Julington Creek Plantation
Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2018

Julington Creek Plantation Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2018

TABLE OF CONTENTS

	Page Number
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 Balance 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 – Recreation Fund	16
Notes to Financial Statements	17-31
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*	32-33
MANAGEMENT LETTER	34-35
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
Julington Creek Plantation Community Development District
St. Johns County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Julington Creek Plantation 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.

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

To the Board of Supervisors
Julington Creek Plantation Community Development District

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and each major fund of Julington Creek Plantation Community Development District as of September 30, 2018, and the respective changes in financial position and the budgetary comparison for the General Fund and Recreation Fund 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's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 Julington Creek Plantation Community Development District's internal control over financial reporting and compliance.

Berger Toombs Elam Gaines & Frank

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

June 20, 2019

Julington Creek Plantation Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018

Management's discussion and analysis of Julington Creek Plantation 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 private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position 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 financed by the District include general government, culture and recreation, physical environment and interest.

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.

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 Recreation Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

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

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

Financial Highlights

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

- The District's total assets exceeded total liabilities by $387,586 (net position). Unrestricted net position for Governmental Activities were $2,486,100. Restricted net position for Governmental Activities were $226,569. Net investment in capital assets was $(2,325,083).
- Governmental activities revenues totaled $5,132,429 while governmental activities expenses totaled $4,573,348.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2018	**2017**
Current assets	$ 2,801,982	$ 2,981,336
Restricted assets	1,208,019	1,209,882
Capital assets	14,220,335	14,670,705
Total Assets	18,230,336	18,861,923
Deferred outflows of resources	395,442	422,850
Current liabilities	1,780,192	1,716,268
Non-current liabilities	16,458,000	17,740,000
Total Liabilities	18,238,192	19,456,268
Net investment on capital assets	(2,325,083)	(3,087,546)
Net position - restricted	226,569	211,410
Net position - unrestricted	2,486,100	2,704,641
Total Net Position	$ 387,586	$ (171,495)

The decrease in non-current liabilities is related to the principal payments on debt in the current year.

The decrease in capital assets is the net result of current year depreciation net of capital additions.

The increase in net investment in capital assets is related to the decrease in long-term debt outstanding.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Financial Activity

	Governmental Activities	
	2018	2017
Program Revenues		
Charges for services	$ 5,010,348	$ 5,170,644
General Revenues		
Investment earnings	68,898	31,405
Insurance proceeds	30,487	61,232
Miscellaneous	22,696	21,521
Total Revenues	5,132,429	5,284,802
Expenses		
General government	202,820	206,367
Physical environment	481,985	444,587
Culture and recreation	3,264,619	3,345,632
Interest on long-term debt	623,924	753,112
Total Expenses	4,573,348	4,749,698
Change in Net Position	559,081	535,104
Net Position - Beginning of Year	(171,495)	(706,599)
Net Position - End of Year	$ 387,586	$ (171,495)

The decrease in charges for services and culture and recreation is related to the decreases in the fitness classes and personal trainers and summer camp in the current year.

The decrease in interest expense is related to the reduction in bonds payable outstanding.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

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

Description	Governmental Activities 2018	2017
Capital assets not being depreciated:		
Land improvements	$ 2,555,406	$ 2,555,406
Capital assets being depreciated:		
Improvements other than buildings	9,118,083	8,884,735
Infrastructure	3,617,923	3,617,923
Building	12,484,326	12,484,326
Equipment	345,914	345,914
Accumulated depreciation	(13,901,317)	(13,217,599)
Total Capital Assets	$ 14,220,335	$ 14,670,705

During the year, depreciation was $895,990 and additions to improvements other than buildings was $445,620.

General Fund Budgetary Highlights

The budgeted expenditures were more than actual amounts because of lower landscape and irrigation costs than were anticipated.

The September 30, 2018 budget was not amended.

Debt Management

Governmental Activities debt includes the following:

- In November 2012, the District issued $13,835,000 of Special Assessment Refunding Bonds, Series 2012. These bonds were issued as part of the current refunding of the Series 2002 Special Assessment Refunding Bonds. The balance outstanding at September 30, 2018 was $9,015,000.

