

**River Place on the St. Lucie  
Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2019**

**River Place on the St. Lucie Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2019**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
River Place on the St. Lucie Community Development District  
Port St. Lucie, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of River Place on the St. Lucie Community Development District (the "District") as of and for the year ended September 30, 2019, and the related notes to financial statements, which collectively comprise the 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  
River Place on the St. Lucie 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 River Place on the St. Lucie Community Development District, as of September 30, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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 March 16, 2020 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 River Place on the St. Lucie Community Development District's internal control over financial reporting and compliance.



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

March 16, 2020

**River Place on the St. Lucie Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2019**

Management's discussion and analysis of River Place on the St. Lucie Community Development District (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, physical environment and debt service.

*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.

**River Place on the St. Lucie Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2019**

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

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

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including land, buildings and improvements, and infrastructure are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, 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, 2019.

- ◆ The District's total assets exceeded total liabilities by \$763,069 (net position). Unrestricted net position for Governmental Activities was \$42,465. Net investment in capital assets was \$720,604.
- ◆ Governmental activities revenues totaled \$1,061,896 while governmental activities expenses totaled \$880,577.

**River Place on the St. Lucie Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2019**

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

**Financial Analysis of the District**

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

**Net Position**

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Current assets	\$ 774,264	\$ 857,680
Restricted assets	1,122,509	678,902
Capital assets	2,394,819	2,550,797
Total Assets	4,291,592	4,087,379
Current liabilities	1,823,523	1,690,629
Non-current liabilities	1,705,000	1,815,000
Total Liabilities	3,528,523	3,505,629
Net investment in capital assets	720,604	771,582
Net position - unrestricted	42,465	(189,832)
Total Net Position	\$ 763,069	\$ 581,750

The increase in restricted assets and net position is the result of revenues in excess of expenses in the current year.

The increase in current liabilities is the increase in matured bonds and matured interest payable related to the nonpayment of the current year debt service payments.

The decrease in capital assets is related to current year depreciation.

The decrease in noncurrent liabilities is the result of the current year matured principal payment.

**River Place on the St. Lucie Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2019**

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

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

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

**Change In Net Position**

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Program Revenues		
Charges for services	\$ 1,001,529	\$ 1,158,496
General Revenues		
Miscellaneous revenues	27,342	74,034
Investment income	33,025	12,845
Total Revenues	<u>1,061,896</u>	<u>1,245,375</u>
Expenses		
General government	129,088	122,523
Physical environment	524,762	469,081
Interest on long-term debt	226,727	226,887
Total Expenses	<u>880,577</u>	<u>818,491</u>
Change in Net Position	181,319	426,884
Net Position - Beginning of Year	<u>581,750</u>	<u>154,866</u>
Net Position - End of Year	<u><u>\$ 763,069</u></u>	<u><u>\$ 581,750</u></u>

The decrease in charges for services is related to the collection of delinquent stormwater management assessments in the prior year net of an increase in special assessment prepayments in the current year.

The increase in physical environment is related to road repairs and tree and stump removal in the current year.



**River Place on the St. Lucie Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2019**

**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, 2019 and 2018.

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Land	\$ 2,000,000	\$ 2,000,000
Infrastructure	3,249,403	3,249,403
Equipment	146,311	134,531
Accumulated depreciation	<u>(3,000,895)</u>	<u>(2,833,137)</u>
Total Capital Assets (Net)	<u>\$ 2,394,819</u>	<u>\$ 2,550,797</u>

The activity for the year consisted of \$167,758 in depreciation and \$11,780 in equipment additions.

**General Fund Budgetary Highlights**

Actual governmental expenditures were less than budgeted amounts primarily due to less environmental expenditures than were anticipated.

