **EAST NASSAU**

## **STEWARDSHIP DISTRICT**

### **REGULAR MEETING**

### **AGENDA**

**June 20, 2019**

**East Nassau Stewardship District**  
**OFFICE OF THE DISTRICT MANAGER**  
**2300 Glades Road, Suite 410W•Boca Raton, Florida 33431**  
**Phone: (561) 571-0010•Toll-free: (877) 276-0889•Fax: (561) 571-0013**

June 13, 2019

Board of Supervisors  
East Nassau Stewardship District

<p><b><u>ATTENDEES:</u></b> Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.</p>
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Dear Board Members:

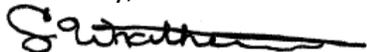
The Board of Supervisors of the East Nassau Stewardship District will hold a regular meeting on June 20, 2019 at 10:00 a.m., in the Nassau Room (T0126), Building T, at Florida State College, Nassau Center, 76346 William Burgess Boulevard, Yulee, Florida 32097. The agenda is as follows:

1. Call to Order
2. Roll Call
3. Chairman's Opening Remarks
4. Public Comments *(limited to 3 minutes per person)*
5. ANNOUNCE ATTORNEY-CLIENT SESSION/REGULAR MEETING RECESS
6. COMMENCEMENT OF ATTORNEY-CLIENT SESSION [**Closed to the Public by Law**]
  - **Attorney-Client Session to Address Strategy Relating to Ongoing Litigation**
7. ATTORNEY-CLIENT SESSION ADJOURNMENT/RECONVENE REGULAR MEETING
8. Presentation of Audited Annual Financial Report for the Fiscal Year Ended September 30, 2018, Prepared by Berger, Toombs, Elam, Gaines & Frank
9. Consideration of Resolution 2019-07, Accepting the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2018
10. Acceptance of Unaudited Financial Statements as of April 30, 2019
11. Approval of May 16, 2019 Regular Meeting Minutes
12. Staff Reports
  - A. District Counsel: *Hopping Green & Sam, P.A.*

- B. District Engineer: *England-Thims & Miller, Inc.*
  - C. District Manager: *Wrathell, Hunt and Associates, LLC*
    - i. 27 Registered Voters in District as of April 15, 2019 (*revised*)
    - ii. NEXT MEETING: July 18, 2019 at 10:00 A.M.
13. Board Members' Comments/Requests
14. Public Comments
15. Adjournment

I look forward to seeing all of you at the upcoming meeting. In the meantime, if you should have any questions or concerns, please do not hesitate to contact me directly at 561-719-8675.

Sincerely,



Craig Wrathell  
District Manager

**FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE**

**Call-in number: 1-888-354-0094**

**Conference ID: 2144145**

**EAST NASSAU  
STEWARDSHIP DISTRICT**

**8**



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
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Board of Supervisors  
East Nassau Stewardship District  
Nassau County, Florida

We are pleased to provide the following information related to our audit of East Nassau Stewardship District for the year ended September 30, 2018 to assist you in your oversight responsibility of the financial reporting process of the District.

Our responsibility under the auditing standards has been described to you in our engagement letter dated August 28, 2018.

Management is responsible for the appropriateness of the accounting policies used by the District. During the year, no significant new accounting policies were adopted nor were there any changes in the existing accounting policies.

We did not discuss with Management, any significant or unusual transactions nor did we discuss any alternative treatments available under generally accepted accounting policies during the current audit period.

Any audit adjustments provided by Management or communicated to Management have been reported to and agreed upon by Management. If you would like a detailed listing of all audit adjustments for the current period, please contact us.

We did not encounter any immaterial uncorrected misstatements during the course of our audit.

There are no disagreements with Management over the application of significant accounting principles, the basis for judgments made by Management on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

We are not aware of any consultations Management had with other accountants about accounting or auditing matters.

Board of Supervisors  
East Nassau Stewardship District

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There were no significant issues that were discussed during the course of the audit.

We did not encounter any difficulties in dealing with Management during the audit process.

The General, Debt Service and Capital Projects Funds all had deficit fund balances at September 30, 2018. The deficits were the result of the untimely receipt of funding requests at year end in the General Fund and advances that will be repaid from the issuance of new debt in the fiscal year ending September 30, 2019.

Management has made certain written representations to us as part of the audit process. Please contact us if you would like a copy of those representations.

This letter is intended solely for the information and use of the Board and Management and is not intended to be and should not be used by anyone other than the intended parties. Please contact J. W. Gaines should you have any questions concerning this letter. We greatly appreciate the opportunity to be of service to East Nassau Stewardship District.

*Berger Toombs Elam  
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank  
Fort Pierce, Florida

June 4, 2019

**East Nassau Stewardship District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2018**

**East Nassau Stewardship District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2018**

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## REPORT OF INDEPENDENT AUDITOR'S

To the Board of Supervisors  
East Nassau Stewardship District  
Nassau County, Florida

### Report on the Financial Statements

We have audited the accompanying basic financial statements of East Nassau Stewardship District as of and for the year ended September 30, 2018, and related notes to the 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

Fort Pierce / Stuart

To the Board of Supervisors  
East Nassau Stewardship District

## Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and the major fund of East Nassau Stewardship District as of September 30, 2018, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Governmental accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *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 in accordance with governmental auditing standards generally accepted in the United States of America, which consisted principally of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We 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 a report dated June 4, 2019 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 and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 East Nassau Stewardship District's internal control over financial reporting and compliance.