- In October 2016, the District issued $9,413,000 Series 2016 Special Assessment Refunding Bonds. These bonds were issued to refund and refinance the Series 2006 Special Assessment Bonds. The balance outstanding at September 30, 2018 was $8,693,000.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program or general operations for the subsequent fiscal year.

Request for Information

The financial report is designed to provide a general overview of Julington Creek Plantation 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 Julington Creek Plantation Community Development District, Wrathell, Hunt & Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

Julington Creek Plantation Community Development District
STATEMENT OF NET POSITION
September 30, 2018

	Governmental Activities
ASSETS	
Current Assets	
Cash and equivalents	$ 392,478
Investments	2,328,885
Accounts receivables	34,032
Assessment receivables	42,486
Prepaids and deposits	4,101
Total Current Assets	2,801,982
Non-current Assets	
Restricted	
Investments	1,208,019
Capital assets, not being depreciated	
Land and improvements	2,555,406
Capital assets, being depreciated	
Improvements other than building	9,118,083
Infrastructure	3,617,923
Building	12,484,326
Equipment	345,914
Accumulated depreciation	(13,901,317)
Total Non-current Assets	15,428,354
Total Assets	18,230,336
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	395,442
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	297,836
Accrued interest	230,741
Unearned revenues	1,615
Bonds payable	1,250,000
Total Current Liabilities	1,780,192
Non-current Liabilities	
Bonds payable	16,458,000
Total Liabilities	18,238,192
NET POSITION	
Net investment in capital assets	(2,325,083)
Restricted for debt service	226,569
Unrestricted	2,486,100
Total Net Position	$ 387,586

See accompanying notes.

Julington Creek Plantation Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Primary Government			
Governmental Activities			
General government	$ (202,820)	$ 165,408	$ (37,412)
Physical environment	(481,985)	186,106	(295,879)
Culture and recreation	(3,264,619)	2,826,878	(437,741)
Interest on long-term debt	(623,924)	1,831,956	1,208,032
Total Governmental Activities	$ (4,573,348)	$ 5,010,348	437,000
	General Revenues		
	Investment earnings		68,898
	Insurance proceeds		30,487
	Miscellaneous		22,696
	Total General Revenues		122,081
	Change in Net Position		559,081
	Net Position - October 1, 2017		(171,495)
	Net Position - September 30, 2018		$ 387,586

See accompanying notes.

Julington Creek Plantation Community Development District
BALANCE SHEET – GOVERNMENTAL FUNDS
September 30, 2018

	General	Recreation	Debt Service	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 117,196	$ 275,282	$ -	$ 392,478
Investments	398,070	1,930,815	-	2,328,885
Accounts receivable	-	34,032	-	34,032
Assessment receivable	3,187	22,817	16,482	42,486
Due from other funds	6	481,904	-	481,910
Prepaids and deposits	504	3,597	-	4,101
Restricted investments	-	-	1,208,019	1,208,019
Total Assets	$ 518,963	$ 2,748,447	$ 1,224,501	$ 4,491,911
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued expenses	$ 50,096	$ 247,740	$ -	$ 297,836
Due to other funds	481,859	-	51	481,910
Unearned revenues	-	1,615	-	1,615
Total Liabilities	531,955	249,355	51	781,361
Fund Balances				
Nonspendable prepaids and deposits	504	3,597	-	4,101
Reserved for debt service	-	-	1,224,450	1,224,450
Committed for recreation	-	2,495,495	-	2,495,495
Unreserved and undesignated	(13,496)	-	-	(13,496)
Total Fund Balances	(12,992)	2,499,092	1,224,450	3,710,550
Total Liabilities and Fund Balances	$ 518,963	$ 2,748,447	$ 1,224,501	$ 4,491,911

See accompanying notes.

