



Rizzetta & Company

The Groves Community Development District

**Board of Supervisors'
Regular Meeting
June 1, 2021**

**District Office:
5844 Old Pasco Road, Suite 100
Wesley Chapel, FL 33544
813-994-1001**

www.thegrovescdd.org

THE GROVES COMMUNITY DEVELOPMENT DISTRICT

The Groves Civic Center, 7924 Melogold Circle, Land O' Lakes, FL 34637

| | | |
|-----------------------------|--|--|
| Board of Supervisors | Bill Boutin Richard Loar Jimmy Allison James Nearey Christina Cunningham | Chairman Vice Chairman Assistant Secretary Assistant Secretary Assistant Secretary |
| District Manager | Aimee Brandon | Rizzetta & Company, Inc. |
| District Counsel | Dana Collier | Straley Robin & Vericker |
| District Engineer | Stephen Brletic | JMT Engineering |

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) 933-5571. 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.

THE GROVES COMMUNITY DEVELOPMENT DISTRICT
DISTRICT OFFICE □ 5844 OLD PASCO RD □ SUITE 100 □ WESLEY
CHAPEL, FL 33544
WWW.THEGROVESCDD.ORG

May 25, 2021

Board of Supervisors
The Groves Community
Development District

AGENDA

Dear Board Members:

The regular meeting of the Board of Supervisors of The Groves Community Development District will be held on **Tuesday, June 1, 2021 at 6:30 p.m.** to be held at The Groves Civic Center, located at 7924 Melogold Circle, Land O' Lakes, FL 34637. The following is the agenda for this meeting.

BOARD OF SUPERVISORS MEETING

- 1. CALL TO ORDER/ROLL CALL**
- 2. PLEDGE OF ALLEGIANCE**
- 3. AUDIENCE COMMENTS**
- 4. STAFF REPORTS**
 - A. District Counsel
 - B. District Engineer
 - C. Aquatics Report
 1. May Waterway Inspection Report– Steadfast.....Tab 1
 - D. Clubhouse Manager
 1. Review of May Report.....Tab 2
 - E. District Manager
 1. Project Management.....Tab 3
 2. 90 Day Improvement Plan.....Tab 4
- 5. BUSINESS ITEMS**
 - A. Consideration of Fiscal Year 2021-2022 Proposed Budget
(under separate cover)
 - B. Consideration of Resolution 2021-03,
Approving Proposed Budget and Setting Public Hearing.....Tab 5
 - C. Consideration of FY 2019-2020 Audit Report.....Tab 6
 - D. Discussion of Additional Staffing (Richard)
 - E. Discussion of Project Planning (Christina)
- 6. BUSINESS ADMINISTRATION**
 - A. Consideration of Minutes of the Board of Supervisors'
Regular Meeting held on May 4, 2021.....Tab 7
 - B. Consideration of Operation & Maintenance Expenditures for
April 2021.....Tab 8

7. **SUPERVISOR REQUESTS**
8. **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) 933-5571.

Sincerely,
Aimee Brandon
District Manager

Tab 1



The Groves CDD

Kevin Riemensperger

5/18/2021 9:20 AM

Steadfast Environmental
30435 Commerce Drive Suite 102
San Antonio, FL 33576
813-836-7940 | office@SteadfastEnv.com



Site: 20



Comments:
Waterway 20 requires work. Many Brazilian Pepper and Primrose Willow trees are within/along the waterway. A section of Cuban Spikerush also acts to impede flow during high rainfall events. Identified Salvinia and Spatterdock pose no issue to drainage.

Site: 17



Comments:
Pond 17 is in excellent condition. The exposed bank is pristine, without any nuisance grasses. Algae is relegated to minor planktonic activity, hence the very slight discoloration. Routine monitoring and maintenance will continue.

Site: 2



Pond 2A is in great condition. Only a small amount of Slender Spikerush, as well as Torpedograss which is intertwined with the existing beneficial flora. This activity is concentrated in the northern corner of the pond, otherwise the bank is clear. Nuisance Pennywort is dying off, and there are no signs of algae activity.

Site: 3



Comments:
Pond 3B is in very good condition. There are abundant native water lilies, and Arrowhead plants (with many new Arrowheads popping up :). There is next to no algae activity, though a noticeable amount of Torpedograss grows among the mature Arrowhead plants. This will be addressed in the following maintenance event.

Site: 3



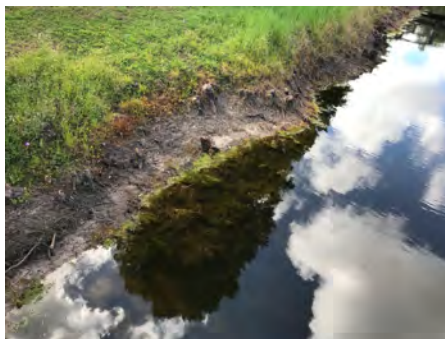
Pond 3A is in good condition and appears to be improving. All observed filamentous algae activity is brown and dying, alongside most of the Torpedograss growing in-between the Arrowhead and Gulf Spikerush. Routine monitoring and maintenance will continue.

Site: 2



Pond 2B is in very good shape. An acceptable amount of Spatterdock is present. There is some Slender Spikerush along the bank, while Torpedograss grows among the three Red Canna plants. These grasses will need to be targeted during the next treatment event.

Site: 7



Pond 7 is in great condition. Slender Spikerush (mostly submerged) was seen along the northern bank. Large gamefish were observed hunting among the Spatterdock which will continue to be routinely trimmed during each maintenance visit.

Site: 2



Pond 2C-1 is improving. The majority of Slender Spikerush and Torpedograss along the shore is decaying. There is minimal algae activity. The newly exposed areas of bright green Spikerush will be targeted during the next treatment event.

Site: 2



Pond 2C-2 is in a similar condition to 2C-1; successful treatment on shoreline grasses with newly exposed areas. Distinctly on this pond, there are more beneficial species that have been intertwined with Torpedograss.

Site: 1



While Pond 1 shows signs of improvement, technicians are working to get the nuisance grasses and algae among the beneficial Gulf Spikerush under control.



Management Summary

As we reach the end of the Spring, May brings with it a perfect storm for algae growth. Temperature and humidity are both increasing. Extended daylight means more growing time, leading to increased growth of both algae and nuisance grasses. The lack of substantial rainfall to flush nutrients out of the pond compounds the issue; since the shallow, stagnant water conditions are perfect for algae. Upkeep in these ponds will increase during this time, as residents will notice an increase in the growth of all vegetative matter.

Technicians on-site are currently providing both reactive and proactive treatment to the growth. If any algal activity is found to be actively growing around the shoreline and shallow areas it is immediately targeted with algaecides. Ponds which historically (in our experience) produce algal activity are pre-treated with algaecides even if none are present in an effort to get ahead of the growth.

All ponds should be treated as of 5/19/21. In all monitored ponds, algae activity was either minimal, or in a state of decay; with nuisance grasses being more prevalent. Treatments administered this day should abate or resolve growth that would have exploded until the next maintenance event. However, as this is peak growing season, follow-up treatments are always necessary to maintain the aesthetics of the ponds. Many of the planted ponds host nuisance grass species (Torpedo Grass, Slender Spikerush) that have intertwined with beneficial plants (Arrowhead & Gulf Spikerush). Selective treatments are being used to remove/control these target species, while minimizing damage to native flora. Additionally, newly exposed areas of Slender Spikerush from lowered water levels will be targets for the next treatment date.

Of special note are waterways 19 & 20. The waterways are experiencing dense growth of vegetation, with very little open areas, and seem to have been neglected for some time. As they did not reach this state overnight, unfortunately their remediation will require a similar amount of time. Steadfast is dedicated to the resolution of any problems on the waterways, and as such will be putting forth the appropriate amount of effort to reduce growth and to clear these waterways. Field technicians will be sure to pay special attention to these areas, in order to stay on top of their restoration.