*Berger Toombs Elam  
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

June 4, 2019

**East Nassau Stewardship District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018**

Management's discussion and analysis of East Nassau Stewardship District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government and physical environment.

*Fund financial statements* present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

**East Nassau Stewardship District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

*Fund financial statements* include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including buildings and improvements, and infrastructure are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, reconciliations are provided from the *fund financial statements* to the *government-wide financial statements*.

*Notes to financial statements* provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

**Financial Highlights**

The following are the highlights of financial activity for the 4 months ended September 30, 2018.

- ◆ The District's liabilities exceeded assets by \$(64,166), net position.
- ◆ Governmental activities revenues totaled \$162,699 while governmental activities expenses totaled \$226,865.

**East Nassau Stewardship District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District**

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

**Net Position**

	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Current assets	\$ 87,445	\$ 53,973
Current liabilities	151,611	53,973
Net Position		
Unrestricted	\$ (64,166)	\$ -

The developer advanced funds to the debt service and capital projects funds in anticipation of the issuance of new debt.

**East Nassau Stewardship District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District (Continued)**

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

**Change In Net Position**

	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Program Revenues		
Operating contributions	\$ 162,699	\$ 38,617
Expenses		
General government	207,510	35,502
Physical environment	19,355	3,115
Total Expenses	<u>226,865</u>	<u>38,617</u>
Change in Net Position	(64,166)	-
Net Position - Beginning of Year	<u>-</u>	<u>-</u>
Net Position - End of Year	<u>\$ (64,166)</u>	<u>\$ -</u>

The increases in the current year are because this is the first full year of operations and preliminary work was performed in anticipation of the issuance of debt.

**General Fund Budgetary Highlights**

Actual expenditures were less than the final budget because there were lower contingency expenditures than were anticipated.

The September 30, 2018 budget was amended for increased legal fees and legal advertising expenditures.

**Economic Factors and Next Year's Budget**

The District anticipates issuing debt in the new year and the effects on operations for the year ending September 30, 2019 cannot be determined.

**East Nassau Stewardship District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Request for Information**

The financial report is designed to provide a general overview of East Nassau Stewardship District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the East Nassau Stewardship District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

**East Nassau Stewardship District**  
**STATEMENT OF NET POSITION**  
**September 30, 2018**

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 2,006
Due from developer	85,439
Total Assets	<u>87,445</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	80,920
Due to developer	70,691
Total Current Liabilities	<u>151,611</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>\$ (64,166)</u></u>

See accompanying notes to financial statements.

**East Nassau Stewardship District**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2018**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues Operating Grants and Contributions</b>	<b>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</b>
Governmental Activities			
General government	\$ (207,510)	\$ 152,377	\$ (55,133)
Physical environment	(19,355)	10,322	(9,033)
Total Governmental Activities	\$ (226,865)	\$ 162,699	(64,166)
	Change in Net Position		(64,166)
	Net Position - October 1, 2017		-
	Net Position - September 30, 2018		\$ (64,166)

See accompanying notes to financial statements.

**East Nassau Stewardship District  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 2,006	\$ -	\$ -	\$ 2,006
Due from developer	59,539	25,188	712	85,439
Total Assets	<u>\$ 61,545</u>	<u>\$ 25,188</u>	<u>\$ 712</u>	<u>\$ 87,445</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 55,020	\$ 25,188	\$ 712	\$ 80,920
Due to developer	9,520	49,411	11,760	70,691
Total Liabilities	<u>64,540</u>	<u>74,599</u>	<u>12,472</u>	<u>151,611</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	<u>41,923</u>	<u>-</u>	<u>-</u>	<u>41,923</u>
<b>FUND BALANCES</b>				
Unassigned	<u>(44,918)</u>	<u>(49,411)</u>	<u>(11,760)</u>	<u>(106,089)</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 61,545</u>	<u>\$ 25,188</u>	<u>\$ 712</u>	<u>\$ 87,445</u>

See accompanying notes to financial statements.

**East Nassau Stewardship District**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**September 30, 2018**

Total Governmental Fund Balances	\$ (106,089)
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Unavailable revenues are recognized as deferred inflows at the fund level, but this amount is recognized as revenues at the government-wide level.	<u>41,923</u>
Net Position of Governmental Activities	<u><u>\$ (64,166)</u></u>

See accompanying notes to financial statements.