Julington Creek Plantation Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2018

Total Governmental Fund Balances	$ 3,710,550
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.	2,555,406
Capital assets being depreciated, improvements other than buildings, $9,118,083 net of accumulated depreciation, $(13,901,317) used in governmental activities are not current financial resources and; therefore, are not reported at the fund level.	11,664,929
Deferred outflows of resources, deferred amounts on refunding, $509,518, net of accumulated amortization $(114,076) used in governmental activities are not current financial resources and; therefore, are not reported at the fund level.	395,442
Long-term liabilities, including bonds payable, are not due and payable in the current period and; therefore, are not reported at the fund level.	(17,708,000)
Accrued interest expense is not a current financial use and; therefore, is not reported at the fund level.	(230,741)
Net Position of Governmental Activities	$ 387,586

See accompanying notes.

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

	Governmental Funds			
	General	Recreation	Debt Service	Total Governmental Funds
Revenues				
Special assessments	$ 351,514	$ 2,516,589	$ 1,831,956	$ 4,700,059
Charges for services	-	310,289	-	310,289
Investment earnings	3,734	45,204	19,960	68,898
Miscellaneous revenues	480	22,216	-	22,696
Total Revenues	355,728	2,894,298	1,851,916	5,101,942
Expenditures				
Current				
General government	159,114	43,706	-	202,820
Physical environment	179,025	-	-	179,025
Culture/recreation	-	2,671,589	-	2,671,589
Capital outlay	-	445,620	-	445,620
Debt service				
Principal	-	-	1,241,000	1,241,000
Interest	-	-	592,789	592,789
Other debt service	-	-	20,145	20,145
Total Expenditures	338,139	3,160,915	1,853,934	5,352,988
Excess of revenue over(under) expenditures	17,589	(266,617)	(2,018)	(251,046)
Other financing sources/(uses)				
Insurance proceeds	2,475	28,012	-	30,487
Net change in fund balances	20,064	(238,605)	(2,018)	(220,559)
Fund Balances - October 1, 2017	(33,056)	2,737,697	1,226,468	3,931,109
Fund Balances - September 30, 2018	$ (12,992)	$ 2,499,092	$ 1,224,450	$ 3,710,550

See accompanying notes.

Julington Creek Plantation 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	$ (220,559)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures $445,620. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation ($895,990). This is the net amount of depreciation and capital outlay in the current period.	(450,370)
Amortization of deferred amount on refunding is not recognized in the governmental fund statements, but is reported as interest in the Statement of Activities.	(27,408)
Repayments of bond principal are expenditures at the fund level but the repayment reduces long-term liabilities at the government-wide level.	1,241,000
In the Statement of Activities, interest is accrued on outstanding bonds; whereas at the fund level, interest expenditures are reported when due. This is the change in accrued interest.	16,418
Change in Net Position of Governmental Activities	$ 559,081

See accompanying notes.

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	$ 350,395	$ 350,395	$ 351,514	$ 1,119
Investment earnings	250	250	3,734	3,484
Miscellaneous revenues	-	-	480	480
Total Revenues	350,645	350,645	355,728	5,083
Expenditures				
Current				
General government	159,411	159,411	159,114	297
Physical environment	191,234	191,234	179,025	12,209
Total Expenditures	350,645	350,645	338,139	12,506
Excess of revenues over/(under) expenditures	-	-	17,589	17,589
Other financing sources/(uses)				
Insurance proceeds	-	-	2,475	2,475
Net change in fund balances	-	-	20,064	20,064
Fund Balances - October 1, 2017	-	-	(33,056)	(33,056)
Fund Balances - September 30, 2018	$ -	$ -	$ (12,992)	$ (12,992)

See accompanying notes.

