

**SOUTHERN HILLS
PLANTATION I**

**COMMUNITY DEVELOPMENT
DISTRICT**

July 8, 2024

BOARD OF SUPERVISORS

REGULAR MEETING

AGENDA

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT**

**AGENDA
LETTER**

**Southern Hills Plantation I
Community Development District**

OFFICE OF THE DISTRICT MANAGER

2300 Glades Road, Suite 410W • Boca Raton, Florida 33431

Phone: (561) 571-0010 • Fax: (561) 571-0013 • Toll-free: (877) 276-0889

July 1, 2024

ATTENDEES: Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.
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Board of Supervisors
Southern Hills Plantation I Community Development District

Dear Board Members:

The Board of Supervisors of the Southern Hills Plantation I Community Development District will hold a Regular Meeting on July 8, 2024 at 10:00 a.m., at the Southern Hills Plantation Clubhouse, located at 4200 Summit View Drive, Brooksville, Florida 34601. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments (*Agenda Items*)
3. Presentation of Audited Financial Report for the Fiscal Year Ended September 30, 2023, Prepared by Berger, Toombs, Elam, Gaines and Frank (*to potentially be provided under separate cover*)
4. Consideration of Resolution 2024-05, Hereby Accepting the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2023
5. Update/Discussion/Consideration: Steadfast Environmental, LLC Items
 - A. Waterway Inspection Report - July 2024
6. Continued Review/Discussion: Proposed Fiscal Year 2025 Budget
7. Discussion: Report on Depressions Adjacent to 4991 Southern Vally Loop
8. Acceptance of Unaudited Financial Statements as of May 31, 2024
 - Discussion: Amortization Schedule
9. Approval of June 10, 2024 Regular Meeting Minutes
10. Other Business

11. Staff Reports

- A. District Counsel: *Kilinski | Van Wyk PLLC*
- B. District Engineer: *Coastal Engineering Associates, Inc.*
- C. District Manager: *Wrathell, Hunt and Associates, LLC*
 - NEXT MEETING DATE: August 12, 2024 at 10:00 AM [FY2025 Budget Adoption Hearing]
 - QUORUM CHECK

SEAT 1	JOHN MCCOSKRIE	<input type="checkbox"/>	IN PERSON	<input type="checkbox"/>	PHONE	<input type="checkbox"/>	NO
SEAT 2	RICHARD PAKAN	<input type="checkbox"/>	IN PERSON	<input type="checkbox"/>	PHONE	<input type="checkbox"/>	NO
SEAT 3	GEORGE OSTENSEN	<input type="checkbox"/>	IN PERSON	<input type="checkbox"/>	PHONE	<input type="checkbox"/>	NO
SEAT 4	BRIAN MCCAFFREY	<input type="checkbox"/>	IN PERSON	<input type="checkbox"/>	PHONE	<input type="checkbox"/>	NO
SEAT 5	MARGARET BLOOMQUIST	<input type="checkbox"/>	IN PERSON	<input type="checkbox"/>	PHONE	<input type="checkbox"/>	NO

12. Supervisors' Requests

13. Adjournment

If you have any questions or comments, please contact me directly at (239) 464-7114.

Sincerely,



Chesley E. Adams, Jr.
 District Manager

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE

**CALL IN NUMBER: 1-888-354-0094
 PARTICIPANT PASSCODE: 229 774 8903**

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT**

3

**Southern Hills Plantation I Community
Development District**

ANNUAL FINANCIAL REPORT

September 30, 2023

Southern Hills Plantation I Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2023

TABLE OF CONTENTS

	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-9
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds	12
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	16
Notes to Financial Statements	17-29
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	30-31
MANAGEMENT LETTER	32-36
INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE WITH SECTION 218.415 FLORIDA STATUTES	37



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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Fort Pierce, Florida 34950

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Southern Hills Plantation I Community Development District
Brooksville, Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of Southern Hills Plantation I Community Development District (the "District"), as of and for the year ended September 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Southern Hills Plantation I Community Development District as of September 30, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Fort Pierce / Stuart

To the Board of Supervisors
Southern Hills Plantation I Community Development District

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including currently known information that may raise substantial doubt thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

To the Board of Supervisors
Southern Hills Plantation I Community Development District

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 July 3, 2024 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southern Hills Plantation I Community Development District's internal control over financial reporting and compliance.



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

July 3, 2024

**Southern Hills Plantation I Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

Management's discussion and analysis of Southern Hills Plantation I 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 is 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.

**Southern Hills Plantation I Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

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 capital assets 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*, reconciliations are 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, 2023.

- ◆ The District's total assets exceeded total liabilities by \$4,291,343 (net position). Net investment in capital assets for the District was \$5,067,265. Unrestricted net position for Governmental Activities was (\$1,554,852). Restricted net position was \$778,930.
- ◆ Governmental activities revenues totaled \$1,541,894 while governmental activities expenses totaled \$1,894,359.

**Southern Hills Plantation I Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

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	
	2023	2022
Current assets	\$ 1,949,333	\$ 1,811,523
Restricted assets	981,456	1,204,770
Capital assets	10,048,895	10,863,847
Total Assets	12,979,684	13,880,140
Current liabilities	1,223,341	1,296,332
Non-current liabilities	7,465,000	7,940,000
Total Liabilities	8,688,341	9,236,332
Net Position		
Net investment in capital assets	5,067,265	5,552,177
Restricted	778,930	789,231
Unrestricted	(1,554,852)	(1,697,600)
Total Net Position	\$ 4,291,343	\$ 4,643,808

The increase in current assets is related to the increase in due from developer in the current year.

The decrease in capital assets is due to depreciation in the current year.

The decrease in current liabilities is related to the decrease in accounts payable and matured bonds payable in the current year.

The decrease in non-current liabilities is primarily related to current year principal payments.

The decrease in net investment in capital assets is primarily due to depreciation in excess of principal payments on long-term debt in the current year.

**Southern Hills Plantation I Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

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

	Governmental Activities	
	2023	2022
Program Revenues		
Charges for services	\$ 1,400,540	\$ 1,583,925
General Revenues		
Intergovernmental revenues	96,744	-
Investment earnings	44,610	5,246
Total Revenues	<u>1,541,894</u>	<u>1,589,171</u>
Expenses		
General government	277,820	454,056
Physical environment	1,115,035	1,051,245
Interest and other charges	501,504	528,331
Total Expenses	<u>1,894,359</u>	<u>2,033,632</u>
Change in Net Position	(352,465)	(444,461)
Net Position - Beginning of Year	<u>4,643,808</u>	<u>5,088,269</u>
Net Position - End of Year	<u><u>\$ 4,291,343</u></u>	<u><u>\$ 4,643,808</u></u>

The decrease in charges for services is related to a budgeted decrease in special assessments in the current year.

The increase in intergovernmental revenues is related to the cost sharing agreements with other governmental entities.

The decrease in general government is related to the decrease in legal fees and the write-off of certain due from other government amounts in the prior year.

The increase in physical environment is mainly related to the increase in landscape and irrigation maintenance and pond repair and maintenance in the current year.

**Southern Hills Plantation I Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

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, 2023 and 2022.

Description	Governmental Activities	
	2023	2022
Land and improvements	\$ 1,090,599	\$ 1,090,599
Infrastructure	13,416,171	13,416,171
Improvements other than buildings	19,988	19,988
Equipment	375,984	375,984
Less: accumulated depreciation	<u>(4,853,847)</u>	<u>(4,038,895)</u>
Governmental Activities Capital Assets	<u>\$ 10,048,895</u>	<u>\$ 10,863,847</u>

During the year, depreciation was \$814,952.

General Fund Budgetary Highlights

The September 30, 2023 budget was amended for settlement costs not originally anticipated.

Budgeted expenditures exceeded actual expenditures because contingency expenditures were less than anticipated.

Debt Management

Governmental Activities debt includes the following:

- ◆ In March 2011, the District issued \$7,010,000 Series 2011 A-1 and \$5,095,000 Series 2011 A-2 Capital Improvement Revenue Bonds. These bonds were issued to finance and refinance the acquisition and construction of certain infrastructure improvements within the District. The District did not make the current year principal payment and it is reflected as matured bonds payable, \$540,000, in the financial statements. The unmatured balance outstanding at September 30, 2023 was \$7,935,000.

**Southern Hills Plantation I Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

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 for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

Request for Information

The financial report is designed to provide a general overview of Southern Hills Plantation I 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 Southern Hills Plantation I Community Development District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

Southern Hills Plantation I Community Development District
STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 724,132
Investments	97
Assessments receivable	26,719
Due from other governments	79,569
Due from developer	1,115,897
Deposits	2,919
Total Current Assets	1,949,333
Non-Current Assets	
Restricted Assets	
Investments - debt service	981,456
Capital Assets, Not Being Depreciated	
Land and improvements	1,090,599
Capital Assets, Being Depreciated	
Infrastructure	13,416,171
Improvements other than buildings	19,988
Equipment	375,984
Less: accumulated depreciation	(4,853,847)
Total Non-Current Assets	11,030,351
Total Assets	12,979,684
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	8,491
Due to developer	37
Matured bonds payable	540,000
Bonds payable	470,000
Accrued interest	204,813
Total Current Liabilities	1,223,341
Non-Current Liabilities	
Bonds payable	7,465,000
Total Liabilities	8,688,341
 NET POSITION	
Net investment in capital assets	5,067,265
Restricted for debt service	778,930
Unrestricted	(1,554,852)
Total Net Position	\$ 4,291,343

See accompanying notes to financial statements.

Southern Hills Plantation I Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
General government	\$ (277,820)	\$ 397,567	\$ 119,747
Physical environment	(1,115,035)	221,914	(893,121)
Interest and other charges	(501,504)	781,059	279,555
Total Governmental Activities	\$ (1,894,359)	\$ 1,400,540	(493,819)
	General Revenues		
			96,744
			44,610
			141,354
		Change in Net Position	(352,465)
		Net Position - October 1, 2022	4,643,808
		Net Position - September 30, 2023	\$ 4,291,343

See accompanying notes to financial statements.