Recommendations / Action Items

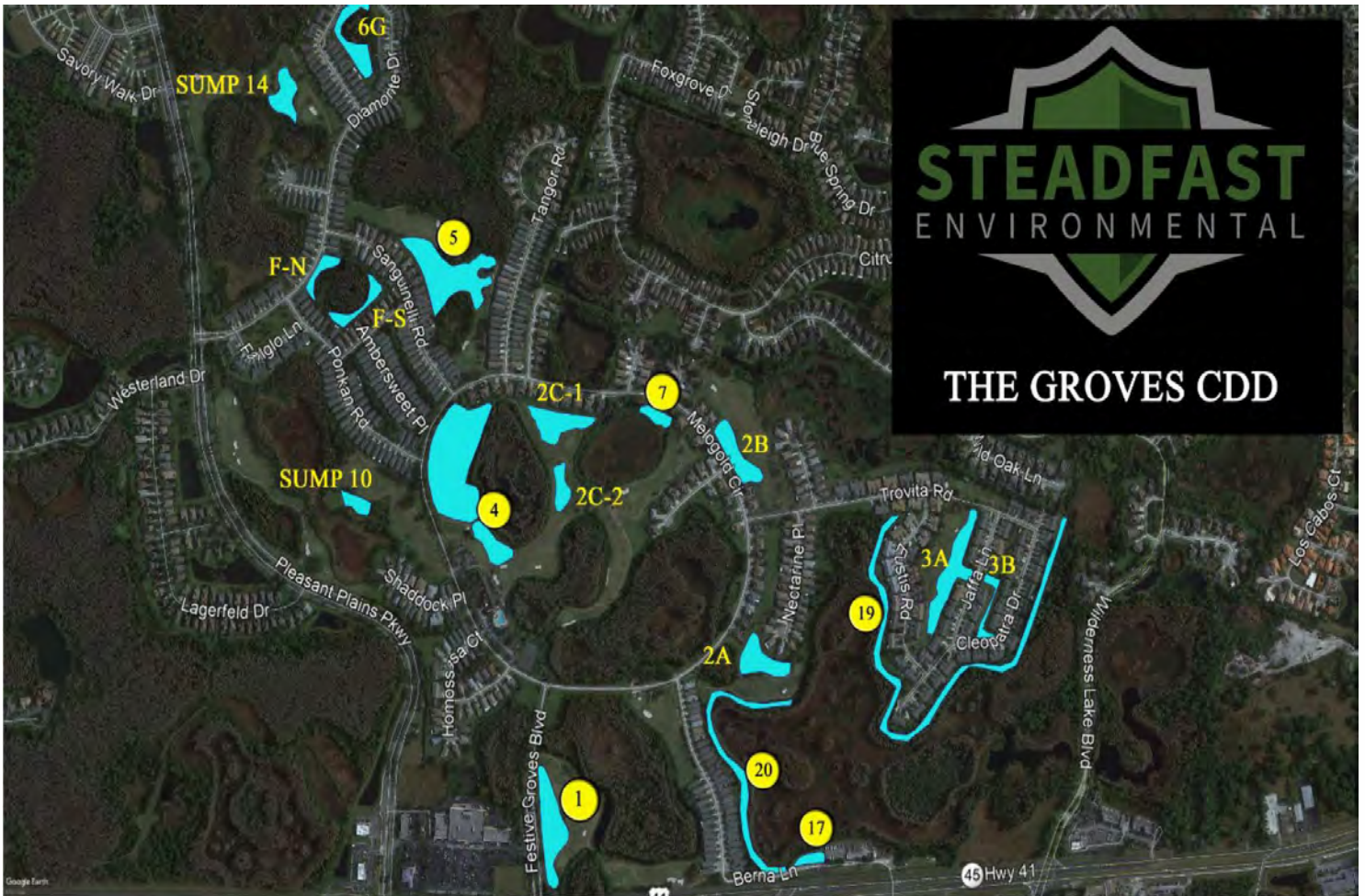
Stay on top of algae growth during the peak growing season.

Target nuisance grasses growing among the beneficial flora within the ponds.

Target newly exposed areas of Slender Spikerush along the pond banks.

Maintain and emend waterways 19 & 20.

Thank you for choosing Steadfast Environmental!



Steadfast Environmental, LLC
30435 Commerce Drive Suite 102
San Antonio, FL 33576
813-836-7940 | office@SteadfastAlliance.com

Tab 2



The Groves Community Development District (CDD)

The Groves Golf & Country Club
7924 Melogold Circle • Land O Lakes, FL • 34637
Phone: 813-995-2832 • Fax: 813-929-8592

May 2021

Completed/Started Projects

1. New phone system: Has been installed and operational. Spectrum has been cancelled. Returning the desk phones and side car next week.
2. Road Resurfacing: Sweeper has gone thru the entire community. We are in talks regarding the marks on all of the cul-de-sacs and what will be done to repair them by APS.
3. Bridge repair: Repairs on the Pier and conservation walkway has been completed. We continue to drive the course and repair as we see issues.
4. Tennis Courts Resurfacing: New umbrellas and windscreens have been ordered. Waiting for plastic umbrella holders to arrive. The metal holders are digging into the newly resurfaced courts.
5. Many irrigation leaks around the community. We are fixing as soon as they erupt. Will ask JMT to recommend an irrigation design company to take a look and see if there are more issues on the horizon
6. Called in 2 pool restoration companies. Both are writing up the quotes so we can start on the first of January 2022.
7. Roofing for the cart barn has been completed. All gutters were thrown away and new gutters will be installed in a couple of weeks. Lighting has been installed.
8. All gutters on the clubhouse have been completed. We will start to look at gutter covers to eliminate the need to clean out the gutter system.
9. The ballroom and clubhouse will be raised to 100 people in June 2021. The restaurant seems to be able to handle the added volume with the hiring of several new employees. We will be monitoring to make sure the 100 is not too much for Bayscape.



The Groves Community Development District (CDD)

10. The wiring in the electrical room has been completed. About 75% of the existing wires and equipment has been removed and new racks and patch panel has been installed.
11. Added additional dog stations on Cleopatra and Eustis.
12. The scheduling of the ball room for the return of several functions has been completed with all groups accepting the final schedule. Thanks to Mexican Train group for their willingness to move to Monday night.
13. Per Pasco county the wearing of masks into public spaces has been rescinded. The CDD still strongly suggest if you can't socially distance a mask is still a great option but is no longer mandated.
14. Lanai enclosure: 3 contractors have been contacted and given a tour of the lanai and an overview of what we would like to have done. So far, all three have communicated different approaches. Expecting bids back by middle of June.
15. Several sound system companies have been contacted. I have several on-site visits scheduled for when I come back from vacation. No progress
16. Pool status: Heaters and chemicals are all static as of this writing. We do still have issues but we are trying to limp along until the January 2022 scheduled close. We passed out first health inspection by the county.
17. We hired a part time maintenance person. Tyler was given his notice and the new person will start on 5/24. He will work mon thru Thurs 8-2 and Friday 8-1 to keep his hours at 29 per week. He is being paid 2 per hour more that Tyler
18. Flagpole has been taken down at the front monuments.
19. Looking at exterior lighting for the clubhouse. There is not enough lighting for safety reasons.
20. We are looking at all Rim Ditches throughout the property. A company has been hired to start the cleaning out of all ditches including blockages that are preventing the flow of water.



The Groves Community Development District (CDD)

21. Cutbacks from Swift Mud managed property is starting for our residents who live next to the SFTM. This is a major undertaking and is an ongoing process.
22. Our new pond and pool companies are doing a great job. We passed our first health inspection at the pool.
23. Pancake breakfast will be starting up again in June. The social club has held their first Sat night event with Motown being the theme. Word is everything went well.