Julington Creek Plantation Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – RECREATION FUND
For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	$ 2,508,581	$2,516,577	$2,516,589	$ 12
Charges for services	294,283	292,237	310,289	18,052
Investment earnings	18,352	50,380	45,204	(5,176)
Miscellaneous revenues	-	-	22,216	22,216
Total Revenues	2,821,216	2,859,194	2,894,298	35,104
Expenditures				
Current				
General government	9,503	43,706	43,706	-
Culture/recreation	2,361,064	2,730,902	2,671,589	59,313
Capital outlay	576,895	672,456	445,620	226,836
Total Expenditures	2,947,462	3,447,064	3,160,915	286,149
Excess of revenues over/(under) expenditures	(126,246)	(587,870)	(266,617)	321,253
Other financing sources/(uses)				
Insurance proceeds	-	28,012	28,012	-
Net change in fund balances	(126,246)	(559,858)	(238,605)	321,253
Fund Balances - October 1, 2017	2,647,286	2,738,994	2,737,697	(1,297)
Fund Balances - September 30, 2018	$ 2,521,040	$2,179,136	$2,499,092	$ 319,956

See accompanying notes.

Julington Creek Plantation Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established on August 15, 1994, pursuant to the Uniform Community Development District Act of 1980, 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 Julington Creek Plantation Community Development District. The District is governed by a five-member Board of Supervisors who were elected by qualified electors of the District for four year terms. The District operates within the criteria established by Chapter 190.

The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility. Oversight responsibility includes, but is not limited to, financial interdependency, designation of management, significant ability to influence operations and accountability for fiscal matters. As required by GAAP, these financial statements present the Julington Creek Plantation Community Development District (the primary government) as a stand-alone government.

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

2. Measurement Focus and Basis of Accounting

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

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

Governmental activities are supported by special assessments. Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

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

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

b. Fund Financial Statements

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

The District 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 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.

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

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

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financial 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 were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

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.

Recreation Fund – Accounts for revenues and expenditures related to the recreation facilities of the District.

Debt Service Fund – Accounts for debt service requirements to retire the special assessment bonds which were used to refinance previously issued bonds.

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, 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.

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. Negotiable direct or indirect obligations which are secured by the United States Government;
2. The Local Government Surplus Funds Trust as created by Section 218.415, Florida Statutes;
3. Interest-bearing time deposits or savings accounts in authorized financial institutions;
4. Obligations guaranteed by the Government National Mortgage Association or similarly structured and secured associations or corporations.

Cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

b. Restricted Assets

Certain net positions of the District will be classified as restricted assets 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 improvements, improvements other than buildings, and equipment are reported in governmental activities.

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.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method over the assets' estimated useful lives ranging from 10 to 40 years.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

d. Deferred Amount on Refunding

Deferred costs of refunding associated with the issuance of refunding bonds are presented on the financial statements and amortized over the life of the bonds using the straight line method of accounting. For financial reporting, the deferred costs of refunding are reported as a deferred outflow of resources on the statement of net position, in accordance with GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

e. 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. Formal budgets are adopted for the general fund, the debt service fund and the recreational fund. The legal level of budgetary control is at the fund level. As a result, deficits in the budget columns of the accompanying financial statements may occur. All budgeted appropriations lapse at year end.

f. Net Position

Net position represents the difference between assets and liabilities and are reported in three categories. Net investment in capital assets, represents capital assets, net of accumulated depreciation and any outstanding debt related to those assets. Net position is reported as restricted when there are legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. Unrestricted net position is assets that do not meet definitions of the classifications previously described.

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 ($3,710,550) differs from "net position" of governmental activities ($387,586) 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 on the following page.

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)

Capital related items

When capital assets (improvements and equipment that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures at the fund level. However, at the government-wide level capital assets are included as assets of the District as a whole.

Land and improvements	$ 2,555,406
Improvements other than buildings	$ 9,118,083
Infrastructure	3,617,923
Building	12,484,326
Equipment	345,914
Accumulated depreciation	(13,901,317)
Total	$ 11,664,929

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 at the government-wide level. Balances at September 30, 2018 were:

Bonds payable	$ (17,708,000)

Accrued interest

Accrued liabilities in the Statement of Net Position differ from the accrued interest on bonds, which are not reported on the fund level because they do not use current resources.