Southern Hills Plantation I Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2023

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash	\$ 724,132	\$ -	\$ 724,132
Investments	97	-	97
Assessments receivable	-	26,719	26,719
Due from other governments	70,824	8,745	79,569
Due from developer	-	1,115,897	1,115,897
Deposits	2,919	-	2,919
Restricted assets			
Investments	-	981,456	981,456
Total Assets	<u>\$ 797,972</u>	<u>\$ 2,132,817</u>	<u>\$ 2,930,789</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ 8,491	\$ -	\$ 8,491
Due to developer	37	-	37
Matured bonds payable	-	540,000	540,000
Total Liabilities	<u>8,528</u>	<u>540,000</u>	<u>548,528</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	<u>40,000</u>	<u>1,115,897</u>	<u>1,155,897</u>
FUND BALANCES			
Nonspendable - deposits	2,919	-	2,919
Restricted:			
Debt service	-	476,920	476,920
Unassigned	746,525	-	746,525
Total Fund Balances	<u>749,444</u>	<u>476,920</u>	<u>1,226,364</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 797,972</u>	<u>\$ 2,132,817</u>	<u>\$ 2,930,789</u>

See accompanying notes to financial statements.

Southern Hills Plantation I Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2023

Total Governmental Fund Balances	\$ 1,226,364
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, land and improvements, \$1,090,599, infrastructure, \$13,416,171, improvements other than buildings, \$19,988, and equipment, \$375,984, net of accumulated depreciation, \$(4,853,847), used in governmental activities are not current financial resources and; therefore, are not reported at the fund level.	10,048,895
Long-term liabilities, bonds payable, are not due and payable in the current period and; therefore, are not reported at the governmental fund level.	(7,935,000)
Revenues that are unavailable at year end are recognized as a deferred inflow of resources at the fund level. Revenues are recognized when earned at the government-wide level.	1,155,897
Accrued interest expense for long-term debt is not a current financial use and; therefore, is not reported at the governmental fund level.	<u>(204,813)</u>
Net Position of Governmental Activities	<u><u>\$ 4,291,343</u></u>

See accompanying notes to financial statements.

Southern Hills Plantation I Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

	General	Debt Service	Total Governmental Funds
Revenues			
Special assessments	\$ 393,498	\$ 781,059	\$ 1,174,557
Intergovernmental revenues	96,744	-	96,744
Investment income	5	44,605	44,610
	<u>490,247</u>	<u>825,664</u>	<u>1,315,911</u>
Total Revenues			
Expenditures			
Current			
General government	242,729	35,091	277,820
Physical environment	300,083	-	300,083
Debt service			
Principal	-	450,000	450,000
Interest	-	513,587	513,587
	<u>542,812</u>	<u>998,678</u>	<u>1,541,490</u>
Total Expenditures			
Net change in fund balances	<u>(52,565)</u>	<u>(173,014)</u>	<u>(225,579)</u>
Fund Balances - October 1, 2022	<u>802,009</u>	<u>649,934</u>	<u>1,451,943</u>
Fund Balances - September 30, 2023	<u>\$ 749,444</u>	<u>\$ 476,920</u>	<u>\$ 1,226,364</u>

See accompanying notes to financial statements.

Southern Hills Plantation I 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, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ (225,579)
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 of depreciation in the current period.	(814,952)
Repayments of bond principal are expenditures in the governmental funds statements, but the repayments reduce long-term liabilities in the Statement of Net Position.	450,000
Revenues that are unavailable at year end are recognized as a deferred inflow of resources at the fund level. Revenues are recognized when earned at the government-wide level. This is the current year change in unavailable revenues.	225,983
In the Statement of Activities, interest is accrued on outstanding bonds; whereas at the governmental funds level, interest expenditures are reported when due. This is the change in accrued interest in the current period.	<u>12,083</u>
Change in Net Position of Governmental Activities	<u><u>\$ (352,465)</u></u>

See accompanying notes to financial statements.

Southern Hills Plantation I Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 353,566	\$ 393,498	\$ 393,498	\$ -
Intergovernmental revenues	115,545	69,366	96,744	27,378
Investment income	250	5	5	-
	<u>469,361</u>	<u>462,869</u>	<u>490,247</u>	<u>27,378</u>
Total Revenues				
Expenditures				
Current				
General government	92,842	242,661	242,729	(68)
Physical environment	376,516	335,152	300,083	35,069
	<u>469,358</u>	<u>577,813</u>	<u>542,812</u>	<u>35,001</u>
Total Expenditures				
Net Change in Fund Balances	3	(114,944)	(52,565)	62,379
Fund Balances - October 1, 2022	<u>880,591</u>	<u>802,010</u>	<u>802,009</u>	<u>(1)</u>
Fund Balances - September 30, 2023	<u><u>\$ 880,594</u></u>	<u><u>\$ 687,066</u></u>	<u><u>\$ 749,444</u></u>	<u><u>\$ 62,378</u></u>

See accompanying notes to financial statements.

Southern Hills Plantation I Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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 2, 2004, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance #676 of the City of Brooksville, Florida, 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 authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Southern Hills Plantation I Community Development District. The District is governed by a Board of Supervisors who are elected to four-year terms. The District operates within the criteria established by Chapter 190, Florida Statutes.

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

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board Statement Number 61, The Financial Reporting Entity, 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

Southern Hills Plantation I Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 and interest. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program

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

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

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.

Southern Hills Plantation I Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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 classifies fund balance according to 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.

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 – 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.

Southern Hills Plantation I Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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 90 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 are 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.

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.

Southern Hills Plantation I Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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 the special assessment bonds which were used to finance the construction of District infrastructure improvements. The bonds are secured by a first lien on and pledge of the Pledged Revenues.

b. Non-current Governmental Assets/Liabilities

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

4. Assets, Liabilities, Deferred Inflows of Resources 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.

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.

Southern Hills Plantation I Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

a. Cash and Investments (Continued)

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

b. Restricted Assets

Certain net position of the District is 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 and improvements, infrastructure, improvements other than buildings and equipment are reported in the 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.

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 range from 15 to 25 years.

d. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District only has one item that qualifies for reporting in this category. Deferred revenues are reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

Southern Hills Plantation I Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. 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 columns of the accompanying financial statements may occur.

NOTE B – 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

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, 2023, the District's bank balance was \$724,952 and the carrying value was \$724,132. 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.

Investments

As of September 30, 2023, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
First American Treasury Obligation Fund	15 Days *	\$ 981,456
Florida PRIME	35 Days *	97
Total		<u>\$ 981,553</u>

* Weighted average maturity

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

Southern Hills Plantation I Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted prices 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 use 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 First American Treasury Obligation Fund is a Level 1 asset.

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. The investment in Florida PRIME is measured at amortized cost. Florida PRIME has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2023, there were no redemption fees, maximum transaction amounts, or any other requirements that would limit daily access to 100 percent of the account value.

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 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, 2023, the District's investments in First American Treasury Obligation Fund were rated AAAM by Standard & Poor's. As of September 30, 2023, the District's investment in Florida PRIME was rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in the Florida PRIME are less than 1% of the District's total investments. The investments in First American Treasury Obligation Fund are nearly 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2023 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.

Southern Hills Plantation I Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE C – RELATED PARTY TRANSACTIONS

Three of the voting members of the Board of Supervisors are employed by the Developer or a related entity. The District has \$1,142,616 in due from developer, net any doubtful accounts, from the Developer and other related parties from prior and current years that have not been collected.

The District entered into an Inter-local Agreement, dated December 28, 2004 with Southern Hills Plantation II Community Development District (“SH2”) and Southern Hills Plantation III Community Development District (“SH3”). Under the agreement, the District was designated to supervise and manage the construction and maintenance of improvements in all three districts, and SH2 and SH3 would share those costs. Both SH2 and SH3 failed to fulfill the payment obligations under the Interlocal Agreement. In the current fiscal year, SH1 and SH3 entered into a repayment agreement and SH3 has made up its outstanding amounts due under the Interlocal Agreement.

In May 2023, the District entered into an Inter-local Agreement with SH2 and SH3 establishing cost sharing provisions moving forward and a settlement amount for SH2 for amounts past due for fiscal years prior to fiscal year 2023. Under the terms of the agreement, SH2 will pay SH1 an initial sum of \$40,000 due January 31, 2024, and a fixed annual amount of \$20,000 through fiscal year 2026 due annually by April 1. Commencing in fiscal year 2026, SH2 will pay 25 percent of the annual cost of maintenance of the improvements, and commencing in fiscal year 2023, SH3 will pay 23.8 percent of the annual cost.

The amount receivable, net any doubtful accounts, from the two Districts at September 30, 2023 was \$67,378.

Southern Hills Plantation I Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE D – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2023 was as follows:

	Balance October 1, 2022	Additions	Disposals	Balance September 30, 2023
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land and land improvements	\$ 1,090,599	\$ -	\$ -	\$ 1,090,599
Capital assets, being depreciated:				
Infrastructure	13,416,171	-	-	13,416,171
Improvements	19,988	-	-	19,988
Equipment	375,984	-	-	375,984
Total Capital Assets, Being Depreciated	<u>13,812,143</u>	<u>-</u>	<u>-</u>	<u>13,812,143</u>
Less accumulated depreciation for:				
Infrastructure	(3,945,440)	(789,088)	-	(4,734,528)
Improvements	(11,997)	(799)	-	(12,796)
Equipment	(81,458)	(25,065)	-	(106,523)
Total Accumulated Depreciation	<u>(4,038,895)</u>	<u>(814,952)</u>	<u>-</u>	<u>(4,853,847)</u>
Total Capital Assets Depreciated, Net	<u>9,773,248</u>	<u>(814,952)</u>	<u>-</u>	<u>8,958,296</u>
Governmental Activities Capital Assets	<u>\$ 10,863,847</u>	<u>\$ (814,952)</u>	<u>\$ -</u>	<u>\$ 10,048,895</u>

Current year depreciation of \$814,952 was charged to physical environment.