**East Nassau Stewardship District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Developer contributions	\$ 137,043	\$ -	\$ -	\$ 137,043
Expenditures				
Current				
General government	158,099	-	-	158,099
Physical environment	10,710	-	8,645	19,355
Debt Service				
Other debt service	-	49,411	-	49,411
Total Expenditures	<u>168,809</u>	<u>49,411</u>	<u>8,645</u>	<u>226,865</u>
Net change in fund balances	(31,766)	(49,411)	(8,645)	(89,822)
Fund Balances - October 1, 2017	<u>(13,152)</u>	<u>-</u>	<u>(3,115)</u>	<u>(16,267)</u>
Fund Balances - September 30, 2018	<u>\$ (44,918)</u>	<u>\$ (49,411)</u>	<u>\$ (11,760)</u>	<u>\$ (106,089)</u>

See accompanying notes to financial statements.

**East Nassau Stewardship District  
RECONCILIATION OF THE STATEMENT  
OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2018**

Net Change in Fund Balances - Total Governmental Funds \$ (89,822)

Amounts reported for governmental activities in the Statement of Activities are different because:

At the fund level, revenues are recognized when they become available, however, revenues are recognized when they are earned at the government-wide level. This is the amount of the change in earned revenue that was not available.

25,656

Change in Net Position of Governmental Activities \$ (64,166)

See accompanying notes to financial statements.

**East Nassau Stewardship District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended September 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues				
Developer contributions	\$ 151,625	\$ 198,875	\$ 137,043	\$ (61,832)
Expenditures				
Current				
General government	139,625	175,013	158,099	16,914
Physical environment	12,000	10,710	10,710	-
Total Expenditures	<u>151,625</u>	<u>185,723</u>	<u>168,809</u>	
Net Change in Fund Balances	-	13,152	(31,766)	(44,918)
Fund Balances - October 1, 2017	<u>-</u>	<u>(13,152)</u>	<u>(13,152)</u>	<u>-</u>
Fund Balances - September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,918)</u>	<u>\$ (44,918)</u>

See accompanying notes to financial statements.

**East Nassau Stewardship District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

**1. Reporting Entity**

The District was established on July 18, 2017, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance 2017-35 of St. Johns County, Florida, as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the East Nassau Stewardship District. The District is governed by a five-member Board of Supervisors. All the Supervisors are employed by the Developer. The District operates within the criteria established by Chapter 190.

As required by GAAP, these financial statements present the East Nassau Stewardship District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board, The Financial Reporting Entity, the District has identified no component units.

**2. Measurement Focus and Basis of Accounting**

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

**East Nassau Stewardship District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**a. Government-wide Financial Statements**

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments and interest. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

**b. Fund Financial Statements**

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

**East Nassau Stewardship District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds**

The District classifies fund balance according to Governmental Accounting Standards Board Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

*Nonspendable Fund Balance* – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

*Restricted Fund Balance* – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

*Assigned Fund Balance* – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

*Unassigned Fund Balance* – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

*Fund Balance Spending Hierarchy* – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

**East Nassau Stewardship District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

**3. Basis of Presentation**

**a. Governmental Major Funds**

General Fund – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**East Nassau Stewardship District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Basis of Presentation (Continued)**

**a. Governmental Major Funds (Continued)**

Debt Service Fund – The Debt Service Fund accounts for the activity related to the issuance of long-term debt.

Capital Projects Fund – The Capital Projects Fund accounts for the construction of infrastructure improvements within the District.

**b. Non-current Governmental Assets/Liabilities**

GASB Statement 34 requires that non-current governmental assets, such as land and improvements, and non-current governmental liabilities, such as general obligation bonds and due to developer be reported in the governmental activities column in the government-wide Statement of Net Position.

**4. Assets, Liabilities, and Net Position or Equity**

**a. Cash and Investments**

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

The District currently has no investments.

**East Nassau Stewardship District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, and Net Position or Equity (Continued)**

**a. Cash and Investments (Continued)**

Cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

**b. Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District only has one item that qualifies for reporting in this category. Deferred revenues are reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

**c. Budgets**

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. A formal budget is adopted for the general fund. As a result, deficits in the budget columns of the accompanying financial statements may occur.

**NOTE B – RELATED PARTY TRANSACTIONS**

All voting members of the Board of Supervisors are employed by the Developer or a related entity. The District received \$162,699 in contributions from the Developer for the 4 months ended September 30, 2017. Additionally, the District has \$70,691 due to the developer.

**NOTE C – ECONOMIC DEPENDENCY**

The Developer owns a significant portion of land within the District. The District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

**NOTE D – 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 for which the government carries commercial insurance. The District has not filed any claims under this commercial coverage.



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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FAX: 772/468-9278

## **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  
East Nassau Stewardship District  
Nassau County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of East Nassau Stewardship District, as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated June 4, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered East Nassau Stewardship District's internal control over financial reporting 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 East Nassau Stewardship District's internal control. Accordingly, we do not express an opinion on the effectiveness of East Nassau Stewardship District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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.

