



Rizzetta & Company

Talavera Community Development District

Board of Supervisors Meeting June 16, 2021

**District Office:
5844 Old Pasco Road, Suite 100
Wesley Chapel, FL 33544**

813-994-1001

www.talaveracdd.org

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

Board of Supervisors	Betty Valenti David Griffin Marco Kremser Tawana Butler Lee Thompson	Chair Vice Chair Assistant Secretary Assistant Secretary Assistant Secretary
District Manager	Lynn Hayes	Rizzetta & Company, Inc.
District Counsel	Scott Steady	Burr Forman, PA
District Engineer	Tonja Stewart	Stantec Consulting

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 (813) 994-1001. 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.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT
District Office · Wesley Chapel, Florida (813) 944-1001
Mailing Address · 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614
www.TalaveraCDD.org

June 10, 2021

**Board of Supervisors
Talavera Community
Development District**

REVISED FINAL AGENDA

Dear Board Members:

The regular meeting of the Board of Supervisors of the Talavera Community Development District will be held on **Wednesday, June 16, 2021 at 6:00 p.m.** at the Talavera Amenity Center located at 185955 Rococo Road, Spring Hill, FL 34610. The following is the agenda for this meeting:

- 1. CALL TO ORDER/ROLL CALL**
- 2. AUDIENCE COMMENTS ON AGENDA ITEMS**
- 3. BUSINESS ADMINISTRATION**
 - A. Consideration of the Minutes of the Board of Supervisors Meeting held on May 19, 2021 Tab 1
 - B. Consideration of Operation & Maintenance Expenditures for May 2021 Tab 2
- 4. BUSINESS ITEMS**
 - A. Presentation of Solitude Aquatic Report Tab 3
 - B. Presentation of Field Inspection Report Tab 4
 - C. Presentation of Yellowstone Report Tab 5
 - D. Presentation of FY 2020 Audit Tab 6
 - E. Consideration of Resolution 2021-06, Placement of Structures Within an Easement Tab 7
 - F. Revocable License Agreement Regarding Easement Tab 8
 - G. Consideration of Resolution 2021-07, Parking Updates Tab 9
 - H. Consideration of WREC Street Lighting Agreements for Phase 1D and Phase 2A-1 and 2A-2 Tab 10
- 5. STAFF REPORTS**
 - A. District Counsel
 - B. District Engineer
 - C. Clubhouse Manager
 1. Presentation of Clubhouse Report Tab 11
 - D. District Manager
- 6. SUPERVISOR REQUESTS**
- 7. ADJOURNMENT**

We look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call us at (813) 994-1001.

Sincerely,
Lynn Hayes
District Manager

Tab 1

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.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of Talavera Community Development District was held on **Wednesday, May 19, 2021 at approximately 9:06 a.m.** at the offices of Rizzetta & Company, Inc. located at 5844 Old Pasco Road, Suite 100, Wesley Chapel, FL 33544.

Present and constituting a quorum:

Betty Valenti	Board Supervisor, Chair
Marco Kremser	Board Supervisor, Assistant Secretary <i>(via conf. call)</i>
Lee Thompson	Board Supervisor, Assistant Secretary
Tawana Butler	Board Supervisor, Assistant Secretary

Also present were:

Lynn Hayes	District Manager; Rizzetta & Company, Inc.
Jamie Stephens	Representative, Yellowstone Landscape <i>(via conf. call)</i>
Scott Steady	District Counsel, Burr Forman, PA <i>(via conf. call)</i>
AJ Larsen	Clubhouse Manager, Rizzetta & Company, Inc.,
Tonja Stewart	District Engineer; Stantec Consulting Services <i>(via online)</i>

FIRST ORDER OF BUSINESS

Call to Order

The meeting was called to order and roll call performed, confirming that a quorum was present.

SECOND ORDER OF BUSINESS

Audience Comments

On a Motion by Ms. Valenti, seconded by Mr. Thompson, with all in favor, the Board of Supervisors allowed Marco Kremser to participate and vote via conference call, for the Talavera Community Development District.

THIRD ORDER OF BUSINESS

**Consideration of the Audit Committee
Minutes of the Board of Supervisors
Meeting held on April 21, 2021**

Mr. Hayes presented the April 21, 2021 meeting minutes. There were no changes.

On a Motion by Ms. Valenti, seconded by Mr. Thompson, with all in favor, the Board of Supervisors approved the audit committee minutes of the Board of Supervisors meeting held on April 21, 2021, for the Talavera Community Development District.

FOURTH ORDER OF BUSINESS

**Consideration of the Minutes of the
Board of Supervisors Meeting held on
April 21, 2021**

On a Motion by Mr. Thompson, seconded by Ms. Valenti, with all in favor, the Board of Supervisors approved the minutes of the Board of Supervisors meeting held on April 21, 2021, for the Talavera Community Development District.

FIFTH ORDER OF BUSINESS

**Consideration of the Operation and
Maintenance Expenditures for April
2021**

Mr. Hayes presented the Operation and Maintenance Expenditures for April 2021.

On a Motion by Ms. Valenti, seconded by Ms. Butler, with all in favor, the Board of Supervisors ratified the Operation and Maintenance Expenditures for April (\$55,162.18) 2021 as presented, for the Talavera Community Development District.

SIXTH ORDER OF BUSINESS

**Presentation of Solitude Aquatic
Report**

Mr. Hayes presented the aquatic report and asked the Board if they had any questions. Ms. Valenti asked whether the landscaping company or aquatic company is responsible for maintaining the grounds around the structures in the report. Mr. Hayes indicated it is the Aquatic Vendor who is responsible for the maintenance.

SEVENTH ORDER OF BUSINESS

**Presentation of Field Inspection
Report**

Mr. Hayes presented the field inspection report dated May 11, 2021. Mr. Stephens provided his comments on the field inspection report.

EIGHTH ORDER OF BUSINESS

**Presentation of Yellowstone
Landscape Report**

Mr. Stephens presented the Yellowstone Landscape report.

NINTH ORDER OF BUSINESS

**Presentation of Yellowstone
Landscape Proposal**

The board tabled the proposal to install gold mound at the clubhouse path but are interested in obtaining a bid for Bahia sod.

TENTH ORDER OF BUSINESS

Discussion of Property in Easements

The board discussed this issue at length and determined that installing fences in easements are allowed as long as there are access points for maintenance. Mr. Kremser and Field Services will investigate the easements and Mr. Stephens will bring a map to identify the locations and provide this at the next board meeting. Mr. Steady will draft a resolution once a policy is established by the Board of Supervisors.

ELEVENTH ORDER OF BUSINESS

**Presentation of Fiscal Year 2021/2022
Proposed Budget**

Mr. Hayes presented the Fiscal Year 2021/2022 proposed budget to the board for their consideration.

On a Motion by Mr. Thompson, seconded by Ms. Valenti, with all in favor, the Board of Supervisors approved the Proposed Budget for Fiscal Year 2021-2022, for the Talavera Community Development District.

TWELFTH ORDER OF BUSINESS

**Consideration of Resolution 2021-05,
Approving Fiscal Year 2021/2022
Proposed Budget and Setting the
Public Hearing on the Final Budget**

On a Motion by Ms. Valenti, seconded by Mr. Thompson, with all in favor, the Board of Supervisors adopted Resolution 2021-05, Approving Fiscal Year 2021-2022 Proposed Budget and Setting the Public Hearing for August 18, 2021 at 6:00 p.m. at the Talavera Amenity Center located at 18955 Rococo Road, Spring Hill, FL 34610, for the Talavera Community Development District.

THIRTEENTH ORDER OF BUSINESS

**Consideration of Fiscal Year 2021-
2025 Audit Engagement Letter**

Mr. Hayes presented the Audit Engagement Letter to the Board.

On a motion by Ms. Valenti, seconded by Mr. Thompson, with all in favor, the Board of Supervisors accepted the Audit Engagement Letter, for the Talavera Community Development District.

FOURTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

No report

B. District Engineer

The District Engineer explained roadway signs and how they are determined and what standards are required by the county. Ms. Valenti and the District Engineer will add extra signs and complete a traffic survey.

C. Clubhouse Manager

Mr. Larsen provided his monthly report.

D. District Counsel

No report.

E. District Manager

Mr. Hayes confirmed the next meeting would be held on June 16, 2021 at 6:00 p.m. at the Talavera Amenity Center located at 18955 Rococo Road, Spring Hill, FL 34610. He also informed the Board that as of April 15, 2021 the Pasco County Supervisor of Elections reported 966 registered voters in the District.

FIFTEENTH ORDER OF BUSINESS

Supervisor Requests

There were no supervisor requests.

FOURTEENTH ORDER OF BUSINESS

Adjournment

On a Motion by Mr. Thompson, seconded by Ms. Valenti, with all in favor, the Board of Supervisors adjourned the meeting at 10:45 a.m. for Talavera Community Development District.

Assistant Secretary

Chairman / Vice Chairman

Tab 2

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

District Office · Wesley Chapel, Florida · (813) 994-1001

Mailing Address – 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614
www.talaveracdd.org

Operation and Maintenance Expenditures May 2021 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from May 1, 2021 through May 31, 2021. This does not include expenditures previously approved by the Board.