Southern Hills Plantation I Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE E – LONG-TERM DEBT

The following is a summary of activity in the long-term debt account group of the District for the year ended September 30, 2023:

Long-term debt at October 1, 2022	\$	8,385,000
Principal payments		<u>(450,000)</u>
Long-term debt at September 30, 2023	\$	<u>7,935,000</u>

Long-term debt is comprised of the following:

Capital Improvement Revenue Bonds

\$7,010,000 Series 2011A-1 Bonds, interest at 5.8%, maturing May 1, 2035, payable on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners. \$ 4,565,000

\$5,095,000 Series 2011A-2 Bonds, interest at 5.8%, maturing May 1, 2035, payable on May 1 and November 1, collateralized by the pledged revenues of special assessments levied against benefitted property owners. 3,370,000

Bonds Payable \$ 7,935,000

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 470,000	\$ 460,230	\$ 930,230
2025	495,000	432,970	927,970
2026	530,000	404,260	934,260
2027	565,000	373,520	938,520
2028	590,000	340,750	930,750
2029-2033	3,545,000	1,144,630	4,689,630
2034-2035	<u>1,740,000</u>	<u>152,830</u>	<u>1,892,830</u>
Totals	<u>\$ 7,935,000</u>	<u>\$ 3,309,190</u>	<u>\$ 11,244,190</u>

Southern Hills Plantation I Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE E – LONG-TERM DEBT (CONTINUED)

Significant Bond Provisions

The Series 2011A-1 and A-2 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2012, at a redemption price set in the Bond indenture. The Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond indenture.

The Bond Indenture established certain amounts be maintained in a reserve account. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements.

Depository Funds

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

Reserve Fund – The Series 2011 Reserve Account is funded from the proceeds of the Bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

	Capital Improvement Revenue Bonds	
	Reserve Balance	Reserve Requirement
Series 2011 Capital Improvement Revenue Bonds A-1	\$ 517,039	\$ 530,735
Series 2011 Capital Improvement Revenue Bonds A-2	\$ 81,462	\$ 77,734

The District made a principal payment on the previously matured bonds payable for the Series 2011A-1 Bonds in the amount of \$240,000. The District did not make the May 2023 required principal payment for the Series 2011A-2 in the amount of \$190,000, bringing total matured bonds payable for the Series 2011A-2 Bonds to \$540,000 as of September 30, 2023. These amounts are reflected as matured bonds payable in the accompanying financial statements.

Southern Hills Plantation I Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE F – 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. The District has not filed any claims under this commercial coverage during the last three years.

NOTE G – ESCHEATED PROPERTY AND BOND WRITE DOWN

The District contends that certain Series 2011A-1 Bonds should be written down by the portion of the debt that is attributable to certain lots that escheated to Hernando County, Florida (“County”). The District has contacted the Bond Trustee about the write-off of principal of \$445,000; however, the Bond Trustee has not yet responded that a write-off is appropriate. The dates the 48 parcels escheated to the County, are as follows:

<u>Date of Escheatment</u>	<u>Principal Write-Off</u>
5/1/2018	\$ 130,000
11/1/2018	25,000
11/1/2020	190,000
5/1/2021	40,000
11/1/2021	60,000
Total	<u>\$ 445,000</u>



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INDEPENDENT AUDITORS' 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
Southern Hills Plantation I Community Development District
Brooksville, 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, as listed in the table of contents, of Southern Hills Plantation I Community Development District, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated July 3, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Southern Hills Plantation I Community Development District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southern Hills Plantation I Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Southern Hills Plantation I Community Development District's internal control.

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

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

To the Board of Supervisors
Southern Hills Plantation I Community Development District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southern Hills Plantation I 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*.

Please note certain findings in the management letter on pages 32-36

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 PL
Fort Pierce, Florida

July 3, 2024



Berger, Toombs, Elam, Gaines & Frank

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MANAGEMENT LETTER

To the Board of Supervisors
Southern Hills Plantation I Community Development District
Brooksville, Florida

Report on the Financial Statements

We have audited the financial statements of the Southern Hills Plantation I Community Development District as of and for the year ended September 30, 2023, and have issued our report thereon dated July 3, 2024.

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 July 3, 2024, 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
Southern Hills Plantation I Community Development District

Finding 2018-01

Finding: The reserve fund was utilized to make part of the May 2018 payment due on the Series 2011 A-1 bonds. The balance had not been restored to the reserve fund by year end. We recommend that the District, in conjunction with the Trustee and the Bondholders, take steps to restore the reserve fund balance to the required amount.

Response: The above parties are investigating possible steps to restore the reserve balance to the required amount and/or reduce the required reserve balance.

Status: The reserve balance has not been restored to the required balance.

Finding 21-01

Finding: The Developer did not pay the 2022 debt service assessment and the May 2022, principal payment was not made.

Response: Certain principal payments on the Series 2011A-2 Bonds remain unpaid. The District is currently exploring all available remedies to receive the debt service assessment.

Current Status: During the year, the District did not make the scheduled May 2023 principal payment on the Series 2011A-2 Bonds; however, subsequent to year-end, in May 2024, the District made regular principal payments on the Series 2011A-2 Bonds. Certain principal payments on the Series 2011A-2 Bonds still remain unpaid.

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 Southern Hills Plantation I 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 Southern Hills Plantation I Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2023 for the Southern Hills Plantation I Community Development District. It is management's responsibility to monitor the Southern Hills Plantation I 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.

To the Board of Supervisors
Southern Hills Plantation I Community Development District

Specific Information

The information provided below was provided by management and has not been audited; therefore, we do not express an opinion or provide any assurance on the information.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Southern Hills Plantation I Community Development District reported:

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 5
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$0
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$95,582
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2022, together with the total expenditures for such project: N/A
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was amended, see below.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Southern Hills Plantation I Community Development District reported:

- 1) The rate or rates of non-ad valorem special assessments imposed by the District: The General Fund, \$198.54 – \$575.47 and the Debt Service Fund, \$782.69 – \$1,711.11.
- 2) The amount of special assessments collected by or on behalf of the District: Total Special Assessments collected was \$1,360,540.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds: Series 2011A-1 Bonds, \$4,565,000, maturing May 2035 and Series 2011A-2 Bonds, \$3,370,000, maturing May 2035.

To the Board of Supervisors
Southern Hills Plantation I Community Development District

	Original Budget	Actual	Variance with Original Budget Positive (Negative)
Revenues			
Special assessments	\$ 353,566	\$ 393,498	\$ 39,932
Intergovernmental	115,545	96,744	(18,801)
Investment income	250	5	(245)
Total Revenues	<u>469,361</u>	<u>490,247</u>	<u>20,886</u>
Expenditures			
Current			
General government	92,842	242,729	(149,887)
Physical environment	376,516	300,083	76,433
Total Expenditures	<u>469,358</u>	<u>542,812</u>	<u>(73,454)</u>
Net changes in fund balance	<u>3</u>	<u>(52,565)</u>	<u>(52,562)</u>
Fund Balances - October 1, 2022	<u>880,591</u>	<u>802,009</u>	<u>(78,582)</u>
Fund Balances - September 30, 2023	<u>\$ 880,594</u>	<u>\$ 749,444</u>	<u>\$ (131,144)</u>

Additional Matters

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



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

To the Board of Supervisors
Southern Hills Plantation I Community Development District

Purpose of this Letter

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

*Berger Toombs Elam
Gaines + Frank*

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

July 3, 2024



**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 ACCOUNTANTS' REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Southern Hills Plantation I Community Development District
Brooksville, Florida

We have examined Southern Hills Plantation I Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2023. Management is responsible for Southern Hills Plantation I Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Southern Hills Plantation I 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 Southern Hills Plantation I 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 Southern Hills Plantation I Community Development District's compliance with the specified requirements.

In our opinion, Southern Hills Plantation I Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2023.

*Berger Toombs Elam
Gaines & Frank*

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

July 3, 2024

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT**

4

RESOLUTION 2024-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE SOUTHERN HILLS PLANTATION I COMMUNITY DEVELOPMENT DISTRICT HEREBY ACCEPTING THE AUDITED ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

WHEREAS, the District’s Auditor, Berger, Toombs, Elam, Gaines & Frank, has heretofore prepared and submitted to the Board, for accepting, the District’s Audited Annual Financial Report for Fiscal Year 2023;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SOUTHERN HILLS PLANTATION I COMMUNITY DEVELOPMENT DISTRICT;

1. The Audited Annual Financial Report for Fiscal Year 2023, heretofore submitted to the Board, is hereby accepted for Fiscal Year 2023, for the period ending September 30, 2023; and

2. A verified copy of said Audited Annual Financial Report for Fiscal Year 2023 shall be attached hereto as an exhibit to this Resolution, in the District’s “Official Record of Proceedings”.

PASSED AND ADOPTED this 8th day of July, 2024.