Board of Supervisors  
East Nassau Stewardship District

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Berger Toombs Elam  
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants  
Fort Pierce, Florida

June 4, 2019



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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## MANAGEMENT LETTER

To the Board of Supervisors  
East Nassau Stewardship District  
Nassau County, Florida

### Report on the Financial Statements

We have audited the financial statements of the East Nassau Stewardship District as of and for the year ended September 30, 2018, and have issued our report thereon dated June 4, 2019.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated June 4, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not East Nassau Stewardship District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the East Nassau Stewardship District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Supervisors  
East Nassau Stewardship District

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2017 for the East Nassau Stewardship District. It is management's responsibility to monitor the East Nassau Stewardship District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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. In connection with our audit, we noted no such findings.

### **Purpose of this Letter**

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, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Berger Toombs Elam  
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

June 4, 2019

**EAST NASSAU  
STEWARDSHIP DISTRICT**

**9**

**RESOLUTION 2019-07**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE EAST NASSAU STEWARDSHIP DISTRICT HEREBY ACCEPTING THE AUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

WHEREAS, the District's Auditor, Berger, Toombs, Elam, Gaines & Frank, has heretofore prepared and submitted to the Board, for accepting, the District's Audited Financial Report for Fiscal Year 2018;

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE EAST NASSAU STEWARDSHIP DISTRICT;**

1. The Audited Financial Report for Fiscal Year 2018, heretofore submitted to the Board, is hereby accepted for Fiscal Year 2018, for the period ending September 30, 2018; and
2. A verified copy of said Audited Financial Report for Fiscal Year 2018 shall be attached hereto as an exhibit to this Resolution, in the District's "Official Record of Proceedings".

**PASSED AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2019.

**EAST NASSAU STEWARDSHIP DISTRICT**

\_\_\_\_\_  
Secretary/Assistant Secretary

\_\_\_\_\_  
Chair/Vice Chair, Board of Supervisors

**EAST NASSAU  
STEWARDSHIP DISTRICT**

**10**

**EAST NASSAU STEWARDSHIP DISTRICT  
FINANCIAL STATEMENTS  
UNAUDITED  
APRIL 30, 2019**

**EAST NASSAU STEWARDSHIP DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
APRIL 30, 2019**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 246,868	\$ -	\$ -	\$ -	\$ 246,868
Investments					
Reserve	-	-	180,881	-	180,881
Capitilized interest	-	-	245,530	-	245,530
Construction	-	-	-	4,725,132	4,725,132
Cost of issuance	-	-	2,854	-	2,854
Due from general fund	-	204,995	-	-	204,995
Due from capital projects fund	266	-	-	-	266
Total assets	<u>\$ 247,134</u>	<u>\$ 204,995</u>	<u>\$ 429,265</u>	<u>\$ 4,725,132</u>	<u>\$ 5,606,526</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Due to Landowner	\$ 3,020	\$ -	\$ -	\$ 61,170	\$ 64,190
Due to general fund	-	-	-	266	266
Due to special revenue fund	204,995	-	-	-	204,995
Landowner advance	6,500	-	-	-	6,500
Total liabilities	<u>214,515</u>	<u>-</u>	<u>-</u>	<u>61,436</u>	<u>275,951</u>
Fund balances:					
Restricted for:					
Debt service	-	-	429,265	-	429,265
Capital projects	-	-	-	4,663,696	4,663,696
Unassigned	32,619	204,995	-	-	237,614
Total fund balances	<u>32,619</u>	<u>204,995</u>	<u>429,265</u>	<u>4,663,696</u>	<u>5,330,575</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 247,134</u>	<u>\$ 204,995</u>	<u>\$ 429,265</u>	<u>\$ 4,725,132</u>	<u>\$ 5,606,526</u>

**EAST NASSAU STEWARDSHIP DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GENERAL FUND  
FOR THE PERIOD ENDED APRIL 30, 2019**

	Current Month	Year to Date	Budget	% of Budget
<b>REVENUES</b>				
Assessment levy: on-roll - net	\$ 326	\$ 2,229	\$ 2,391	93%
Assessment levy: off-roll	-	162,108	162,108	100%
Landowner contribution	-	41,922	-	N/A
Total revenues	<u>326</u>	<u>206,259</u>	<u>164,499</u>	125%
<b>EXPENDITURES</b>				
<b>Professional &amp; administrative</b>				
District engineer	-	3,441	20,000	17%
General counsel	21,796	78,927	50,000	158%
District manager	4,000	28,000	48,000	58%
Debt service fund accounting: master bonds	833	3,333	7,500	44%
Arbitrage rebate calculation	-	-	750	0%
Audit	-	-	6,500	0%
Postage	63	393	1,000	39%
Printing and binding	83	583	1,000	58%
Insurance - GL, POL	-	10,710	12,000	89%
Legal advertising	230	1,662	6,000	28%
Miscellaneous- bank charges	-	236	950	25%
Website				
Hosting & maintenance	-	635	750	85%
ADA compliance	-	139	350	40%
Dissemination agent	111	444	1,000	44%
Annual district filing fee	-	175	175	100%
Trustee (related to master bonds)	-	-	8,500	0%
Total professional & administrative	<u>27,116</u>	<u>128,678</u>	<u>164,475</u>	78%
<b>Other fees &amp; charges</b>				
Property appraiser	-	-	12	0%
Tax collector	7	45	12	375%
Total other fees & charges	<u>7</u>	<u>45</u>	<u>24</u>	188%
Total expenditures	<u>27,123</u>	<u>128,723</u>	<u>164,499</u>	78%
Excess/(deficiency) of revenues over/(under) expenditures	(26,797)	77,536	-	
Fund balances - beginning	59,416	(44,917)	(200)	
Fund balances - ending	<u>\$ 32,619</u>	<u>\$ 32,619</u>	<u>\$ (200)</u>	

