

**Amelia Concourse
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2018

Amelia Concourse Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2018

TABLE OF CONTENTS

FINANCIAL SECTION	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Special Purpose Entity	16
Notes to Financial Statements	17-30
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 <i>GOVERNMENT AUDITING STANDARDS</i>	31-32
MANAGEMENT LETTER	33-35
INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	36



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Amelia Concourse Community Development District
Nassau County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Amelia Concourse Community Development District as of and for the year ended September 30, 2018, and the related notes to 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Accounting 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 opinion.

Fort Pierce / Stuart

To the Board of Supervisors
Amelia Concourse Community Development District

Opinion

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 Amelia Concourse Community Development District, as of September 30, 2018, and the respective changes in financial position and the budgetary comparison for the General and Special Revenue Funds for the year then ended in conformity 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 Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amelia Concourse Community Development District's internal control over financial reporting and compliance.



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

June 20, 2019

**Amelia Concourse Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

**Amelia Concourse Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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 balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government'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 statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

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

Financial Highlights:

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

- The District's total assets were exceeded by total liabilities by \$(7,281,561) (net position). Unrestricted net position was \$(6,776,319). Restricted net position was \$55,750. Net investment in capital assets was \$(560,992).
- Governmental activities revenues totaled \$1,459,582 while governmental activities expenses totaled \$1,983,340.

**Amelia Concourse Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

The following schedule provides a summary of the assets, liabilities and net position of the District.

	Governmental Activities	
	2018	2017
Current assets	\$ 563,655	\$ 345,686
Other non-current assets	54,656	54,656
Restricted assets	1,327,955	1,103,897
Capital assets, net of depreciation	3,988,980	4,846,343
Total Assets	5,935,246	6,350,582
Current liabilities	4,261,807	3,878,385
Non-current liabilities	8,955,000	9,230,000
Total Liabilities	13,216,807	13,108,385
Net investment in capital assets	(560,992)	(820,992)
Net position-restricted	55,750	56,609
Net position-unrestricted	(6,776,319)	(5,993,420)
Total Net Position	\$ (7,281,561)	\$ (6,757,803)

The decrease in capital assets and net position is primarily related to the capital asset conveyed to other entities in the current year.

The increase in current assets and restricted assets is related to revenues exceeding expenditures at the fund level.

**Amelia Concourse Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

The following schedule provides a summary of the changes in net position of the District.

	Governmental Activities	
	2018	2017
Program Revenues		
Charges for services	\$ 1,271,621	\$ 303,342
Operating grants and contributions	134,787	130,210
General Revenues		
Investments earnings	10,352	5,312
Other revenues	42,822	22,720
Total Revenues	<u>1,459,582</u>	<u>461,584</u>
Expenses		
General government	121,276	124,146
Physical environment	1,149,018	208,682
Interest on long-term debt	713,046	714,073
Total Expenses	<u>1,983,340</u>	<u>1,046,901</u>
Change in Net Position	(523,758)	(585,317)
Net Position - Beginning of Year	<u>(6,757,803)</u>	<u>(6,172,486)</u>
Net Position - End of year	<u>\$ (7,281,561)</u>	<u>\$ (6,757,803)</u>

The increase in charges for services is related to increased special assessments and prepayments for debt service in the current year.

The increase in physical environment is primarily related to the conveyance of certain assets at the completion of the capital project.

**Amelia Concourse Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2018 and 2017.

<u>Description</u>	Governmental Activities	
	<u>2018</u>	<u>2017</u>
Land and improvements	\$ 719,533	\$ 719,533
Construction in progress	-	2,990,291
Improvements other than buildings	423,490	-
Infrastructure	2,315,537	431,434
Recreation facilities	1,526,077	1,526,077
Accumulated depreciation	(995,657)	(820,992)
Total Capital Assets (Net)	<u>\$ 3,988,980</u>	<u>\$ 4,846,343</u>

During the year depreciation was \$174,665, additions of \$152,404 and transfers \$(3,142,695) to construction in progress, additions of \$2,307,593 to infrastructure and improvements other than buildings and conveyances of \$(835,102).

