

# Sanctuary Cove Community Development District

3501 Quadrangle Blvd., Suite 270, Orlando, FL 32817

Phone 407-723-5935; Fax 407-723-5901

<http://sanctuarycovecdd.com/>

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The following is the proposed agenda for the upcoming Meeting of the Board of Supervisors for the Sanctuary Cove Community Development District which will be held **Wednesday, May 1, 2024, at 11:30 a.m.** at the Sanctuary Cove Clubhouse located at 1899 5<sup>th</sup> Street East, Palmetto, FL 34221. The proposed agenda for this Board Meeting is found below.

Please use the following information to join the telephonic conferencing:

Phone: 1-844-621-3956

Participant Code: 796 761 297#

## BOARD OF SUPERVISORS' MEETING

### Organizational Matters

- Call to Order
- Roll Call to Confirm a Quorum
- Public Comment Period
- 1. Consideration of the Minutes of the August 2, 2023, Board of Supervisors' Meeting
- 2. Letter from Supervisor of Elections - Manatee County
- 3. Consideration of **Resolution 2024-01, General Election**
- 4. Consideration of **Resolution 2024-02, Designating Authorized Signatories for the District's Bank Account(s)**
- 5. Consideration of **Resolution 2024-03, Election of Officers**

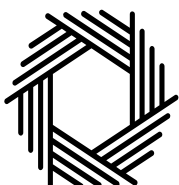
### Business Matters

- 6. Consideration of **Resolution 2024-04, Approving a Preliminary Budget for Fiscal Year 2025 and Setting a Date for the Public Hearing** *[suggested date of August 7, 2024, at 11:30 a.m.]*
- 7. Ratification of FY 2023 Audit Engagement Letter with Grau
- 8. Review and Acceptance of the Fiscal Year 2023 Audit
- 9. Ratification of Payment Authorization Nos. 13 - 22
- 10. Review of District's Financial Position and Budget to Actual Year to Date

### Other Business

- A. Staff Reports
  - 1. District Counsel
    - Memorandum on Public Records Designations and Appointments
  - 2. District Manager
  - 3. District Engineer
- B. Audience Comments
- C. Supervisors Requests

### Adjournment



If you are interested in obtaining any of the materials for the agenda, please reach out to Lynne Mullins at (407) 723-5935 or [mullinsl@pfm.com](mailto:mullinsl@pfm.com).

**pfm**

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

Consideration of the Minutes of the  
August 2, 2023,  
Board of Supervisors' Meeting

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

**MINUTES  
BOARD OF SUPERVISORS' MEETING**

**FIRST ORDER OF BUSINESS**

**Roll Call to Confirm a Quorum**

The Board of Supervisors' Meeting for the Sanctuary Cove Community Development District was called to order on Wednesday, August 2, 2023, at 11:38 a.m. at the Sanctuary Cove Clubhouse located at 1899 5<sup>th</sup> Street East, Palmetto, FL 34221. Board Members listed below constituted a quorum.

Anne Kabourek  
Cliff Glover  
Patricia Vanderveer  
Linda Svenson

Vice Chair  
Assistant Secretary  
Assistant Secretary  
Assistant Secretary

Also present were:

Lynne Mullins  
Jennifer Walden  
Rick Montejano  
Kwame Jackson  
Mike Eckert  
Kate John  
Dave Bartelt

PFM Group Consulting LLC  
PFM Group Consulting LLC (via phone)  
PFM Group Consulting LLC  
PFM Group Consulting LLC (via phone)  
Kutak Rock (via phone)  
Kutak Rock (via phone)  
FLA Engineering (via phone)

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Ms. Mullins noted that there were no members of the public present at this time.

**THIRD ORDER OF BUSINESS**

**Consideration of the Minutes of the  
February 3, 2023, Board of Supervisors'  
Meeting**

The Board reviewed the minutes of the February 3, 2023, Board of Supervisors' Meeting.

**ON MOTION** by Ms. Kabourek, and second by Ms. Vanderveer, with all in favor, the Board of Supervisors for the Sanctuary Cove Community Development District approved the Minutes of the February 3, 2023, Board of Supervisors' Meeting.

**FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2023-06,  
Approving an Annual Meeting Schedule for  
Fiscal Year 2023-2024**

Ms. Mullins stated the District will be keeping the current schedule, same time, same place. The dates are November 1, 2023, February 7, 2024, May 1, 2024, and August 7, 2024. She noted as always, only the District cancels two of them and keeps two of them so if it's needed, they are available.

**ON MOTION** by Ms. Svenson, and second by Ms. Vanderveer, with all in favor, the Board of Supervisors for the Sanctuary Cove Community Development District approved Resolution 2023-06, Approving an Annual Meeting Schedule for Fiscal Year 2023-2024, keeping the current schedule at 11:30 a.m., at the Sanctuary Cove Clubhouse located at 1899 5<sup>th</sup> Street East, Palmetto, FL 34221, the dates are November 1, 2023, February 7, 2024, May 1, 2024, and August 7, 2024.

**FIFTH ORDER OF BUSINESS**

**Public Hearing on the Adoption of the District's Annual Budget**

- a. **Public Comments and Testimony**
- b. **Board Comments**
- c. **Consideration of Resolution 2023-07, Adopting the Fiscal Year 2024 Budget and Appropriating Funds**

Ms. Mullins noted the budget was sent to the City and County at least 60 days prior to the public hearing date, and the public hearing has been advertised in the Newspaper as required by Florida statute. Ms. Mullins asked for a motion to open the public hearing.

**ON MOTION** by Ms. Kabourek, and second by Mr. Glover, with all in favor, the Board of Supervisors for the Sanctuary Cove Community Development District opened the public hearing.

Ms. Mullins stated the budget is an exhibit to the resolution. The Board approved a preliminary budget in May, which is the same one shown today. The District isn't changing anything, all items will be kept the same. Ms. Mullins called for any public comments, hearing none, she requested a motion to close the public hearing.