**EAST NASSAU STEWARDSHIP DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUND  
FOR THE PERIOD ENDED APRIL 30, 2019**

	Current Month	Year to Date	Budget	% of Budget
<b>REVENUES</b>				
Assessment levy: on-roll - net	\$ 7,063	\$ 48,309	\$ 51,876	93%
Assessment levy: off-roll	-	157,652	157,652	100%
Total revenues	<u>7,063</u>	<u>205,961</u>	<u>209,528</u>	98%
<b>EXPENDITURES</b>				
<b>Field operations</b>				
Field operations	-	-	9,000	0%
Administration and accounting	-	-	2,500	0%
Wetland and conservation maintenance	-	-	5,250	0%
Landscape	-	-	92,422	0%
Lake maintenance	-	-	5,784	0%
Pest control	-	-	3,000	0%
Street cleaning	-	-	9,000	0%
Street light lease	-	-	17,550	0%
Repairs & maintenance	-	-	13,676	0%
Electricity	-	-	4,248	0%
Irrigation (potable)	-	-	27,694	0%
Landscape replacement	-	-	9,242	0%
Parts & supplies	-	-	3,000	0%
Insurance	-	-	5,000	0%
Total expenditures	<u>-</u>	<u>-</u>	<u>207,366</u>	0%
<b>Other fees &amp; charges</b>				
Property appraiser	-	-	1,081	0%
Tax collector	141	966	1,081	89%
Total other fees & charges	<u>141</u>	<u>966</u>	<u>2,162</u>	45%
Total expenditures	<u>141</u>	<u>966</u>	<u>209,528</u>	0%
Excess/(deficiency) of revenues over/(under) expenditures	6,922	204,995	-	
Fund balances - beginning	198,073	-	-	
Fund balances - ending	<u>\$ 204,995</u>	<u>\$ 204,995</u>	<u>\$ -</u>	

**EAST NASSAU STEWARDSHIP DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
DEBT SERVICE FUND SERIES 2018  
FOR THE PERIOD ENDED APRIL 30, 2019**

	Current Month	Year To Date
<b>REVENUES</b>		
Interest	\$ 737	\$ 2,604
Total revenues	737	2,604
<b>EXPENDITURES</b>		
<b>Debt service</b>		
Cost of issuance	-	227,205
Underwriter's discount	-	109,200
Total debt service	-	336,405
Excess/(deficiency) of revenues over/(under) expenditures	737	(333,801)
<b>OTHER FINANCING SOURCES/(USES)</b>		
Bond proceeds	-	763,066
Total other financing sources	-	763,066
Net change in fund balances	737	429,265
Fund balances - beginning	428,528	-
Fund balances - ending	\$ 429,265	\$ 429,265

**EAST NASSAU STEWARDSHIP DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUND SERIES 2018  
FOR THE PERIOD ENDED APRIL 30, 2019**

	Current Month	Year To Date
<b>REVENUES</b>		
Interest	\$ 8,110	\$ 28,198
Total revenues	8,110	28,198
<b>EXPENDITURES</b>		
Capital outlay	-	266
Total expenditures	-	266
Excess/(deficiency) of revenues over/(under) expenditures	8,110	27,932
<b>OTHER FINANCING SOURCES/(USES)</b>		
Bond proceeds	-	4,696,934
Total other financing sources/(uses)	-	4,696,934
Net change in fund balances	8,110	4,724,866
Fund balances - beginning	4,655,586	(61,170)
Fund balances - ending	\$ 4,663,696	\$ 4,663,696

**EAST NASSAU  
STEWARDSHIP DISTRICT**

**11**

**DRAFT**

**MINUTES OF MEETING  
EAST NASSAU STEWARDSHIP DISTRICT**

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The Board of Supervisors of the East Nassau Stewardship District held a regular meeting on May 16, 2019, at 10:00 a.m., in the Nassau Room (T0126), Building T, at Florida State College, Nassau Center, 76346 William Burgess Boulevard, Yulee, Florida 32097.

**Present at the meeting were:**

Mike Hahaj	Chair
Dan Roach	Vice Chair
Bob Rhodes	Assistant Secretary
Rob Fancher	Assistant Secretary
Max Hord	Assistant Secretary

**Also present were:**

Craig Wrathell	District Manager
Sarah Warren	District Counsel
Zach Brecht	District Engineer

**FIRST ORDER OF BUSINESS**

**Call to Order**

Mr. Wrathell called the meeting to order at 10:01 a.m.