General Fund Budgetary Highlights

The budget was exceeded by actual expenditures primarily because actual project completion costs expenditures were more than anticipated.

There were no amendments to the September 30, 2018 General Fund Budget.

Debt Management

Governmental Activities debt includes the following:

- In July 2007, the District issued \$7,350,000 Series 2007 Capital Improvement Revenue Bonds. The bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. The District has \$585,000 in matured bonds outstanding and the remaining balance outstanding at September 30, 2018 was \$5,885,000.
- In June 2016, the District issued \$3,385,000 Series 2016 Capital Improvement Revenue Bonds. The bonds were issued to finance the acquisition, construction, equipping and installation of certain improvement for the benefit of Phase II of the District improvements. The balance outstanding at September 30, 2018 was \$3,285,000.

**Amelia Concourse Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

The District's financial conditions has changed since prior years; however, the future of the project remains uncertain. In June 2016, the District issued 2016 Capital Improvement Revenue Bonds amounting to \$3,385,000. However, the District is still in default on the Series 2007 Bonds outstanding balance. The impact of the sale of certain land in fiscal year 2019 and a bond refinance cannot be determined at this time.

Request for Information

The financial report is designed to provide a general overview of Amelia Concourse Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Amelia Concourse Community Development District, Governmental Management Services, 475 West Town Place, St. Augustine, FL 32092.

Amelia Concourse Community Development District
STATEMENT OF NET POSITION
September 30, 2018

	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 387,334
Investments	169,753
Accounts receivable	9
Assessment receivables	1,272
Deposits	2,475
Prepaid expenses	2,812
Total Current Assets	563,655
Non-Current Assets	
Restricted assets	
Investments	1,327,955
Land held for resale	54,656
Capital assets, not being depreciated	
Land and improvements	719,533
Capital assets, being depreciated	
Improvements other than buildings	423,490
Recreation facilities and amenities	1,526,077
Infrastructure	2,315,537
Less: accumulated depreciation	(995,657)
Total Non-Current Assets	5,371,591
Total Assets	5,935,246
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	10,275
Accrued interest	237,135
Due to other governments	263,053
Deposits	25,000
Matured bonds payable	585,000
Matured interest payable	2,926,344
Bonds payable	215,000
Total Current Liabilities	4,261,807
Non-Current Liabilities	
Bonds payable	8,955,000
Total Liabilities	13,216,807
NET POSITION	
Net investment in capital assets	(560,992)
Restricted for special purpose entity	55,750
Unrestricted	(6,776,319)
Total Net Position	\$ (7,281,561)

See accompanying notes.

Amelia Concourse Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Position</u>
Primary government		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General government	\$ (121,276)	\$ 78,161	\$ 134,787	\$ 91,672
Physical environment	(1,149,018)	113,528	-	(1,035,490)
Interest on long-term debt	(713,046)	1,079,932	-	366,886
Total Governmental Activities	<u>\$ (1,983,340)</u>	<u>\$ 1,271,621</u>	<u>\$ 134,787</u>	<u>(576,932)</u>
General Revenues				
Investment earnings				10,352
Miscellaneous revenues				42,822
Total General Revenues				<u>53,174</u>
Change in Net Position				(523,758)
Net Position - October 1, 2017				<u>(6,757,803)</u>
Net Position - September 30, 2018				<u>\$ (7,281,561)</u>

See accompanying notes.