The budget was not amended for the fiscal year ended September 30, 2019

**Debt Management**

Governmental Activities debt includes the following:

- ◆ In May 2001, the District issued \$11,420,000 Series 2001 Special Assessment Bonds. The balance consisted of \$2,870,000 Term Bonds, Series 2001A due May 1, 2030 and \$8,550,000 Term Bonds Series 2001B due May 1, 2010. These bonds were issued to finance the acquisition and construction of certain improvements for the District. The outstanding balance of Bond Series 2001A as of September 30, 2019 was \$1,815,000.
- ◆ The matured bonds payable balances as of September 30, 2019 for Bond Series 2001A and 2001B amounted to \$375,000 and \$870,000 respectively.

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

River Place on the St. Lucie Community Development District financial conditions continue to deteriorate and the future of the project remains uncertain. The District did not pay the balance of the matured bonds payable or current year's principal and interest. The District is still in default on the Series 2001B Bonds. The impact of the expected forgiveness of substantially all of the Series 2001B Bonds can't be determined at this time. The District remains obligated with respect to the principal and interest on the Series 2001A Bonds.

**River Place on the St. Lucie Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2019**

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

**Request for Information**

The financial report is designed to provide a general overview of River Place on the St. Lucie 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 River Place on the St. Lucie Community Development District, 5385 N Nob Hill Road, Sunrise, FL 33351.

**River Place on the St. Lucie Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2019**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 24,749
Investments	694,619
Accounts receivable	2,375
Due from other governments	2,433
Prepaid items	18,323
Restricted cash-deposits	31,765
Total Current Assets	774,264
Non-current Assets	
Restricted assets	
Restricted investments	1,122,509
Capital assets, not being depreciated	
Land	2,000,000
Capital assets, being depreciated	
Infrastructure	3,249,403
Equipment	146,311
Less: accumulated depreciation	(3,000,895)
Total Non-current Assets	3,517,328
Total Assets	4,291,592
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	7,296
Accrued interest payable	83,945
Deposits payable from restricted assets	31,765
Unearned revenues	5,970
Bonds payable - current portion	110,000
Matured bonds payable	1,245,000
Matured interest payable	339,547
Total Current Liabilities	1,823,523
Non-current liabilities	
Bonds payable	1,705,000
Total Liabilities	3,528,523
<b>NET POSITION</b>	
Net investment in capital assets	720,604
Unrestricted	42,465
Total Net Position	\$ 763,069

See accompanying notes.

**River Place on the St. Lucie Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended September 30, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenues and Changes in Net Position Governmental Activities</u>
Governmental Activities			
General government	\$ (129,088)	\$ 91,889	\$ (37,199)
Physical environment	(524,762)	295,604	(229,158)
Interest on long-term debt	(226,727)	614,036	387,309
Total Governmental Activities	<u>\$ (880,577)</u>	<u>\$ 1,001,529</u>	<u>120,952</u>
	<b>General revenues:</b>		
			33,025
			27,342
			<u>60,367</u>
			181,319
			581,750
			<u>\$ 763,069</u>

See accompanying notes.

**River Place on the St. Lucie Community Development District**  
**BALANCE SHEET –**  
**GOVERNMENTAL FUNDS**  
**September 30, 2019**

ASSETS	General	Debt Service	Total Governmental Funds
Cash	\$ 56,514	\$ -	\$ 56,514
Investments, at fair value	694,619	-	694,619
Accounts receivable	2,375	-	2,375
Due from other governments	1,404	1,029	2,433
Prepaid items	18,323	-	18,323
Restricted assets			
Investments, at fair value	-	1,122,509	1,122,509
Total Assets	<u>\$ 773,235</u>	<u>\$ 1,123,538</u>	<u>\$ 1,896,773</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 7,296	\$ -	\$ 7,296
Deposits	31,765	-	31,765
Unearned revenues	5,970	-	5,970
Matured bonds payable	-	1,245,000	1,245,000
Matured interest payable	-	339,547	339,547
Total Liabilities	<u>45,031</u>	<u>1,584,547</u>	<u>1,629,578</u>
<b>FUND BALANCES</b>			
Nonspendable - prepaid items	18,323	-	18,323
Unassigned	709,881	(461,009)	248,872
Total Fund Balances	<u>728,204</u>	<u>(461,009)</u>	<u>267,195</u>
Total Liabilities and Fund Balances	<u>\$ 773,235</u>	<u>\$ 1,123,538</u>	<u>\$ 1,896,773</u>

See accompanying notes.