**SECOND ORDER OF BUSINESS**

**Roll Call**

All Supervisors were present, in person.

**THIRD ORDER OF BUSINESS**

**Chairman's Opening Remarks**

Mr. Hahaj welcomed everyone to the meeting and appreciated everybody's attendance.

**FOURTH ORDER OF BUSINESS**

**Public Comments (*limited to 3 minutes per person*)**

There were no public comments.

**FIFTH ORDER OF BUSINESS**

**ANNOUNCE ATTORNEY-CLIENT SESSION/  
REGULAR MEETING RECESS**

42 Ms. Warren stated the Attorney-Client Session scheduled for today was cancelled since  
 43 there were not a lot of updates. In preparation for the first Mediation Session set for June 21<sup>st</sup>,  
 44 she formally requested a Shade Session on June 20<sup>th</sup>, the date of the next regularly scheduled  
 45 meeting, to brief the Board before the mediation. The required Notice would be published  
 46 naming all Board Members, a Court Reporter, a representative of District Management and  
 47 herself, Mr. Johnson, Mr. Safriet and Mr. Hunter, of District Counsel’s office, as the attendees.

48

49 **On MOTION by Mr. Roach and seconded by Mr. Rhodes, with all in favor,**  
 50 **authorizing District Staff to notice an Attorney-Client Session for June 20, 2019**  
 51 **at 10:00 a.m., in the Nassau Room (T0126), Building T, at Florida State College,**  
 52 **Nassau Center, 76346 William Burgess Boulevard, Yulee, Florida 32097, was**  
 53 **approved.**

54

55

56 **SIXTH ORDER OF BUSINESS**

**COMMENCEMENT OF ATTORNEY-CLIENT  
SESSION [Closed to the Public by Law]**

57

58

- 59 • **Attorney-Client Session to Address Strategy Relating to Ongoing Litigation**

60 This item was deferred to the next meeting.

61

62 **SEVENTH ORDER OF BUSINESS**

**ATTORNEY-CLIENT                      SESSION  
ADJOURNMENT/RECONVENE      REGULAR  
MEETING**

63

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66 This item was deferred to the next meeting.

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68 **EIGHTH ORDER OF BUSINESS**

**Consideration of Resolution 2019-06,  
Approving Proposed Budgets For Fiscal  
Year 2019/2020 and; Setting a Public  
Hearing Pursuant to Florida Law;  
Addressing Transmittal, Posting and  
Publication Requirements Addressing  
Severability; and Providing an Effective  
Date**

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Mr. Wrathell presented Resolution 2019-06. He reviewed the proposed Fiscal Year 2020 budget line items and compared it against the Fiscal Year 2019 budget.

Mr. Wrathell, Ms. Warren and Mr. Hahaj responded to questions, as follows:

80 ➤ Off-roll Assessments are direct billed and collected directly from the Landowners; off-  
81 roll assessments do not go through the Property Appraiser's office.

82 ➤ The Dissemination Agent is Wrathell, Hunt and Associates, LLC (WHA). Management,  
83 after working with the Developer in collecting data, is responsible for completing and uploading  
84 a Report, including other documents listed in the Dissemination Agreement, to the Electronic  
85 Municipal Mark Access (EMMA®) system.

86 Once the County receives and updates the assessment rolls, Mr. Hahaj wanted to have a  
87 meeting with Mr. Szymonowicz and Ms. Norsworthy so they can reconcile and match up what  
88 the Developer conveyed to the District.

89 ➤ An additional line item "Legal: litigation" was added to the proposed Fiscal Year 2020  
90 budget, which would be Developer-funded. During the Fiscal Year 2019 budget preparations,  
91 the District did not anticipate any litigation so no funds were assigned; subsequently, the  
92 District entered into a Developer Funding Agreement to fund the Fiscal Year 2019 litigation  
93 costs. The new line item allows District Counsel to separate the District's legal and litigation  
94 costs.

95 The followings changes would be made to the proposed Fiscal Year 2020 budget:

96 Page 5, Expenditures - Irrigation (potable): Delete "See attached schedule"

97 Page 4, Expenditures – Electricity: Reduce proposed cost by half.

98 Add Additional Line Items: "Unassigned Reserves" and "Disaster Recovery Fund"

99 Mr. Wrathell discussed several options for any excess fund balance. Assessments could  
100 be lowered or reserve funds could be designated to cover operating capital and for renewal or  
101 replacement. The advantage of reserve funds was that they could be used to cover costs  
102 associated with disaster relief, since it could take months for the District to receive any  
103 reimbursement funds from the Federal Emergency Management Agency (FEMA). For  
104 discussion, Ms. Sandy would prepare a policy to implement the correct mechanism for the  
105 District to collect payment from the Developer for the cost to repair infrastructure damaged by  
106 the Developer.