Tab 3

Project/Maintenance Management The Groves

| TASK | PRIORITY | STATUS | START DATE | DUE DATE | % COMPLETE | NOTES | Owner of Task |
|----------------------------|----------|-------------|------------|-----------|------------|---|--------------------|
| Hole 10 Pond, Pond 1 | High | In Progress | 11/1/2020 | 6/15/2021 | 75% | 04/26: Finn Outdoor is scheduled to begin work the first few weeks in May. Stephen will schedule a pre-con meeting with everyone week of May 3rd. 3/28 Permit approved. Board motioned for vendor Finn Outdoor. (3/22) Permit for Mod to Pond 1 is anticipated to be approved by the end of March. Bids should be in the week of the 3/21. Field work for the pond assessment next week. JMT Engineering is working on finding a solution for dredging the pond and clearing out the culvert | Stephen/Aimee/Mark |
| Clubhouse Gutters | Normal | Complete | 4/21/2021 | 7/1/2021 | 100% | 05/23: Waiting on screens. Expected next week. 04/21: Adept Gutter has been hired to install commercial grade aluminum gutters. Install will happen in sections. | Mark |
| Fence Repair along 41 | Normal | In Progress | 11/1/2020 | 7/1/2021 | 75% | 05/23: Still trying to get a vendor to come out. Everyone is booked. Currently working on getting a fence vendor to give an estimate on the repair. Vendors are backed up by a couple weeks. | Aimee |
| Fence Quote Pool Area | Normal | Deferred | 10/1/2020 | 1/1/2022 | 50% | Project on hold until the Pool is fixed. Working on getting a vendor to give an estimate on a new fence for the pool area as previously discussed in the CDD meetings. | Aimee |
| Lanai Remodle/Enclosure | High | In Progress | 3/9/2021 | 10/1/2021 | 50% | 05/23: Getting second quote on 05/26. 04/21: Three separate contractors have been asked to provide a proposal. We have only received one back. Waiting on the other two before bringing it to the Board. 03/09/2021: Mark and Aimee met with a few vendors to discuss the designs and cost of enclosing the lanai. Waiting on formal proposals. 03/02/21) Mark has two companies coming out next week to discuss, Aimee will get Lifestyle to bid as well. | Mark/Aimee |
| Monument Electrical Refurb | High | Complete | | 4/1/2021 | 100% | 03/02/21) Mark has Mr. Electric coming out to bid. | Mark |

To-Do List

| TASK | PRIORITY | STATUS | START DATE | DUE DATE | % COMPLETE | NOTES | Owner of Task |
|---------------------------------------|----------|-------------|------------|-----------|------------|--|---------------|
| Audio System | High | In Progress | | 7/15/2021 | 25% | 05/23: Mark has discussed options with two different vendors. Will continue to explore different options. 04/21: Onsite visits scheduled with Mark. No progress as of yet. 04/06: Will have someone on site tomorrow to evaluate what we can do to improve the audio 03/02/21 Sam Ash vendor who did original | Mark |
| Electrical Room Relocation | High | Complete | 3/15/2021 | 4/7/2021 | 100% | 04/07/2021: Electrical room completed and phone system has been installed. 03/15/2021: Vendor AOSI hired to install phone system and revamp the Electrical room. Work expected to be completed by 4/1/2021.03/02/21) Aimee Will reach out to her contacts to find an appropriate vendor. | Aimee |
| 1 Golf Cart Maintenance Sheds Roofing | High | Complete | 3/20/2021 | 4/1/2021 | 100% | 4/6: Job is completed. 03/02/2021: Board approved Vendor. Work to commence in two weeks. 03/02/21) Board to vote on a vendor today. | Mark |
| 1 Golf Cart Maintenance Lighting | High | Complete | | 5/5/2021 | 100% | 04/20: Lighting is scheduled for install fist week in May. 03/02/2021: Board approved vendor. Work to commence in two weeks.03/02/21) Mark has a bid from Mr. Electric | Mark |
| Irrigation System Split Study | High | Deferred | | 6/1/2021 | 25% | 05/01: Mark has been told that the only way to split the system is to lay all new pipe. 03/01/2021) Work with Landscapers, YS, D2E, Davie and possibly Ballinger Irrigation | Aimee |
| Pool/Spa Resurface | Normal | Deferred | 3/23/2021 | 1/1/2022 | 0% | 04/01: American LD does not do pool resurfacing. 03/23/2021: GPS Pools has been asked to provide a proposal. 03/02/21) Aimee will get quotes from | Aimee |
| Pool Leak Repairs | Normal | In Progress | 3/23/2021 | 1/1/2022 | 25% | 05/10: Phoenix Pools has given us a quote to find and repair the leaks in addition to an acid wash. 3/2/2021)Aimee will get quotes from American Leak Detection | Aimee |
| Shuffle Board Update | Low | Not Started | 3/1/2021 | 9/1/2021 | 0% | Working on obtaining a vendor and quote to redo the shuffle board area. | Mark |
| Pool Pavers Reset | Normal | In Progress | 3/23/2021 | 1/1/2022 | 25% | 05/10: Phoenix Pools provided a quote in addition to the pool repairs. Work will be done at the same time as the pool repairs. 03/23/2021: GPS Pools has been asked to provide a quote. 03/02/21) Aimee will call Sunset Pavers, GPS Pools and schedule some time on | Aimee |
| Cabana Remodle | High | Deferred | | 8/1/2021 | 0% | 03/02/21) Mark will work with Eddie. | Mark |
| Beverage Golf Cart | Normal | Deferred | | 8/1/2021 | 0% | 03/02/21) Mark plans on using old golf cart as a trade in towards a beverage golf cart. | Mark |
| Yellowstone Contract Addendum | High | Complete | 12/1/2020 | 2/2/2021 | 100% | Mr. Neary is to suppose to send Yellowstone a redline pdf version of the contract so Yellowstone can draft a final version for the Boards approval. | Neary/Aimee |

To-Do List

| TASK | PRIORITY | STATUS | START DATE | DUE DATE | % COMPLETE | NOTES | Owner of Task |
|------------------------|----------|-------------|------------|-----------|------------|--|---------------|
| COVID-19 Vaccinations | Normal | Complete | 1/5/2021 | 2/11/2021 | 100% | First rounds of vaccines were given to residents 400 residents. The second dose is schedule 2/11. The process has been turned over to Mark at the clubhouse to manage. | Mark |
| Road Striping | Normal | Complete | 1/19/2021 | 2/10/2021 | 100% | Vendor is scheduled to complete road striping. Should take about a week to complete. | Mark |
| Pool Leak | Normal | Complete | 1/1/2021 | 2/8/2021 | 100% | American Leak detectors will be on site to evaluate the leak to determine needed course of action. | Mark |
| Tennis Court | Normal | In Progress | 12/1/2020 | 4/1/2021 | 100% | 04/21: Courts have been painted and are complete. Wind screens have been ordered and will be installed as soon as they arrive. 4/6: Work has begun on the courts. Should be completed by next week. 3/22/21:Mark will reach out to the vendor to find out what the delay is and see what the expect completion date is. Vendor has been chose to resurface the tennis courts. Job will begin on 02/1/21. (03/02/21) This week will begin work. | Mark |
| Aquatics Proposals | Normal | In Progress | 2/1/2021 | 4/1/2021 | 100% | 03/29/21: Proposals ready to be presented to the Board. 3/2/21 Mark is adding verbiage criteria for the bid process. Ready for the April Meeting. | Aimee/Mark |
| Hedges Replaced off 41 | Normal | In Progress | 1/1/2021 | 4/1/2021 | 100% | 03/11: Hedges have been planted by YS. Mark has reached out to Brian Mahar with YS to obtain a quote for the hedges along 41. 03/02/21) Mark is waiting on fence repair before hedges can be installed. | Mark/Brian |