**ON MOTION** by Ms. Vanderveer, and second by Mr. Glover, with all in favor, the Board of Supervisors for the Sanctuary Cove Community Development District closed the public hearing.

**ON MOTION** by Ms. Kabourek, and second by Mr. Glover, with all in favor, the Board of Supervisors for the Sanctuary Cove Community Development District approved Resolution 2023-07, Adopting the Fiscal Year 2024 Budget and Appropriating Funds, with no changes to the budget.

**SIXTH ORDER OF BUSINESS**

**Consideration of Resolution 2023-08, Adopting an Assessment Roll for Fiscal Year 2024 and Certifying Special Assessments for Collection**

Ms. Mullins stated this is to consider the imposition of special assessments upon the lands located within the District to fund the budget the Board just approved for Fiscal Year 2023-2024, and to certify an assessment roll and provide for a levy collection enforcement of assessments. This is standard and the District does this every year. This is how the District collects the assessments from the residents.

**ON MOTION** by Mr. Glover, and second by Ms. Kabourek, with all in favor, the Board of Supervisors for the Sanctuary Cove Community Development District approved Resolution 2023-08, Adopting an Assessment Roll for Fiscal Year 2024, and Certifying Special Assessments for Collection.

**SEVENTH ORDER OF BUSINESS**

**Review and Acceptance of the Fiscal Year 2022 Audit**

The auditor did not identify any deficiencies in internal controls that would be considered material weaknesses. This is a standard and clean audit and District staff comments and edits have been incorporated.

**ON MOTION** by Ms. Kabourek, and second by Ms. Svenson, with all in favor, the Board of Supervisors for the Sanctuary Cove Community Development District accepted the Fiscal Year 2022 Audit.

**EIGHTH ORDER OF BUSINESS**

**Ratification of Payment Authorization Nos. 9 & 12**

Ms. Mullins stated these have been approved and paid, and just need to be ratified.

**ON MOTION** by Ms. Svenson, and second by Mr. Vanderveer, with all in favor, the Board of Supervisors for the Sanctuary Cove Community Development District ratified Payment Authorization Nos. 9 & 12.

**NINTH ORDER OF BUSINESS**

**Ratification of Payment Authorization Nos. 8, 10 & 11**

Ms. Mullins stated these are all standard monthly expenses.

**ON MOTION** by Mr. Glover, and second by Ms. Kabourek, with all in favor, the Board of Supervisors for the Sanctuary Cove Community Development District ratified Payment Authorization Nos. 8, 10 & 11.

**TENTH ORDER OF BUSINESS**

**Review of District's Financial Position and Budget to Actual Year to Date**

Ms. Mullins stated the District has total expenses of \$45,000.00 versus a budget of \$82,015.00 The District is currently running under budget. No action is required by the Board.

Discussion ensued regarding the current budget and what can be done with the funds in the reserve account.

**ELEVENTH ORDER OF BUSINESS**

**Staff Reports**

District Counsel – Mr. Eckert stated to update the Board, he is still working with the surveyor who prepared the metes and bounds description for the deed to the entrance roadway. There was a defect in that description that the county pointed out. Mr. Eckert provided that information to the surveyor and is hopeful that he will get a response with the revised legal description.

District Manager – No Report.

Engineer – No Report.

**TWELFTH ORDER OF BUSINESS**

**Audience Comments, Supervisors  
Requests, and Adjournment**

There were no audience comments and no supervisor requests.

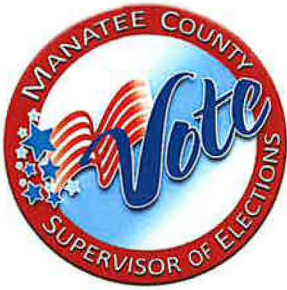
**ON MOTION** by Ms. Vanderveer, and second by Mr. Glover, with all in favor, the August 2, 2023, Board of Supervisors' meeting for the Sanctuary Cove Community Development District was adjourned.

\_\_\_\_\_  
**Secretary/Assistant Secretary**

\_\_\_\_\_  
**Chairman/ Vice Chairman**

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

Letter from Supervisor of Elections - Manatee County



**JAMES SATCHER**  
**MANATEE COUNTY SUPERVISOR OF ELECTIONS**

600 301 Boulevard West, Suite 108, Bradenton, FL 34205-7946  
PO Box 1000, Bradenton, FL 34206-1000

Phone 941-741-3823 • Fax 941-741-3820  
Info@VoteManatee.gov • VoteManatee.gov

April 19, 2024

Sanctuary Cove Community Development District  
PFM Group Consulting, LLC  
Attn: Jennifer Walden  
3501 Quadrangle Blvd Suite 270  
Orlando, FL. 32817

Dear Ms. Walden:

We are in receipt of your request for the number of registered voters in the Sanctuary Cove Community Development District of April 15, 2024. According to our records, there were 320 persons registered in the Sanctuary Cove Community Development District as of that date.

I hope this information is helpful to you. If I can be of any further assistance to you, please do not hesitate to contact my office at your earliest convenience.

Sincerely,

James Satcher  
Supervisor of Elections

JS/sas



**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

Consideration of Resolution 2024-01,  
General Election

## RESOLUTION 2024-01

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT IMPLEMENTING SECTION 190.006(3), *FLORIDA STATUTES*, AND REQUESTING THAT THE MANATEE COUNTY SUPERVISOR OF ELECTIONS CONDUCT THE DISTRICT'S GENERAL ELECTIONS; PROVIDING FOR COMPENSATION; SETTING FORTH THE TERMS OF OFFICE; AUTHORIZING NOTICE OF THE QUALIFYING PERIOD; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, the Sanctuary Cove Community Development District ("**District**") is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within the City of Palmetto, Florida; and

**WHEREAS**, the Board of Supervisors of the District ("**Board**") seeks to implement Section 190.006(3), *Florida Statutes*, and to instruct the Manatee County Supervisor of Elections ("**Supervisor**") to conduct the District's elections by the qualified electors of the District at the general election ("**General Election**").