**River Place on the St. Lucie Community Development District  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
September 30, 2019**

Total Governmental Fund Balances	\$	267,195
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, consisting of land, \$2,000,000, infrastructure, \$3,249,403, and equipment, \$146,311, net of accumulated depreciation, \$(3,000,895), used in governmental activities are not current financial resources and therefore, are not reported at the governmental fund level.		2,394,819
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore, are not reported at the governmental fund level.		(1,815,000)
Accrued interest expense for long-term debt is not a current financial use, and therefore, is not reported at the governmental fund level.		<u>(83,945)</u>
Net Position of Governmental Activities	\$	<u><u>763,069</u></u>

See accompanying notes.

**River Place on the St. Lucie Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**For The Year Ended September 30, 2019**

	General	Debt Service	Total Governmental Funds
Revenues			
Special assessments	\$ 329,945	\$ 614,036	\$ 943,981
Stormwater charges	57,548	-	57,548
Miscellaneous revenues	27,342	-	27,342
Investment earnings	18,724	14,301	33,025
Total Revenues	<u>433,559</u>	<u>628,337</u>	<u>1,061,896</u>
Expenditures			
Current			
General government	110,975	18,113	129,088
Physical environment	357,004	-	357,004
Capital outlay	11,780	-	11,780
Debt service			
Principal	-	105,000	105,000
Interest	-	230,063	230,063
Total Expenditures	<u>479,759</u>	<u>353,176</u>	<u>832,935</u>
Excess of revenues over/(under) expenditures	(46,200)	275,161	228,961
Fund Balances - October 1, 2018	<u>774,404</u>	<u>(736,170)</u>	<u>38,234</u>
Fund Balances - September 30, 2019	<u>\$ 728,204</u>	<u>\$ (461,009)</u>	<u>\$ 267,195</u>

See accompanying notes.

**River Place on the St. Lucie 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, 2019**

Net Change in Fund Balances - Total Governmental Funds	\$ 228,961
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount that depreciation (\$167,758) exceeded capital outlay (\$11,780) in the current period.	(155,978)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	105,000
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net amount between the prior year and the current year accruals.	<u>3,336</u>
Change in Net Position of Governmental Activities	<u><u>\$ 181,319</u></u>



**River Place on the St. Lucie Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –**  
**GENERAL FUND**  
**For the Year Ended September 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 432,084	\$ 432,084	\$ 329,945	\$ (102,139)
Stormwater charges	48,723	48,723	57,548	8,825
Miscellaneous revenues	9,000	9,000	27,342	18,342
Investment earnings	500	500	18,724	18,224
Total Revenues	<u>490,307</u>	<u>490,307</u>	<u>433,559</u>	<u>(56,748)</u>
Expenditures				
Current				
General government	128,569	128,569	110,975	17,594
Physical environment	358,738	358,738	357,004	1,734
Capital outlay	<u>3,000</u>	<u>3,000</u>	<u>11,780</u>	<u>(8,780)</u>
Total Expenditures	<u>490,307</u>	<u>490,307</u>	<u>479,759</u>	<u>10,548</u>
Excess of revenues over/(under) expenditures	<u>-</u>	<u>-</u>	<u>(46,200)</u>	<u>(46,200)</u>
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>774,404</u>	<u>774,404</u>
Fund Balances - September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 728,204</u>	<u>\$ 728,204</u>

See accompanying notes.

**River Place on the St. Lucie Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

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

The financial statements of River Place on the St. Lucie Community Development District (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 October 23, 2000 by an ordinance 00-99 of the City Council of Port St. Lucie, Florida, under the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is governed by a five-member Board of Supervisors, who are elected for terms of four years. The District operates within the criteria established by Chapter 190. The Board has the responsibility for assessing and levying assessments, approving budgets, exercising control over facilities and properties, controlling the use of funds generated by the District, approving the hiring and firing of key personnel, and financing improvements.