Amelia Concourse Community Development District
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018

	General	Special Purpose Entity	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 98,150	\$ 289,184	\$ -	\$ -	\$ 387,334
Investments	169,753	-	-	-	169,753
Accounts receivable	9	-	-	-	9
Assessments receivables	1,272	-	-	-	1,272
Deposits	2,475	-	-	-	2,475
Prepaid expenses	2,812	-	-	-	2,812
Land held for resale	-	54,656	-	-	54,656
Restricted assets					
Investments, at fair value	-	-	1,182,347	145,608	1,327,955
Total Assets	<u>\$ 274,471</u>	<u>\$ 343,840</u>	<u>\$ 1,182,347</u>	<u>\$ 145,608</u>	<u>\$ 1,946,266</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenses	\$ 10,238	\$ 37	\$ -	\$ -	\$ 10,275
Due to other governments	-	263,053	-	-	263,053
Deposits	-	25,000	-	-	25,000
Matured bonds payable	-	-	585,000	-	585,000
Matured interest payable	-	-	2,926,344	-	2,926,344
Total Liabilities	<u>10,238</u>	<u>288,090</u>	<u>3,511,344</u>	<u>-</u>	<u>3,809,672</u>
Fund Balances:					
Nonspendable					
Deposits and prepaid expenses	5,287	-	-	-	5,287
Restricted					
Capital projects	-	-	-	145,608	145,608
Special purpose	-	55,750	-	-	55,750
Unassigned	258,946	-	(2,328,997)	-	(2,070,051)
Total Fund Balances	<u>264,233</u>	<u>55,750</u>	<u>(2,328,997)</u>	<u>145,608</u>	<u>(1,863,406)</u>
Total Liabilities and Fund Balances	<u>\$ 274,471</u>	<u>\$ 343,840</u>	<u>\$ 1,182,347</u>	<u>\$ 145,608</u>	<u>\$ 1,946,266</u>

See accompanying notes.

Amelia Concourse Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2018

Total Governmental Fund Balances	\$ (1,863,406)
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets not being depreciated, land and improvements used in governmental activities are not current financial resources and, therefore, are not reported at the fund level.	719,533
Capital assets being depreciated, infrastructure, \$2,315,537, improvements other than buildings, \$423,490 and recreation facilities and amenities, \$1,526,077, net of accumulated depreciation, \$(995,657), used in governmental activities are not financial resources and therefore, are not reported at the fund level.	3,269,447
Long-term liabilities, including bonds payable, are not due and payable in the current period and; therefore, are not reported at the fund level.	(9,170,000)
Accrued interest expense for long-term debt is not a current financial use and; therefore, is not reported at the fund level.	<u>(237,135)</u>
Net Position of Governmental Activities	<u>\$ (7,281,561)</u>

See accompanying notes.

Amelia Concourse Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	General	Special Purpose Entity	Debt Service	Capital Projects	Total Governmental Funds
Revenues					
Special assessments	\$ 191,689	\$ -	\$ 1,079,932	\$ -	\$ 1,271,621
Bondholder contributions	-	134,787	-	-	134,787
Investment earnings	317	-	7,914	2,121	10,352
Miscellaneous revenues	42,822	-	-	-	42,822
Total Revenues	<u>234,828</u>	<u>134,787</u>	<u>1,087,846</u>	<u>2,121</u>	<u>1,459,582</u>
Expenditures					
Current					
General government	95,870	25,406	-	-	121,276
Physical environment	139,251	-	-	-	139,251
Capital outlay	152,404	-	-	-	152,404
Debt service					
Principal	-	-	260,000	-	260,000
Interest	-	-	575,125	-	575,125
Other debt service costs	-	-	140,421	-	140,421
Total Expenditures	<u>387,525</u>	<u>25,406</u>	<u>975,546</u>	<u>-</u>	<u>1,388,477</u>
Excess of revenues over expenditures	<u>(152,697)</u>	<u>109,381</u>	<u>112,300</u>	<u>2,121</u>	<u>71,105</u>
Other financing sources (uses)					
Operating transfers in	110,240	-	-	922	111,162
Operating transfers out	-	(110,240)	(922)	-	(111,162)
Total Other Financing Sources (Uses)	<u>110,240</u>	<u>(110,240)</u>	<u>(922)</u>	<u>922</u>	<u>-</u>
Net change in fund balances	(42,457)	(859)	111,378	3,043	71,105
Fund Balances - October 1, 2017	<u>306,690</u>	<u>56,609</u>	<u>(2,440,375)</u>	<u>142,565</u>	<u>(1,934,511)</u>
Fund Balances - September 30, 2018	<u>\$ 264,233</u>	<u>\$ 55,750</u>	<u>\$ (2,328,997)</u>	<u>\$ 145,608</u>	<u>\$ (1,863,406)</u>

See accompanying notes.