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT:**

1. **GENERAL ELECTION SEATS.** Seat 1, currently held by Patricia Vanderveer and Seat 5, currently held by Linda Svenson are scheduled for the General Election beginning in November 2024. The District Manager is hereby authorized to notify the Supervisor of Elections as to what seats are subject to General Election for the current election year, and for each subsequent election year.

2. **QUALIFICATION PROCESS.** For each General Election, all candidates shall qualify for individual seats in accordance with Section 99.061, *Florida Statutes*, and must also be a qualified elector of the District. A qualified elector is any person at least 18 years of age who is a citizen of the United States, a legal resident of the State of Florida and of the District, and who is registered to vote with the Manatee County Supervisor of Elections. Campaigns shall be conducted in accordance with Chapter 106, *Florida Statutes*.

3. **COMPENSATION.** Members of the Board receive \$200 per meeting for their attendance and no Board member shall receive more than \$4,800 per year.

4. **TERM OF OFFICE.** The term of office for the individuals to be elected to the Board in the General Election is four years. The newly elected Board members shall assume office on the second Tuesday following the election.

5. **REQUEST TO SUPERVISOR OF ELECTIONS.** The District hereby requests the Supervisor to conduct the District's General Election in November 2024, and for each subsequent General Election unless otherwise directed by the District's Manager. The District understands that it will be responsible to pay for its proportionate share of the General Election cost and agrees to pay same within a reasonable time after receipt of an invoice from the Supervisor.

6. **PUBLICATION.** The District Manager is directed to publish a notice of the qualifying period for each General Election, in a form substantially similar to **Exhibit A** attached hereto.

7. **SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

8. **EFFECTIVE DATE.** This Resolution shall become effective upon its passage.

**PASSED AND ADOPTED** this 1st day of May 2024.

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT  
DISTRICT**

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CHAIRPERSON/VICE CHAIRPERSON

ATTEST:

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SECRETARY/ASSISTANT SECRETARY

**EXHIBIT A**

**NOTICE OF QUALIFYING PERIOD FOR CANDIDATES  
FOR THE BOARD OF SUPERVISORS OF THE  
SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT**

Notice is hereby given that the qualifying period for candidates for the office of Supervisor of the Sanctuary Cove Community Development District ("District") will commence at noon on June 10, 2024, and close at noon on June 14, 2024. Candidates must qualify for the office of Supervisor with the Manatee County Supervisor of Elections located at 600 301 Blvd. W, Suite 108, Bradenton, Florida 34205; Ph: (941) 741-3823. All candidates shall qualify for individual seats in accordance with Section 99.061, *Florida Statutes*, and must also be a "qualified elector" of the District, as defined in Section 190.003, *Florida Statutes*. A "qualified elector" is any person at least 18 years of age who is a citizen of the United States, a legal resident of the State of Florida and of the District, and who is registered to vote with the Manatee County Supervisor of Elections. Campaigns shall be conducted in accordance with Chapter 106, *Florida Statutes*.

The Sanctuary Cove Community Development District has two (2) seats up for election, specifically seats 1 and 5. Each seat carries a four-year term of office. Elections are nonpartisan and will be held at the same time as the general election on November 5, 2024, and in the manner prescribed by law for general elections.

For additional information, please contact the Manatee County Supervisor of Elections.

**Publish on or before May 25, 2024.**

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

Consideration of Resolution 2024-02,  
Designating Authorized Signatories  
for the District's Bank Account(s)

**RESOLUTION 2024-02**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE DISTRICT MANAGER TO DESIGNATE THE AUTHORIZED SIGNATORIES FOR THE DISTRICT'S OPERATING BANK ACCOUNT(S); AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Sanctuary Cove Community Development District ("District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, and Situated entirely within Manatee County, Florida; and

**WHEREAS**, the Board of Supervisors of the District ("Board") has selected a depository as defined in Section 280.02, *Florida Statutes*, which meets all the requirements of Chapter 280 and has been designated by the State Chief Financial Officer as a qualified public depository; and

**WHEREAS**, the Board desires now to authorize signatories for the operating bank accounts(s).

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT:**

Section 1. The Chairperson, Vice Chairperson, Secretary, Assistant Secretaries, Treasurer and Assistant Treasurers are hereby designated as authorized signatories for the operating bank account(s) of the District.

Section 2. This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED THIS 1<sup>st</sup> DAY of May 2024.**

**SANCTUARY COVE COMMUNITY  
DEVELOPMENT DISTRICT**

**ATTEST:**

\_\_\_\_\_  
Secretary/Assistant Secretary

\_\_\_\_\_  
Chair/Vice-Chair

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

Consideration of Resolution 2024-03,  
Election of Officers

**RESOLUTION 2024-03**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT ELECTING THE OFFICERS OF THE DISTRICT, AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, the SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT (hereinafter the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes; and

**WHEREAS**, pursuant to Section 190.006(6), Florida Statutes, as soon as practicable after each election or appointment to the Board of Supervisors (the "Board"), the Board shall organize by electing one of its members as chair and by electing a secretary, and such other officers as the Board may deem necessary.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT:**

Section 1. \_\_\_\_\_ is elected Chairperson.

Section 2. \_\_\_\_\_ is elected Vice Chairperson.

Section 3. Lynne Mullins \_\_\_\_\_ is elected Secretary.  
\_\_\_\_\_ is elected Assistant Secretary.  
\_\_\_\_\_ is elected Assistant Secretary.  
\_\_\_\_\_ is elected Assistant Secretary.  
Jennifer Walden \_\_\_\_\_ is elected Assistant Secretary.  
\_\_\_\_\_ is elected Assistant Secretary.