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 River Place on the St. Lucie Community Development District (the primary government) as a stand-alone government.

Based upon the application of the above-mentioned criteria as set forth by the 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

**River Place on the St. Lucie Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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 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, developer assessments and interest. 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 another 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.

**River Place on the St. Lucie Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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 has 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.

**Non spendable 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 the state constitution, external resource providers, or through enabling legislation.

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

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

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

**River Place on the St. Lucie Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

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

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

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

**Governmental Funds (Continued)**

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

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

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

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

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

Debt service expenditures are recorded only when payment is due.

**3. Basis of Presentation**

**a. Governmental Major Funds**

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

**River Place on the St. Lucie Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

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

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

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

Debt Service Fund – Accounts for debt service requirements to retire certain Special Assessment bonds which were used to finance the construction of District infrastructure improvements and finance certain additional improvements. The bond series is secured by a pledge of debt service special assessment revenues in any fiscal year related to the improvements. A lien is placed on all benefited land in relationship to the debt outstanding.

**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 special assessment 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.

**River Place on the St. Lucie Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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 Florida Statute 280.02.

**b. Restricted Assets**

Certain net position of the District are 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 net position, 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, infrastructure and equipment, are reported in the applicable governmental activities column.

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.

**River Place on the St. Lucie Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2019**

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

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

**c. Capital Assets (Continued)**

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

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
Equipment	9 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. As a result, deficits in the budget variance columns of the accompanying financial statements may occur.

**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, \$267,195, differs from “net position” of governmental activities, \$763,069, 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 as follows:



**River Place on the St. Lucie Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**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 (property, plant and equipment 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	\$ 2,000,000
Infrastructure	3,249,403
Equipment	146,311
Accumulated depreciation	<u>(3,000,895)</u>
Total	<u>\$ 2,394,819</u>

**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, 2019 were:

Bonds payable - current	\$ (110,000)
Bonds payable - long term	<u>(1,705,000)</u>
Total	<u>\$ (1,815,000)</u>

**Accrued interest**

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

Accrued interest on bonds payable	<u>\$ (83,945)</u>
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**River Place on the St. Lucie Community Development District  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2019**

**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, \$228,961, differs from the “change in net position” for governmental activities, \$181,319, 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 cost 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	\$ (167,758)
Capital outlay	11,780
Total	\$ (155,978)

**Long-term debt transactions**

Repayments of bond principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Debt principal payments	\$ <u>105,000</u>
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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 change in accrued interest payable	\$ <u>3,336</u>
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**River Place on the St. Lucie Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE C – CASH AND INVESTMENTS**

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, 2019, the District's bank balance was \$58,361 and the carrying value was \$56,014. 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, 2019, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
SBA Local Gov't Surplus Trust Fund		
Florida Prime	37 days*	\$ 694,619
U S Bank Money Market	N/A	1,122,509
Total		<u>\$ 1,817,128</u>

\* Maturity is weighted average

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 U.S. Bank Managed Money Market is a Level 1 asset.

**River Place on the St. Lucie Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE C – CASH AND INVESTMENTS (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 Funds Trust Fund. Cash placed with the State Board of Administration represents the District's participation in the Local Government Surplus Funds Prime Fund 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 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. As of September 30, 2019, the District's investment in SBA Florida Prime was rated AAAM by Standard & Poor's. The U.S. Bank Managed Money Market Fund is unrated.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in U S Bank Managed Money Market are 62% of the District's total investments. The remaining investments in SBA Local Government Surplus funds are 38% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2019 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.