ATTEST:

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT**

5A



Southern Hills Plantation | CDD Aquatics

Inspection Date:

6/27/2024 9:49 AM

Prepared by:

Niklas Hopkins

Account Manager

STEADFAST OFFICE:

WWW.STEADFASTENV.COM
813-836-7940

Inspection Report

SITE: B2

Condition: Excellent Great Good Poor Mixed Condition Improving



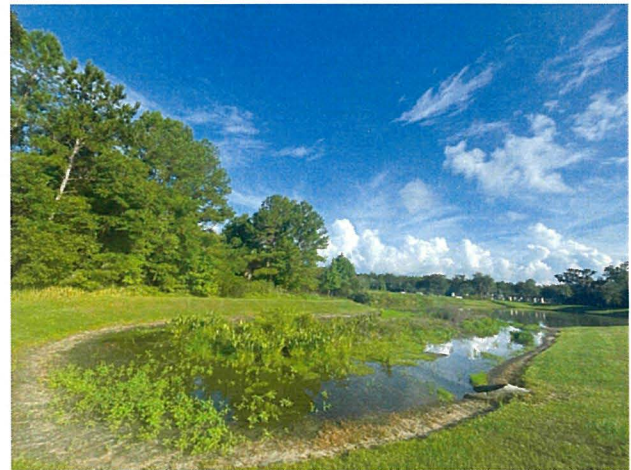
Comments:

This pond is in great condition. No algae was observed. Nuisance grasses located on the littoral shelf will continue to be combated.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	<input checked="" type="checkbox"/> N/A	Subsurface Filamentous	Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	N/A	<input checked="" type="checkbox"/> Minimal	Moderate Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
<input checked="" type="checkbox"/> Torpedo Grass	Pennywort	Babytears	Chara
Hydrilla	Slender Spikerush	Other:	

SITE: B3

Condition: Excellent Great Good Poor Mixed Condition Improving



Comments:

This pond is also in great condition. Minor amounts of shoreline grasses are making a comeback. Minor amounts of decaying algae observed along parts of the shoreline. Our technician will address the nuisance growth in the upcoming treatment.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	N/A	Subsurface Filamentous	<input checked="" type="checkbox"/> Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	N/A	Minimal	Moderate Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
<input checked="" type="checkbox"/> Torpedo Grass	<input checked="" type="checkbox"/> Pennywort	Babytears	Chara
Hydrilla	Slender Spikerush	Other:	

Inspection Report

SITE: L-7BB

Condition: Excellent Great Good Poor Mixed Condition Improving



Comments:

The water level on this pond is down. Scattered surface algae present in this pond, most of which seems to be decaying. Nuisance grasses on the littoral shelf have been treated for and are actively decaying. Our technician will continue to target the algae and nuisance grass growth on this pond.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	N/A	Subsurface Filamentous	<input checked="" type="checkbox"/> Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	N/A	<input checked="" type="checkbox"/> Minimal	Moderate Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	<input checked="" type="checkbox"/> Torpedo Grass	Pennywort	Babytears Chara
	Hydrilla	Slender Spikerush	Other:

SITE: L-8AA

Condition: Excellent Great Good Poor Mixed Condition Improving



Comments:

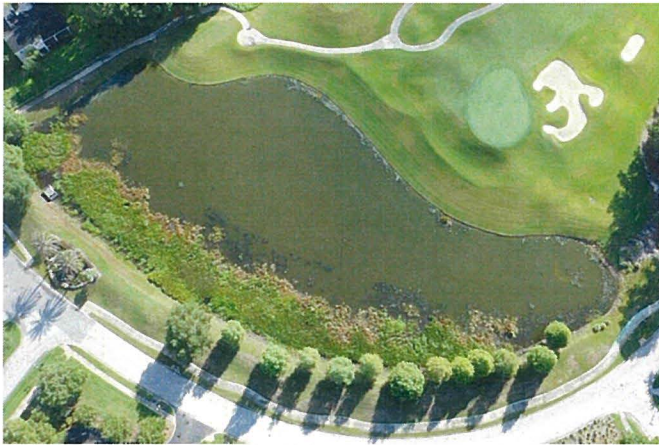
This pond is in an improving state. Algae on this pond has been reduced significantly. Our technician has been targeting nuisance grasses located on the littoral shelf. Most appeared to be browning and decaying. Our technician will continue treating for nuisance species and algae.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	N/A	Subsurface Filamentous	<input checked="" type="checkbox"/> Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	N/A	<input checked="" type="checkbox"/> Minimal	Moderate Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	<input checked="" type="checkbox"/> Torpedo Grass	Pennywort	Babytears Chara
	Hydrilla	<input checked="" type="checkbox"/> Slender Spikerush	Other:

Inspection Report

SITE: L-8BB

Condition: Excellent Great Good Poor Mixed Condition Improving



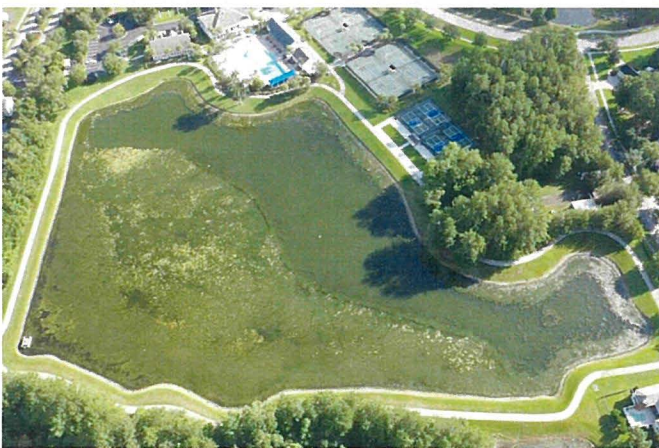
Comments:

This pond is in great condition. Nuisance grasses within the littoral shelf have been treated for and are decaying. Very minor amounts of scattered algae was observed. Routine maintenance and monitoring will occur here.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	N/A	Subsurface Filamentous	<input checked="" type="checkbox"/> Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	N/A	<input checked="" type="checkbox"/> Minimal	Moderate Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	<input checked="" type="checkbox"/> Torpedo Grass	Pennywort	Babytears Chara
	Hydrilla	Slender Spikerush	Other:

SITE: L-8CC

Condition: Excellent Great Good Poor Mixed Condition Improving



Comments:

This pond is in a mixed condition. Algae and hydrilla are present within the pond. Last Thursday the 20th we stocked this pond with triploid grass carp, that will readily eat away at the hydrilla and other aquatic weeds. This pond should see improvements in the reports to come.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	N/A	Subsurface Filamentous	<input checked="" type="checkbox"/> Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	<input checked="" type="checkbox"/> N/A	Minimal	Moderate Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	<input checked="" type="checkbox"/> Torpedo Grass	Pennywort	Babytears Chara
	<input checked="" type="checkbox"/> Hydrilla	Slender Spikerush	Other:

Inspection Report

SITE: L-10BB

Condition: Excellent Great Good Poor Mixed Condition Improving



Comments:

This pond has some scattered algae present along parts of the shoreline. Nuisance grasses on the littoral shelf have been treated, but still more progress is to be made.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	N/A	Subsurface Filamentous	<input checked="" type="checkbox"/> Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	N/A	<input checked="" type="checkbox"/> Minimal	Moderate Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	<input checked="" type="checkbox"/> Torpedo Grass	Pennywort	Babytears Chara
	Hydrilla	<input checked="" type="checkbox"/> Slender Spikerush	Other:

SITE: L-10CC

Condition: Excellent Great Good Poor Mixed Condition Improving



Comments:

This pond has scattered algae throughout the pond. Some of these seem to be decaying from prior treatments but follow-up treatments will be necessary. During the next maintenance event, our technician will readdress.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	N/A	Subsurface Filamentous	<input checked="" type="checkbox"/> Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	<input checked="" type="checkbox"/> N/A	Minimal	Moderate Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	Torpedo Grass	Pennywort	Babytears Chara
	Hydrilla	Slender Spikerush	Other:

Inspection Report

SITE: L-5GG

Condition: Excellent Great Good Poor Mixed Condition Improving



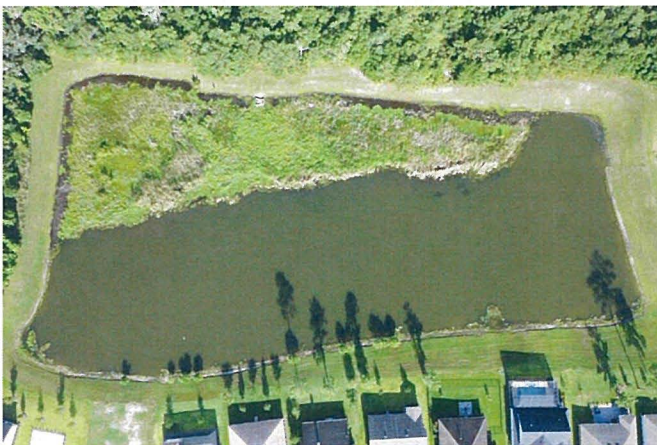
Comments:

This pond is in an improving state. Algae is decaying along the shorelines where it is present. The littoral shelf has been treated and is actively decaying. Our technician will continue to combat the algae and nuisance grass growth. Triploid grass carp were also stocked in this pond and will be actively feeding on submersed weeds.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	N/A	Subsurface Filamentous	<input checked="" type="checkbox"/> Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	<input checked="" type="checkbox"/> N/A	Minimal	Moderate Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	Torpedo Grass	Pennywort	Babytears Chara
	Hydrilla	Slender Spikerush	Other:

SITE: L-5AA

Condition: Excellent Great Good Poor Mixed Condition Improving



Comments:

This pond is in great condition. Algae was not noted on this pond, but nuisance grasses along the shorelines will need to be addressed in the next visit.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	N/A	Subsurface Filamentous	Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	N/A	<input checked="" type="checkbox"/> Minimal	Moderate Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	<input checked="" type="checkbox"/> Torpedo Grass	<input checked="" type="checkbox"/> Pennywort	Babytears Chara
	Hydrilla	Slender Spikerush	Other:

Inspection Report

MANAGEMENT SUMMARY



With the passing of the summer solstice, we are currently in the longest, hottest part of the year, the height of Summer. As such algae and vegetation is growing as rapidly as possible. At this time of year, it will be a cyclical battle against these forces until more frequent rainfall or cooler temperatures bring relief with the onset of Fall. It should be noted that more frequent rainfall is noted within the next week. Should this be the case, the pond's appearance will improve dramatically as algae is pelted down after treatment and fill ponds, and circulate water, resetting the pond's biology.

On this visit, nearly all ponds noted were in great or good condition. Shoreline grasses were minimal. Algae was noted in some locations but was mostly subsurface, and the majority of surface algae will decay following our next treatment.

Routine treatments will continue to maintain the appearance & health of the ponds as we make our way through the height of the growing season.

RECOMMENDATIONS

Continue to treat ponds for algae, administer follow-ups to ponds experiencing extended decay times.

Administer treatments to any nuisance grasses growing along exposed shorelines and within beneficial plants.

Continue to apply treatment to overgrown littoral areas.

Avoid over treating ponds, to prevent fish kills or toxic blooms.

Stay alert for debris items that find their way to the pond's shore.