107 Mr. Wrathell was uncertain when the irrigation system would transition from potable to  
108 reclaimed water.

109 Mr. Wrathell reviewed the Assessment Tables, those showing bond debt were assigned  
110 only to those areas that were platted and sold. Compared to other markets, the debt  
111 assessment was lighter, appropriate and reasonable, without knowing the HOA dues and

112 consistent with what is being developed, in relation to the price points. The Board could chose  
113 to have operation and maintenance (O&M) costs isolated as a standalone item, as each phase  
114 of a development is completed, rather than assessing everything into one pot. This would be  
115 different than for Babcock Ranch CDD and, although they have parallel items to this District,  
116 Babcock Ranch CDD’s O&M costs are put into one pot. If WHA had been Babcock Ranch’s  
117 original District Manager, he would have recommended this model rather than the one Babcock  
118 Ranch CDD uses.

119 Mr. Rhodes asked if WHA’s internal audit cost system must be set up to ensure items  
120 are allocated correctly. Mr. Wrathell stated the framework that was created for this budget  
121 was set up after working with Mr. Hahaj and the Master Developers. When the next phase of  
122 development occurs, they can expand discussions on how to strategically view an area, as it  
123 relates to Wildlight, and have the ability to create its own “island”, for the purposes of  
124 assessments. Mr. Hahaj stated it was worth looking at how other larger Stewardship Districts  
125 approached assessments so they can make an educated decision. Mr. Wrathell stated the way  
126 it was set up for the District was more cutting edge than the way it has always been done,  
127 specifically with Babcock Ranch CDD and other older Districts. Structuring and modeling it this  
128 way makes it much simpler to defend in the future and allows it to grow with the development,  
129 such as when estate homes with higher price points that want a higher level of service versus  
130 other areas paying for costs associated with estate homes. As growth occurs, it enables the  
131 District to cater assessments to match each product type, rather than overburdening the  
132 existing tax payers.

133

**On MOTION by Mr. Hahaj and seconded by Mr. Hord, with all in favor, Resolution 2019-06, Approving Proposed Budgets For Fiscal Year 2019/2020 and; Setting a Public Hearing Pursuant to Florida Law for August 15, 2019 at 10:00 a.m., in the Nassau Room (T0126), Building T, at Florida State College, Nassau Center, 76346 William Burgess Boulevard, Yulee, Florida 32097; Addressing Transmittal, Posting and Publication Requirements Addressing Severability; and Providing an Effective Date, was adopted.**

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142

**NINTH ORDER OF BUSINESS**

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147

**Consideration of Advanced Acquisition Agreement for Phase 1 C Master Infrastructure (to be provided under separate cover)**

148 Mr. Brecht presented the Advanced Acquisition Agreement for Phase 1C Master  
149 Infrastructure associated with the District acquiring the public road coming off Wildlight  
150 Avenue, the roundabout and the stormwater systems associated with it.

151 Ms. Sandy stated the Agreement was similar to the one submitted a few years ago for  
152 Wildlight LLC. The Agreement enables the District to move forward and assume the ongoing  
153 O&M of certain infrastructure improvements as they are completed. It also allows the District  
154 to issue a series of bonds in the future to reimburse the party who paid costs up front to  
155 construct the master infrastructure but that is not a requirement. Before finalized, Ms. Sandy  
156 would confirm the ownership entities.

157

**On MOTION by Mr. Rhodes and seconded by Mr. Fancher, with all in favor, the  
Advanced Acquisition Agreement for Phase 1C Master Infrastructure, in  
substantial form and authorizing District Counsel to work with the Master  
Developer to finalize with the appropriate entities, and for the Chair or Vice  
Chair to execute the final version, was approved.**

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**TENTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial  
Statements as of March 31, 2019**

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167

168 Mr. Wrathell presented the Unaudited Financial Statements as of March 31, 2019.

169

**On MOTION by Mr. Rhodes and seconded by Mr. Hord, with all in favor, the  
Unaudited Financial Statements as of March 31, 2019, were accepted.**

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173

**ELEVENTH ORDER OF BUSINESS**

**Approval of Minutes**

174

175

176 Mr. Wrathell presented the March 29, 2019 and April 18, 2019 Regular Meeting  
177 Minutes.

**A. March 29, 2019 Regular Meeting**

179 Line 256: Change "140" to "240"

**B. April 18, 2019 Regular Meeting**

181 Mr. Rhodes referred to line 107 and asked for clarification of the legislation discussion  
182 about Landowners sitting as Board Members. Ms. Warren explained there was a provision in  
183 the Amendment stating Board Members would be unable to lobby on matters that would  
184 benefit their employer; however, when initiating a CDD, those Board Members typically are

185 representatives of the Landowner and employed by them. Mr. Wrathell stated Mr. Johnson  
186 was participating in the Rule Making process and hoped to have the verbiage structured so that  
187 it would not affect CDDs.

188 Line 110: Change "Conservation Districts" to "Community Developers"

189 Mr. Wrathell confirmed that the Executive Director of the Association of Florida  
190 Community Developers, Inc. (AFCD), Mr. Hunter, was retiring soon and the transition to Mr.  
191 Pierce was underway.