The total items being presented: **\$85,678.89**

Approval of Expenditures:

_____ Chairperson

_____ Vice Chairperson

_____ Assistant Secretary

Talavera Community Development District

Paid Operation & Maintenance Expenditures

May 1, 2021 Through May 31, 2021

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Brighthouse Networks	001504	077974101042221	18955 Rococo Rd 04/21	\$ 256.70
Britton Air, Inc.	001510	20694	A/C Repair 04/21	\$ 475.00
Burr & Forman, LLP	001498	1232857	General Legal Services 03/21	\$ 210.00
County Sanitation Service	001517	10502959	Recycling Services 04/21	\$ 7,382.76
County Sanitation Service	001511	10504975	Recycling Services 05/21	\$ 7,539.84
Crosscreek Environmental, Inc.	001499	8920	Geotextile Tube Installation - 30% Deposit 04/21	\$ 20,592.00
GEC Services LLC dba Office Pride	001519	Inv-19100	Janitorial Services 05/21	\$ 654.16
Lee R. Thompson	001523	LT051921	Board Of Supervisor Meeting 05/19/21	\$ 220.16
Marco Kremser	001518	MK051921	Board Of Supervisor Meeting 05/19/21	\$ 200.00

Talavera Community Development District

Paid Operation & Maintenance Expenditures

May 1, 2021 Through May 31, 2021

Vendor Name	Check Number	Invoice Number	Invoice Description	Invoice Amount
McDermitt Davis CPA	001512	49048	Auditing Services FY 20/21	\$ 4,200.00
MI Homes	001513	050721	Reimbursement For Payment Of Water Bill 05/21	\$ 1,158.22
Nvirotect Pest Control Services	001505	231944	Pest Control Treatment 04/21	\$ 70.00
Pasco County Property Appraiser	001500	040121	Non-Ad Valorem Assessment Fees FY 20/21	\$ 150.00
PC Consultants	001506	107435	Yearly Email Fee 05/21	\$ 81.00
Poop 911	001507	4248373	Monthly Cleaning 5 Pet Waste Stations 04/21	\$ 299.99
Rizzetta & Company, Inc.	001501	INV0000058133	District Management Fees 05/21	\$ 4,259.66
Rizzetta Amenity Services, Inc.	001508	INV00000000008008	Bi-Weekly Payroll 10/20	\$ 3,638.16
Rizzetta Amenity Services, Inc.	001508	INV00000000008430	Out of Pocket Expenses 12/20	\$ 181.42

Talavera Community Development District

Paid Operation & Maintenance Expenditures

May 1, 2021 Through May 31, 2021

Vendor Name	Check Number	Invoice Number	Invoice Description	Invoice Amount
Rizzetta Amenity Services, Inc.	001508	INV00000000008752	Bi-Weekly Payroll 04/21	\$ 2,931.83
Rizzetta Amenity Services, Inc.	001514	INV00000000008778	Out of Pocket Expenses 04/21	\$ 144.08
Rizzetta Amenity Services, Inc.	001520	INV00000000008802	Bi-Weekly Payroll 05/21	\$ 3,724.40
Rizzetta Technology Services, LLC	001502	INV0000007457	Website Hosting Services 05/21	\$ 100.00
Rust Off Inc.	001509	30355	Gallons RX-10 Chemical For Rust Control 04/21	\$ 508.30
Solitude Lake Management LLC	001521	PI-A00597432	Monthly Lake & Pond Services 05/21	\$ 1,294.00
Stantec Consulting Services, Inc.	001515	1784286	Engineering Services 04/21	\$ 1,739.50
Suncoast Pool Service	001522	7245	Pool Service 05/21	\$ 1,050.00
Talavera CDD	CD022	CD022	Debit Card Replenishment	\$ 54.09

Talavera Community Development District

Paid Operation & Maintenance Expenditures

May 1, 2021 Through May 31, 2021

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Tawana Butler	001516	TB051921	Board Of Supervisor Meeting 05/19/21	\$ 200.00
WREC	001524	WREC Electric Summary 04/21	Electric Summary 04/21	\$ 7,494.91
Yellowstone Landscape	001503	TM 215218	Irrigation Repairs 04/21	\$ 61.32
Yellowstone Landscape	001525	TM 215436	Monthly Landscape Maintenance 05/21	\$ 13,870.49
Yellowstone Landscape	001525	TM 220673	Landscape Maintenance 05/21	<u>\$ 936.90</u>
Report Total				<u>\$ 85,678.89</u>

Tab 3

SOLITUDE

LAKE MANAGEMENT



Talavera CDD Waterway Inspection Report

Reason for Inspection: Scheduled-recurring

Inspection Date: 06/03/2021

Prepared for:

District Manager
Rizzetta & Company
12750 Citrus Park Lane, Suite #115
Tampa, Florida 33625

Prepared by:

Peter Simoes, Account Representative/Biologist

Wesley Chapel Field Office
SOLITUDELAKEMANAGEMENT.COM
888.480.LAKE (5253)

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380A

Comments:

Normal growth observed

Tall herbaceous weeds noted with evidence of treatment following last month's visit. Minor algae and submersed weeds in open water.

Action Required:

Routine maintenance next visit

Target:

Surface algae



380B

Comments:

Site looks good

Exposed banks noted with normal growth of herbaceous plants. Open water looked good with minimal nuisance growth despite being shallow.

Action Required:

Routine maintenance next visit

Target:

Species non-specific



400

Comments:

Site looks good

Bank remediation project in progress. Very low clarity.

Action Required:

Routine maintenance next visit

Target:

Species non-specific



410

Comments:

Normal growth observed

Tall herbaceous weeds to be treated during our routine visits. Positive results expected within 14-21 days following herbicide application.

Action Required:

Routine maintenance next visit

Target:

Species non-specific



420

Comments:

Normal growth observed

Open water noted with minor sporadic algae, which is common in shallow areas during the warmer months.

Action Required:

Routine maintenance next visit

Target:

Species non-specific



430

Comments:

Normal growth observed

Very shallow. Normal growth of herbaceous weeds on exposed banks.

Action Required:

Routine maintenance next visit

Target:

Species non-specific



Site: 510**Comments:**

Site looks good

No issues observed during today's scheduled inspection.

Action Required:

Routine maintenance next visit

Target:

Species non-specific

**Site: 520****Comments:**

Normal growth observed

Minor pennywort extending from high-water mark. Slightly turbid.

Action Required:

Routine maintenance next visit

Target:

Species non-specific

**Site: S3****Comments:**

Scheduled-recurring

Positive treatment results noted targeting weeds in riprap area. Overall, looked good.

Action Required:

Routine maintenance next visit

Target:

Species non-specific



Site: S4**Comments:**

Site looks good
Continues to look good.

**Action Required:**

Routine maintenance next visit

Target:

Species non-specific

Management Summary

The waterway inspection for Talavera CDD was completed on June 3rd, 2021 for Ponds #380A, 380B, 400, 410, 420, 430, 510, 520, S3, and S4.

Pond #380A: Tall herbaceous weeds noted with evidence of treatment following last month's visit. Minor algae and submersed weeds in open water.

Pond #380B: Exposed banks noted with normal growth of herbaceous plants. Open water looked good with minimal nuisance growth despite being shallow.

Pond #400: Bank remediation project in progress. Very low clarity.

Pond #410: Tall herbaceous weeds to be treated during our routine visits. Positive results expected within 14-21 days following herbicide application.

Pond #420: Open water noted with minor sporadic algae, which is common in shallow areas during the warmer months.

Pond #430: Very shallow. Normal growth of herbaceous weeds on exposed banks.

Pond #510: No issues observed during today's scheduled inspection.

Pond #520: Minor pennywort extending from high-water mark. Slightly turbid.

Pond #S3: Positive treatment results noted targeting weeds in riprap area. Overall, looked good.

Pond #S4: Continues to look good.

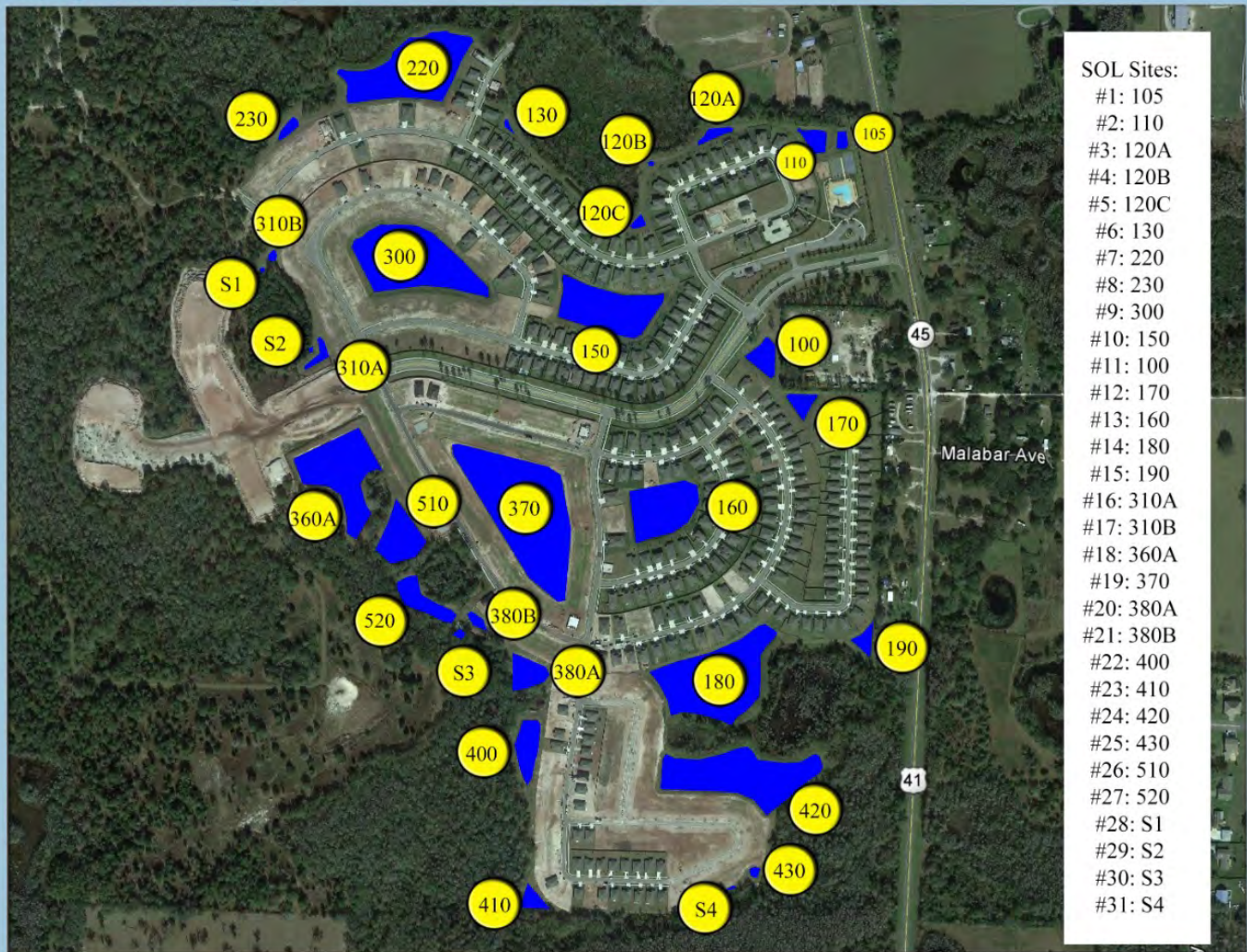
Thank you for choosing SOLitude Lake Management!