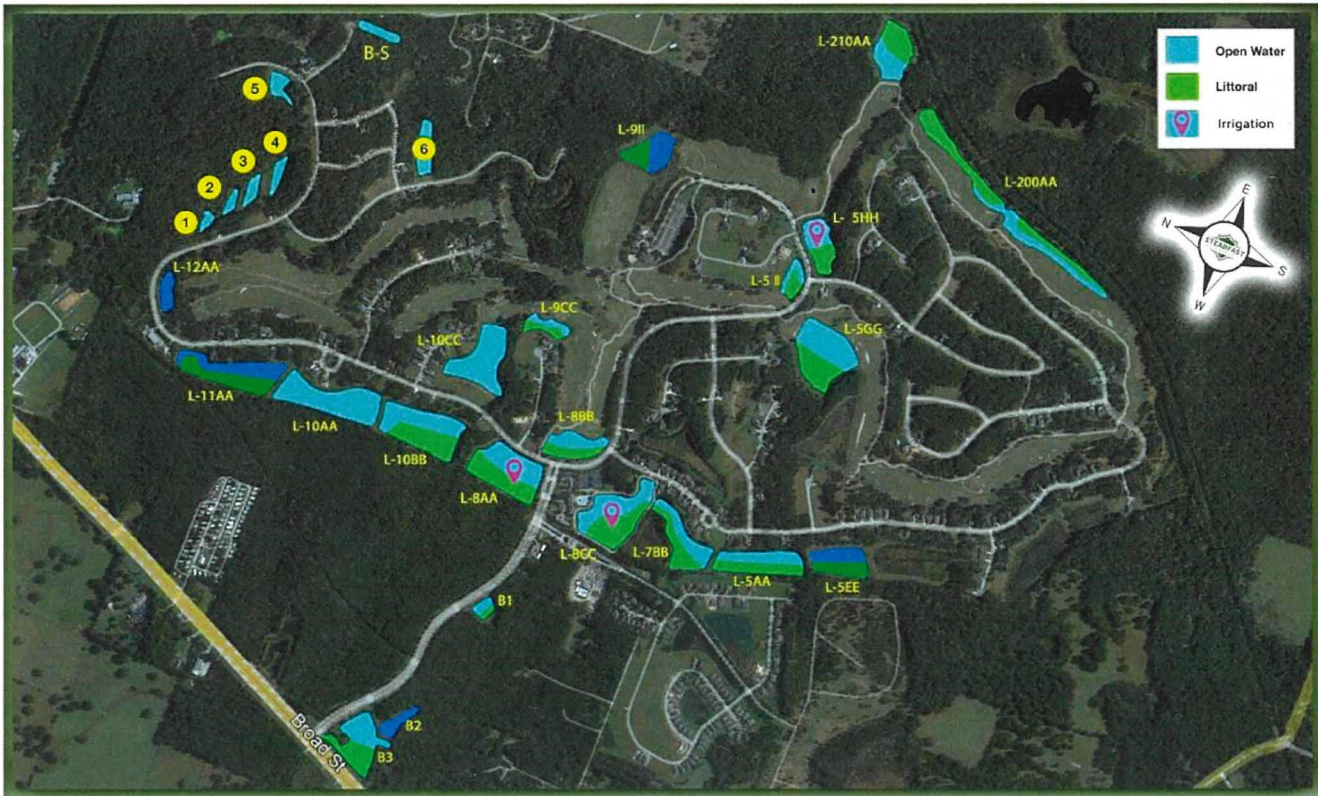
Thank you for choosing Steadfast Environmental!

MAINTENANCE AREA



SOUTHERN HILLS PLANTATION I CDD

19850 Southern Hills Blvd, Brooksville



**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT**

6

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT
PROPOSED BUDGET
FISCAL YEAR 2025**

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT
TABLE OF CONTENTS**

Description	Page Number(s)
General Fund Budget	1 - 2
Definitions of General Fund Expenditures	3 - 4
Debt Service Fund Budget - Series 2011	5
Bond Amortization Tables	6 - 7
Assessment Summary	8

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND BUDGET
FISCAL YEAR 2025**

	Fiscal Year 2024				Proposed Budget FY 2025
	Adopted Budget FY 2024	Actual through 3/31/2024	Projected through 9/30/2024	Total Actual & Projected	
REVENUES					
Assessment levy: on-roll	\$ 255,503				\$ 291,098
Allowable discounts (4%)	(10,220)				(11,644)
Assessment levy: on-roll: net	245,283	\$ 254,142	\$ -	\$ 254,142	279,454
Assessment levy: off-roll	39,981	-	39,981	39,981	-
Lot closings	-	7,158	-	7,158	-
CDD II shared costs payment	20,000	40,000	20,000	60,000	20,000
CDD III shared costs payment	31,431	8,353	23,078	31,431	32,811
Interest and miscellaneous	250	904	5,000	5,904	250
Total revenues	<u>336,945</u>	<u>310,557</u>	<u>88,059</u>	<u>398,616</u>	<u>332,515</u>
EXPENDITURES					
Professional & administrative					
Legislative					
Supervisor	5,400	6,000	6,000	12,000	9,300
Financial & Administrative					
District management	30,000	15,000	15,000	30,000	30,000
District engineer	2,500	981	1,500	2,481	2,500
Dissemination agent	2,500	1,250	1,250	2,500	2,500
Trustee	4,300	-	4,300	4,300	4,300
Tax collector	10,220	5,083	5,137	10,220	11,644
Property appraiser	-	22,035	-	22,035	22,035
Auditing services	3,250	-	3,250	3,250	3,250
Arbitrage rebate calculation	650	-	650	650	650
Public officials liability insurance	6,200	5,775	-	5,775	6,350
Legal advertising	750	77	673	750	750
Bank fees	600	-	300	300	600
Dues, licenses & fees	175	175	-	175	175
Website	790	-	790	790	790
ADA website compliance	210	-	210	210	210
Postage	500	415	250	665	500
Office supplies	500	-	200	200	500
Legal counsel					
District counsel	15,000	1,836	3,000	4,836	15,000
Electric utility services					
Street lights	34,700	18,054	18,100	36,154	37,000
Stormwater control					
Aquatic maintenance	32,500	250	23,100	23,350	35,000
Lake/pond bank maintenance	51,000	48,722	25,000	73,722	20,000
Aquatic plant replacement/weeding	2,500	-	2,500	2,500	2,500
Lake/pond repair	2,500	18,100	3,000	21,100	2,500

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND BUDGET
FISCAL YEAR 2025**

	Fiscal Year 2024			Total Actual & Projected	Proposed Budget FY 2025
	Adopted Budget FY 2024	Actual through 3/31/2024	Projected through 9/30/2024		
Other physical environment					
Property insurance	9,800	12,408	-	12,408	14,021
Entry & walls maintenance	6,400	4,553	1,847	6,400	6,400
Landscape maintenance	86,500	43,724	44,000	87,724	90,000
Irrigation repairs & maintenance	10,000	14,300	5,000	19,300	10,000
Landscape replacement plants, shrubs, trees	5,000	2,825	2,500	5,325	5,000
Annual mulching	-	-	-	-	10,000
Culvert inspection and cleaning	2,500	-	2,500	2,500	2,500
Holiday decorations	7,500	7,250	-	7,250	7,500
Miscellaneous contingency	2,500	2,550	2,500	5,050	2,500
Total expenditures	<u>336,945</u>	<u>231,363</u>	<u>172,557</u>	<u>403,920</u>	<u>355,975</u>
Excess/(deficiency) of revenues over/(under) expenditures	-	79,194	(84,498)	(5,304)	(23,460)
Fund balance - beginning (unaudited)	1,156,578	722,066	801,260	722,066	716,762
Fund balance - ending (projected)	<u>\$ 1,156,578</u>	<u>\$ 801,260</u>	<u>\$ 716,762</u>	<u>\$ 716,762</u>	<u>\$ 693,302</u>

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT
DEFINITIONS OF GENERAL FUND EXPENDITURES**

EXPENDITURES

Legislative

Supervisor \$ 9,300
 Statutorily set at \$200 per Supervisor (plus applicable taxes) for each meeting of the Board of Supervisors, not to exceed \$4,800 for each fiscal year.

Financial & Administrative

District management 30,000
 Wrathell, Hunt and Associates, LLC, specializes in managing community development districts by combining the knowledge, skills and experience of a team of professionals to ensure compliance with all governmental requirements of the District, develop financing programs, administer the issuance of tax exempt bond financings and operate and maintain the assets of the community.

District engineer 2,500
 Provides engineering, consulting and construction services to the District, which assists in crafting solutions with sustainability for the long term interests of the community while recognizing the needs of government, the environment and maintenance of the District's facilities.

Dissemination agent 2,500
 The District must annually disseminate financial information in order to comply with the requirements of Rule 15c2-12 under the Securities & Exchange Act of 1934. Service included under Management.

Trustee 4,300
 Annual fees paid to U.S. Bank for services provided as trustee, paying agent and registrar.

Tax collector 11,644
 Covers the cost of utilizing the Tax Collector services in placing the District's assessments on the property tax bill each year. The fee is 2% of the amount collected on the tax roll.

Property appraiser 22,035
 Covers the cost of utilizing the Property Appraiser services in placing the District's assessments on the property tax bill each year. The fee is 2% of the amount collected on the tax roll.

Auditing services 3,250
 Statutorily required for the District to undertake an independent examination of its books, records and accounting procedures. This audit is conducted pursuant to Florida State Law and the rules and guidelines of the Florida Auditor General.

Arbitrage rebate calculation 650
 To ensure the District's compliance with all tax regulations, annual computations are necessary to calculate the arbitrage rebate liability.

Public officials liability insurance 6,350

Legal advertising 750
 The District advertises for monthly meetings, special meetings, public hearings, public bids, etc.

Bank fees 600

Dues, licenses & fees 175
 Includes the annual fee paid to the Department of Economic Opportunity.

Website 790
 Mailing of agenda packages, overnight deliveries, correspondence, etc.