Accrued interest	$ (230,741)

Deferred Outflow of Resources

Deferred outflow of resources applicable to the District's governmental activities are not financial resources and therefore, are not reported as deferred outflow of resources at the fund level.

Deferred amount on refunding, net	$ 395,442

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

The "net change in fund balances" for government funds ($(220,559)) differs from the "change in net position" for governmental activities ($559,081) 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 is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the year.

Depreciation	$ (895,990)
Capital outlay	445,620
Total	$ (450,370)

Long-term debt transactions

Repayment of long-term liabilities are reported as expenditures at the fund level but such repayments reduce liabilities at the government-wide level.

Debt principal payments	$ 1,241,000

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.

Net decrease in accrued interest payable	$ 16,418

Deferred Charges

Deferred amounts on refunding does not require the use of current resources and, therefore, is not reported in the governmental funds.

Amortization of deferred amount on refunding	$ (27,408)

NOTE C – CASH AND DEPOSITS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet 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 to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2018, the District's bank balance was $444,856 and the carrying value was $392,478. Exposure to custodial credit risk was as follows. The District 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.

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

Investment	Maturities	Fair Value
First American Government Obligation Fund	26 Days*	$ 866,758
First American Treasury Obligation Fund	18 Days*	576,185
Local Government Surplus Trust Fund	33 Days*	1,752,700
Federated Government Obligation Fund	25 Days*	341,261
Total		$ 3,536,904

* Weighted Average Maturity

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

Assets or liabilities are classified into one of three levels. Level 1 is the most realizable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtained 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 investments listed above are level 1 assets except for the Local Government Surplus Fund which is not subject to fair value ratings.

NOTE C – CASH AND DEPOSITS (CONTINUED)

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.

Interest Rate Risk

The District does not have a formal investment policy that limits 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 are limited by state statutory requirements and bond compliance. The District has monies invested with the Local Government Surplus Funds Trust Fund (Fund), at September 30, 2018. The Fund met the requirements of a "2a-7 like pool" as defined in Government Accounting Standards Board, Statement 31.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The District's investments in the First American Government Obligation Fund are 24%, in the First American Treasury Obligation are 16% and in the Federated Government Obligation are 10% of the District's total investments. The District's investments in the State Board Administration Trust Fund Investment Pool are 50% of the District's total investments.

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. All of the investments of the District were rated AAAm by Standard & Poor's. The District considers any decline in fair value to be temporary.

NOTE D – 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 for the term of the board. 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTE E – CAPITAL ASSETS

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

	Balance 10/1/2017	Additions	Deletions	Balance 09/30/18
Capital assets, not depreciated:				
Land and improvements	$ 2,555,406	$ -	$ -	$ 2,555,406
Capital assets, being depreciated:				
Improvements other than building	8,884,735	445,620	(212,272)	9,118,083
Infrastructure	3,617,923	-	-	3,617,923
Building	12,484,326	-	-	12,484,326
Equipment	345,914	-	-	345,914
Total Capital Assets, Being Depreciated	25,332,898	445,620	(212,272)	25,566,246
Less accumulated depreciation for:				
Improvements other than building	(6,931,837)	(303,667)	212,272	(7,023,232)
Infrastructure	(2,430,576)	(129,440)	-	(2,560,016)
Building	(3,716,090)	(434,895)	-	(4,150,985)
Equipment	(139,096)	(27,988)	-	(167,084)
Total Accumulated Depreciation	(13,217,599)	(895,990)	212,272	(13,901,317)
Total Capital Assets Depreciated, Net	12,115,299	(450,370)	-	11,664,929
Governmental Activities Capital Assets	$ 14,670,705	$ (450,370)	$ -	$ 14,220,335

Depreciation, $895,990, was allocated to physical environment $302,960 and culture and recreation $593,030.