Site	Comments	Target	Action Required
380A	Normal growth observed	Surface algae	Routine maintenance next visit
380B	Site looks good	Species non-specific	Routine maintenance next visit
400	Site looks good	Species non-specific	Routine maintenance next visit
410	Normal growth observed	Species non-specific	Routine maintenance next visit
420	Normal growth observed	Species non-specific	Routine maintenance next visit
430	Normal growth observed	Species non-specific	Routine maintenance next visit
510	Site looks good	Species non-specific	Routine maintenance next visit
520	Normal growth observed	Species non-specific	Routine maintenance next visit
S3	Scheduled-recurring	Species non-specific	Routine maintenance next visit
S4	Site looks good	Species non-specific	Routine maintenance next visit

SOLITUDE
LAKE MANAGEMENT
A Pentakill Company
Restoring Balance. Enhancing Beauty.

Talavera CDD Spring Hill, Florida

Call 888.480.LAKE



Tab 4

TALAVERA

FIELD INSPECTION REPORT



May 27, 2021
Rizzetta & Company
Jason Liggett - Field Services Manager



Rizzetta & Company
Professionals in Community Management

SUMMARY & POOL HOUSE

General Updates, Recent & Upcoming Maintenance Event

- On June 4th we did a drive to identify the ROW and access points for the mowers. Marco to provide an update.
- Yellowstone to start the process of treating the turf weeds on Talavera Parkway. With recent rains and afternoon storms we are getting important watering.

The following are action items for Yellowstone. Please refer to the item # in your response listing action already taken or anticipated time of completion. **Red text** indicates deficient from previous report. **Bold Red text** indicates deficient for more than a month. **Green text** indicates a proposal has been requested. **Blue** indicates irrigation. **Bold and Underlined** indicates a board decision.

1. Let's start working on the turf weeds throughout the community. With recent rains we can begin this process.
2. Remove the dead from the African Iris throughout the property. This will create a cleaner look.
3. Throughout the property the newly installed trees both on the ponds and the common areas are showing signs of drought stress. The district currently have no contract with Yellowstone to fill these bags up. Yellowstone will have to provide pricing per the board's direction.
4. During the inspection we walked the new plantings on Conquistador Loop. This area has been cleaned back and wood lines cutback. We need to make sure we get this on the detail schedule.
5. Throughout the clubhouse Yellowstone to watch the recovery of the Saint Augustine turf from the recent droughts.



6. Yellowstone to treat the Saint Augustine around the Kids playground behind the amenity center. Improv the turf quality in the same area.
7. Continue to monitor the Feijoa on site it continue to show signs of improvements.

Talavera Parkway

8. Continue to push new growth in the Liriope and Aztec grass on Talavera Parkway. Would the board be opposed to Yellowstone providing pricing to replace some of these areas.
9. Make sure we are keeping the No mow areas at 6 inches for height by 1 Foot wide.



Tab 5



Jamie Stephens
Yellowstone Landscape

TALavera SITE AUDIT

Monday, June 7, 2021

Prepared For Talavera CDD

11 Issues Identified



OBSERVATION 1

Assigned To Bahia Grass

The recent rains has invigorated the Bahia throughout the community.



OBSERVATION 2

Assigned To Flortam Turf

The rain has also helped the flortam turf as well.



OBSERVATION 3

Assigned To Ponds

The ponds have filled up pretty good and the mowing is constant.



OBSERVATION 4

Assigned To Bahia

Another example of the Bahia responding to the rains.



OBSERVATION 5

Assigned To Mail Kiosks

This area is in front of the mail kiosks cars always park here and the turf is now mostly dirt. May be a good idea to install rock.



OBSERVATION 6

Assigned To Trees

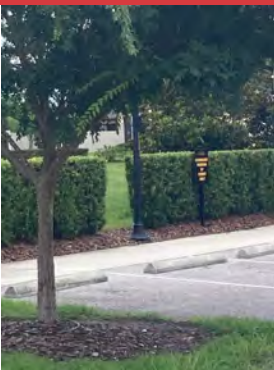
We have been lifting all trees weekly.



OBSERVATION 7

Assigned To Center Island

The plants are coming along nice in the raised bed.



OBSERVATION 8

Assigned To Trimming

The trimming is constant throughout the community.



OBSERVATION 9

Assigned To Clubhouse

The turf is doing much better at the clubhouse area.



OBSERVATION 10

Assigned To Bahia

OBSERVATION 11

Tab 6

To the Board of Supervisors
Talavera Community Development District

We have audited the financial statements of Talavera Community Development District (the "District") as of and for the year ended September 30, 2020, and have issued our report thereon dated May 19, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated October 14, 2020, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. There was no effect on beginning net position. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of depreciation is based on the estimated useful lives of the capital assets. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no identified misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated May 19, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

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



Orlando, Florida
May 19, 2021

TALavera COMMUNITY DEVELOPMENT DISTRICT

District Office · Wesley Chapel, Florida · (813) 994-1001
Mailing Address – 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614
www.talaveracdd.org

May 19, 2021

McDermitt Davis, LLC
934 North Magnolia Ave., Suite 100
Orlando, FL 32803

This representation letter is provided in connection with your audit of the governmental activities and each major fund of Talavera Community Development District as of September 30, 2020 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, and results of operations of the various opinion units of Talavera Community Development District in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of May 19, 2021.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated October 14, 2020 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- There is no summary of unrecorded misstatements since all adjustments proposed by the auditor, material and immaterial, have been recorded.

TALAVERA COMMUNITY DEVELOPMENT DISTRICT

District Office · Wesley Chapel, Florida · (813) 994-1001

Mailing Address – 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614

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- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- We have reviewed capital assets and infrastructure for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment, if necessary.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to nonattest services provided, drafting the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

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- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Talavera Community Development District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Talavera Community Development District is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70. *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the District will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Talavera Community Development District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

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Signed: *Haithyn Ballant*

Title: Manager, District Accounting Services

Financial Statements

September 30, 2020

**Talavera Community
Development District**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Talavera Community Development District

We have audited the accompanying financial statements of the governmental activities and each major fund of *Talavera Community Development District* (the "District"), as of and for the 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

The District's 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 to design audit procedures that are appropriate in the circumstances, but not for 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 and the respective budgetary comparison for the General Fund for the 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 starting on page 3, 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 a report dated May 19, 2021, on our consideration of the District's internal control over financial reporting and 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 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.

A handwritten signature in black ink that reads "McDiarmid Davis". The script is cursive and fluid.

Orlando, Florida
May 19, 2021

Our discussion and analysis of the *Talavera Community Development District's* (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2020. Please read it in conjunction with the District's Independent Auditor's Report, financial statements and accompanying notes.

This information is being presented to provide additional information regarding the activities of the District and to meet the disclosure requirements of Government Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999.

Financial Highlights

- The liabilities of the District exceeded its assets at September 30, 2020 by \$2,780,862, a decrease of \$469,105 in comparison with the prior year.
- At September 30, 2020, the District's governmental funds reported a combined fund balance of \$1,030,715, a decrease of \$38,999 in comparison with the prior year.

Overview of the Financial Statements

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

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 like a private-sector business.

The statement of net position presents information on all the District's assets and liabilities, with the difference between the two 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 revenues. The District does not have any business-type activities. The governmental activities of the District include general government, physical environment, roads and streets, and culture and recreation related 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.

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 outflows 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 government'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 three individual governmental funds. 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, debt service fund and capital projects fund, all of which are 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 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

Statement of Net Position

The District's net position was (\$2,780,862) at September 30, 2020. The following analysis focuses on the net position of the District's governmental activities.

	2020	2019
Assets, excluding capital assets	\$ 1,058,832	\$ 1,099,459
Capital Assets, net of depreciation	8,611,159	9,088,638
Total assets	9,669,991	10,188,097
Liabilities, excluding long-term liabilities	280,008	234,009
Long-term Liabilities	12,170,845	12,265,845
Total liabilities	12,450,853	12,499,854
Net Position:		
Net investment in capital assets	(3,162,323)	(2,779,605)
Restricted for:		
Debt service	191,998	380,701
Capital projects	23,962	23,972
Unrestricted	165,501	63,175
Total net position	\$ (2,780,862)	\$ (2,311,757)

The following is a summary of the District's governmental activities for the fiscal years ended September 30, 2020 and 2019.

Changes in Net Position

	2020	2019
Revenues:		
Program revenues	1,177,032	\$ 1,060,977
General revenues	8,060	1,053
Total revenues	1,185,092	1,062,030
Expenses:		
General government	94,314	356,127
Physical environment	831,350	788,300
Culture and recreation	120,529	117,712
Interest on long-term debt	608,004	443,358
Total expenses	1,654,197	1,705,497
Change in net position	(469,105)	(643,467)
Net position, beginning	(2,311,757)	(1,668,290)
Net position, ending	\$ (2,780,862)	\$ (2,311,757)

As noted above and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2020 was \$1,654,197. Most of these costs are comprised of physical environment expense and interest on long-term debt.