ADA website compliance 210

Postage 500

Office supplies 500

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT
DEFINITIONS OF GENERAL FUND EXPENDITURES**

EXPENDITURES (continued)

District counsel 15,000
 Provides on-going general counsel legal representation and, in this arena, these lawyers are confronted with issues relating to public finance, public bidding, rulemaking, open meetings, public records, real property dedications, conveyances and contracts. In this capacity, they provide service as "local government lawyers," realizing that this type of local government is very limited in its scope – providing infrastructure and services to developments.

Electric utility services

Street lights 37,000
 Intended to cover the costs of electricity for all street lighting within the District.

Stormwater control

Aquatic maintenance 35,000
 The District contracts with a qualified and licensed contractor for the maintenance of its storm water lakes.

Lake/pond bank maintenance 20,000
 Intended to address lake and pond bank erosion remediation on an as needed basis.

Aquatic plant replacement/weeding 2,500
 Intended to supplement the existing beneficial aquatic plant program.

Lake/pond repair 2,500
 Covers periodic repairs to pond banks, culverts or other associated structures.

Other physical environment

Property insurance 14,021
 Covers District physical property including but not limited to the entry features, street lighting, clock tower etc..

Entry & walls maintenance 6,400
 Intended to cover the routine maintenance of the entry features, including pressure washing, painting, lighting etc.

EXPENDITURES (continued)

Landscape maintenance 90,000
 The District contracts with a qualified and licensed landscape maintenance contractor for the maintenance of its landscaping

Irrigation repairs & maintenance 10,000
 Intended to cover the irrigation repairs within the District's landscape areas.

Landscape replacement plants, shrubs, trees 5,000
 Intended to cover the periodic supplement and replacement of landscape plant materials within the District's landscape areas.

Annual mulching 10,000
 Intended to cover the cost of 2 mulching the landscape beds within the District's landscape areas.

Culvert inspection and cleaning 2,500
 Intended to cover 4 rotations of flowers each year within the District's landscape areas.

Holiday decorations 7,500
 Intended to cover the cost of installation, monitoring/repairing and removal of holiday lighting.

Contingency

Miscellaneous contingency 2,500
 Automated AP routing and other miscellaneous items

Total expenditures \$ 355,975

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND BUDGET - SERIES 2011
FISCAL YEAR 2025**

	Fiscal Year 2024			Total Actual & Projected	Proposed Budget FY 2025
	Adopted Budget FY 2024	Actual through 3/31/2024	Projected through 9/30/2024		
REVENUES					
Special assessment - on-roll - A1	\$513,126				\$510,208
Special assessment - on-roll - A2	289,672				289,672
Allowable discounts (4%)	(32,112)				(31,995)
Assessment levy: net	770,686	\$ 682,443	\$ 88,243	\$ 770,686	767,885
Special assessment - off-roll - A-2	185,983	14,934	171,049	185,983	185,983
Interest	-	27,584	-	27,584	-
Total revenues	<u>956,669</u>	<u>724,961</u>	<u>259,292</u>	<u>984,253</u>	<u>953,868</u>
EXPENDITURES					
Debt service					
Principal - A1	250,000	-	250,000	250,000	265,000
Principal - A2	200,000	-	200,000	200,000	210,000
Interest - A1	243,020	132,385	110,635	243,020	228,520
Interest - A2	195,460	113,390	82,070	195,460	183,860
Legal fees	4,632	1,358	3,274	4,632	4,632
Total debt service	<u>893,112</u>	<u>247,133</u>	<u>645,979</u>	<u>893,112</u>	<u>892,012</u>
Other fees & charges					
Property appraiser	16,056	-	16,056	16,056	15,998
Tax collector	16,056	13,649	2,407	16,056	15,998
Total other fees & charges	<u>32,112</u>	<u>13,649</u>	<u>18,463</u>	<u>32,112</u>	<u>31,996</u>
Total expenditures	<u>925,224</u>	<u>260,782</u>	<u>664,442</u>	<u>925,224</u>	<u>924,008</u>
Fund balance:					
Net increase/(decrease) in fund balance	31,445	464,179	(405,150)	59,029	29,860
Beginning fund balance (unaudited)	1,299,660	671,517	1,135,696	671,517	730,546
Ending fund balance (projected)	<u>\$1,331,105</u>	<u>\$1,135,696</u>	<u>\$ 730,546</u>	<u>\$ 730,546</u>	<u>760,406</u>
Use of fund balance:					
Debt service reserve account balance (required) - A1					(486,215)
Debt service reserve account balance (required) - A2					(78,539)
Interest expense - November 1, 2025 (A1)					(106,575)
Interest expense - November 1, 2025 (A2)					(85,840)
Projected fund balance surplus/(deficit) as of September 30, 2025					<u>\$ 3,237</u>

SOUTHERN HILLS PLANTATION I

Community Development District

Series 2011A-1

\$12,505,000

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
11/01/2024	-		114,260.00	114,260.00
05/01/2025	265,000.00	5.800%	114,260.00	379,260.00
11/01/2025	-		106,575.00	106,575.00
05/01/2026	280,000.00	5.800%	106,575.00	386,575.00
11/01/2026	-		98,455.00	98,455.00
05/01/2027	295,000.00	5.800%	98,455.00	393,455.00
11/01/2027	-		89,900.00	89,900.00
05/01/2028	315,000.00	5.800%	89,900.00	404,900.00
11/01/2028	-		80,765.00	80,765.00
05/01/2029	330,000.00	5.800%	80,765.00	410,765.00
11/01/2029	-		71,195.00	71,195.00
05/01/2030	350,000.00	5.800%	71,195.00	421,195.00
11/01/2030	-		61,045.00	61,045.00
05/01/2031	375,000.00	5.800%	61,045.00	436,045.00
11/01/2031	-		50,170.00	50,170.00
05/01/2032	395,000.00	5.800%	50,170.00	445,170.00
11/01/2032	-		38,715.00	38,715.00
05/01/2033	420,000.00	5.800%	38,715.00	458,715.00
11/01/2033	-		26,535.00	26,535.00
05/01/2034	445,000.00	5.800%	26,535.00	471,535.00
11/01/2034	-		-	-
05/01/2035	470,000.00	5.800%	13,630.00	483,630.00
Total	\$3,940,000.00		\$1,488,860.00	\$5,428,860.00

SOUTHERN HILLS PLANTATION I

Community Development District

Series 2011A-2

\$13,860,000

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
11/01/2024	-		91,930.00	91,930.00
05/01/2025	210,000.00	5.800%	91,930.00	301,930.00
11/01/2025	-		85,840.00	85,840.00
05/01/2026	225,000.00	5.800%	85,840.00	310,840.00
11/01/2026	-		79,315.00	79,315.00
05/01/2027	240,000.00	5.800%	79,315.00	319,315.00
11/01/2027	-		72,355.00	72,355.00
05/01/2028	250,000.00	5.800%	72,355.00	322,355.00
11/01/2028	-		65,105.00	65,105.00
05/01/2029	265,000.00	5.800%	65,105.00	330,105.00
11/01/2029	-		57,420.00	57,420.00
05/01/2030	285,000.00	5.800%	57,420.00	342,420.00
11/01/2030	-		49,155.00	49,155.00
05/01/2031	300,000.00	5.800%	49,155.00	349,155.00
11/01/2031	-		40,455.00	40,455.00
05/01/2032	320,000.00	5.800%	40,455.00	360,455.00
11/01/2032	-		31,175.00	31,175.00
05/01/2033	335,000.00	5.800%	31,175.00	366,175.00
11/01/2033	-		21,460.00	21,460.00
05/01/2034	360,000.00	5.800%	21,460.00	381,460.00
11/01/2034	-		11,020.00	11,020.00
05/01/2035	380,000.00	5.800%	11,020.00	391,020.00
Total	\$3,170,000.00		\$1,210,460.00	\$4,380,460.00

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT
PROJECTED ASSESSMENTS
GENERAL FUND AND DEBT SERVICE FUND
FISCAL YEAR 2025**

*** Preliminary and may change based on Hernando County roll information ***

Platted Units and Unplatted Units On-Roll

Number of Units	Number of Units Paying GF	Number of Units Paying DSF	Unit Type	Projected Fiscal Year 2025			FY 24 Assessment
				GF	DSF	GF & DSF	
<u>Series 2011A-1 Bond Units</u>							
46	46	45	Single Family 50'	\$ 186.16	\$ 782.69	\$ 968.85	\$ 976.15
43	43	41	Single Family 65'	242.01	877.59	1,119.60	1,129.09
341	341	283	Single Family 80'	297.86	972.49	1,270.35	1,282.03
94	94	85	Single Family 100'	372.32	1,098.01	1,470.33	1,484.93
57	57	54	Single Family 120'	446.78	1,304.82	1,751.60	1,769.12
581	581	508					
<u>Series 2011A-2 Bond Units</u>							
50	50	5	Club Villa	167.54	923.75	1,091.29	1,097.86
103	103	24	Single Family 50'	186.16	1,026.39	1,212.55	1,219.85
157	157	94	Single Family 65'	242.01	1,150.84	1,392.85	1,402.34
59	59	49	Single Family 80'	297.86	1,275.30	1,573.16	1,584.84
38	38	35	Single Family 100'	372.32	1,439.89	1,812.21	1,826.81
23	23	23	Single Family 120'	446.78	1,711.11	2,157.89	2,175.41
6.87	6.87	0	Golf Course	372.32	-	372.32	386.92
436.87	436.87	230					
1,018	1,018	738					

Unplatted Units Off-Roll

Number of Units	Number of Units Paying GF	Number of Units Paying DSF	Unit Type	Projected Fiscal Year 2025			FY 24 Assessment
				GF	DSF	GF & DSF	
<u>Series 2011A-2 Bond Units</u>							
45	0	45	Club Villa	\$ 154.14	\$ 849.85	\$ 1,003.99	\$ 849.85
79	0	79	Single Family 50'	171.27	944.28	1,115.55	944.28
58	0	58	Single Family 65'	222.65	1,058.77	1,281.42	1,058.77
10	0	10	Single Family 80'	274.03	1,173.28	1,447.31	1,173.28
6.87	0	0	Golf Course	342.54	-	342.54	386.92
199	0	192					
1,217	1,018	930					