Amelia Concourse Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

Net Change in Fund Balances - Total Governmental Funds	\$	71,105
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the estimated useful lives as depreciation. This is the amount that capital outlays, \$152,404 the current period.</p>		(857,363)
<p>Repayments of bond principal are expenditures at the fund level, but the repayments reduce long-term liabilities in the Statement of Net Position.</p>		260,000
<p>In the Statement of Activities, interest is accrued on outstanding bonds; whereas in the fund level interest expenditures are reported when due. This is the change in accrued interest in the current period.</p>		<u>2,500</u>
Change in Net Position of Governmental Activities	\$	<u><u>(523,758)</u></u>

See accompanying notes.

Amelia Concourse Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 293,545	\$ 293,545	\$ 191,689	\$ (101,856)
Investment earnings	-	-	317	317
Miscellaneous revenues	500	500	42,822	42,322
Total Revenues	<u>294,045</u>	<u>294,045</u>	<u>234,828</u>	<u>(59,217)</u>
Expenditures				
Current				
General government	113,855	113,855	95,870	17,985
Physical environment	143,010	143,010	139,251	3,759
Capital outlay	20,180	20,180	152,404	(132,224)
Total Expenditures	<u>277,045</u>	<u>277,045</u>	<u>387,525</u>	<u>(110,480)</u>
Excess of revenues over expenditures	<u>17,000</u>	<u>17,000</u>	<u>(152,697)</u>	<u>(169,697)</u>
Other financing sources (uses)				
Transfer in	-	-	110,240	110,240
Transfer out	(17,000)	(17,000)	-	17,000
Total other financing sources/(uses)	<u>(17,000)</u>	<u>(17,000)</u>	<u>110,240</u>	<u>127,240</u>
Net change in fund balances	-	-	(42,457)	(42,457)
Fund Balances - October 1, 2017	<u>-</u>	<u>-</u>	<u>306,690</u>	<u>306,690</u>
Fund Balances - September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,233</u>	<u>\$ 264,233</u>

See accompanying notes.

Amelia Concourse Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – SPECIAL PURPOSE ENTITY
For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Bondholder contributions	\$ 122,292	\$ 122,292	\$ 134,787	\$ 12,495
Expenditures				
Current				
General government	34,400	34,400	25,406	8,994
Excess of revenues over expenditures	87,892	87,892	109,381	21,489
Other financing sources (uses)				
Transfer out	(87,892)	(87,892)	(110,240)	(22,348)
Net change in fund balances	-	-	(859)	(859)
Fund Balances - October 1, 2017	-	-	56,609	56,609
Fund Balances - September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,750</u>	<u>\$ 55,750</u>

See accompanying notes.

Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established on July 10, 2006, by Ordinance 2006-58 of Nassau County, Florida, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or without the boundaries of the Amelia Concourse Community Development District. The District is governed by a five-member Board of Supervisors who are elected for four year terms. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Amelia Concourse Community Development District (the primary government) as a local unit of special-purpose government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters. To be includable within the District's financial statements, the component unit must be financially accountable or the exclusion of the nature and significance of their relationship with the District would cause the financial statements to be misleading or incomplete. Blended component units must be financially accountable to the District; there must be a financial burden/benefit relationship and the entity, although legally separate, must operate like a fund of the District.

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board, the District has identified one blended component unit.