Tab 4

90-DAY RIZZETTA IMPROVEMENT PLAN

| TASK | PRIORITY | STATUS | START DATE | DUE DATE | % COMPLETE | NOTES |
|--|----------|-------------|------------|-----------|------------|--|
| Accounting Receivable/Payable Automation | | In Progress | 1/5/2021 | 10/1/2021 | | 04/21: Still on track for 10/1/2021. Beta testing began in February, and full integration is expected to be completed new fiscal year 10/01/2021. |
| Clubhouse Manager/DM Collaboration | | In Progress | 1/5/2021 | Ongoing | | Weekly phone calls/email with Mark. On site visits twice a month to review current/future projects. Dividing the proposal responsibility between DM/Clubhouse |
| Two Tier District Manager Process | | In Progress | 1/5/2021 | 6/1/2021 | | 05/23: Requested an update from management on status. 04/12: The Candidate that accepted the position back out when Rizzetta asked for a drug screen/background check. Management is currently in the interview process w/prospective prospects. Regional DM will continue to be back up for DM. Rizzetta is expanding their District Manager staff and introducing a level two DM to assist with work load on the level one DM. Each District will have a two point contact. Plan to reduce DM's work load and what time frame. |
| Mailroom Centralized at Corporate | | Complete | 1/5/2021 | 1/30/2021 | | All mail will be sent directly to one location for processing. The day the mail is received in office, it is time stamped and scanned into the system in the same day. All electronic invoices are to be sent to CDDInvoice@rizzetta.com. Email box is managed by all account receivable clerks. Accounting reviews the invoices, codes them accordingly and sends them to DM for approval on Friday. Tuesday the checks will be cut and mailed on Wednesday to vendors. Working on setting up utility companies on auto pay. |
| Training & Quality Assurance Managers | | Complete | 1/5/2021 | Ongoing | | Managers are in place to review the DM's work and files to assure proper documentation and filing. Spot check the Districts and verify the Boards experience w/their DM is positive. |
| Request for Credit of Management fees. | | In Progress | 1/5/2021 | 5/1/2021 | | 05/23: Request an update on status of request from management. 04/26: Follow Up: I am waiting on a response from Management. 04/7: Management has been sent request for credits the Board feels they are owed for the difference in increased Management fees. District Fees reduced until fy 2021/2022 to \$75,300 |
| Contract Negotiations/Renewal Management | | Complete | 1/5/2021 | 4/1/2021 | | DM is working on each vendor and contract to evaluate what is up for renewal, what can be negotiated or bid out. |

Tab 5

RESOLUTION 2021-03

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE GROVES COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED OPERATION AND MAINTENANCE BUDGET FOR FISCAL YEAR 2021/2022; SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; ADDRESSING TRANSMITTAL, POSTING, AND PUBLICATION REQUIREMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager prepared and submitted to the Board of Supervisors (“**Board**”) of The Groves Community Development District (“**District**”) prior to June 15, 2021 a proposed operation and maintenance budget for the fiscal year beginning October 1, 2021 and ending September 30, 2022 (“**Proposed Budget**”); and

WHEREAS, the Board has considered the Proposed Budget and desires to approve the Proposed Budget and set the required public hearing thereon.

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

1. **PROPOSED BUDGET APPROVED.** The Proposed Budget, including any modifications made by the Board, attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said Proposed Budget.

2. **SETTING A PUBLIC HEARING.** The public hearing on said Proposed Budget is hereby declared and set for the following date, hour, and location:

DATE: August 3, 2021

HOUR: 6:30 p.m.

LOCATION: The Groves Civic Center
7924 Melogold Circle
Land O’Lakes, FL 34637

3. **TRANSMITTAL OF PROPOSED BUDGET TO LOCAL GENERAL PURPOSE GOVERNMENT.** The District Manager is hereby directed to submit a copy of the Proposed Budget to Pasco County at least 60 days prior to the hearing set above.

4. **POSTING OF PROPOSED BUDGET.** In accordance with Section 189.016, Florida Statutes, the District’s Secretary is further directed to post the Proposed Budget on the District’s website at least 2 days before the budget hearing date and shall remain on the website for at least 45 days.

5. **PUBLICATION OF NOTICE.** Notice of this public hearing shall be published in the manner prescribed by Florida law.

6. **EFFECTIVE DATE.** This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED ON JUNE 1, 2021.

Attest:

**The Groves Community
Development District**

Print Name: _____
Secretary / Assistant Secretary

Print Name: _____
Chair / Vice Chair of the Board of Supervisors

Exhibit A: Proposed Budget for Fiscal Year 2021/2022

Tab 6

**THE GROVES COMMUNITY DEVELOPMENT DISTRICT
PASCO COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

**THE GROVES COMMUNITY DEVELOPMENT DISTRICT
PASCO COUNTY, FLORIDA**

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Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
The Groves Community Development District
Pasco County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

May 5, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$7,365,584.
- The change in the District's total net position in comparison with the prior fiscal year was (\$220,257), a decrease. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2020, the District's governmental funds reported combined ending fund balance of \$3,399,513, an increase of \$329,512 in comparison with the prior fiscal year. A portion of the fund balance is non-spendable for prepaid items and deposits, restricted for debt service, assigned to maintenance reserves, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

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 District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

| NET POSITION | | |
|-------------------------------------|---------------------|---------------------|
| SEPTEMBER 30, | | |
| | 2020 | 2019 |
| Current and other assets | \$ 3,423,023 | \$ 3,091,086 |
| Capital assets, net of depreciation | 5,224,965 | 5,848,102 |
| Total assets | <u>8,647,988</u> | <u>8,939,188</u> |
| Deferred outflows of resources | 101,585 | 110,051 |
| Current liabilities | 53,989 | 53,398 |
| Long-term liabilities | 1,330,000 | 1,410,000 |
| Total liabilities | <u>1,383,989</u> | <u>1,463,398</u> |
| Net position | | |
| Net investment in capital assets | 3,996,550 | 4,548,154 |
| Restricted | 64,853 | 58,245 |
| Unrestricted | 3,304,181 | 2,979,442 |
| Total net position | <u>\$ 7,365,584</u> | <u>\$ 7,585,841</u> |

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

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

| CHANGES IN NET POSITION | | |
|---|---------------------|---------------------|
| FOR THE FISCAL YEAR ENDED SEPTEMBER 30, | | |
| | 2020 | 2019 |
| Revenues: | | |
| Program revenues | | |
| Charges for services | \$ 1,434,458 | \$ 1,419,267 |
| General revenues | | |
| Interest income and other revenue | 77,432 | 89,336 |
| Total revenues | <u>1,511,890</u> | <u>1,508,603</u> |
| Expenses: | | |
| General government | 173,379 | 144,756 |
| Maintenance and operations | 777,913 | 833,094 |
| Public safety | 131,019 | 131,606 |
| Parks and recreation | 565,654 | 545,663 |
| Interest | 84,182 | 88,422 |
| Total expenses | <u>1,732,147</u> | <u>1,743,541</u> |
| Change in net position | (220,257) | (234,938) |
| Net position - beginning | 7,585,841 | 7,820,779 |
| Net position - ending | <u>\$ 7,365,584</u> | <u>\$ 7,585,841</u> |

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2020 was \$1,732,147. The costs of the District's activities were primarily funded by program revenues. Program revenues, comprised primarily of assessments, increased during the fiscal year. In total, expenses, including depreciation, decreased from the prior fiscal year, the majority of the decrease was the result of a decrease in maintenance and operations expenses.

GENERAL BUDGETING HIGHLIGHTS

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2020, the District had \$15,544,006 invested in capital assets for its governmental activities. In the government-wide financial statements, depreciation of \$10,319,041 has been taken, which resulted in a net book value of \$5,224,965. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Capital Debt

At September 30, 2020, the District had \$1,330,000 in Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact The Groves Community Development District's Finance Department at 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614.