Section 4. Amanda Lane \_\_\_\_\_ is elected Treasurer.

Section 5. Jennifer Glasgow \_\_\_\_\_ is elected Assistant Treasurer.  
Rick Montejano \_\_\_\_\_ is elected Assistant Treasurer.  
Verona Griffith \_\_\_\_\_ is elected Assistant Treasurer.  
Amy Champagne \_\_\_\_\_ is elected Assistant Treasurer.

Section 6. All resolutions or parts of Resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 7. This Resolution shall become effective immediately upon its adoption.

**PASSED AND ADOPTED THIS 1<sup>st</sup> DAY of MAY 2024.**

**ATTEST:**

**SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Secretary/Assistant Secretary

\_\_\_\_\_  
Chair/Vice Chair



**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

Consideration of Resolution 2024-04,  
Approving a Preliminary Budget for Fiscal Year 2025  
and Setting a Date for the Public Hearing  
*[suggested date of August 7, 2024, at 11:30 a.m.]*

**RESOLUTION 2024-04**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT APPROVING PROPOSED BUDGET(S) FOR FISCAL YEAR 2024/2025 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; ADDRESSING TRANSMITTAL, POSTING AND PUBLICATION REQUIREMENTS; ADDRESSING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the District Manager has heretofore prepared and submitted to the Board of Supervisors (“**Board**”) of the Sanctuary Cove Community Development District (“**District**”) prior to June 15, 2024, proposed budget(s) (“**Proposed Budget**”) for the fiscal year beginning October 1, 2024, and ending September 30, 2025 (“**Fiscal Year 2024/2025**”); and

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

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT:**

1.     **PROPOSED BUDGET APPROVED.** The Proposed Budget prepared by the District Manager for Fiscal Year 2024/2025 attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said Proposed Budget.

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

DATE:	August 7, 2024
HOUR:	11:30 a.m.
LOCATION:	Sanctuary Cove Clubhouse 1899 5 <sup>th</sup> Street East Palmetto, Florida 34221

3.     **TRANSMITTAL OF PROPOSED BUDGET TO LOCAL GENERAL PURPOSE GOVERNMENT(S).** The District Manager is hereby directed to submit a copy of the Proposed Budget to the local general-purpose governments at least 60 days prior to the hearing set above.

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

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

6.     **SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this

Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

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

**PASSED AND ADOPTED THIS 1<sup>ST</sup> DAY OF MAY 2024.**

ATTEST:

**SANCTUARY COVE COMMUNITY  
DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Secretary / Assistant Secretary

\_\_\_\_\_  
Chair/Vice Chair, Board of Supervisors

**Exhibit A:** Proposed Budget

**Exhibit A:**  
Proposed Budget

**Sanctuary Cove CDD**  
 FY 2025 Proposed O&M Budget

	<b>FY 2024 Adopted Budget</b>	<b>FY 2025 Proposed Budget</b>
<b><u>Revenues</u></b>		
On-Roll Assessments	\$ 82,015.00	\$ 82,015.00
<b>Net Revenues</b>	<b>\$ 82,015.00</b>	<b>\$ 82,015.00</b>
<b><u>General &amp; Administrative Expenses</u></b>		
Supervisor Fees	\$ 1,600.00	\$ 3,000.00
D&O Insurance	4,232.00	3,669.00
Trustee Services	6,000.00	6,000.00
Management	10,000.00	12,500.00
Engineering	2,000.00	2,000.00
Disclosure	5,000.00	5,000.00
District Counsel	12,000.00	12,000.00
Assessment Administration	7,500.00	7,500.00
Reamortization Schedule	125.00	125.00
Audit	4,800.00	4,900.00
Arbitrage	500.00	500.00
Telephone	15.00	15.00
Postage & Shipping	250.00	250.00
Copies	200.00	200.00
Legal Advertising	7,000.00	5,500.00
Bank Fees	50.00	50.00
Reserves	13,858.00	11,586.00
Office Supplies	135.00	135.00
Web Site Maintenance	2,600.00	2,600.00
Dues, Licenses, and Fees	175.00	175.00
Insurance - General	3,875.00	4,210.00
Landscape Management	100.00	100.00
<b>Total General &amp; Administrative Expenses</b>	<b>\$ 82,015.00</b>	<b>\$ 82,015.00</b>
<b>Total Expenses</b>	<b>\$ 82,015.00</b>	<b>\$ 82,015.00</b>
<b>Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>

**Sanctuary Cove Community Development District**

Proposed Debt Service Fund Budget  
Series 2021A Special Assessment Bonds  
Fiscal Year 2024 - 2025

	<b>Proposed FY 2025 Budget</b>
<b>REVENUES:</b>	
Assessments	\$ 225,612.50
<b>TOTAL REVENUES</b>	<b>\$ 225,612.50</b>
<b>EXPENDITURES:</b>	
Series 2021A - Interest 11/1/2024	\$ 52,118.75
Series 2021A - Principal 5/1/2025	70,000.00
Series 2021A - Interest 5/1/2025	52,118.75
<b>TOTAL EXPENDITURES</b>	<b>\$ 174,237.50</b>
<b>EXCESS REVENUES</b>	
<b>2021A Interest 11/1/2025</b>	<b>\$ 51,375.00</b>

Sanctuary Cove Community Development District  
O & M Budget Item Description FY 2025

**Revenues:**

**On-Roll Assessments:**

The District can levy a Non-Ad Valorem assessment on all the assessable property within the District in order to pay for the operating expenditures during the Fiscal Year. Assessments collected via the tax collector are referred to as "On-Roll Assessments."

**General & Administrative Expenses:**

**Supervisor Fees:**

Chapter 190 of the Florida Statutes allows for a member of the Board of Supervisors to be compensated for meeting attendance and to receive up to \$200.00 per meeting plus payroll taxes. The amount for the Fiscal Year is based upon all supervisors attending the meetings.