**NOTE D – SPECIAL ASSESSMENT REVENUES**

Special assessments revenues that fund the annual operating budget are levied annually at a public hearing prior to the beginning of each fiscal year. Special assessment revenues that repay the Districts bond issue were levied when the bonds were issued and are collected annually over the term of the bonds. Assessments collected utilizing the uniform method of collection per Section 197.162 Florida Statutes are certified for collection to the County Tax Collector no later than September 15th of each year. The District's Special Assessments are included on the property owners November 1st property tax bill which if paid in November receives an early payment discount of 4%, if paid in December payment discount is 3%, if paid in January discount is 2% and paid in February is 1%. Property tax bills paid in March, receive no early payment discount.

**River Place on the St. Lucie Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE E – CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Capital assets, being depreciated:				
Infrastructure	3,249,403	-	-	3,249,403
Equipment	134,531	11,780	-	146,311
Total Capital Assets Depreciated	<u>3,383,934</u>	<u>11,780</u>	<u>-</u>	<u>3,395,714</u>
Less accumulated depreciation for:				
Infrastructure	(2,729,690)	(162,470)	-	(2,892,160)
Equipment	<u>(103,447)</u>	<u>(5,288)</u>	<u>-</u>	<u>(108,735)</u>
Total Accumulated Depreciation	<u>(2,833,137)</u>	<u>(167,758)</u>	<u>-</u>	<u>(3,000,895)</u>
Total Capital Assets Depreciated, Net	<u>550,797</u>	<u>(155,978)</u>	<u>-</u>	<u>394,819</u>
Governmental Activities Capital Assets	<u>\$ 2,550,797</u>	<u>\$ (155,978)</u>	<u>\$ -</u>	<u>\$ 2,394,819</u>

Depreciation in the amount of \$167,758 was charged to physical environment.

**River Place on the St. Lucie Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2019**

**NOTE F – LONG-TERM DEBT**

The following is a summary of activity for long-term debt of the District for the year ended September 30, 2019:

Long-term debt at October 1, 2018	\$ 1,920,000
Principal payments	<u>(105,000)</u>
Long-term debt September 30, 2019	<u>\$ 1,815,000</u>

The Series 2001A Bonds are subject to redemption at the option of the District prior to their maturity. The bonds are also subject to extraordinary mandatory redemption prior to their maturity in the manner determined by the Bond Indenture.

The Bond Indenture requires that the District maintained adequate funds in a reserve account to meet the debt service reserve requirements as defined in the Indenture. The requirement was not met at September 30, 2019. The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The principal of and interest on the Series 2001A Special Assessment issued under the Indenture are secured by all revenues received by the District from assessments levied and collected on the District lands benefited by the project. The district is not in compliance with the requirements of the Bond Indenture.

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2019 are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 110,000	\$ 138,394	\$ 248,394
2021	120,000	130,006	250,006
2022	130,000	120,856	250,856
2023	140,000	110,944	250,944
2024	150,000	100,269	250,269
2025-2029	935,000	311,863	1,246,863
2030	<u>230,000</u>	<u>17,538</u>	<u>247,538</u>
Totals	<u>\$ 1,815,000</u>	<u>\$ 929,870</u>	<u>\$ 2,744,870</u>

**River Place on the St. Lucie Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE F – LONG-TERM DEBT (CONTINUED)**

Summary of Significant Bonds Resolution Terms and Covenants

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 extraordinary mandatory redemption prior to maturity, in whole on any date, or in part on an interest payment date, without premium, together with accrued interest to the redemption date if monies are available to retire the debt in accordance with the provisions of the indenture.

The bond resolution and the trust indenture provide for the establishment of certain accounts. The accounts include a construction, revenue, redemption, reserve, interest and prepayment account and are maintained by a trustee.

The bond indenture provides for Debt Service Reserve Funds, which shall be held by the Trustee separate and apart from all other funds. The following is a schedule of reserve requirements and balances in the reserve accounts at September 30, 2019:

	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Series 2001	<u>\$ 140,785</u>	<u>\$ 251,631</u>

**River Place on the St. Lucie Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2019**

**NOTE G – INTERLOCAL AGREEMENT**

In a prior fiscal year, the District entered into an agreement with the City of Port St. Lucie for the District to provide stormwater maintenance services to the stormwater management system within the District boundaries. In connection with this agreement, the District receives stormwater fee assessments from the City. The City assesses fees to the residents of the District for certain costs related to the drainage system and will remit the amount, less an administrative fee, to the District since the District will be providing the services. During the current fiscal year, the District received \$57,548 in connection with this agreement.