The blended component unit is a legally separate entity. It is reported as a Special Revenue Fund. The blended component unit of the District is as follows:

Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

Amelia Concourse SPE, LLC – The Company is a Special Purpose Entity (the “SPE”) that owns, manages, maintains, and will sell and/or dispose of the Property for the benefit of the District. The District, pursuant to an agreement between the Company, the District, and the U.S. Bank National Association (the “Trustee”), will not impose annual maintenance assessments on the Property but instead will receive funding per request from the Trustee on a quarterly basis. Should funding cease or become delinquent for sixty days, the District holds the right to impose maintenance assessments and take all actions necessary, including foreclosure. In such a scenario, the Company waive any rights, arguments, claims or defenses of the Company in foreclosure proceedings and agree in no way to prevent the District from taking action. Whenever the Company receives cash from the sale of any portion of the Property, all monies will be remitted to the Trustee to apply pursuant to the Trust Indenture.

2. Measurement Focus and Basis of Accounting

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

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

a. Government-wide Financial Statements

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

Governmental activities are supported by special assessments, developer contributions, intergovernmental revenues and interest. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

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

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

Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements

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

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

Governmental Funds

The District implemented the Governmental Accounting Standards Board Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications include non-spendable, restricted, committed, assigned and unassigned.

The District has various policies governing the fund balance classifications.

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

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

Committed Fund Balance – This classification consists of amounts that can only be used for specific purposes pursuant to the constraints imposed by a formal action of the government's highest level of decision making authority.

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

Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

Fund Balance Spending Hierarchy – When restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

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

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

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

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

Debt service expenditures are recorded only when payment is due.

Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation

a. Governmental Major Funds

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

Special Purpose Entity Fund – The Special Purpose Entity Fund is a Special Revenue Fund that accounts for the activities of the SPE, a blended component unit of the government. The SPE owns, manages, maintains, and will sell and/or dispose of the Property for the benefit of the District.

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.

Capital Projects Fund – Accounts for construction of infrastructure improvements within the district.

b. Non-current Governmental Assets/Liabilities

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

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

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

Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

a. Cash and Investments (Continued)

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

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

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

b. Restricted Assets

Certain assets of the District and a corresponding liability or portion of net position is classified as restricted on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation, or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

c. Capital Assets

Capital assets, which include land and improvements, recreational facilities and infrastructure are reported in the governmental activities column in the government-wide statements.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

c. Capital Assets (Continued)

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Infrastructure	20 years
Improvements other than buildings	20 years
Recreational facilities	30 years

d. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds.

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

“Total fund balances” of the District’s governmental funds (\$(1,863,406)) differs from “net position” of governmental activities (\$(7,281,561)) reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Fund Balance Sheet. The effect of the differences is illustrated below.

Capital related items

When capital assets (infrastructure and recreational facilities that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Land	\$ 719,533
Improvements other than buildings	423,490
Infrastructure	2,315,537
Recreational facilities	1,526,077
Accumulated depreciation	<u>(995,657)</u>
Total	<u>\$ 3,988,980</u>

Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Long-term debt transactions

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position.

Balances at September 30, 2018 were:

Bonds payable	\$ <u>(9,170,000)</u>
---------------	-----------------------

Accrued interest

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to the accrued interest on bonds.

Accrued interest	\$ <u>(237,135)</u>
------------------	---------------------

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds (\$71,105) differs from the “change in net position” for governmental activities (\$523,758) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation. The following is the amount that capital outlay exceeded depreciation in the current year.

Capital outlay	\$ 152,404
Conveyed assets	(835,102)
Depreciation	<u>(174,665)</u>
Total	<u>\$ (857,363)</u>

Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities (Continued)

Long-term debt transactions

Repayments of bond principal are expenditures at the fund level but reduce liabilities in the Statement of Net Position. The issuance of new debt is an other financing source at the fund level but it increases long-term liabilities in the Statement of Net Position.