**D&O Insurance:**

Supervisors' and Officers' liability insurance.

**Trustee Services:**

The Trustee submits invoices annually for services rendered on bond series. These fees are for maintaining the District trust accounts

**Management:**

The District receives Management and Administrative services as part of a Management Agreement with PFM Group Consulting, LLC. These Services are further outlined in Exhibit "A" of the Management Agreement.

**Engineering:**

The District's engineer provides general engineering services to the District. Among these services are attendance at and preparation for monthly board meetings, review of invoices, and all other engineering services as requested by the District throughout the year.

**Disclosure:**

When bonds are issued for the District, the Bond Indenture requires continuing disclosure, which the dissemination agent provides to the trustee and bond holders.

**District Counsel:**

The District's legal counsel provides general legal services to the District. Among these services are attendance at and preparation for monthly board meetings, review of operating and maintenance contracts, and all other legal services as requested by the District throughout the year.

**Assessment Administration:**

The District can levy a Non-Ad Valorem assessment on all the assessable property within the District in order to pay for the operating expenditures during the Fiscal Year. It is typically collected via the Tax Collector. The District Manager submits an Assessment Roll to the Tax Collector annually by the deadline set by the Tax Collector or Property Appraiser

Sanctuary Cove Community Development District  
O & M Budget Item Description FY 2025

**Re-amortization Schedule:**

When debt is paid on a bond series, a new amortization schedule must be recalculated. This can occur up to four times per year per bond issue.

**Audit:**

Chapter 218 of the Florida Statutes requires a District to conduct an annual financial audit by an Independent Certified Public Accounting firm. Some exceptions apply.

**Arbitrage:**

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

**Telephone:**

Telephone and fax machine services.

**Postage & Shipping:**

Mail, overnight deliveries, correspondence, etc.

**Copies:**

Printing and binding Board agenda packages, letterhead, envelopes, and copies.

**Legal Advertising:**

The District will incur expenditures related to legal advertising. The items for which the District will advertise include, but are not limited to monthly meetings, special meetings, and public hearings for the District.

**Bank Fees:**

Bank fees associated with the services the District uses with the bank (e.g. remote deposit capture, positive pay, wire transfers, ACH payments, monthly maintenance, etc.).

**Reserves:**

Unexpected occurrences throughout the fiscal year the District may need in order to avoid a deficit.

**Office Supplies:**

General office supplies associated with the District.

**Website Maintenance:**

Website maintenance fee.



Sanctuary Cove Community Development District  
O & M Budget Item Description FY 2025

**Dues, Licenses, and Fees:**

The District is required to pay an annual fee to the Department of Economic Opportunity.

**Insurance – General:**

General liability insurance.

**Landscape Management:**

Per agreement the District will pay Sanctuary Cove Master Assoc. Inc. for the maintenance of the landscape and irrigation.

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

Ratification of FY 2023  
Audit Engagement Letter with Grau



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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September 27, 2023

To Board of Supervisors  
Sanctuary Cove Community Development District  
3501 Quadrangle Blvd., Ste. 270  
Orlando, FL 32817

We are pleased to confirm our understanding of the services we are to provide Sanctuary Cove Community Development District, Manatee County, Florida ("the District") for the fiscal year ended September 30, 2023. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of Sanctuary Cove Community Development District as of and for the fiscal year ended September 30, 2023. In addition, we will examine the District's compliance with the requirements of Section 218.415 Florida Statutes. This letter serves to renew our agreement and establish the terms and fee for the 2023 audit.

Accounting principles generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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.

The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary comparison schedule

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that information:

- 1) Compliance with FL Statute 218.39 (3) (c)

#### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

## **Examination Objective**

The objective of our examination is the expression of an opinion as to whether the District is in compliance with Florida Statute 218.415 in accordance with Rule 10.556(10) of the Auditor General of the State of Florida. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and will include tests of your records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our examination of the District's compliance. The report will include a statement that the report is intended solely for the information and use of management, those charged with governance, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the District's compliance is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

## **Other Services**

We will assist in preparing the financial statements and related notes of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

## **Management Responsibilities**

Management is responsible for compliance with Florida Statute 218.415 and will provide us with the information required for the examination. The accuracy and completeness of such information is also management's responsibility. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. In addition, you will be required to make certain representations regarding compliance with Florida Statute 218.415 in the management representation letter. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for designing, implementing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. The District will provide a statement describing corrective actions to be taken in response to each of our recommendations included in the audit report, if any, and relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Grau & Associates and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Grau & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. Notwithstanding the foregoing, the parties acknowledge that various documents reviewed or produced during the conduct of the audit may be public records under Florida law. The District agrees to notify Grau & Associates of any public record request it receives that involves audit documentation.

The auditor agrees and understands that Chapter 119, *Florida Statutes*, may be applicable to documents prepared in connection with the services provided hereunder and agrees to cooperate with public record requests made thereunder. In connection with this Agreement, the auditor agrees to comply with all provisions of Florida's public records laws, including but not limited to Section 119.0701, *Florida Statutes*, the terms of which are incorporated herein. Among other requirements, the auditor must:

- a. Keep and maintain public records required by the District to perform the service.
- b. Upon request from the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, *Florida Statutes* or as otherwise provided by law.
- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Agreement if the auditor does not transfer the records to the District.
- d. Upon completion of this Agreement, transfer, at no cost, to the District all public records in possession of the auditor or keep and maintain public records required by the District to perform the service. If the auditor transfers all public records to the District upon completion of this Agreement, the auditor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the auditor keeps and maintains public records upon completion of the Agreement, the auditor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.

IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT PFM GROUP CONSULTING LLC, 3501 QUADRANGLE BLVD., STE 270, ORLANDO, FL 32817, 407-723-5900, [RECORDREQUEST@PFM.COM](mailto:RECORDREQUEST@PFM.COM).