FINANCIAL STATEMENTS

**THE GROVES COMMUNITY DEVELOPMENT DISTRICT
PASCO COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 2,352,233 |
| Investments | 903,791 |
| Accounts receivable | 3,108 |
| Assessment receivable | 19,694 |
| Deposits | 23,691 |
| Prepaid items | 27,389 |
| Restricted assets: | |
| Investments | 93,117 |
| Capital assets: | |
| Nondepreciable | 1,438,000 |
| Depreciable, net | 3,786,965 |
| Total assets | 8,647,988 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred charge on refunding (debit) | 101,585 |
| Total deferred outflows of resources | 101,585 |
| LIABILITIES | |
| Accounts payable and accrued expenses | 20,360 |
| Deposits payable | 3,150 |
| Accrued interest payable | 30,479 |
| Non-current liabilities: | |
| Due within one year | 85,000 |
| Due in more than one year | 1,245,000 |
| Total liabilities | 1,383,989 |
| NET POSITION | |
| Net investment in capital assets | 3,996,550 |
| Restricted for debt service | 64,853 |
| Unrestricted | 3,304,181 |
| Total net position | \$ 7,365,584 |

See notes to the financial statements

**THE GROVES COMMUNITY DEVELOPMENT DISTRICT
PASCO COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | <u>Charges for Services</u> | <u>Net (Expense) Revenue and Changes in Net Position</u> <u>Governmental Activities</u> |
|-------------------------------|------------------|-----------------------------|-------------------------------------|--|
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 173,379 | \$ 173,379 | | \$ - |
| Maintenance and operations | 777,913 | 777,913 | | - |
| Public safety | 131,019 | 131,019 | | - |
| Parks and recreation | 565,654 | 189,824 | | (375,830) |
| Interest on long-term debt | 84,182 | 162,323 | | 78,141 |
| Total governmental activities | <u>1,732,147</u> | <u>1,434,458</u> | | <u>(297,689)</u> |
| General revenues: | | | | |
| Miscellaneous revenue | | | | 34,199 |
| Investment earnings | | | | 43,233 |
| Total general revenues | | | | <u>77,432</u> |
| Change in net position | | | | (220,257) |
| Net position - beginning | | | | <u>7,585,841</u> |
| Net position - ending | | | | <u>\$ 7,365,584</u> |

See notes to the financial statements

**THE GROVES COMMUNITY DEVELOPMENT DISTRICT
PASCO COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

| | Major Funds | | Total Governmental Funds |
|---------------------------------------|---------------------|------------------|--------------------------------|
| | General | Debt Service | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 2,352,233 | \$ - | \$ 2,352,233 |
| Investments | 903,791 | 93,117 | 996,908 |
| Interest receivable | - | - | - |
| Accounts receivable | 3,108 | - | 3,108 |
| Assessment receivable | 17,479 | 2,215 | 19,694 |
| Deposits | 23,691 | - | 23,691 |
| Prepaid items | 27,389 | - | 27,389 |
| Total assets | <u>\$ 3,327,691</u> | <u>\$ 95,332</u> | <u>\$ 3,423,023</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued expenses | \$ 20,360 | \$ - | \$ 20,360 |
| Deposits payable | 3,150 | - | 3,150 |
| Total liabilities | <u>23,510</u> | <u>-</u> | <u>23,510</u> |
| Fund balances: | | | |
| Nonspendable: | | | |
| Prepaid items and deposits | 51,080 | - | 51,080 |
| Restricted for: | | | |
| Debt service | - | 95,332 | 95,332 |
| Assigned to: | | | |
| Maintenance reserves | 2,128,936 | - | 2,128,936 |
| Unassigned | 1,124,165 | - | 1,124,165 |
| Total fund balances | <u>3,304,181</u> | <u>95,332</u> | <u>3,399,513</u> |
| Total liabilities and fund balances | <u>\$ 3,327,691</u> | <u>\$ 95,332</u> | <u>\$ 3,423,023</u> |

See notes to the financial statements

**THE GROVES COMMUNITY DEVELOPMENT DISTRICT
PASCO COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Total fund balances - governmental funds \$ 3,399,513

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 as assets in the governmental funds. The statement of net position includes those capital assets in the net position of the government as a whole.

| | | |
|--------------------------|---------------------|-----------|
| Cost of capital assets | 15,544,006 | |
| Accumulated depreciation | <u>(10,319,041)</u> | 5,224,965 |

Deferred charges on refunding of long-term debt are shown as deferred outflows/inflows of resources in the government-wide financial statements; however, this amount is expensed in the governmental fund financial statements. 101,585

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

| | | |
|---|--------------------|---------------------|
| Accrued interest payable | (30,479) | |
| Bonds payable | <u>(1,330,000)</u> | <u>(1,360,479)</u> |
| Net position of governmental activities | | <u>\$ 7,365,584</u> |

**THE GROVES COMMUNITY DEVELOPMENT DISTRICT
PASCO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

| | Major Funds | | Total Governmental Funds |
|--|--------------|-----------------|--------------------------------|
| | General | Debt Service | |
| REVENUES | | | |
| Assessments | \$ 1,272,135 | \$ 161,189 | \$ 1,433,324 |
| Net investment income | 43,233 | 1,134 | 44,367 |
| Miscellaneous revenue | 34,199 | - | 34,199 |
| Total revenues | 1,349,567 | 162,323 | 1,511,890 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 173,379 | - | 173,379 |
| Maintenance and operations | 338,785 | - | 338,785 |
| Public safety | 131,019 | - | 131,019 |
| Parks and recreation | 322,012 | - | 322,012 |
| Debt Service: | | | |
| Principal | - | 80,000 | 80,000 |
| Interest | - | 77,550 | 77,550 |
| Capital outlay | 59,633 | - | 59,633 |
| Total expenditures | 1,024,828 | 157,550 | 1,182,378 |
| Excess (deficiency) of revenues over (under) expenditures | 324,739 | 4,773 | 329,512 |
| Fund balances - beginning | 2,979,442 | 90,559 | 3,070,001 |
| Fund balances - ending | \$ 3,304,181 | \$ 95,332 | \$ 3,399,513 |

See notes to the financial statements

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

Net change in fund balances - total governmental funds \$ 329,512

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

Governmental funds report capital outlays as expenditures;
however, the cost of those assets is eliminated in the statement of
activities and capitalized in the statement of net position. 59,633

Repayment of long-term liabilities are reported as expenditures in
the governmental fund financial statements but such repayments
reduce liabilities in the statement of net position and are eliminated
in the statement of activities. 80,000

Depreciation of capital assets is not recognized in the
governmental fund statements but is reported as an expense in the
statement of activities. (682,770)

Amortization of the deferred charge on refunding is not
recognized in the governmental fund financial statements, but is
reported as an expense in the statement of activities. (8,466)

The change in accrued interest on long-term liabilities between the
current and prior fiscal year is recorded in the statement of
activities but not in the governmental fund financial statements. 1,834

Change in net position of governmental activities \$ (220,257)

See notes to the financial statements

**THE GROVES COMMUNITY DEVELOPMENT DISTRICT
PASCO COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

The Groves Community Development District ("District") was established on August 15, 2000, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by Pasco County Ordinance No. 00-14. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes 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 ("Board"), which is composed of five members. The Supervisors are elected on an at large basis by qualified electors who reside within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; 2) grants and contributions 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*.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Assessments

Assessments, including debt service assessments and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefitted by the District's activities. Assessments are 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 benefitted lands within the District. Debt service assessments are imposed upon certain lots and lands described in each resolution imposing the special assessment for each of the 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.

The District reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

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 government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

Assets, Liabilities and Net Position or Equity

Restricted Assets

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deposits and Investments

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

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

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

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

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

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

| <u>Assets</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Furniture, fixtures and equipment | 5-10 |
| Recreational facilities | 15-25 |
| Roadways | 20 |
| Security and other | 15 |
| Stormwater management | 20 |

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Refundings of Debt

For current refundings and advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized ratably as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. In connection with the refunding, \$8,466 was recognized as a component of interest expense in the current fiscal year.