NOTE F – LONG-TERM DEBT

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

	Balance 10/1/2017	Additions	Deletions	Balance 9/30/2018	Within One Year
Bonds Payable					
Series 2012	$ 9,885,000	$ -	$ (870,000)	$ 9,015,000	$ 875,000
Series 2016	9,064,000	-	(371,000)	8,693,000	375,000
Total	$ 18,949,000	$ -	$ (1,241,000)	$ 17,708,000	$ 1,250,000

District debt is comprised of the following at September 30, 2018:

Special Assessment Refunding Bond

$13,835,000 Series 2012 Special Assessment Refunding Bonds due in annual installments through May 1, 2027 with an interest rate of 3.25%.	$ 9,015,000
$9,413,000 Series 2016 Special Assessment Refunding Bonds due in annual installments through May 1, 2036 with an interest rate of 3%.	8,693,000
Total long-term debt	$ 17,708,000

NOTE F – LONG-TERM DEBT (CONTINUED)

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

Year Ending September 30,	Principal	Interest	Total
2019	$ 1,250,000	$ 553,703	$ 1,803,703
2020	1,286,000	514,090	1,800,090
2021	1,327,000	473,248	1,800,248
2022	1,369,000	431,100	1,800,100
2023	1,416,000	387,618	1,803,618
2024-2028	6,616,000	1,234,181	7,850,181
2029-2033	2,651,000	512,280	3,163,280
2034-2036	1,793,000	108,720	1,901,720
Totals	$ 17,708,000	$ 4,214,940	$ 21,922,940

Summary of Significant Bonds Resolution Terms and Covenants

Special Assessment Revenue Refunding Bonds

The District levies special assessments pursuant to Section 190.022, Florida Statutes and the assessment rolls are approved by resolutions of the District Board. The collections are to be strictly accounted for and applied to the debt service of the bond series for which they were levied. The District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds. Payment of principal and interest is dependent on the money available in the debt service fund and the District's ability to collect special assessments levied.

The Bonds are subject to redemption at the option of the District and are also subject to extraordinary mandatory redemption prior to maturity as outlined in the Trust Indenture.

Reserve Funds

Special Assessment Refunding Bonds		
	Reserve Balance	Reserve Requirement
Series 2012	$ 578,569	$ 579,263
Series 2016	$ 187,572	$ 187,877

NOTE G – INTERFUND ACTIVITY

Interfund activity as of and for the year ended September 30, 2018 was as follows:

	Interfund Payable		
Interfund Receivable	General Fund	Debt Service Fund	Total
General Fund	$ -	$ 6	$ 6
Recreation Fund	481,859	45	481,904
Total	$ 481,859	$ 51	$ 481,910

Interfund activity above relates to assessments and capital outlay.

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 for which the government carries commercial insurance. It should be noted that any suit or action brought or maintained against the district for damages arising out of tort, including, without limitation, any claim arising upon account of an act causing an injury or loss of property, personal injury, or death, shall be subject to the limitations provided in Section 768.28, Florida Statutes.

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
Julington Creek Plantation Community Development District
St. Johns 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 Julington Creek Plantation 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 Julington Creek Plantation 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 Julington Creek Plantation Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Julington Creek Plantation 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.

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

To The Board of Supervisors
Julington Creek Plantation Community Development District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Julington Creek Plantation 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*.

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
Julington Creek Plantation Community Development District
St. Johns County, Florida

Report on the Financial Statements

We have audited the financial statements of the Julington Creek Plantation 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 Reporting Requirements

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

2014-01

Finding: The General Fund actual expenditures exceeded the budget for the years ended September 30, 2014, 2015, 2016 and 2017 which is in violation of Section189.016, Florida Statutes.

Status: The District did not have a budget over expenditure in the current year.

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

To the Board of Supervisors
Julington Creek Plantation Community Development District

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not Julington Creek Plantation 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 Julington Creek Plantation Community Development District did not meet one of the conditions described in Section 218.503(1), Florida Statutes.

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 Julington Creek Plantation Community Development District. It is management's responsibility to monitor the Julington Creek Plantation 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 not note any such findings.

Purpose of this Letter

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

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
Julington Creek Plantation Community Development District
St. Johns County, Florida

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

In our opinion, Julington Creek Plantation 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
Fort Pierce, Florida

June 20, 2019