This agreement provides for a contract period of one (1) year with the option of two (2) additional one-year renewals upon the written consent of both parties. Our fee for these services will not exceed \$4,700 for the September 30, 2023 audit. The fees for the fiscal years, 2024 and 2025 will not exceed \$4,800 and \$4,900 respectively, unless there is a change in activity by the District which results in additional audit work or if Bonds are issued. The fee for additional audit work will be billed at our hourly rates which are \$350 per hour for partners, \$250 per hour for managers, \$150 per hour for senior auditors, and \$125 per hour for staff auditors.

We will complete the audit within prescribed statutory deadlines, with the understanding that your employees will provide information needed to perform the audit on a timely basis. We acknowledge that the District must submit its annual Audit to the Auditor General no later than nine (9) months after the end of the audited fiscal year. Accordingly, for fiscal year ended September 30, 2023, we will deliver a draft audit to the District no later than June 1, 2024. All accounting records (including, but not limited to, trial balances, general ledger detail, vendor files, bank and trust statements, minutes, and confirmations) for the fiscal year ended September 30, 2023 must be provided to us no later than January 15, 2024, in order for us to deliver a draft audit to the District no later than June 1, 2024. If the draft is timely reviewed by management, the final audit will be provided no later than June 15, 2024. If additional one-year renewals options are exercised, we will deliver a draft audit to the District no later than June 1 of the fiscal year following the fiscal year end subject to audit. All accounting records (including, but not limited to, trial balances, general ledger detail, vendor files, bank and trust statements, minutes, and confirmations) for the fiscal year subject to audit must be provided to us no later than January 15 of the fiscal year following the fiscal year end subject to audit. If the draft is timely reviewed by management, the final audit will be provided no later than June 15 of the fiscal year following the fiscal year end subject to audit.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices will be submitted in sufficient detail to demonstrate compliance with the terms of this agreement. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate.

This agreement may be renewed each year thereafter subject to the mutual agreement by both parties to all terms and fees. The fee for each annual renewal will be agreed upon separately.

The District has the option to terminate this agreement with or without cause by providing thirty (30) days written notice of termination to Grau & Associates. Upon any termination of this agreement, Grau & Associates shall be entitled to payment of all work and/or services rendered up until the effective termination of this agreement, subject to whatever claims or off-sets the District may have against Grau & Associates.

We will provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2022 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Sanctuary Cove Community Development District and believe this letter accurately summarizes the terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. This letter, with any addendum if applicable, constitutes the complete and exclusive statement of the agreement between Grau & Associates and the District with respect to the terms of the engagement between the parties.

Very truly yours,

Grau & Associates



\_\_\_\_\_  
Antonio J. Grau

RESPONSE:

This letter correctly sets forth the understanding of Sanctuary Cove Community Development District.

By:  \_\_\_\_\_

Title: Patsy Vanderveer

Date: September 27, 2023



**FICPA Peer Review Program**  
Administered in Florida  
by The Florida Institute of CPAs



Peer Review  
Program

**AICPA Peer Review Program**  
Administered in Florida  
by the Florida Institute of CPAs

**March 17, 2023**

**Antonio Grau**  
**Grau & Associates**  
**951 Yamato Rd Ste 280**  
**Boca Raton, FL 33431-1809**

**Dear Antonio Grau:**

It is my pleasure to notify you that on March 16, 2023, the Florida Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

*FICPA Peer Review Committee*

Peer Review Team  
FICPA Peer Review Committee

850.224.2727, x5957

cc: Daniel Hevia, Racquel McIntosh

Firm Number: 900004390114

Review Number: 594791



**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

Review and Acceptance of  
the Fiscal Year 2023 Audit

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT  
MANATEE COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**

**SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT  
MANATEE COUNTY, FLORIDA**

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# Grau & Associates

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Sanctuary Cove Community Development District  
Manatee County, Florida

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and the major fund of Sanctuary Cove Community Development District, Manatee County, Florida (the "District") as of and for the fiscal year ended September 30, 2023, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of September 30, 2023, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

The District's management is responsible for the preparation and fair presentation of the 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.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibilities 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 opinions. 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 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, we:

- Exercise professional judgment 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 judgment, 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.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information 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 we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information Included in the Financial Report***

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 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, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

March 22, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Sanctuary Cove Community Development District, Manatee County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position deficit balance of (\$2,353,477).
- The change in the District's total net position in comparison with the prior year was \$83,946, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2023, the District's governmental funds reported combined ending fund balances of \$151,860, an increase of \$40,282 in comparison with the prior fiscal year. The total fund balance is restricted for debt service, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

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

#### Government-Wide Financial Statements

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

The statement of net position presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements include all governmental activities that are principally supported by Developer contributions. The District does not have any business-type activities. The governmental activities of the District include the general government (management) function.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District maintains only one category of funds, the governmental funds.

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

### Notes to the Financial Statements

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	NET POSITION	
	SEPTEMBER 30,	
	2023	2022
Current and other assets	\$ 156,468	\$ 128,729
Capital assets, net of depreciation	683,042	707,436
Total assets	<u>839,510</u>	<u>836,165</u>
Current liabilities	48,611	61,734
Long-term liabilities	<u>3,144,376</u>	<u>3,211,854</u>
Total liabilities	<u>3,192,987</u>	<u>3,273,588</u>
Net position		
Net investment in capital assets	(2,461,334)	(2,504,418)
Restricted	75,781	65,630
Unrestricted	<u>32,076</u>	<u>1,365</u>
Total net position	<u>\$ (2,353,477)</u>	<u>\$ (2,437,423)</u>

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

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

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

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2023	2022
Revenues:		
Program revenues		
Charges for services	\$ 259,478	\$ -
Operating grants and contributions	5,632	43,007
Capital grants and contributions	-	884,230
General revenues		
Unrestricted investment earnings	165	-
Total revenues	<u>265,275</u>	<u>927,237</u>
Expenses:		
General government	52,993	44,861
Maintenance and operations	24,394	2,958,753
Interest	103,942	97,537
Total expenses	<u>181,329</u>	<u>3,101,151</u>
Change in net position	<u>83,946</u>	<u>(2,173,914)</u>
Net position - beginning	<u>(2,437,423)</u>	<u>(263,509)</u>
Net position - ending	<u>\$ (2,353,477)</u>	<u>\$ (2,437,423)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2023 was \$181,329. The costs of the District's activities were primarily funded by program revenues. Program revenues, comprised primarily of assessments, decreased from the prior fiscal year. In total, expenses decreased from the prior fiscal year, the majority of the decrease was attributed to the conveyance of completed infrastructure to another entity for maintenance and ownership responsibilities in the prior year.

## GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2023.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2023, the District had \$731,830 invested in capital assets. In the government-wide financial statements depreciation of \$48,788 has been taken, which resulted in a net book value of \$683,042. More detailed information about the District's capital assets is presented in the notes of the financial statements.



## CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

### Capital Debt

At September 30, 2023, the District had \$3,075,000 Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

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

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact Sanctuary Cove Community Development District's Finance department at 3501 Quadrangle Boulevard, Suite 270, Orlando, FL 32817.

**SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT  
MANATEE COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 35,529
Assessments receivable	1,582
Restricted assets:	
Investments	119,357
Capital assets:	
Depreciable, net	683,042
Total assets	839,510
 <b>LIABILITIES</b>	
Accounts payable	4,608
Accrued interest payable	44,003
Non-current liabilities:	
Due in more than one year	3,144,376
Total liabilities	3,192,987
 <b>NET POSITION</b>	
Net investment in capital assets	(2,461,334)
Restricted for debt service	75,781
Unrestricted	32,076
Total net position	\$ (2,353,477)

See notes to the financial statements

**SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT  
MANATEE COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Primary government:				
Governmental activities:				
General government	\$ 52,993	\$ -	\$ -	\$ (52,993)
Maintenance and operations	24,394	83,539	-	59,145
Interest on long-term debt	103,942	175,939	5,632	77,629
Total governmental activities	181,329	259,478	5,632	83,781
General revenues:				
Unrestricted investment earnings				165
Total general revenues				165
Change in net position				83,946
Net position - beginning				(2,437,423)
Net position - ending				\$ (2,353,477)

See notes to the financial statements

**SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT  
MANATEE COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	Major Funds		Total Governmental Funds
	General	Debt Service	
<b>ASSETS</b>			
Cash	\$ 35,529	\$ -	\$ 35,529
Investments	-	119,357	119,357
Assessments receivable	1,155	427	1,582
Total assets	\$ 36,684	\$ 119,784	\$ 156,468
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 4,608	\$ -	\$ 4,608
Total liabilities	4,608	-	4,608
Fund balances:			
Restricted for:			
Debt service	-	119,784	119,784
Unassigned	32,076	-	32,076
Total fund balances	32,076	119,784	151,860
Total liabilities and fund balances	\$ 36,684	\$ 119,784	\$ 156,468

See notes to the financial statements

**SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT  
MANATEE COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

Fund balance - governmental funds \$ 151,860

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	731,830	
Accumulated depreciation	<u>(48,788)</u>	683,042

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

Accrued interest payable	(44,003)	
Unamortized bond issuance premium	(69,376)	
Bonds payable	<u>(3,075,000)</u>	<u>(3,188,379)</u>
Net position of governmental activities		<u>\$ (2,353,477)</u>

See notes to the financial statements

**SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT  
MANATEE COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**

	Major Funds		Total Governmental Funds
	General	Debt Service	
<b>REVENUES</b>			
Assessments	\$ 83,539	\$ 175,939	\$ 259,478
Interest	165	5,632	5,797
Total revenues	83,704	181,571	265,275
<b>EXPENDITURES</b>			
Current:			
General government	52,993	-	52,993
Debt service:			
Principal	-	65,000	65,000
Interest	-	107,000	107,000
Total expenditures	52,993	172,000	224,993
Excess (deficiency) of revenues over (under) expenditures	30,711	9,571	40,282
Fund balances - beginning	1,365	110,213	111,578
Fund balances - ending	\$ 32,076	\$ 119,784	\$ 151,860

See notes to the financial statements

**SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT  
MANATEE COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Net change in fund balances - total governmental funds	\$	40,282
Amounts reported for governmental activities in the statement of activities are different because:		
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.		(24,394)
Repayment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.		65,000
Amortization of Bond discounts/premiums is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.		2,478
The change in accrued interest on long-term liabilities between the current and prior fiscal years is recorded in the statement of activities, but not in the governmental fund financial statements.		580
Change in net position of governmental activities	\$	83,946

See notes to the financial statements

**SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT  
MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Sanctuary Cove Community Development District ("District") was established October 15, 2007. The District was created by ordinance number 07-952 of the City of Palmetto, Florida, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. Two of the Supervisors were elected by the electors within the District and the remaining three were appointed. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2023, certain supervisors are affiliated with the Developer of the District, Avanti Properties Group.

The Board has the responsibility for:

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; (Operating-type special assessments for maintenance and debt service are treated as charges for services.) and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as general revenues.



## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

### **Assessments**

Assessments are non-ad valorem assessments on certain land and all platted lots within the District. Assessments are levied each November 1 on property of record as of the previous January. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. For debt service assessments, amounts collected as advance payments are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

### **General Fund**

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

### **Debt Service Fund**

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

### **Assets, Liabilities and Net Position or Equity**

#### **Restricted Assets**

Restricted assets represent cash and investments set aside pursuant to contractual restrictions.