Unearned Revenue

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

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. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

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

Deferred Outflows/Inflows of Resources

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

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

Fund Equity/Net Position

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position (Continued)

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

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

Other Disclosures

Use of Estimates

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

NOTE 3 – BUDGETARY INFORMATION

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

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

Investments

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

| | <u>Amortized cost</u> | <u>Credit Risk</u> | <u>Maturities</u> |
|---|-----------------------|--------------------|--|
| Barclays Bank CD | \$ 200,654 | Not available | 11/9/2020 |
| Ally Bank Midvale Utah CD | 248,126 | Not available | 11/8/2021 |
| Discover Bank Greenwood CD | 248,127 | Not available | 11/8/2021 |
| Goldman Sachs Bank CD | 206,884 | Not available | 11/8/2021 |
| First American Treasury Obligations Fund Class Z | 93,117 | S&P AAAM | Weighted average of the fund portfolio: 46 days |
| Total Investments | <u>\$ 996,908</u> | | |

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

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

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

However, the Bond Indenture limits the type of investments held using unspent proceeds.

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

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

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

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

Non-negotiable, non-transferable certificates of deposits that do not consider market rates are required to be reported at amortized cost. Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 5 – CAPITAL ASSETS

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

| | Beginning Balance | Additions | Disposals | Ending Balance |
|--|----------------------|--------------|-----------|-------------------|
| <u>Governmental activities</u> | | | | |
| Capital assets, not being depreciated | | | | |
| Land and land improvements | \$ 1,438,000 | \$ - | \$ - | \$ 1,438,000 |
| Total capital assets, not being depreciated | 1,438,000 | - | - | 1,438,000 |
| Capital assets, being depreciated | | | | |
| Furniture, fixtures and equipment | 453,801 | 59,633 | - | 513,434 |
| Recreational facilities | 3,689,242 | - | - | 3,689,242 |
| Roadways | 4,835,373 | - | - | 4,835,373 |
| Security and other | 1,433,767 | - | - | 1,433,767 |
| Stormwater management | 3,634,190 | - | - | 3,634,190 |
| Total capital assets, being depreciated | 14,046,373 | 59,633 | - | 14,106,006 |
| Less accumulated depreciation for: | | | | |
| Furniture, fixtures and equipment | 417,951 | 15,649 | - | 433,600 |
| Recreational facilities | 1,980,508 | 148,054 | - | 2,128,562 |
| Roadways | 3,384,766 | 241,769 | - | 3,626,535 |
| Security and other | 1,309,106 | 95,588 | - | 1,404,694 |
| Stormwater management | 2,543,940 | 181,710 | - | 2,725,650 |
| Total accumulated depreciation | 9,636,271 | 682,770 | - | 10,319,041 |
| Total capital assets, being depreciated, net | 4,410,102 | (623,137) | - | 3,786,965 |
| Governmental activities capital assets | \$ 5,848,102 | \$ (623,137) | \$ - | \$ 5,224,965 |

Depreciation expense was charged to function/programs as follows:

| | |
|----------------------------|-------------------|
| Maintenance and operations | \$ 439,128 |
| Culture and recreation | 243,642 |
| Total depreciation | <u>\$ 682,770</u> |

NOTE 6 – LONG-TERM LIABILITIES

On September 20, 2007, the District issued \$2,105,000 of Special Assessment Revenue Refunding Bonds Series 2007 due May 1, 2032, with interest rates of 5.0% to 5.5%. The Bonds were issued to refund all of the District's outstanding Series 2000 bonds and finance a portion of the costs of the Series 2007 Project. 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, 2008 through May 1, 2032.

The Series 2007 Bonds are not subject to optional redemption prior to maturity. The Series 2007 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 provides for a surety bond to be obtained in place of funding for the Debt Service Reserve Fund (the "Reserve Fund"). The Debt Service Reserve Fund Surety Bond constitutes a Debt Service Reserve Fund Insurance Policy under the Bond Indenture. The District has obtained the required bonding and is in compliance with the reserve requirement.

NOTE 6 – LONG-TERM LIABILITIES (Continued)

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

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

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--------------------------------|----------------------|-----------|------------|-------------------|------------------------|
| <u>Governmental activities</u> | | | | | |
| Bonds payable: | | | | | |
| Series 2007 | \$ 1,410,000 | \$ - | \$ 80,000 | \$ 1,330,000 | \$ 85,000 |
| Total | \$ 1,410,000 | \$ - | \$ 80,000 | \$ 1,330,000 | \$ 85,000 |

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

| Year ending September 30: | Governmental Activities | | |
|------------------------------|-------------------------|------------|--------------|
| | Principal | Interest | Total |
| 2021 | \$ 85,000 | \$ 73,150 | \$ 158,150 |
| 2022 | 85,000 | 68,475 | 153,475 |
| 2023 | 90,000 | 63,800 | 153,800 |
| 2024 | 95,000 | 58,850 | 153,850 |
| 2025 | 100,000 | 53,625 | 153,625 |
| 2026-2030 | 595,000 | 178,200 | 773,200 |
| 2031-2032 | 280,000 | 23,375 | 303,375 |
| | \$ 1,330,000 | \$ 519,475 | \$ 1,849,475 |

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 (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

NOTE 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. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. The District has not filed any claims under this commercial insurance coverage during the last three years.

NOTE 9 – RELATED PARTY TRANSACTIONS

During the fiscal year ended September 30, 2020, the District received \$49,784 as reimbursement for electric, cable, copier, and irrigation repairs from The Groves Golf & Country Club HOA, Inc (HOA), the homeowners association located in the District. At September 30, 2020, the HOA owed the District approximately \$2,092, which is included in accounts receivable.

In addition, the District received \$12,548 from the HOA related to pump/motor installation.

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

| | Budgeted Amounts Original & Final | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---|-------------------|---|
| REVENUES | | | |
| Assessments | \$ 1,247,726 | \$ 1,272,135 | \$ 24,409 |
| Net investment income | - | 43,233 | 43,233 |
| Miscellaneous revenue | - | 34,199 | 34,199 |
| Total revenues | 1,247,726 | 1,349,567 | 101,841 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 169,525 | 173,379 | (3,854) |
| Maintenance and operations | 688,112 | 338,785 | 349,327 |
| Public safety | 126,520 | 131,019 | (4,499) |
| Parks and recreation | 325,926 | 322,012 | 3,914 |
| Capital outlay | - | 59,633 | (59,633) |
| Total expenditures | 1,310,083 | 1,024,828 | 285,255 |
| Excess (deficiency) of revenues over (under) expenditures | (62,357) | 324,739 | 387,096 |
| OTHER FINANCING SOURCES | | | |
| Use of fund balance | 62,357 | - | (62,357) |
| Total other financing sources | 62,357 | - | (62,357) |
| Net change in fund balance | \$ - | 324,739 | \$ 324,739 |
| Fund balance - beginning | | 2,979,442 | |
| Fund balance - ending | | \$ 3,304,181 | |

See notes to required supplementary information

**THE GROVES COMMUNITY DEVELOPMENT DISTRICT
PASCO COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2020.



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
The Groves Community Development District
Pasco County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of The Groves Community Development District, Pasco County, Florida ("District") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated May 5, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

May 5, 2021



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

To the Board of Supervisors
The Groves Community Development District
Pasco County, Florida

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

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

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

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

May 5, 2021



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

To the Board of Supervisors
The Groves Community Development District
Pasco County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of The Groves Community Development District, Pasco County, Florida ("District") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated May 5, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 5, 2021, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

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

May 5, 2021

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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

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

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

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

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

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

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

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

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

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

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

Tab 7

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 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.

**THE GROVES
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of The Groves Community Development District was held on **Tuesday, May 5, 2021 at 9:59 a.m.**, held at The Groves Civic Center, located at 7924 Melogold Circle, Land O' Lakes, FL 33637.