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2020, the District's governmental funds reported combined ending fund balances of \$1,030,715. Of this total, \$16,591 is nonspendable, \$865,214 is restricted, and the remainder of \$148,910 is unassigned.

The fund balance of the general fund increased by \$102,260 in the current year, this was primarily due to increased assessments in the current year. The debt service fund balance decreased by \$141,314, due to debt service payments. The capital projects fund balance increased by \$55 due to interest earnings.

General Fund Budgetary 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. There were no amendments to the September 30, 2020 general fund budget. The legal level of budgetary control is at the fund level.

Capital Asset and Debt Administration

Capital Assets

At September 30, 2020, the District had \$8,611,159 invested in infrastructure, net of accumulated depreciation. More detailed information about the District's capital assets is presented in the notes to financial statements.

Capital Debt

At September 30, 2020, the District had advances due to the developer of \$920,845 and had \$11,250,000 in bonds outstanding. More detailed information about the District's capital debt is presented in the notes to financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact the *Talavera Community Development District's* Finance Department at 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614.

FINANCIAL STATEMENTS

Talavera Community Development District
Statement of Net Position
September 30, 2020

	Governmental Activities
Assets:	
Cash	\$ 175,152
Accounts receivable	1,875
Prepaid costs	15,151
Deposits	1,440
Restricted assets:	
Temporarily restricted investments	865,214
Capital assets:	
Capital assets not being depreciated	5,866
Capital assets being depreciated, net	8,605,293
Total assets	9,669,991
Liabilities:	
Accounts payable and accrued expenses	23,050
Unearned revenue	5,067
Accrued interest payable	251,891
Noncurrent liabilities:	
Due within one year	100,000
Due in more than one year	12,070,845
Total liabilities	12,450,853
Net Position:	
Net investment in capital assets	(3,162,323)
Restricted for:	
Debt service	191,998
Capital projects	23,962
Unrestricted	165,501
Total Net Position	\$ (2,780,862)

Talavera Community Development District
Statement of Activities
Year Ended September 30, 2020

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 94,314	\$ 60,449	\$ -	\$ -	\$ (33,865)
Physical environment	831,350	532,835	-	-	(298,515)
Culture and recreation	120,529	77,250	-	-	(43,279)
Interest on long-term debt	608,004	506,498	7,449	171	(93,886)
Total governmental activities	\$ 1,654,197	\$ 1,177,032	\$ 7,449	\$ 171	(469,545)
General Revenues:					
Investment income					277
Miscellaneous					163
Total general revenues					440
Change in net position					(469,105)
Net position (deficit), beginning					(2,311,757)
Net position (deficit), ending					\$ (2,780,862)

Talavera Community Development District
Balance Sheet
Governmental Funds
September 30, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets:				
Cash	\$ 175,152	\$ -	\$ -	\$ 175,152
Investments	-	841,252	23,962	865,214
Accounts receivable	1,875	-	-	1,875
Prepaid costs	15,151	-	-	15,151
Deposits	1,440	-	-	1,440
Total assets	\$ 193,618	\$ 841,252	\$ 23,962	\$ 1,058,832
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	\$ 23,050	\$ -	\$ -	\$ 23,050
Unearned revenue	5,067	-	-	5,067
Total liabilities	28,117	-	-	28,117
Fund Balance:				
Nonspendable	16,591	-	-	16,591
Restricted for:				
Debt service	-	841,252	-	841,252
Capital projects	-	-	23,962	23,962
Unassigned	148,910	-	-	148,910
Total fund balances	165,501	841,252	23,962	1,030,715
Total liabilities and fund balances	\$ 193,618	\$ 841,252	\$ 23,962	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 8,611,159

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

Accrued interest payable	(251,891)	
Bonds payable	(12,170,845)	(12,422,736)
Net position of governmental activities		\$ (2,780,862)

Talavera Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Special assessments	\$ 670,534	\$ 506,498	\$ -	\$ 1,177,032
Investment and other income	440	7,449	171	8,060
Total revenues	670,974	513,947	171	1,185,092
Expenditures:				
Current:				
General government	94,314	-	-	94,314
Physical environment	353,871	-	-	353,871
Culture and recreation	120,529	-	-	120,529
Debt Service:				
Interest	-	560,377	-	560,377
Principal	-	95,000	-	95,000
Total expenditures	568,714	655,377	-	1,224,091
Excess (deficit) of revenues over expenditures	102,260	(141,430)	171	(38,999)
Other Financing Sources (Uses)				
Transfers In	-	116	-	116
Transfers Out	-	-	(116)	(116)
Total other financing sources (uses)	-	116	(116)	-
Net change in fund balances	102,260	(141,314)	55	(38,999)
Fund balances, beginning of year	63,241	982,566	23,907	1,069,714
Fund balances, end of year	\$ 165,501	\$ 841,252	\$ 23,962	\$ 1,030,715

Talavera Community Development District
**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**
Year Ended September 30, 2020

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

Net Change in Fund Balances - total governmental funds	\$ (38,999)
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Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources; however, in the statement of net position the cost of those assets is recorded as capital assets. Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.

Capital outlay	5,866	
Depreciation expense	<u>(483,345)</u>	(477,479)

Repayments of long-term liabilities are reported as expenditures in governmental funds, while repayments reduce long-term liabilities in the statement of net position.	95,000
---	--------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest	<u>(47,627)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (469,105)</u></u>

Talavera Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Special Assessments	\$ 669,104	\$ 669,104	\$ 670,534	\$ 1,430
Investment Income	-	-	440	440
Total revenues	669,104	669,104	670,974	1,870
Expenditures:				
Current:				
General government	115,767	115,767	94,314	21,453
Physical environment	407,837	407,837	353,871	53,966
Culture and recreation	110,500	110,500	120,529	(10,029)
Capital Outlay	35,000	35,000	-	35,000
Total expenditures	669,104	669,104	568,714	100,390
Excess (deficit) of revenues over expenditures	-	-	102,260	102,260
Net change in fund balance	-	-	102,260	102,260
Fund balance, beginning of year	63,241	63,241	63,241	-
Fund balance, end of year	\$ 63,241	\$ 63,241	\$ 165,501	\$ 102,260

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The *Talavera Community Development District*, (the "District") was established by the Board of County Commissioners of Pasco County Ordinance 06-33 enacted on October 24, 2006, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and the power to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure. The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors (the "Board"), which is composed of five members. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2020, all Board members are affiliated with M/I Homes ("Developer").

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 14, 39 and 61. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors 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.

Government-Wide and Fund Financial Statements

The 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 and 2) grants, contributions and investment income that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) operating-type special assessments that are treated as charges for services (including assessments for maintenance and debt service). Other items not included among program revenues are reported instead as *general revenues*.

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 recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 District 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, including debt service assessments and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. Operation and maintenance assessments are typically levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. Operation and maintenance special assessments are imposed upon all benefited lands located 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 all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The general fund, debt service fund and capital projects fund are considered to be major funds. The District reports the following governmental funds:

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.

Debt Service Fund

Accounts for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund

Accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

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, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Restricted Assets

These assets represent cash and investments set aside pursuant to bond covenants.

Deposits and Investments

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

Investments of the District are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The District's investments consist of investments authorized in accordance with Section 218.415, Florida Statutes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

All receivables are shown net of allowance for uncollectible accounts.

Prepaid Items

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, equipment and infrastructure assets (e.g., stormwater facilities, sidewalks and similar items), are reported in the applicable governmental activities column 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 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:

Assets	Years
Roadways	30
Recreational facilities	20
Landscape and hardscape	15
Sewer/wastewater system	20
Stormwater system	20
Furniture, fixtures, and equipment	7

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 over the life of the bonds using the straight-line method. Bond issuance costs are reported as expenses. Bonds payable are reported net of premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond 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 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. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2020.

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. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2020.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes fund balance amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the government that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has authorized the District Manager to assign amounts for specific purposes. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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.

New Accounting Standards

In fiscal year 2020, the District implemented Government Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of provisions in certain other statements. There was no effect on beginning balances of the District for implementation of this Statement.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District is required to establish a budgetary system and an approved annual budget for the General Fund. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at the fiscal year end. The legal level of budgetary control is at the fund level. Any budget amendments that increase the aggregate budgeted appropriations, at the fund level, must be approved by the Board of Supervisors.

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

1. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
2. A public hearing is conducted to obtain comments.
3. Prior to October 1, the budget is legally adopted by the District Board.
4. All budget changes must be approved by the District Board.
5. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The appropriation resolution authorizes District staff to initiate budget reclassifications.

NOTE 3 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 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

The District has the following recurring fair value measurements as of September 30, 2020:

- Money market mutual funds of \$865,214 are valued using Level 2 inputs.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

The District's investment policies are governed by State Statutes and the District Trust Indentures. The District investment policy allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the Florida Statutes. Authorized District investments include, but are not limited to:

1. The Local Government Surplus Funds Trust Fund (SBA);
2. Securities and Exchange Commission Registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency;
3. Interest-bearing time deposits or savings accounts in qualified public depositories;
4. Direct obligations of the U.S. Treasury.

Investments made by the District at September 30, 2020 are summarized below.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
First American Government Obligations Fund Y	<u>\$ 865,214</u>	AAAm	44 days

Credit Risk:

The District's investment policy limits credit risk by restricting authorized investments to those described. Investments in U.S. Government securities and agencies must be backed by the full faith and credit of the United States Government. Short term bond funds shall be rated by a nationally recognized ratings agency and shall maintain the highest credit quality rating.