192

193 **On MOTION by Mr. Hahaj and seconded by Mr. Roach, with all in favor, the**  
194 **March 29, 2019 and April 18, 2019 Regular Meeting Minutes, as amended,**  
195 **were approved.**

196

197

198 **TWELFTH ORDER OF BUSINESS**

**Staff Reports**

199

200 **A. District Counsel: *Hopping Green & Sam, P.A.***

201 There being no report, the next item followed.

202 **B. District Engineer: *England-Thims & Miller, Inc.***

203 There being no report, the next item followed.

204 **C. District Manager: *Wrathell, Hunt and Associates LLC***

205 **i. 27 Registered Voters in District as of April 15, 2019**

206 The Nassau County Supervisor of Elections (SOE) office would be notified to correct the  
207 recent and all future correspondence, to refer to the District as East Nassau Stewardship  
208 District, rather than as a Community Development District.

209 **ii. NEXT MEETING: June 20, 2019 at 10:00 A.M.**

210 The next meeting would be held on June 20, 2019 at 10:00 a.m.

211

212 **THIRTEENTH ORDER OF BUSINESS**

**Board Members' Comments/Requests**

213

214 Mr. Rhodes asked for an update on the activity across the highway. Mr. Hahaj discussed  
215 the activity commencing soon, which was expected to double in the next few months, as  
216 follows:

217 ➤ Apartments were expected to be completed by the end of this year or early next year.

218 ➤ Various commercial properties on the eastern side, closest to A1A, were being  
219 constructed. A bank, day care center, medical building, hotel and Florida Public Utilities, etc.

220 ➤ Various tenants were already committed to filling the building just completed in the  
221 frontage of A1A.

222 ➤ There were no updates on the Central Project or whether the Department of  
223 Transportation (DOT) was opening any new access points.

224 ➤ A recreational community pool would open in July.

225 ➤ Builder purchased all the residential lots in Phase 1 A, closest to the Village Center and  
226 had sold about half to the general public. 324 units were associated with the bond issue and, of  
227 that, 84 were sold to builders. The pace was slower than what the builder projected; however,  
228 it had more to do with timing and delivery of the infrastructure and the price point being higher  
229 than the market.

230 Mr. Roach was concerned about having a quorum for the July and September meetings  
231 as there was the possibility he would not be at the July meeting and would definitely not be at  
232 the September meeting.

233

234 **FOURTEENTH ORDER OF BUSINESS**

**Public Comments**

235

236 There being no public comments, the next item followed.

237

238 **FIFTEENTH ORDER OF BUSINESS**

**Adjournment**

239

240 There being nothing further to discuss, the meeting adjourned.

241

242 **On MOTION by Mr. Rhodes and seconded by Mr. Roach, with all in favor, the**  
243 **meeting adjourned at 11:26 a.m.**

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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Secretary/Assistant Secretary

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Chair/Vice Chair

**EAST NASSAU  
STEWARDSHIP DISTRICT**

**12Ci**



June 5, 2019

Ms. Daphne Gilyard  
East Nassau Stewardship District  
2300 Glades Road, Suite 410W  
Boca Raton, FL 33431

RE: East Nassau Stewardship District

Dear Ms. Gilyard,

In response to your email received on June 5, 2019, please be advised that as of April 15, 2019, there were 27 registered voters within the boundaries of East Nassau Stewardship District.

Should you have questions, or if we can be of assistance to you in any way, please do not hesitate to contact us.

Sincerely,

Maria Pearson  
Candidate Coordinator

**EAST NASSAU  
STEWARDSHIP DISTRICT**

**12Cii**

**EAST NASSAU STEWARDSHIP DISTRICT  
BOARD OF SUPERVISORS  
FISCAL YEAR 2018/2019 MEETING DATES**

The Board of Supervisors of the East Nassau Stewardship District will hold their regular meetings for Fiscal Year 2018/2019 at Florida State College, Nassau Center, 76346 William Burgess Boulevard, Yulee, Florida 32097 on the third Thursday at 10:00 a.m., unless otherwise indicated, as follows:

October 18, 2018  
November 6, 2018 (*Landowners' Meeting*)  
November 15, 2018  
December 12, 2018  
January 17, 2019  
February 21, 2019 ( *canceled*)  
March 21, 2019 ( *canceled*)  
March 29, 2019 at 2:00 PM  
April 18, 2019  
May 16, 2019  
June 20, 2019  
July 18, 2019  
August 15, 2019  
September 19, 2019

The meetings are open to the public and will be conducted in accordance with the provision of Florida law. The meetings may be continued to a date, time, and place to be specified on the record at the meeting. A copy of the agenda for these meetings may be obtained from Wrathell, Hunt & Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 or by calling (561) 571-0010.

There may be occasions when one or more Supervisors or staff will participate by telephone. Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (561) 571-0010 at least 48 hours prior to the meeting. 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), for aid in contacting the District Office.

A person who decides to appeal any decision made at the meeting with respect to any matter considered at the meeting 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 such appeal is to be based.

District Manager