Principal payments	\$ <u>260,000</u>
--------------------	-------------------

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

Change in accrued interest payable	\$ <u>2,500</u>
------------------------------------	-----------------

NOTE C – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet and statement of net position as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The investment policy of the District follows the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2018, the District's bank balance was \$359,887 and the carrying value was \$387,334. The District controls its exposure to custodial credit risk because it maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE C – CASH AND INVESTMENTS (CONTINUED)

As of September 30, 2018, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
SBA Local Govt Surplus Funds		
Florida Prime	33 Days *	\$ 68,576
Fidelity Government Portfolio	36 Days *	858,259
US Bank Mmkt Managed	N/A	560,873
Total		<u>\$ 1,487,708</u>

* Weighted Average Maturity

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

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

Based on the criteria in the preceding paragraph, the investment in Fidelity Government Portfolio and US Bank Managed Money Market are Level 1 assets.

Investments

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. Among other investments, the policy allows the District to invest in the State Board of Administration Local Government Surplus Trust Funds.

Cash placed with the State Board of Administration represents the District's participation in the Local Government Surplus Trust Funds Investment Pool and is reported at fair value. As a pool participant the District invests in pools of investments in which shares are owned in the pool rather than the underlying investments.

**Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018**

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

The District monitors investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investments in treasury funds, commercial paper, and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. The Local Government Surplus Funds Trust is an authorized investment under Section 218.415, Florida Statutes. The District's investments in the state investment pool and government loans are limited by state statutory requirements and bond compliance. The District had monies invested with the Local Government Surplus Funds Trust Fund, at September 30, 2018. This fund met the requirements of a "2-7a like pool" as defined in Government Accounting Standards Board, Statement 31. As of September 30, 2018, the District's investment in the Fidelity Government Portfolio, SBA Local Government Surplus Funds and Managed Money Market Accounts were rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one issuer. The investment in Fidelity Government Portfolio represents 58% of the District's total investments. The investment in Local Government Surplus Funds Trust represents 5% of the District's total investments. The remaining 37% is invested in US Bank Managed Money Market Accounts.

The types of deposits and investments and their level of risk exposure as of September 30, 2018 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary. In addition, the District has the ability to hold investments to maturity that have fair values less than cost. The District's investments are recorded at book value.

NOTE D – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2018 were as follows:

Fund	Transfer In	Transfer Out
General	\$ 110,240	\$ -
Special Revenue	-	110,240
Debt Service	-	922
Capital Projects	922	-
	\$ 111,162	\$ 111,162

Transfers from the Special Revenue fund to the General fund were made to finance a portion of the District's general operations as the District is not imposing operating and maintenance assessments on the Property owned by the SPE.

Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE E – SPECIAL ASSESSMENT REVENUES

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted budget and levied annually. Debt Service Assessments are levied when bonds are issued and collected annually. The District may collect assessments directly or utilize the uniform method of collection (Chapter 197.3632, Florida Statutes). Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the Debt Service Assessments on their property subject to various provisions in the bond documents.

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.

NOTE F – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2018 was as follows:

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land and improvements	\$ 719,533	\$ -	\$ -	\$ 719,533
Construction in progress	2,990,291	152,404	(3,142,695)	-
Total Capital Assets Not Being Depreciated	<u>3,709,824</u>	<u>152,404</u>	<u>(3,142,695)</u>	<u>719,533</u>
Capital assets, being depreciated:				
Improvements other than buildings	-	423,490	-	423,490
Infrastructure - stormwater management	431,434	1,884,103	-	2,315,537
Recreational facilities	1,526,077	-	-	1,526,077
Total Capital Assets Being Depreciated	<u>1,957,511</u>	<u>2,307,593</u>	<u>-</u>	<u>4,265,104</u>
Less accumulated depreciation for:				
Improvements other than buildings	-	(21,175)	-	(21,175)
Infrastructure - storm drainage	(113,469)	(77,186)	-	(190,655)
Buildings and recreational facilities	(707,523)	(76,304)	-	(783,827)
Total Accumulated Depreciation	<u>(820,992)</u>	<u>(174,665)</u>	<u>-</u>	<u>(995,657)</u>
Governmental Activities Capital Assets	<u>\$ 4,846,343</u>	<u>\$ 2,285,332</u>	<u>\$ (3,142,695)</u>	<u>\$ 3,988,980</u>

Depreciation of \$174,665 was charged to physical environment.

Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE G – LONG-TERM DEBT

The following is a summary of activity in the long-term debt of the District for the year ended September 30, 2018:

Long-term debt at October 1, 2017	\$ 9,430,000
Principal payments	<u>(260,000)</u>
Long-term debt at September 30, 2018	<u>\$ 9,170,000</u>

Long-term debt is comprised of the following:

Capital Improvement Revenue Bonds

\$7,350,000 Series 2007 Capital Improvement Revenue Bonds due in annual principal installments beginning May 2009 and maturing May 1, 2038. Interest at a rate of 5.75% is due May and November beginning November 2007. \$ 5,885,000

\$3,385,000 Series 2016 Capital Improvement Revenue Bonds due in annual principal installments beginning May 2018 and maturing May 1, 2047. Interest at a rate of 6.00% is due May and November beginning November 2016. \$ 3,285,000

The annual requirements to amortize the principal and interest of long-term debt outstanding as of September 30, 2018 are as follows:

Year Ending September 30,	Principal	Interest	Total
2019	\$ 215,000	\$ 569,125	\$ 784,125
2020	220,000	556,650	776,650
2021	240,000	543,888	783,888
2022	250,000	529,963	779,963
2023	265,000	515,463	780,463
2024-2028	1,585,000	2,326,963	3,911,963
2029-2033	2,130,000	1,807,350	3,937,350
2034-2038	2,605,000	1,113,325	3,718,325
2039-2043	810,000	405,900	1,215,900
2044-2047	<u>850,000</u>	<u>131,098</u>	<u>981,098</u>
Totals	<u>\$ 9,170,000</u>	<u>\$ 8,499,725</u>	<u>\$ 17,669,725</u>

Amelia Concourse Community Development District
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE G – LONG-TERM DEBT (CONTINUED)

Capital Improvement Revenue Bonds (Continued)

Summary of Significant Bonds Resolution Terms and Covenants

Depository Funds – The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

1. Reserve Fund – The 2007 Reserve Account is funded from the proceeds of the Bonds in an amount equal to the reserve percentage, 7.0264%, times the deemed outstanding amount. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.
2. Reserve Fund – The 2016 Reserve Account is funded from the proceeds of the Bonds in an amount equal to 50% of the maximum annual debt service requirement for the Series 2016 Bonds, which amount initially equals \$123,050. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

	Capital Improvement Revenue Bonds	
	Reserve Balance	Reserve Requirement
Series 2007 Capital Improvement Revenue Bonds	\$ 83,182	\$ 454,608
Series 2016 Capital Improvement Revenue Bonds	\$ 123,291	\$ 120,625

NOTE H – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

NOTE I – DEFICIT FUND BALANCE

The Debt Service Fund reported a deficit fund balance of \$(2,328,997) at September 30, 2018. The deficit is not expected to be covered until the Property owned by Amelia Concourse SPE, LLC is fully sold.

NOTE J– SUBSEQUENT EVENT

In March 2019, the District issued Capital Improvement Revenue Bonds, Series 2019A, Series 2019B-1 and Series 2019B-2 in the amounts of \$3,035,000, \$1,920,000 and \$1,415,000, respectively.

In January 2018, Amelia Concourse SPE, LLC entered into a real estate sales agreement for the sale of land totaling \$1,204,000. The SPE received a deposit of \$25,000 prior to year-end. Subsequent to year-end, the sale was completed and the SPE received the remaining balance.



Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

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

To the Board of Supervisors
Amelia Concourse Community Development District
Nassau County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Amelia Concourse Community Development District, as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2019.

Internal Control Over Financial Reporting

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

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

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

Board of Supervisors
Amelia Concourse Community Development District

Compliance and Other Matters

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

We noted a compliance matter and other matters that we reported to management of the District in a separate letter dated June 20, 2019.