Custodial Credit Risk:

In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2020, all of the District's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2020, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

The District's investment policy does not specify limits on the amount the District may invest in any one issuer.

Interest Rate Risk:

The District's investment policy does not specifically address interest rate risk; however, the general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of less than three months.

NOTE 4 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Infrastructure under construction	\$ -	\$ 5,866	\$ -	\$ 5,866
Total capital assets, not being depreciated	-	5,866	-	5,866
Capital Assets Being Depreciated:				
Roadways	4,243,718	-	-	4,243,718
Recreational facilities	1,258,790	-	-	1,258,790
Landscape and hardscape	898,044	-	-	898,044
Sewer/wastewater systems	675,247	-	-	675,247
Stormwater system	3,392,603	-	-	3,392,603
Water supply	192,118	-	-	192,118
Furniture, fixtures, and equipment	42,561	-	-	42,561
Total capital assets being depreciated	10,703,081	-	-	10,703,081
Less Accumulated Depreciation for:				
Roadways	(507,506)	(141,457)		(648,963)
Recreational facilities	(199,309)	(62,940)		(262,249)
Landscape and hardscape	(239,480)	(59,870)		(299,350)
Sewer/wastewater systems	(92,673)	(33,762)		(126,435)
Stormwater system	(541,336)	(169,630)		(710,966)
Water supply	(24,815)	(9,606)		(34,421)
Furniture, fixtures, and equipment	(9,324)	(6,080)		(15,404)
Total accumulated depreciation	(1,614,443)	(483,345)	-	(2,097,788)
Total capital assets being depreciated, net	9,088,638	(483,345)	-	8,605,293
Governmental activities capital assets, net	\$ 9,088,638	\$ (477,479)	\$ -	\$ 8,611,159

The infrastructure intended to serve the District has been estimated at a total cost of approximately \$30,665,530. The infrastructure will include road base and paving, storm sewer, force main, water distribution system, signalization, and engineering design/survey/permitting. In addition, the project includes infrastructure that will be operated by others. A portion of the project costs is expected to be financed with the proceeds from future bond proceeds and the remainder to be funded by the Developer. Upon completion, certain infrastructure is expected to be conveyed to others for ownership and maintenance responsibilities.

Depreciation expense for 2020 was charged to physical environment.

NOTE 5 LONG-TERM LIABILITIES

Special Assessment Revenue Bonds Series 2016 - Public Offering

In December 2016, the District issued \$3,405,000 of Capital Improvement Revenue Bonds Series 2016A-1 and \$3,330,000 of Capital Improvement Revenue Bonds, Series 2016A-3 (collectively referred to as the "Series 2016 Bonds"). The Series 2016 Bonds consist of multiple term Bonds with maturity dates ranging from May 1, 2018 – May 1, 2047 and interest rates ranging from 4.75% - 6.5%. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially, commencing May 1, 2018. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District.

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

The Series 2016 Bonds are subject to redemption at the option of the District prior to their maturity. Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occur as outlined in the Bond Indenture.

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 and to meet the reserve requirements. The District is in compliance with those requirements of the Bond Indenture at September 30, 2020.

The principal and interest remaining on the Series 2016 Bonds as of September 30, 2020 is \$13,697,450. For the year ended September 30, 2020, principal and interest paid was \$502,500 and total special assessment revenue pledged was \$506,498.

Special Assessment Revenue Bonds Series 2019 - Public Offering

In July 2019, the District issued \$4,705,000 of Capital Improvement Revenue Bonds Series 2019. The Series 2019 Bonds consist of multiple term Bonds with maturity dates ranging from May 1, 2025 – May 1, 2050 and interest rates ranging from 3.50% - 4.50%. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially, commencing May 1, 2022. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District.

The Series 2019 Bonds are subject to redemption at the option of the District prior to their maturity. Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occur as outlined in the Bond Indenture.

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 and to meet the reserve requirements. The District is in compliance with those requirements of the Bond Indenture at September 30, 2020.

The principal and interest remaining on the Series 2019 Bonds as of September 30, 2020 is \$8,637,445. For the year ended September 30, 2020, interest of \$152,877 was paid. No special assessment revenue was pledged.

Developer Advances

The Developer has advanced to the District a total of \$10,677,039 to fund infrastructure project that is ongoing in the District. In prior years the Developer was reimbursed \$5,813,638 from the Series 2016 Bonds thereby reducing the amounts owed. In 2019, the Developer was reimbursed \$3,942,556 from the Series 2019 Bonds further reducing the amounts owed. Accordingly, the total owed to the Developer is \$920,845 at September 30, 2020. The balance owed to the Developer is not included in the maturity schedule on the following page, since there are no specified repayment terms.

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Long-term debt activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Developer advances	\$ 920,845	\$ -	\$ -	\$ 920,845	\$ -
Bonds Payable:					
Series 2016A-1	3,310,000	-	(50,000)	3,260,000	55,000
Series 2016A-3	3,330,000	-	(45,000)	3,285,000	45,000
Series 2019	4,705,000	-	-	4,705,000	-
Governmental activity long-term liabilities	\$ 12,265,845	\$ -	\$ (95,000)	\$ 12,170,845	\$ 100,000

At September 30, 2020, the scheduled debt service requirements on the bonds payable were as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2021	\$ 100,000	\$ 604,538
2022	190,000	599,001
2023	200,000	590,162
2024	210,000	580,912
2025	220,000	571,163
2026-2030	1,290,000	2,679,380
2031-2035	1,675,000	2,303,232
2036-2040	2,210,000	1,791,057
2041-2045	2,930,000	1,097,625
2046-2050	2,225,000	267,825
	\$ 11,250,000	\$ 11,084,895

NOTE 6 CONCENTRATION

The Developer owns a 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 the developer.

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 7 MANAGEMENT COMPANY

The District has contracted with a management company to perform management services, which include financial and accounting services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

NOTE 8 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. These risks are covered by commercial insurance from independent third parties. The District has not filed any claims under this commercial coverage during the last three years.

COMPLIANCE SECTION

**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
Talavera Community Development District

We have audited, 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, the financial statements of the governmental activities and each major fund of the *Talavera Community Development District* (the "District") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements and have issued our report thereon dated May 19, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting 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, 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McDermitt Davis

Orlando, Florida
May 19, 2021

MANAGEMENT LETTER

Board of Supervisors
Talavera Community Development District

We have audited the financial statements of the *Talavera Community Development District* (the "District"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated May 19, 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 Compliance and Other Matters Based on an Audit of 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 May 19, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

Financial Condition and Management

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

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

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 did not note any 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.

A handwritten signature in black ink that reads "McDiarmid Davis". The script is cursive and fluid, with the first name "McDiarmid" written in a slightly larger and more prominent hand than the last name "Davis".

Orlando, Florida
May 19, 2021



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

Board of Supervisors
Talavera Community Development District

We have examined *Talavera Community Development District's* (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the 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 and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides 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 year ended September 30, 2020.

McDermitt Davis

Orlando, Florida
May 19, 2021

Tab 7

RESOLUTION 2021-06

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TALAVERA COMMUNITY DEVELOPMENT DISTRICT ADOPTING A POLICY TO GRANT LICENSES OVER DRAINAGE AND INGRESS/EGRESS EASEMENTS.

WHEREAS, the Talavera Community Development District (hereinafter the “**District**”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes, being situated entirely within Pasco County; and

WHEREAS, to the extent the District has an interest in the platted Drainage and Ingress/Egress Easements within the various plats recorded within Talavera (“Easements”), the District shall grant a License Agreement to place a fence within the Easements as provided herein.

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF SUPERVISORS OF THE TALAVERA COMMUNITY DEVELOPMENT DISTRICT:

Section 1. A property owner abutting an Easement that wishes to place a fence along their property boundary, but within the Easement, shall submit a short written request to the District Manager providing the following information:

1. Name and address and email address of the property owner.
2. Legal description of their lot.
3. Detailed description of the location of an alternate access point to the applicable pond, drainage facility, easement, area, etc.

Section 2. In the District’s complete discretion, the District may grant or deny the request. Under no circumstances shall the District grant a license when an alternate access to a District facility (i.e., pond, drainage facility, etc.) is not available.

Section 3. If the request is granted, then the District shall grant a Revocable License in the form attached hereto as Exhibit “A.” The Revocable License shall be recorded and shall be binding and shall run with the land.

[Signature page follows.]

PASSED AND ADOPTED THIS __ DAY OF _____, 2021.

**TALAVERA COMMUNITY
DEVELOPMENT DISTRICT:**

Secretary/Assistant Secretary

Print Name: _____

Chair/Vice Chair

Print Name: _____

Tab 8

REVOCABLE LICENSE AGREEMENT

THIS REVOCABLE LICENSE AGREEMENT (the "Agreement") is made and entered into this ____ day of _____, 2021 (the "Effective Date"), by and between the Talavera Community Development District, a Chapter 190 F.S. special purpose government entity, with an address of _____, Florida _____ ("Licensor") and _____ with an address of _____, Florida _____ ("Licensee")

RECITALS

A. Licensor is the owner of a Drainage and Ingress/Egress Easement which encumbers the Licensee's property as provided below ("Easement"); and

B. Licensee owns the lot which legal description is described in Exhibit "A" attached hereto.

NOW, THEREFORE, for and in consideration of the sum of TEN DOLLARS (\$10) and other good and valuable consideration paid in hand each to the other simultaneously with the execution of these presents, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto covenant and agree as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by reference.

2. Grant of License. Licensor does hereby grant, and Licensee hereby accepts, a non-exclusive revocable license to erect and maintain a fence within the Easement. In the event the District needs temporary access to the Easement, the District shall provide 14 calendar days written notice to the Licensee, that the fence will need to be removed until such time as the District no longer requires access. The Licensee shall be responsible to reinstall the removed fence. In the event the Licensee does not remove the fence, then the District shall remove the fence and any costs associated with such removal may be added to the Licensee's District's Operation and Maintenance assessment.