**NOTE H – RISK MANAGEMENT**

The government 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. Claims filed in the last three years have not exceeded insurance coverage.

**NOTE I – SERIES 2001B SPECIAL ASSESSMENT BONDS**

The District continues to negotiate with the Trustee and the bondholders for the forgiveness of substantially all of the Series 2001B Special Assessment Bonds.





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## **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  
River Place on the St. Lucie Community Development District  
Port St. Lucie, 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 River Place on the St. Lucie Community Development District, as of and for the year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated March 16, 2020.

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

In planning and performing our audit, we considered River Place on the St. Lucie 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 River Place on the St. Lucie Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of River Place on the St. Lucie 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.

Fort Pierce / Stuart

To the Board of Supervisors  
River Place on the St. Lucie Community Development District

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether River Place on the St. Lucie 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  
Certified Public Accountants  
Fort Pierce, Florida

March 16, 2020



# Berger, Toombs, Elam, Gaines & Frank

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## MANAGEMENT LETTER

To the Board of Supervisors  
River Place on the St. Lucie Community Development District  
Port St. Lucie, Florida

### Report on the Financial Statements

We have audited the financial statements of the River Place on the St. Lucie Community Development District as of and for the year ended September 30, 2019, and have issued our report thereon dated March 16, 2020.

### 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 March 16, 2020, 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:

To the Board of Supervisors  
River Place on the St. Lucie Community Development District

### **Finding 13-01, 12-01**

Finding: The Special Assessment Bonds, Series 2001B matured in 2010 and the principal outstanding balance of \$870,000 was not paid. The Special Assessment Bond Series 2001A principal of \$105,000 was not paid during the current fiscal year. The balance owed at September 30, 2019 was \$1,245,000 matured principal and \$339,547 matured interest.

Recommendation: The District should utilize all legal remedies to collect the past due special assessments and pay the above referenced balances due.

Response: The District has taken all necessary steps to alleviate its deteriorating financial condition which includes but not limited to foreclosure proceedings on properties with delinquent assessments.

Status: Matured principal and interest are still outstanding as of September 30, 2019.

### **Finding 13-02, 12-02**

Finding: The District did not meet the reserve requirement of the Series 2001 Special Assessment Bonds.

Recommendation: We again recommend that the District collect the past due special assessments and fund the reserve to the required amount.

Response: The District is taking all actions to collect delinquent assessments to ensure funds are available to make debt service payments.

### **2016-01 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 five 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 2001B Bonds beginning with the scheduled payments due on May 2012. As a result, the outstanding balance of principal and interest portion of the Series 2001B Bonds were not made. Additionally, the District did not make the current year principal or interest payment of Series 2001A Bonds. The failures by the District to pay its debt service are considered events of default. The District remains obligated with respect to the principal and interest on the Series 2001 Bonds.

Recommendation: The District should maintain 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.

To the Board of Supervisors  
River Place on the St. Lucie Community Development District

### **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 River Place on the St. Lucie 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 River Place on the St. Lucie Community Development District met 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, 2019 for the River Place on the St. Lucie Community Development District. It is management's responsibility to monitor the River Place on the St. Lucie 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

March 16, 2020



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

To the Board of Supervisors  
River Place on the St. Lucie Community Development District  
Port St. Lucie, Florida

We have examined River Place on the St. Lucie Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2019. Management is responsible for River Place on the St. Lucie Community Development District's compliance with those requirements. Our responsibility is to express an opinion on River Place on the St. Lucie 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 River Place on the St. Lucie 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 River Place on the St. Lucie Community Development District's compliance with the specified requirements.

In our opinion, River Place on the St. Lucie Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2019.

*Berger Toombs Elam  
Gaines + Frank*

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

March 16, 2020