The District's responses to the findings identified in our audit are described in the accompanying management letter. We did not audit the District's responses and, accordingly, we express no opinion on them.

Purpose of this Report

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

*Berger Toombs Elam
Gaines & Frank*

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

June 20, 2019



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

MANAGEMENT LETTER

To the Board of Supervisors
Amelia Concourse Community Development District
Nassau County, Florida

Report on the Financial Statements

We have audited the financial statements of the Amelia Concourse Community Development District as of and for the year ended September 30, 2018, and have issued our report thereon dated June 20, 2019.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated June 20, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been made to address findings and recommendations made in the preceding financial audit report. The following findings or recommendations were made in the preceding financial audit report:

Findings and Recommendations

2012-01/2013-01/2014-01 Reserve Requirement

Finding: The Debt Service Reserve Requirement for 2007 Bond was not met at fiscal year end.

Recommendation: The District should make the necessary arrangements to ensure funds are available to make debt service payments.

To the Board of Supervisors
Amelia Concourse Community Development District

Management Response: The District is working directly with the Trustee and Bondholders to resolve all financial issues related to the non-payment of assessments which resulted in foreclosure of property, insufficient funds to meet debt service requirements, fund balance deficits and failure to meet Debt Service Reserve Fund requirements.

Current Status: This finding has not been corrected as of September 30, 2018.

2012-02/2013-02/2014-02 Financial Condition Assessment

Finding: The District's financial conditions continue to deteriorate and the future of the project remains uncertain. The Debt Service Fund has reported deficit fund balances at the end of the last six years. Nonpayment of assessments by the former Developer caused there to be insufficient funds available to make the required debt service payments on the Series 2007 bond beginning with the scheduled payment due on May 1, 2009. As a result, the interest portion of the May 1, 2009 debt service payment for the Series 2007 Bonds was made, in part, by a draw on the Debt Service Reserve Account and the May 1, 2009 principal payment was not made until March 12, 2013. Additional debt service payments were not made. However, the District did not make the current year principal payment, any of the past due interest nor did they make full payment of the current year interest due. The failures by the District to pay its debt service on 2007 Bond are considered events of default. The District remains obligated with respect to the principal and interest on the Series 2007 Bonds.

Recommendation: The District should take the necessary steps to improve the deteriorating financial condition.

Management Response: The District is working directly with the Trustee and Bondholders to resolve all financial issues related to the non-payment of assessments which resulted in foreclosure of property, insufficient funds to meet debt service requirements, fund balance deficits and failure to meet Debt Service Reserve Fund requirements.

Current Status: This finding has not been corrected as of September 30, 2018. Additionally, the District had a net deficit fund balance in the Debt Service Fund as of September 30, 2018.

2017-01

Finding: The General Fund actual expenditures exceeded the budget for the year ended September 30, 2017 which is in violation of Section 189.016, Florida Statutes.

Response: Management will review current year spending to ensure that expenditures do not exceed budgeted appropriations.

Current Status: The finding has not been corrected and actual expenditures exceeded the budget again for the year ended September 30, 2018.

Financial Condition

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

To the Board of Supervisors
Amelia Concourse Community Development District

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2018 for the Amelia Concourse Community Development District. It is management's responsibility to monitor the Amelia Concourse Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did note the following finding.

2018-01

Finding: The Special Revenue Fund actual expenditures exceeded the budget for the year ended September 30, 2018 which is in violation of Section 189.016, Florida Statutes.

Response: Management will review current year spending to ensure that expenditures do not exceed budgeted appropriations.

Purpose of this Letter

Our Management Letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Berger Toombs Elam
Gaines & Frank*

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

June 20, 2019



Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

**INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Amelia Concourse Community Development District
Nassau County, Florida

We have examined Amelia Concourse Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2018. Management is responsible for Amelia Concourse Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Amelia Concourse Community Development District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Amelia Concourse Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Amelia Concourse Community Development District's compliance with the specified requirements.

In our opinion, Amelia Concourse Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2018.

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL

June 20, 2019