3. Term. The term of this Agreement shall commence on the Effective Date and shall expire twenty (20) years later (the "Term"). Notwithstanding any other provision in this Agreement to the contrary, the Licensor may in its sole discretion, unilaterally cancel this Agreement in its entirety pursuant to paragraph 7 below.

4. Maintenance and Repair. Licensee shall maintain in good condition and repair, the fence within the Easement. No other improvements or structures within the Easement shall be permitted.

5. Indemnification. Licensee will defend, reimburse and hold harmless Licensor, and its officers, directors, employees, agents and servants, from and against any and all claims, actions, suits, proceedings, demands, judgments, damages, losses, obligations, liabilities, costs and expenses (including fees and expenses of attorneys and consultants) (collectively, "**Claims**") in connection with loss of life, bodily injury and/or damage to property arising from or out of any occurrence in, upon the Easement, except to the extent caused by the intentional misconduct or negligent act or omission of Licensor, its agents employees or servants.

6. Attorney Fees. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of alleged dispute, breach, default, claim or misrepresentation arising out of or in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney and paralegal fees, court costs, and costs of experts and investigation, whether at trial, upon appeal, or during investigation by such prevailing party in prosecuting such claim or establishing such defense and other reasonable costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

7. Termination. This Agreement is terminable at the will of Licensor at its sole discretion upon ninety (90) days written notice sent to Licensee's address as set forth above.

8. Controlling Law. The terms of this Agreement shall be construed and governed in accordance with the internal laws, but not the laws of conflicts, of the State of Florida. Each party (on behalf of itself and the future owners of its property and their respective heirs, grantees, transferees, legal representatives, successors and assigns, as applicable) hereto consents that the

only proper jurisdiction and venue shall be the state courts in Pasco County, Florida, for a resolution of all disputes arising out of the construction, interpretation or enforcement of any term or provision of this Agreement, and each party (on behalf of itself and the future owners of its property and their respective heirs, grantees, transferees, legal representatives, successors and assigns, as applicable) hereby waives the claim or defense that such courts constitute an inconvenient forum.

9. Headings. Headings in this Agreement or in the Exhibits which are made a part of this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

10. Severability. In the event any provision hereof shall be finally determined by a court to be invalid or unenforceable, the remaining provisions hereof shall remain in full force and effect.

11. Notices. Unless otherwise expressly agreed herein, all notices, requests, and demands to or upon the parties (and the future owners and their respective heirs, grantees, transferees, legal representatives, successors and assigns) shall be deemed to have been given and made when delivered to the addresses as shown in the preamble to this Agreement or such other address as may be hereafter designated in writing by one party to the other either: 1) by hand delivery or by courier service, or 2) the day after the notice is delivered to a nationally recognized overnight delivery service for overnight delivery.

12. WAIVER OF JURY TRIAL. NO PARTY TO THIS AGREEMENT, NOR THEIR RESPECTIVE HEIRS, GRANTEES, TRANSFEREES, LEGAL REPRESENTATIVES, SUCCESSORS AND/OR ASSIGNS, AS APPLICABLE, SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS AGREEMENT. NONE OF THE FOREGOING WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER PARTY HAS IN ANY WAY

AGREED WITH OR REPRESENTED TO THE OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

13. Recording. This Agreement shall be recorded in the public records of Pasco County, Florida and shall run with the land and be binding on successors and assigns.

14. Execution and Counterparts. To facilitate execution, the parties agree that this Agreement may be executed and telecopied or e-mailed to the other party and that the executed telecopy or electronic copy (including pdf) shall be binding and enforceable as an original. This Agreement may be executed in as many counterparts as may be required and it shall not be necessary that the signature of, or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart; it shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on one or more of such counterparts. All counterparts shall collectively constitute a single Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in manner and form sufficient to be bound, as of the date set forth above.

Licensor:

TALAVERA COMMUNITY DEVELOPMENT
DISTRICT

By: _____

Name: _____

Title: _____

Licensee:

Name: _____

EXHIBIT "A"

Legal Description

(See attached)

Tab 9

RESOLUTION 2021-07

A RESOLUTION OF THE TALAVERA COMMUNITY DEVELOPMENT DISTRICT BOARD OF SUPERVISORS ASSIGNING PARKING RESTRICTIONS AND ENFORCEMENT WITHIN THE TALAVERA COMMUNITY DEVELOPMENT DISTRICT TO THE TALAVERA MASTER ASSOCIATION, ADOPTING A NEW EXHIBIT “A” TO THE DISTRICT’S PARKING RULE, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Talavera Community Development District (the “**District**”) is a local unit of special-purpose government organized and existing in accordance with Chapter 190, Florida Statutes, owns and maintains certain common areas located within the boundaries of the District; and

WHEREAS, the District has established parking restrictions on District owned common areas pursuant to Resolution 2018-02 and the associated Rule relating to parking and parking enforcement (the “**Rule**”); and

WHEREAS, the Talavera Master Association (“**Association**”) is a Homeowners’ Association that operates within the District and has certain applicable covenants and restrictions recorded on all property within the District (“**Homeowners’ Document**”) that limits/restricts parking vehicles on the roadways within the District; and

WHEREAS, Section 4(A) of the Rule provides the Board of Supervisors may revise Exhibit “A” to the Rule by adopting a resolution.

NOW, THEREFORE, be it resolved, by the Board of Supervisors of the Talavera Community Development District as follows:

Section 1. Authority for this Resolution. This Resolution is adopted pursuant to Chapter 190, Florida Statutes.

Section 2. The District hereby grants the Association the authority to enforce the parking restrictions within the Tow-Away Zones provided for in the Rule to the extent authorized in the Homeowners’ Document.

Section 3. The District retains the authority relating to Parking and Parking Enforcement as provided for in the Rule.

Section 4. The District adopts Exhibit “A” attached hereto as the new Exhibit “A” to the Rule.

Section 5. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board.

PASSED AND ADOPTED THIS __ DAY OF _____, 2021.

Attest:

**TALavera COMMUNITY
DEVELOPMENT DISTRICT:**

Secretary/Assistant Secretary

Print Name: _____

Chair/Vice Chair

Print Name: _____

Tab 10

STREET/OUTDOOR LIGHTING AGREEMENT
(New Lighting)

THIS STREET/OUTDOOR LIGHTING AGREEMENT (together with any and all appendices, addenda, exhibits and schedules attached hereto, this "Agreement"), effective as of the 16 day of April 2021, by and between **Withlacoochee River Electric Cooperative, Inc.**, a non-profit Florida corporation, with a principal place of business at PO Box 278, Dade City, Florida 33526-0278 ("WREC"), and Talavera Community District, whose address is 12750 Citrus Park Lane, Suite 115 Tampa, Florida 33625 ("Customer").

WITNESSETH:

WHEREAS, Customer is in possession of the real property located at Talavera 1D and more particularly described in Exhibit A attached hereto (the "Property"); and

WHEREAS, Customer desires WREC to construct, maintain and operate a street lighting system as more particularly described in Exhibit B attached hereto (the "System") on the Property.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. SCOPE OF SERVICES

(a) Pursuant to the terms of this Agreement and WREC's current rules and regulations, WREC shall construct, maintain, and operate the System as shown on the maps, drawings and specifications attached hereto in Exhibit B and furnish all of the electric power and energy necessary for the operation of the System on the Property.

(b) WREC, whenever it shall find it necessary for the purpose of making repairs upon or improvements in any part of its electric transmission or distribution lines or equipment, shall have the right to suspend temporarily service to the System, but in all such cases reasonable notice thereof shall be given to the Customer, if circumstances permit, and the making of repairs and improvements shall be prosecuted as rapidly as may be practicable.

(c) The Customer shall grant to WREC all permits, franchises, or authority including a free and continuous right-of-way, necessary to construct, operate, and maintain the System in the streets of or upon the Property.

(d) The Customer shall become a member of WREC, shall pay the membership fee and be bound by the provisions of the Articles of Incorporation and By-laws of WREC and by such rules and regulations as may from time to time be adopted by WREC. In the event there is a conflict between the terms and conditions of this Agreement and WREC's By-laws or any rule or regulation adopted by WREC, the term and conditions of this Agreement shall prevail.

2. TERM; TERMINATION

(a) This Agreement shall become effective on the date first written above and shall remain in effect until five (5) years following the start of the initial billing period and thereafter until terminated by either party giving to the other twelve (12) months' notice in writing. In addition, WREC shall have the right to terminate this Agreement pursuant to WREC's Service Rules and Regulations and WREC's Articles of Organization and By-laws.

(b) Upon termination of this Agreement in any manner, WREC shall have the right to remove from the Property any equipment which WREC may have installed to provide service hereunder.

3. SYSTEM MALFUNCTIONS

(a) It shall be the Customer's responsibility to notify WREC in the event of failure of a lighting unit within the System. WREC assumes no responsibility to inspect any lighting units within the System to determine whether they were properly functioning until after such time that WREC has been notified that a unit has malfunctioned. Moreover, if an alleged outage notification is not logged into WREC's reporting registry, it is presumed that no call was ever placed by the Customer and that no outage report was received by WREC.

(b) WREC will normally repair a malfunctioning or inoperative streetlight or lighting unit within 60 days of receiving notification that the light has malfunctioned. However, the repair may take up to 180 days, and may take longer than 180 days if the customer causes a delay. Further, WREC may require 365 days or longer to repair or to replace the light in the event of a declared state of emergency or natural disaster.

4. DISCLAIMER; LIMITATION OF LIABILITY; INDEMNIFICATION

(a) WREC shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through act of God, governmental authority, action of the elements, public enemy, accident, strikes, labor trouble, required maintenance work, inability to secure right-of-way, or any other cause beyond the reasonable control of WREC, WREC shall not be liable for damages caused thereby.