Note: Based on assumption that all parcels that were subject to Hernando County exemptions will be able to be billed for GF and DS on-roll

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT**

**UNAUDITED
FINANCIAL
STATEMENTS**

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
UNAUDITED
MAY 31, 2024**

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
MAY 31, 2024**

	Major Funds		Total Governmental Funds
	General	Debt Service	
ASSETS			
Wells Fargo	\$ 234,102	\$ -	\$ 234,102
Bank United ICS	475,665	-	475,665
Bank United - 1546	50,000	-	50,000
SBA	101	-	101
Undeposited funds	27,666	-	27,666
Investments			
Revenue - A1	-	58,052	58,052
Revenue - A2	-	110,177	110,177
Reserve - A1	-	501,762	501,762
Reserve - A2	-	84,327	84,327
Prepayment - A1	-	24,052	24,052
Prepayment - A2	-	770	770
Cost of Issuance	-	19,465	19,465
Due from other funds			
General	-	20,031	20,031
Due from Developer	-	371,966	371,966
Assessments receivable - on-roll	-	43,135	43,135
Assessments receivable - off-roll	-	743,932	743,932
Allowance for uncollectable receivable	-	(19,567)	(19,567)
Due from Southern Hills II	20,000	-	20,000
Due from Southern Hills III	10,889	-	10,889
Deposits	2,789	-	2,789
Total assets	<u>\$ 821,212</u>	<u>\$ 1,958,102</u>	<u>\$ 2,779,314</u>
LIABILITIES			
Liabilities			
Due to other funds			
Debt service 2011 A1	\$ 12,803	\$ -	\$ 12,803
Debt service 2011 A2	7,228	-	7,228
Due to Developer	37	-	37
Matured bonds payable A2	-	350,000	350,000
Total liabilities	<u>20,068</u>	<u>350,000</u>	<u>370,068</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred receipts	<u>58,267</u>	<u>1,115,897</u>	<u>1,174,164</u>
Total deferred inflows of resources	<u>58,267</u>	<u>1,115,897</u>	<u>1,174,164</u>
Fund balances			
Restricted for:			
Debt service	-	492,205	492,205
Unassigned	<u>742,877</u>	<u>-</u>	<u>742,877</u>
Total fund balances	<u>742,877</u>	<u>492,205</u>	<u>1,235,082</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 821,212</u>	<u>\$ 1,958,102</u>	<u>\$ 2,779,314</u>

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE PERIOD ENDED MAY 31, 2024**

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Special assessments: on-roll	\$ 14,649	\$ 276,934	\$ 245,283	113%
Special assessments: off-roll	-	-	39,981	0%
Lot closings	-	7,158	-	N/A
CDD II shared costs payment	-	40,000	20,000	200%
CDD III shared costs payment	-	17,648	31,431	56%
Interest & miscellaneous	665	1,570	250	628%
Total revenues	<u>15,314</u>	<u>343,310</u>	<u>336,945</u>	102%
EXPENDITURES				
Professional & administrative				
Legislative				
Supervisor fees	1,000	8,000	5,400	148%
Financial & administrative				
Management	2,500	20,000	30,000	67%
Engineering	2,464	5,794	2,500	232%
Dissemination agent	208	1,667	2,500	67%
Trustee	-	-	4,300	0%
Audit	-	-	3,250	0%
Arbitrage rebate calculation	-	-	650	0%
Insurance: public officials liability	-	5,775	6,200	93%
Legal advertising	-	77	750	10%
Bank fees	-	-	600	0%
Annual district filing fee	-	175	175	100%
Website	-	-	790	0%
ADA website compliance	-	-	210	0%
Postage	303	913	500	183%
Office supplies	-	-	500	0%
Legal counsel				
District counsel	-	1,836	15,000	12%
Total professional & administrative	<u>6,475</u>	<u>44,237</u>	<u>73,325</u>	60%

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE PERIOD ENDED MAY 31, 2024**

	Current Month	Year to Date	Budget	% of Budget
Field operations				
Electric utility services				
Street lights	2,926	23,917	34,700	69%
Stormwater control				
Lake/pond bank maintenance	16,837	87,121	51,000	171%
Aquatic maintenance	-	250	32,500	1%
Aquatic plant replacement	-	-	2,500	0%
Lake/pond repair	2,700	21,900	2,500	876%
Other physical environment				
Insurance: property	-	12,408	9,800	127%
Entry & walls maintenance	-	5,495	6,400	86%
Landscape maintenance	7,059	58,137	86,500	67%
Holiday decorations	-	7,250	7,500	97%
Irrigation repairs & maintenance	480	15,641	10,000	156%
Landscape replacement	12,344	15,169	5,000	303%
Culvert inspection and cleaning	-	-	2,500	0%
Contingency				
Miscellaneous contingency	-	3,400	2,500	136%
Total field operations	<u>42,346</u>	<u>250,688</u>	<u>253,400</u>	99%
Other fees and charges				
Property appraiser	-	22,035	-	N/A
Tax collector	293	5,539	10,220	54%
Total other fees and charges	<u>293</u>	<u>27,574</u>	<u>10,220</u>	270%
Total expenditures	<u>49,114</u>	<u>322,499</u>	<u>336,945</u>	96%
Excess/(deficiency) of revenues over/(under) expenditures	(33,800)	20,811	-	
Fund balance - beginning	<u>776,677</u>	<u>722,066</u>	<u>1,156,578</u>	
Fund balance - ending	<u>\$ 742,877</u>	<u>\$ 742,877</u>	<u>\$1,156,578</u>	

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND SERIES 2011
FOR THE PERIOD ENDED MAY 31, 2024**

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Special assessments: on-roll	\$ 39,335	\$ 743,644	\$ 770,686	96%
Special assessments: off-roll	7,467	22,402	185,983	12%
Interest	6,229	40,172	-	N/A
Total revenues	<u>53,031</u>	<u>806,218</u>	<u>956,669</u>	84%
EXPENDITURES				
Principal - A1	270,000	270,000	250,000	108%
Principal - A2	200,000	200,000	200,000	100%
Interest - A1	132,385	264,770	243,020	109%
Interest - A2	113,390	226,780	195,460	116%
Total expenditures	<u>715,775</u>	<u>961,550</u>	<u>888,480</u>	108%
Other fees and charges				
Legal fees	-	1,358	4,632	29%
Property appraiser	-	-	16,056	0%
Tax collector	786	14,873	16,056	93%
Total other fees and charges	<u>786</u>	<u>16,231</u>	<u>36,744</u>	44%
Total expenditures	<u>716,561</u>	<u>977,781</u>	<u>925,224</u>	106%
Excess/(deficiency) of revenues over/(under) expenditures	(663,530)	(171,563)	31,445	
Fund balance - beginning	1,155,735	663,768	1,299,660	
Fund balance - ending	<u>\$ 492,205</u>	<u>\$ 492,205</u>	<u>\$ 1,331,105</u>	

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT**

MINUTES

DRAFT

**MINUTES OF MEETING
SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Southern Hills Plantation I Community Development District held a Regular Meeting on June 10, 2024 at 10:00 a.m., at the Southern Hills Plantation Clubhouse, located at 4200 Summit View Drive, Brooksville, Florida 34601.

Present were:

John McCoskrie	Chair
Brian McCaffrey	Vice Chair
Richard Pakan	Assistant Secretary
George Ostensen	Assistant Secretary

Also present:

Chuck Adams	District Manager
Grace Kobitter	District Counsel
Joe Calamari	District Engineer

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 10:00 a.m.

Supervisors McCoskrie, McCaffrey, Pakan and Ostensen were present. Supervisor Bloomquist was not present.

SECOND ORDER OF BUSINESS

Public Comments (Agenda Items)

No members of the public were present.

THIRD ORDER OF BUSINESS

**Update/Discussion/Consideration:
Steadfast Environmental, LLC Items**

Mr. McCoskrie stated that Mr. Hamilton would normally present the Inspection Report; however, he was unable to attend the meeting. Last month, a large Steadfast proposal was approved and extensive monitoring has been done.

39 **A. Waterway Inspection Report - June 2024**

40 Mr. McCoskrie presented the Report and noted the following:

- 41 ➤ Algae is present in the main ponds, including L-5GG and 8-CC. While some of these
42 ponds appear clear at times, the wind blows algae from one end to the other.
- 43 ➤ 5-AA, 5-HH, 9-CC, 9-II and 10-AA look good.
- 44 ➤ 5-EE is dried up; some mowing might be done in the bottom of the pond.
- 45 ➤ 11-AA is completely dry; it is all mowed and flat and looks very nice.
- 46 ➤ 5-II is nearly dry.
- 47 ➤ Algae and nuisance grass treatments will be administered, as needed.

48 Mr. McCoskrie stated that Mr. John Meeks suggested that vegetation in 8-AA is causing
49 the algae issue, to some extent, and submitted a \$28,644 proposal to remove the vegetation in
50 8-AA. He submitted a \$2,700 proposal to plant spikerush to mitigate algae growth. If neither
51 proposal is accepted, Mr. Meeks' boat can be rented to skim algae off the ponds, at an hourly
52 rate of \$170. He noted that the ponds have two types of algae; however, the boat can only skim
53 algae off the top. He recalled that vegetation was cleared from 8-CC, behind the sales center,
54 and stated he believes the vegetation is not the primary driver of algae growth. He suggested
55 reverting back to the normal pond treatment schedule, as, in his opinion, the two recent
56 experiments had mixed results.

57 Discussion ensued regarding the proposals, SePro treatments and the effects of
58 reclaimed water being pumped in from the City. It was noted that water levels are very low and
59 grasses on exposed islands can be cut or treated.

60 The consensus was to wait at this time.

61 Mr. McCoskrie stated that the fish permit was received; 172 triploid grass carp will be
62 released into 14 acres of the main ponds. Mr. Adams stated that fish barriers will prevent
63 migration. It was noted that the fish are provided by Steadfast at no cost to the CDD.