Present and constituting a quorum:

| | |
|----------------------|--|
| Bill Boutin | Board Supervisor, Chairman |
| Richard Loar | Board Supervisor, Vice Chairman |
| Jimmy Allison | Board Supervisor, Assistant Secretary |
| Christina Cunningham | Board Supervisor, Assistant Secretary |
| James Nearey | Board Supervisor, Assistant Secretary |

Also present were:

| | |
|----------------|--|
| Aimee Brandon | District Manager, Rizzetta & Co, Inc. |
| Dana Collier | District Counsel, Straley, Robin & Vericker |
| Mark Bufano | Operations Manager |
| Steven Brletic | JMT Engineering |
| Joe Hamilton | Steadfast |

Audience: **Present**

FIRST ORDER OF BUSINESS

Call to Order

Ms. Aimee Brandon called the meeting to order and performed roll call, confirming that a quorum was present.

SECOND ORDER OF BUSINESS

Audience Comments

The Board received audience comments regarding; the pledge of allegiance and the AHOC committee, unlocking the clubhouse door, the back gate not going down quick enough, the clubhouse printer being replaced and fishing in the back pond.

Mr. Richard Loar gave an update on status of the AHOC Committee, and a brief discussion ensued.

THIRD ORDER OF BUSINESS

**Consideration of FY 2021-2022
Proposed Budget**

Ms. Brandon presented the fiscal year 2021/2022 proposed budget and reviewed the line items of the budget. A brief discussion ensued.

On a motion from Mr. Boutin, seconded by Mr. Neary, with two opposed, the Board of Supervisors unanimously agreed to increase the Fiscal Year 2021/2022 Proposed Budget 1.75% for The Groves Community Development District.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2021-03,
Approving FY 2021/2022 Proposed
Budget and Setting a Public Hearing**

Ms. Brandon presented the Resolution 2021-03, Approving FY 2021/2022 Proposed Budget and Setting a Public Hearing.

The Board agreed to table this item until the June 1, 2021 meeting.

FIFTH ORDER OF BUSINESS

**Consideration of District Counsel
Engagement Letter**

On a motion from Mr. Neary, seconded by Ms. Cunningham, the Board approved the District Counsel Engagement Letter for The Groves Community Development District.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Aquatic Report – April Waterway and Canal Report

The Board received the Aquatics Report for April 2021.

B. Clubhouse Manager

The Board received the Clubhouse Manager report from Mr. Mark Bufano.

Mr. Bufano discussed several items that included a new phone system being installed, road resurfacing, the bridge and pier repaired and completes, tennis court resurfacing is now complete, irrigation issues and new gutters on the clubhouse.

He informed the Board that Pasco County has changed their executive order and that there is now a no mask mandate and that the Ball Room capacity has increased to 80 people.

Mr. Bufano also informed the Board that a new part time maintenance person will start around May 15th.

91 **C. District Counsel**

92 There were no updates from District Counsel.
93

94 **D. District Engineer**

95 The Board received the District Engineer report from Mr. Stephen Brletic.
96

97 Mr. Brletic informed the board that Pond 1 is under contract and ready to go
98 Friday May 7th to meet with Mr. Bufano. He will coordinate with the golf
99 course and Mr. Bufano for this project.
100

101 Mr. Brletic noted that the pond assessment is complete and that it is best to
102 get with the aquatics company after September and October to have the
103 levels assessed.
104

105 **E. District Manager**

106 The Board received the District Manager report from Ms. Brandon.
107

108 Ms. Brandon reminded the Board of their next regular scheduled meeting to
109 be held on June 10th at 6:30 p.m.
110

111 Ms. Brandon discussed amenity services and suggested using 2 Board
112 members as a liaison to interview potential candidates. Ms. Cunningham and
113 Mr. Allison volunteered to be the liaisons.
114

115 Ms. Brandon gave an update on the monthly financials and announced that
116 there were 1,141 registered voters for The Groves CDD this year.
117

118 **Project Management Review:**

119 Ms. Cunningham would like to make sure that the Bayscape Contract begins
120 the renegotiation.
121

122 **90 Day Improvement Plan:**

123 Ms. Cunningham noted that is has been 120 days now and that she is
124 disappointed with the progress so far.
125

126 **SEVENTH ORDER OF BUSINESS**

127 **Consideration of Minutes of the**
128 **Board of Supervisors' Meeting held**
129 **on April 6, 2021**

130 The Board received the Minutes of the Board of Supervisors regular meeting that
131 was held on April 6, 2021.
132

133 Ms. Cunningham noted that there was an error on line 181 and that it should
134 read County not Country.

On a motion from Ms. Cunningham, seconded by Mr. Neary, the Board approved the Minutes of the Board of Supervisors regular meeting, as amended, that was held on April 6, 2021 for The Groves Community Development District.

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EIGHTH ORDER OF BUSINESS

**Consideration of Operations and
Maintenance Expenditures for March
2021**

The Board received the Operation and Maintenance Expenditures for March 2021 in the amount of \$131,268.84.

On a motion from Mr. Loar, seconded by Mr. Nearey, the Board approved to ratify the paid invoices for the O&M Expenditures for March 2021 in the amount of \$131,268.84 for The Groves Community Development District.

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NINTH ORDER OF BUSINESS

Supervisor Requests

During Supervisor Requests the Board discussed the following: Mr. Loar meeting with RASI Services regarding the management fees for the budget and is still waiting on a response to his questions.

Ms. Cunningham is still waiting on information for the credits on the amount owed by Rizzetta for the rate increase. She also noted that there was some discussion with the HOA about Spanish Moss treatment and suggested that the CDD do the same.

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TENTH ORDER OF BUSINESS

Adjournment

Mr. Boutin requested a motion to adjourn the meeting of the Board of Supervisors for The Groves Community Development District.

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On a motion from Mr. Loar, seconded by Mr. Nearey, the Board approved to adjourn the meeting at 1:10 p.m. for The Groves Community Development District.

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Secretary/Assistant Secretary

Chairman/Vice Chairman

Tab 8

THE GROVES COMMUNITY DEVELOPMENT DISTRICT

District Office · Wesley Chapel · Florida · 813-994-1001

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

www.thegrovescdd.org

Operation and Maintenance Expenditures

April 2021

For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from April 1, 2021 through April 30, 2021. This does not include expenditures previously approved by the Board.

The total items being presented: **\$119,852.73**

Approval of Expenditures:

_____ Chairperson

_____ Vice Chairperson

_____ Assistant Secretary

The Groves Community Development District

Paid Operation & Maintenance Expenditures

April 1, 2021 Through April 30, 2021

| <u>Vendor Name</u> | <u>Check Number</u> | <u>Invoice Number</u> | <u>Invoice Description</u> | <u>Invoice Amount</u> |
|-------------------------------------|---------------------|-----------------------|--|-----------------------|
| A1OSIS Inc. | 007534 | 3122020101-1 | IT Services Balance Due 03/21 | \$ 2,500.00 |
| Ada Whitehouse | 007561 | 041221-Whitehouse | Reimbursement Electric Fountain 04/21 | \$ 90.00 |
| Brighthouse Networks | 007562 | 046594101041021 | 7924 Melogold Circle-Golf & Club 04/21 | \$ 617.59 |
| Brighthouse Networks | 007538 | 051389101032321 | 7924 Melogold Cir Back Gate 03/21 | \$ 123.17 |
| Brighthouse Networks | 007535 | 091844201032421 | 7924 Melogold Cir 03/21 | \$ 9.11 |
| Central Termite & Pest Control Inc. | 007552 | 77844 | Pest Control Monthly 04/21 | \$ 50.00 |
| Central Termite & Pest Control Inc. | 007552 | 82710 | Rodent Station Monitoring 04/21 | \$ 52.00 |
| Christina Cunningham | 007540 | CC040621 | Board Of Supervisors Meeting 04/06/21 | \$ 200.00 |
| City of Clearwater | 007564 | 4156233 04/21 | 7924 Melogold Circle 04/21 | \$ 2,583.29 |
| Clean Sweep Supply Co., Inc. | 007525 | 00212628 | Janitorial Supplies 03/21 | \$ 316.15 |