(b) The Customer is responsible for all aspects of the design of the System's lighting plan. WREC has not conducted any study regarding the application of a particular lighting unit for the Customer's lighting needs and WREC assumes no responsibility for the adequacy or appropriateness of the System's lighting unit. Furthermore, WREC makes no warranties as to the adequacy, sufficiency or appropriateness of the System's lighting for purposes of safety, security or other illumination. It is the Customer's responsibility to select the size, style and location of the lighting units and to monitor whether the lighting units that they have requested from WREC are adequate for the Customer's particular needs. It also is the Customer's responsibility to request that WREC change any aspect of the lighting unit within the System if the unit is not adequate for the Customer's needs. The Customer must pay for any appropriate charges and fees for any requested changes.

(c) WREC does not guarantee continuous lighting within the System and will not be liable to any person or entity for damages related to any interruption, deficiency or failure of a light. WREC will use normal industry practices to attempt to furnish reliable electrical energy to the System and will repair the System after notification, but WREC does not and cannot guarantee 100% reliability. WREC reserves the right to interrupt service to the System or a lighting unit within the System at any time for necessary repairs to lines or equipment.

(d) Customer herewith indemnifies and holds harmless WREC from any and all liability or damage that WREC or any other person or entity may suffer as a result of, or in any way relating to or arising out of, the design or operation of the System, including, but not limited to, the appropriateness of the System or the illumination of any lighting unit within the System to provide safety or security to third parties.

5. TERMS OF PAYMENT

(a) The initial billing period shall start when the Customer begins using electric power and energy, or ten (10) days after WREC notifies the Customer in writing that the System is available hereunder, whichever shall occur first.

(b) The Customer shall pay WREC pursuant to WREC's current rules and regulations adopted by WREC for the System and all electricity furnished hereunder. If the Customer shall fail to make any such payment within the time period provided in WREC's current rules and regulations, WREC may discontinue service to the Customer upon giving ten (10) days' written notice to the Customer of its intention so to do, provided, however, that nothing herein contained shall relieve the Customer of its obligation to receive electrical service in accordance with the provisions of this Agreement.

(c) The Customer agrees that the rates charged for street lighting shall be those rates specified in the WREC's Rate Schedule "AL" attached hereto as Exhibit C, which may be adjusted from time to time in WREC's sole and absolute discretion. Such adjusted rate schedules shall be on file with the Florida Public Service Commission. Customer shall provide WREC with cash, a bond or letter of credit to secure the payment of the total amount of fixture and pole charges that remain owed to WREC in the event this Agreement is terminated within five (5) years of the start of Customer's initial billing period.

(d) Transfer of fixtures from one location to another on the Property at the request of the Customer shall be at the expense of the Customer. All charges hereunder are subject to Florida State Sales Tax unless Customer is exempt therefrom. Replacement of lamps, glassware and accessory equipment willfully or maliciously broken by persons unknown shall be paid for by the Customer at WREC's replacement cost.

6. ASSIGNMENT

No party may assign this Agreement or any of its rights and obligations hereunder without the prior written consent of the other party; any such attempted assignment shall be null and void.

7. SUCCESSORS

This Agreement binds the heirs, executors, administrators, successors and assigns of the respective parties with respect to all covenants herein, and cannot be changed except by written agreement signed by both parties.

8. SURVIVAL

The provisions of this Agreement which by their nature are intended to survive, shall survive completion, expiration, recession or termination of this Agreement.

9. GOVERNING LAW

The validity of this Agreement, the construction and enforcement of its terms and the interpretation of the rights and duties of the parties hereto shall be governed by the laws of the State of Florida, without regard to its conflict of laws principles.

10. SEVERABILITY

In the event any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal or unenforceable provision(s) shall be replaced by a mutually acceptable provision(s), which being valid, legal and enforceable, comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision(s).

11. HEADINGS

The headings in this Agreement are for purposes of reference only and shall not in any way limit or otherwise affect the meaning or interpretation of any of the terms hereof.

12. COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same instrument.

13. MODIFICATION, AMENDMENT, SUPPLEMENT OR WAIVER

(a) No modification, amendment, supplement to or waiver of this Agreement or any of its provisions shall be binding upon the parties hereto unless made in writing and duly signed by the party against whom enforcement thereof is sought.

(b) A failure or delay of any party to this Agreement to enforce at any time any of the provisions of this Agreement or to exercise any option which is herein provided, or to require at any time performance of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions of this Agreement.

14. ENTIRETY OF AGREEMENT

This Agreement together with all appendices, exhibits, schedules, attachments and addenda attached hereto constitute the entire agreement between the parties and supersedes all previous agreements, promises, representations, understandings and negotiations, whether written or oral, between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto, through their duly authorized officers, have executed this Agreement as of the day and year first set forth above.

CUSTOMER

Betty Valenti
Signature

BETTY VALENTI
Printed Name of Customer

Chairman
Title

June 9, 2021
Date

**WITHLACOOCHIE RIVER
ELECTRIC COOPERATIVE, INC.**

Signature

Jeff Ratliff Engineering Technician
Printed Name and Title

EXHIBIT A

[Insert legal description of the Property]

Legal Description

04-25-18-0000-00800-0011

Assessed in Section 04, Township 25 South, Range 18 East
of Pasco County, Florida

THAT POR OF THE FOLLOWING DESC LYING NORTH OF TALAVERA
PHASE 1C PB 82 PG 20; SOUTH 1/2 OF NE1/4 LESS E 521 FT OF S 417
FT OF SE1/4 OF NE1/4 & NE1/4 OF NW 1/4 & S 1/2 OF NW1/4 & S 1/2
OF SEC LESS W 50 FT OF THAT PT OF SW 1/4 OF NW1/4 LYING N OF
R/W SCL & LESS W 50 FT OF THAT PT OF SW1/4 LYING S OF R/W SCL
RR & LESS THOSE PORS CONVEYED TO PASCO CO PER OR 9090 PG
312 & LESS POR OF 2015 NS 0010 LYING WITHIN & LESS TALAVERA
PHASE 1A-2 PB 73 PG 89 LESS THAT POR OF 2017 NS 0040 LYING
WITHIN TALAVERA PHASE 1A-3 PB 74 PG 95 LESS THAT POR OF 2018
NS 0050 LYING WITHIN TALAVERA PHASE 1B-1 PB 76 PG 68 & LESS
THAT POR OF 2019 NS 0060 LYING WITHIN LESS THAT POR LYING
WITHING TALAVERA PHASE 1C PB 82 PG 20

EXHIBIT B

<u>Type</u>	<u>Description</u>	<u>Quantity</u>
212	LED Classic – Post Top	17
960	12' Wadsworth Aluminum Pole	17

EXHIBIT C

<u>Type</u>	<u>Description</u>	<u>Rate</u>
212	LED Classic – Post Top	21.50
960	12' Wadsworth Aluminum	10.00

STREET/OUTDOOR LIGHTING AGREEMENT
(New Lighting)

THIS STREET/OUTDOOR LIGHTING AGREEMENT (together with any and all appendices, addenda, exhibits and schedules attached hereto, this "Agreement"), effective as of the 16 day of April 2021, by and between **Withlacoochee River Electric Cooperative, Inc.**, a non-profit Florida corporation, with a principal place of business at PO Box 278, Dade City, Florida 33526-0278 ("WREC"), and Talavera Community District, whose address is 12750 Citrus Park Lane, Suite 115 Tampa, Florida 33625 ("Customer").

WITNESSETH:

WHEREAS, Customer is in possession of the real property located at Talavera 2A-1/2A-2 and more particularly described in Exhibit A attached hereto (the "Property"); and

WHEREAS, Customer desires WREC to construct, maintain and operate a street lighting system as more particularly described in Exhibit B attached hereto (the "System") on the Property.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. SCOPE OF SERVICES

(a) Pursuant to the terms of this Agreement and WREC's current rules and regulations, WREC shall construct, maintain, and operate the System as shown on the maps, drawings and specifications attached hereto in Exhibit B and furnish all of the electric power and energy necessary for the operation of the System on the Property.

(b) WREC, whenever it shall find it necessary for the purpose of making repairs upon or improvements in any part of its electric transmission or distribution lines or equipment, shall have the right to suspend temporarily service to the System, but in all such cases reasonable notice thereof shall be given to the Customer, if circumstances permit, and the making of repairs and improvements shall be prosecuted as rapidly as may be practicable.

(c) The Customer shall grant to WREC all permits, franchises, or authority including a free and continuous right-of-way, necessary to construct, operate, and maintain the System in the streets of or upon the Property.

(d) The Customer shall become a member of WREC, shall pay the membership fee and be bound by the provisions of the Articles of Incorporation and By-laws of WREC and by such rules and regulations as may from time to time be adopted by WREC. In the event there is a conflict between the terms and conditions of this Agreement and WREC's By-laws or any rule or regulation adopted by WREC, the term and conditions of this Agreement shall prevail.

2. TERM; TERMINATION

(a) This Agreement shall become effective on the date first written above and shall remain in effect until five (5) years following the start of the initial billing period and thereafter until terminated by either party giving to the other twelve (12) months' notice in writing. In addition, WREC shall have the right to terminate this Agreement pursuant to WREC's Service Rules and Regulations and WREC's Articles of Organization and By-laws.

(b) Upon termination of this Agreement in any manner, WREC shall have the right to remove from the Property any equipment which WREC may have installed to provide service hereunder.

3. SYSTEM MALFUNCTIONS

(a) It shall be the Customer's responsibility to notify WREC in the event of failure of a lighting unit within the System. WREC assumes no responsibility to inspect any lighting units within the System to determine whether they were properly functioning until after such time that WREC has been notified that a unit has malfunctioned. Moreover, if an alleged outage notification is not logged into WREC's reporting registry, it is presumed that no call was ever placed by the Customer and that no outage report was received by WREC.