64 Mr. McCoskrie asked Mr. Calamari to review the stormwater management system
65 operation and maintenance (O&M) manual that was included with the information related to
66 deeding the Buckner property to the CDD in 2013 and continue to review and ensure

67 compliance. Mr. Calamari stated that he will do so and stated the document includes basic
68 information that is sent to every permittee.

69 It was noted that boring is underway at 5-CC, in conjunction with the investigation of a
70 subsidence. Mr. Adams stated that boring is necessary due to the limited scope of Sonar®; a
71 report will likely be presented at the next meeting.

72 Discussion ensued regarding ongoing box culvert excavations at Autumn Oak.

73 Mr. McCoskrie recalled that, about a year ago, the Board decided that, every quarter, a
74 backhoe will excavate the east and west sides of the culvert. Two to three weeks ago the work
75 was completed; vegetation was treated and removed and catch basins were dug on both sides
76 where a double pipe passes under the road. Staff will stay on top of the situation; the work was
77 scheduled. The culvert is clean and ready for summer.

78

79 **FOURTH ORDER OF BUSINESS**

**Continued Review/Discussion: Proposed
Fiscal Year 2025 Budget**

80

81

82 The Board and Staff discussed the proposed Fiscal Year 2025 budget.

83 Mr. McCoskrie stated that, with the latest version of the proposed Fiscal Year 2025
84 budget, assessments will increase about \$275, which will add revenue but it would still result
85 in a budget shortfall. He stated that some coding issues also require correction and
86 information requested from the pond and lake vendors is still outstanding. He discussed
87 budget shortfalls in the “Aquatic maintenance”, “Lake/pond bank maintenance” and
88 “Lake/pond repair” line items and estimated a total revenue deficit of approximately \$119,000
89 with those expenses. He proposed restoring the proposed Fiscal Year 2025 budget to the Fiscal
90 Year 2024 levels with the same level of assessment.

91 Mr. Pakan suggested using the interest income from the investment accounts to reduce
92 the deficit.

93 Mr. Adams stated he will update the proposed Fiscal Year 2025 budget to add \$20,000
94 to the interest earnings and increase “Lake/pond bank maintenance” another \$25,000, which
95 would bring the proposed assessment increase to \$280 for the 80’ lots.

96 Mr. McCoskrie stated his goal is to avoid fluctuating assessments year-to-year, as they
97 were high a few years ago and they have been brought down in recent years.

98 Mr. Adams stated he will make these latest edits and the updated proposed Fiscal Year
99 2025 budget will be included in the next agenda. The Board will have one more opportunity to
100 make adjustments before the Public Hearing in August.

101

102 **FIFTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial
103 Statements as of April 30, 2024**

104

105 Mr. Adams stated that he followed up with SHPCDD II and received a very quick and
106 positive response; he expects a check any day.

107 Discussion ensued regarding collection of the debt and whether interest should be
108 applied. The consensus was to waive charging interest if the money is received in June;
109 however, if it becomes necessary to have District Counsel send a letter, interest will be applied.

110 Mr. Adams will confirm what principal and interest payments were made.

111

112 **On MOTION by Mr. McCroskie and seconded by Mr. Pakan, with all in favor,
113 the Unaudited Financial Statements as of April 30, 2024, were accepted.**

114

115

116 • **Discussion: Amortization Schedule**

117 Mr. McCoskrie stated a conference call was held with the Trustee, who represents the
118 Bond Holders. The CDD's position is that 48 lots escheated to the County and, at that point, the
119 liens were cancelled or terminated. The Bond Holders' position is that, to some extent, the
120 assessments should be reassessed once those parcels and lots were sold to an unrelated third
121 party away from the County. He noted that the CDD sold all 37 of the first set to the builder,
122 which would have been a third party. The next 11 lots were sold sporadically to various other
123 individuals. Since the meeting, research from the Bond Holders to substantiate their position is
124 pending. He voiced his opinion that the Trustee is moving slowly.

125 Ms. Kobitter stated that Staff is waiting on the Trustee for confirmation of the direction
126 they want the CDD to take to reassess the parcels. She noted that a waiver from the Trustee

127 and the Bond Holders will be requested prior to certifying the tax roll. Staff has been following
128 up on the status of the research but they say they are comfortable with the reassessment, as
129 those 48 lots are benefiting from the improvements in the Capital Improvement Plan (CIP). Staff
130 will continue to follow up with the parties. Upon receiving confirmation, the Resolution to levy
131 the assessments will be prepared, Mailed and Published Notices will be sent and the hearing
132 will be held around the time of the budget Public Hearing in August. She noted that
133 assessments would not be retroactive.

134 Discussion ensued regarding the need for a waiver, the CDD's position regarding
135 reassessment and the illegitimacy of any claims against the Reserve Fund by escheated lots.

136 Mr. Pakan voiced his opinion that there would need to be a strong legal argument to
137 justify reassessing those liens, as a precedent would be set. Mr. Adams stated that has been
138 requested.

139 Mr. McCoskrie stated the matter of true-up of lost assessment revenue must also be
140 addressed.

141 Ms. Kobitter will follow up with the Trustee and Trustee's Counsel and provide updates
142 as they become available.

143 Mr. McCoskrie discussed the CDD's diligence and stated he compared the Trustee's
144 Amortization Schedule, which does not match the CDD's adjusted Amortization Schedule,
145 because the Trustee has never acquiesced to the CDD's adjustments. He discussed the need for
146 an agreement regarding Amortization Schedules.

147 Mr. McCoskrie reported that there is a total difference of \$25,000 in the Amortization
148 Schedules; there is a difference of \$5,000 in years 2020, 2030, 2032, 2033, 2034 and 2035.

149

150 **SIXTH ORDER OF BUSINESS**

**Approval of May 13, 2024 Regular Meeting
Minutes**

151

152

153 Mr. McCoskrie presented the May 13, 2024 Regular Meeting Minutes.

154 The following changes were made:

155 Line 182: Change "275,000" to "\$275"

156 Line 182: Change "250,000" to "\$250"

157 Discussion ensued regarding truck traffic and roadway scuffing at Point Place and
158 Shelter Hill.

159

160 **On MOTION by Mr. McCoskrie and seconded by Mr. McCaffrey, with all in**
161 **favor, the May 13, 2024 Regular Meeting Minutes, as amended, were**
162 **approved.**

163

164

165 **SEVENTH ORDER OF BUSINESS**

Other Business

166

167 Discussion ensued regarding SePro treatments.

168 Mr. McCoskrie will email to advise Mr. Hamilton to hold any remaining treatments until
169 the pond water levels rise.

170

171 **EIGHTH ORDER OF BUSINESS**

Staff Reports

172

173 **A. District Counsel: Kilinski|Van Wyk PLLC**

174 Ms. Kobitter reminded the Board about the new requirement to complete four
175 hours of ethics continuing education by December 31, 2024; completion will be
176 reported by checking a box on Form 1 when filing it in 2025.

177 Discussion ensued regarding the requirement to file Form 1.

178 Mr. Adams stated that Board Members will receive an email from the Florida
179 Commission on Ethics guiding them to register, which will enable them to file Form 1
180 electronically.

181 Mr. Adams will email the Memorandum explaining the ethics training
182 requirements. Ms. Kobitter stated, if Board Members decide to participate in a joint
183 training course, a public meeting must be advertised to remain in compliance with the
184 Sunshine Law.

185 Mr. McCaffrey announced his intention to resign from the Board in the coming
186 weeks; the August meeting will be his last meeting.

187 Mr. McCoskrie noted that Mr. McCaffrey has been overseeing the Boulevard and
188 serving as the Committee Member to work with the other CDDs. Mr. McCaffrey stated

189 he will provide information and assist in the transition. Mr. Pakan will assist with bond-
190 related matters. Mr. Ostensen will serve as delegate to work with the other CDDs.

191 Discussion ensued regarding the irrigation system.

192 **B. District Engineer: Coastal Engineering Associates, Inc.**

193 **C. District Manager: Wrathell, Hunt and Associates, LLC**

194 There were no Staff reports.

195 • **488 Registered Voters in District as of April 15, 2024**

196 • **NEXT MEETING DATE: July 8, 2024 at 10:00 AM**

197 ○ **QUORUM CHECK**

198

199 **NINTH ORDER OF BUSINESS**

Supervisors' Requests

200

201 There were no Supervisors' requests.

202

203 **TENTH ORDER OF BUSINESS**

Adjournment

204

205 **On MOTION by Mr. McCoskrie and seconded by Mr. Pakan, with all in favor,**
206 **the meeting adjourned at 10:58 a.m.**

207

208

209

210

211

212

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

213
214
215
216
217

Secretary/Assistant Secretary

Chair/Vice Chair

**SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT**

**STAFF
REPORTS**

SOUTHERN HILLS PLANTATION I COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS FISCAL YEAR 2023/2024 MEETING SCHEDULE

LOCATION

Southern Hills Plantation Clubhouse, 4200 Summit View Drive, Brooksville, Florida 34601

DATE	POTENTIAL DISCUSSION/FOCUS	TIME
October 2, 2023*	Regular Meeting	10:00 AM**
November 13, 2023	Workshop	9:00 AM
<i>Town Hall, 19858 Southern Hills Boulevard, Brooksville, FL 34601</i>		
November 13, 2023	Regular Meeting	10:00 AM**
December 11, 2023	Regular Meeting	10:00 AM**
January 8, 2024	Regular Meeting	10:00 AM**
February 12, 2024	Regular Meeting	10:00 AM**
March 11, 2024	Regular Meeting	10:00 AM**
April 8, 2024	Regular Meeting	10:00 AM**
May 13, 2024	Regular Meeting	10:00 AM**
June 10, 2024	Regular Meeting	10:00 AM**
July 8, 2024	Regular Meeting	10:00 AM**
August 12, 2024	Regular Meeting	10:00 AM**
September 9, 2024	Regular Meeting	10:00 AM**

***Meetings will convene immediately following the adjournment of the Southern Hills Plantation III CDD meetings, scheduled to commence at 10:00 AM.*

***Exception**

October meeting is one (1) week earlier to accommodate the Columbus Day holiday.