The Groves Community Development District

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| <u>Vendor Name</u> | <u>Check Number</u> | <u>Invoice Number</u> | <u>Invoice Description</u> | <u>Invoice Amount</u> |
|---|---------------------|-----------------------|--|-----------------------|
| Clean Sweep Supply Co., Inc. | 007565 | 00212805 | Janitorial Supplies 04/21 | \$ 235.05 |
| Commercial Fire & Communications, Inc. | 007539 | 9010428 | Fire Alarm Inspections Repair 03/21 | \$ 469.00 |
| Conley's Drinking Fountains LLC | 007566 | 2457 | Drinking Fountain Maintenance 04/21 | \$ 475.96 |
| Dynamic Security, Inc. | 007526 | 2000005903 | Security Services 03/20/21-03/26/21 | \$ 1,425.48 |
| Dynamic Security, Inc. | 007541 | 2000005914 | Security Services 03/27/21-04/02/21 | \$ 1,425.48 |
| Dynamic Security, Inc. | 007553 | 2000006014 | Security Services 04/03/21-04/09/21 | \$ 1,425.48 |
| Dynamic Security, Inc. | 007567 | 2000006025 | Security Services 04/10/21-04/16/21 | \$ 1,425.48 |
| Fitness Logic, Inc. | 007542 | 100625 | Quarterly General Maintenance 03/21 | \$ 170.00 |
| Gray Robinson Atty. | 007554 | 11000498 | Civic Center Liquor License update 04/21 | \$ 186.00 |
| GreatAmerica Financial Services Corporation | 007555 | 29107526 | Copier Maintenance/Color Images 04/21 | \$ 379.80 |

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|---|---------------------|-----------------------|--|-----------------------|
| Innersync Studio, Ltd DBA Campus Suite | 007527 | 19363 | CDD Website Services 04/21 | \$ 378.75 |
| James P Nearey | 007544 | JN040621 | Board Of Supervisors Meeting 04/06/21 | \$ 200.00 |
| Jimmy Allison | 007536 | JA040621 | Board Of Supervisors Meeting 04/06/21 | \$ 200.00 |
| Johnson, Mirmiran & Thompson, Inc. | 007528 | 1-171535 | Engineer Services 02/21 | \$ 14,862.50 |
| Johnson, Mirmiran & Thompson, Inc. | 007568 | 2-171982 | Engineer Services 03/21 | \$ 5,482.41 |
| Larry Jauch | 007556 | 041221 | Reimbursement Electric Fountain 04/21 | \$ 90.00 |
| Mark Bufano | 007551 | 040921 | Reimbursement For Windows 04/21 | \$ 675.00 |
| Mood Media | 007569 | 56080772 | Clubhouse Music Monthly Service 04/21 | \$ 153.28 |
| Mr. Electric of Land O Lakes | 007570 | 8140289 | Electrical Services for Restaurant 04/21 | \$ 2,273.44 |
| Navitas Credit Corp | 007571 | 40526618 04/21 | Security Surveillance 04/21 | \$ 2,103.19 |

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|---------------------------------|---------------------|-----------------------|---------------------------------------|-----------------------|
| Pasco County | 007529 | 14732752 | 7924 Melogold Circle Hydrant 03/21 | \$ 25.48 |
| Pasco County | 007557 | 14782254 | 7320 Land O Lakes Blvd 03/21 | \$ 152.81 |
| Pasco County | 007557 | 14782255 | 0 Festive Groves Blvd 03/21 | \$ 29.66 |
| Pasco County | 007557 | 14782400 | 7324 Melogold Cir 03/21 | \$ 1,057.12 |
| Pasco County | 007545 | 14782401 | 7924 Melogold Circle Hydrant 03/21 | \$ 2,019.15 |
| Proteus Pool Services LLC | 007579 | Grovo01 | Pool Maintenance 03/21 | \$ 2,752.53 |
| Richard Loar | 007543 | RL040621 | Board Of Supervisors Meeting 04/06/21 | \$ 200.00 |
| Rizzetta & Company, Inc. | 007530 | INV0000057637 | District Management Fees 04/21 | \$ 5,837.50 |
| Rizzetta Amenity Services, Inc. | 007547 | INV00000000008657 | Bi-Weekly Payroll-Insurance 04/21 | \$ 7,807.66 |
| Rizzetta Amenity Services, Inc. | 007572 | INV00000000008710 | Bi-Weekly Payroll-Insurance 04/21 | \$ 5,474.22 |

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|-----------------------------------|---------------------|-----------------------|--|-----------------------|
| Rizzetta Amenity Services, Inc. | 007547 | INV0000000008685 | Out of Pocket Expenses 03/21 | \$ 100.00 |
| Rizzetta Technology Services, LLC | 007531 | INV0000007426 | Email & Website Hosting Services 04/21 | \$ 175.00 |
| Ronald Tamborski | 007560 | 041221-Tamborski | Reimbursement Electric Fountain 04/21 | \$ 90.00 |
| Sarah Romanell | 007559 | 041221-Romanell | Reimbursement Electric Fountain 04/21 | \$ 90.00 |
| Securiteam, Inc. | 007573 | 14083 | Quarterly Video Monitoring 04/21 | \$ 6,300.00 |
| Securiteam, Inc. | 007573 | 14088 | Quarterly Video Monitoring 04/21 | \$ 799.96 |
| Solitude Lake Management LLC | 007574 | PI-A00578008 | Lake & Pond Management Services 04/21 | \$ 1,486.00 |
| Solitude Lake Management LLC | 007574 | PI-A00578009 | Canal & Ditch Maintenance Services 04/21 | \$ 1,395.00 |
| Sports Surfaces LLC | 007548 | 11987 | Resurface Hard Tennis Court 04/21 | \$ 6,402.00 |
| Sports Surfaces LLC | 007548 | 12010 | Resurface Hard Tennis Court 04/21 | \$ 6,596.00 |

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|---|---------------------|-----------------------|---------------------------------------|-----------------------|
| Steve Gaskins Contracting, Inc. | 007575 | 0000186 | Off Duty Deputy & Scheduler Fee 03/21 | \$ 524.00 |
| The Groves CDD | CD391 | CD391 | Debit Card Replenishment | \$ 2,975.50 |
| The Lake Doctors, Inc. | 007532 | 569542 | Fountain Quarterly Service 04/21 | \$ 350.00 |
| Verizon Wireless | 007550 | 9875403140 | 713738176-00001 03/21 | \$ 35.62 |
| Verizon Wireless | 007578 | 9877545050 | 713738176-00001 04/21 | \$ 45.36 |
| Waste Management Inc. of Florida | 007533 | 0634022-1568-3 | Waste Disposal Services 04/21 | \$ 203.00 |
| Wilbur H. Boutin Jr | 007537 | BB040621 | Board Of Supervisors Meeting 04/06/21 | \$ 200.00 |
| Withlacoochee River Electric Cooperative, Inc | 007563 | Summary Elec 03/21 | Summary Electric 03/21 | \$ 5,766.03 |
| World of Lawncraft LLC | 007549 | 256-1 | Clear Canal Edge 03/21 | \$ 1,700.00 |
| World of Lawncraft LLC | 007549 | 256-2 | Clear Canal Edge 04/21 | \$ 1,700.00 |

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|------------------------|---------------------|-----------------------|--|-----------------------------|
| World of Lawncraft LLC | 007576 | 256-3 | Removed Items Under Tennis Court 02/21 | \$ 1,650.00 |
| Yellowstone Landscape | 007577 | TM 206360 | Monthly Landscape Maintenance 04/21 | \$ 11,798.17 |
| Yellowstone Landscape | 007577 | TM 208867 | Irrigation Repairs 04/21 | \$ 472.11 |
| Yellowstone Landscape | 007577 | TM 211472 | Plant Installation 04/21 | \$ 2,567.00 |
| Yellowstone Landscape | 007577 | TM 211473 | Irrigation Repairs 04/21 | <u>\$ 498.24</u> |
| Report Total | | | | <u>\$ 119,852.73</u> |