(b) WREC will normally repair a malfunctioning or inoperative streetlight or lighting unit within 60 days of receiving notification that the light has malfunctioned. However, the repair may take up to 180 days, and may take longer than 180 days if the customer causes a delay. Further, WREC may require 365 days or longer to repair or to replace the light in the event of a declared state of emergency or natural disaster.

4. DISCLAIMER; LIMITATION OF LIABILITY; INDEMNIFICATION

(a) WREC shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through act of God, governmental authority, action of the elements, public enemy, accident, strikes, labor trouble, required maintenance work, inability to secure right-of-way, or any other cause beyond the reasonable control of WREC, WREC shall not be liable for damages caused thereby.

(b) The Customer is responsible for all aspects of the design of the System's lighting plan. WREC has not conducted any study regarding the application of a particular lighting unit for the Customer's lighting needs and WREC assumes no responsibility for the adequacy or appropriateness of the System's lighting unit. Furthermore, WREC makes no warranties as to the adequacy, sufficiency or appropriateness of the System's lighting for purposes of safety, security or other illumination. It is the Customer's responsibility to select the size, style and location of the lighting units and to monitor whether the lighting units that they have requested from WREC are adequate for the Customer's particular needs. It also is the Customer's responsibility to request that WREC change any aspect of the lighting unit within the System if the unit is not adequate for the Customer's needs. The Customer must pay for any appropriate charges and fees for any requested changes.

(c) WREC does not guarantee continuous lighting within the System and will not be liable to any person or entity for damages related to any interruption, deficiency or failure of a light. WREC will use normal industry practices to attempt to furnish reliable electrical energy to the System and will repair the System after notification, but WREC does not and cannot guarantee 100% reliability. WREC reserves the right to interrupt service to the System or a lighting unit within the System at any time for necessary repairs to lines or equipment.

(d) Customer herewith indemnifies and holds harmless WREC from any and all liability or damage that WREC or any other person or entity may suffer as a result of, or in any way relating to or arising out of, the design or operation of the System, including, but not limited to, the appropriateness of the System or the illumination of any lighting unit within the System to provide safety or security to third parties.

5. TERMS OF PAYMENT

(a) The initial billing period shall start when the Customer begins using electric power and energy, or ten (10) days after WREC notifies the Customer in writing that the System is available hereunder, whichever shall occur first.

(b) The Customer shall pay WREC pursuant to WREC's current rules and regulations adopted by WREC for the System and all electricity furnished hereunder. If the Customer shall fail to make any such payment within the time period provided in WREC's current rules and regulations, WREC may discontinue service to the Customer upon giving ten (10) days' written notice to the Customer of its intention so to do, provided, however, that nothing herein contained shall relieve the Customer of its obligation to receive electrical service in accordance with the provisions of this Agreement.

(c) The Customer agrees that the rates charged for street lighting shall be those rates specified in the WREC's Rate Schedule "AL" attached hereto as Exhibit C, which may be adjusted from time to time in WREC's sole and absolute discretion. Such adjusted rate schedules shall be on file with the Florida Public Service Commission. Customer shall provide WREC with cash, a bond or letter of credit to secure the payment of the total amount of fixture and pole charges that remain owed to WREC in the event this Agreement is terminated within five (5) years of the start of Customer's initial billing period.

(d) Transfer of fixtures from one location to another on the Property at the request of the Customer shall be at the expense of the Customer. All charges hereunder are subject to Florida State Sales Tax unless Customer is exempt therefrom. Replacement of lamps, glassware and accessory equipment willfully or maliciously broken by persons unknown shall be paid for by the Customer at WREC's replacement cost.

6. ASSIGNMENT

No party may assign this Agreement or any of its rights and obligations hereunder without the prior written consent of the other party; any such attempted assignment shall be null and void.

7. SUCCESSORS

This Agreement binds the heirs, executors, administrators, successors and assigns of the respective parties with respect to all covenants herein, and cannot be changed except by written agreement signed by both parties.

8. SURVIVAL

The provisions of this Agreement which by their nature are intended to survive, shall survive completion, expiration, recession or termination of this Agreement.

9. GOVERNING LAW

The validity of this Agreement, the construction and enforcement of its terms and the interpretation of the rights and duties of the parties hereto shall be governed by the laws of the State of Florida, without regard to its conflict of laws principles.

10. SEVERABILITY

In the event any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal or unenforceable provision(s) shall be replaced by a mutually acceptable provision(s), which being valid, legal and enforceable, comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision(s).

11. HEADINGS

The headings in this Agreement are for purposes of reference only and shall not in any way limit or otherwise affect the meaning or interpretation of any of the terms hereof.

12. COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same instrument.

13. MODIFICATION, AMENDMENT, SUPPLEMENT OR WAIVER

(a) No modification, amendment, supplement to or waiver of this Agreement or any of its provisions shall be binding upon the parties hereto unless made in writing and duly signed by the party against whom enforcement thereof is sought.

(b) A failure or delay of any party to this Agreement to enforce at any time any of the provisions of this Agreement or to exercise any option which is herein provided, or to require at any time performance of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions of this Agreement.

14. ENTIRETY OF AGREEMENT

This Agreement together with all appendices, exhibits, schedules, attachments and addenda attached hereto constitute the entire agreement between the parties and supersedes all previous agreements, promises, representations, understandings and negotiations, whether written or oral, between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto, through their duly authorized officers, have executed this Agreement as of the day and year first set forth above.

CUSTOMER

Betty Valenti
Signature

BETTY VALENTI
Printed Name of Customer

Chairman
Title

June 9, 2021
Date

**WITHLACOOCHIE RIVER
ELECTRIC COOPERATIVE, INC.**

Signature

Jeff Ratliff Engineering Technician
Printed Name and Title

EXHIBIT A

[Insert legal description of the Property]

Legal Description

04-25-18-0000-00800-0000

Assessed in Section 04, Township 25 South, Range 18 East
of Pasco County, Florida

SOUTH 1/2 OF NE1/4 LESS E 521 FT OF S 417 FT OF SE1/4 OF NE1/4 &
NE1/4 OF NW 1/4 & S 1/2 OF NW1/4 & S 1/2 OF SEC LESS W 50 FT OF
THAT PT OF SW 1/4 OF NW1/4 LYING N OF R/W SCL & LESS W 50 FT
OF THAT PT OF SW1/4 LYING S OF R/W SCL RR & LESS THOSE PORS
CONVEYED TO PASCO CO PER OR 9090 PG 312 & LESS POR OF 2015
NS 0010 LYING WITHIN & LESS TALAVERA PHASE 1A-2 PB 73 PG 89
LESS THAT POR OF 2017 NS 0040 LYING WITHIN TALAVERA PHASE
1A-3 PB 74 PG 95 LESS THAT POR OF 2018 NS 0050 LYING WITHIN
TALAVERA PHASE 1B-1 PB 76 PG 68 & LESS THAT POR OF 2019 NS
0060 LYING WITHIN LESS THAT POR LYING WITHIN TALAVERA PHASE
1C PB 82 PG 20 & LESS THAT POR LYING NORTH OF TALAVERA
PHASE 1C PB 82 PG 20

EXHIBIT B

<u>Type</u>	<u>Description</u>	<u>Quantity</u>
212	LED Classic – Post Top	35
960	12' Wadsworth Aluminum Pole	35

EXHIBIT C

<u>Type</u>	<u>Description</u>	<u>Rate</u>
212	LED Classic – Post Top	21.50
960	12' Wadsworth Aluminum	10.00

Tab 11

Monthly Manager's Report May 2021



**Talavera CDD
18955 Rococo Rd.
Spring Hill, FL 34610**

Operations/Maintenance Updates May 2021

- Working on new basketball rims
- Working on replacing ceiling damage, work is complete.
- Trash collected from ponds and shoreline again.
- Pool furniture getting repaired

Projected Projects

- Shed
 1. Still needs to be anchored down
 2. We are working on the golf cart ramp.

Playground Equipment & Safety Checks every Tuesday

All playground equipment

All sports court's

Pool safety check and all safety equipment

All pool deck furniture

Splash pad

All gates and doors.

Restrooms

Facilities Usage

Clubhouse Meeting room

ACC Meeting on 5/25



Rizzetta & Company

Spirit C. Meeting 5/4

Regular Pool and courts usage everyday

Parking lot for food trucks Every other Friday and Saturday

Parking lot for Events 5/22 Blood drive

Pool deck for events 5/15 learn to swim event and 5/28 national sunscreen day

Clubhouse room events, 5/6 No Diet Day Event, 5/13 Apple Pie Event, 5/23 Turtle Day Event.

Upcoming Events

- 6/4 National Donut Day
- 6/5 Cornhole Event and Just smoking food trucks
- 6/8 Taco Tuesday by CoCo's Latin Cuisine.
- 6/11 Happy Ending food truck and Softee King Ice Cream Truck.
- 6/12 Graduation Parade
- 6/15 Nature Photography Day
- 6/16 CDD Meeting
- 6/19 Father's Day Event and Craving Donuts
- 6/22 ACC Meeting
- 6/24 Run and Walk Club
- 6/25 MaMa G's and Hot Off the Press Food Trucks
- 6/27 National Sun Glasses Day

May Payment Log

Item	Quantity	Amount
N/A		

Board of Supervisor's Requests



Rizzetta & Company

- Follow up with Swimming Lessons. I have reached out to the YMCA about swimming lessons and other organizations. Swimming lesson's coming soon.

Resident Requests

- Add shading to playground continue?
- Start community clubs to hold at the clubhouse? Example workout, games, music lessons, football watch party. Are we able to use the clubhouse room?
- Room rentals? Or party rentals? When can we start Clubhouse room rentals again?
- Pond management, algae is getting bad in the ponds. What can we do to help?
-



Rizzetta & Company