#### **Deposits and Investments**

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

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Assets, Liabilities and Net Position or Equity (Continued)

#### Deposits and Investments (Continued)

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

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

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

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

#### Prepaid Items

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

#### Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Infrastructure	30

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

#### Unearned Revenue

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

#### Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

#### Long-Term Obligations (Continued)

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

#### Deferred Outflows/Inflows of Resources

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

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

#### Fund Equity/Net Position

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

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

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

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

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

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

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Other Disclosures

#### Use of Estimates

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

## NOTE 3 – BUDGETARY INFORMATION

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

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

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

## NOTE 4 – DEPOSITS AND INVESTMENTS

### Deposits

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

### Investments

The District's investments were held as follows at September 30, 2023:

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
First American Government Obligations Fund CL Y	<u>\$ 119,357</u>	S&P AAAM	Weighted average of the fund portfolio: 24 days

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

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

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

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

## NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

### Investments (Continued)

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

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

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

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

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

## NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, being depreciated				
Infrastructure	731,830	-	-	731,830
Total capital assets, being depreciated	731,830	-	-	731,830
Less accumulated depreciation for:				
Infrastructure	24,394	24,394	-	48,788
Total accumulated depreciation	24,394	24,394	-	48,788
Total capital assets, being depreciated, net	707,436	(24,394)	-	683,042
Governmental activities capital assets, net	\$ 707,436	\$ (24,394)	\$ -	\$ 683,042

Depreciation expense was charged to function/programs as maintenance and operations.

## NOTE 6 – LONG-TERM LIABILITIES

### Series 2021

On August 25, 2021, the District issued \$3,140,000 of Special Assessment Bonds, Series 2021 consisting of multiple Term Bonds with maturity dates from May 1, 2026 to May 1, 2052 and fixed interest rates ranging from 2.125% to 4%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2023 through May 1, 2052.

The Series 2021 Bonds are subject to redemption at the option of the District prior to their maturity. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

## NOTE 6 – LONG-TERM LIABILITIES (Continued)

### Series 2021 (Continued)

The Bond Indenture established certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service. The District was in compliance with the requirements at September 30, 2023.

### Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2023 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2021	\$ 3,140,000	\$ -	\$ (65,000)	\$ 3,075,000	\$ 65,000
Plus: Original issue premium	71,854	-	(2,478)	69,376	-
Total	<u>\$ 3,211,854</u>	<u>\$ -</u>	<u>\$ (67,478)</u>	<u>\$ 3,144,376</u>	<u>\$ 65,000</u>

At September 30, 2023, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2024	\$ 65,000	\$ 105,619	\$ 170,619
2025	70,000	104,238	174,238
2026	70,000	102,750	172,750
2027	70,000	101,263	171,263
2028	75,000	99,425	174,425
2029-2033	400,000	466,406	866,406
2034-2038	470,000	402,063	872,063
2039-2043	550,000	323,400	873,400
2044-2048	670,000	209,600	879,600
2049-2052	635,000	64,800	699,800
Total	<u>\$ 3,075,000</u>	<u>\$ 1,979,564</u>	<u>\$ 5,054,564</u>

## NOTE 7 – CONCENTRATION

The Builder owns a portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by the Builder.

The District's activity is dependent upon the continued involvement of the Builder, the loss of which could have a material adverse effect on the District's operations.

## NOTE 8 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

## NOTE 9 – 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; natural disasters; and environmental remediation. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

**SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT  
MANATEE COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Assessments	\$ 82,015	\$ 83,539	\$ 1,524
Interest	-	165	165
Total revenues	82,015	83,704	1,689
<b>EXPENDITURES</b>			
Current:			
General government	82,015	52,993	29,022
Total expenditures	82,015	52,993	29,022
Excess (deficiency) of revenues over (under) expenditures	\$ -	30,711	\$ 30,711
Fund balance - beginning		1,365	
Fund balance - ending		\$ 32,076	

See notes to required supplementary information

**SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT  
MANATEE COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate.

Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2023.



**SANCTUARY COVE COMMUNITY DEVELOPMENT DISTRICT  
MANATEE COUNTY, FLORIDA  
OTHER INFORMATION – DATA ELEMENTS  
REQUIRED BY FL STATUTE 218.39(3)(C)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023  
UNAUDITED**

<u>Element</u>	<u>Comments</u>
Number of District employees compensated in the last pay period of the District's fiscal year being reported.	0
Number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	3
Employee compensation	\$0
Independent contractor compensation	\$34,685
Construction projects to begin on or after October 1; (\$65K)	Not applicable
Budget variance report	See the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rate	Operations and maintenance - 270.27 Debt service - 445.16 - 1,391.12
Special assessments collected	\$259,478
Outstanding Bonds:	See Note 6 for details.



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

To the Board of Supervisors  
Sanctuary Cove Community Development District  
Manatee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Sanctuary Cove Community Development District, Manatee County, Florida ("District") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated March 22, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

March 22, 2024



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

To the Board of Supervisors  
Sanctuary Cove Community Development District  
Manatee County, Florida

We have examined Sanctuary Cove Community Development District, Manatee County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2023. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2023.

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

March 22, 2024



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

To the Board of Supervisors  
Sanctuary Cove Community Development District  
Manatee County, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Sanctuary Cove Community Development District ("District") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 22, 2024.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 22, 2024, should be considered in conjunction with this management letter.

**Purpose of this Letter**

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

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

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

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

March 22, 2024

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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

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

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

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2022.

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

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2023.

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

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2023.

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

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

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2023. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 22.

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

Ratification of Payment Authorization Nos. 13 - 22

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

**Payment Authorization No. 13**

8/14/2023

Item No.	Payee	Invoice	FY23
<b>1</b>	<b>Kutak Rock LLP</b>		
	District Counsel Fees June 2023	3250320	\$ 669.50
	District Counsel Fees July 2023	3265291	262.50
<b>2</b>	<b>McClatchy</b>		
	Legal Ads 07/11-7/18/23	204920	\$ 187.20
<b>3</b>	<b>PFM Group Consulting, LLC</b>		
	DM Fee - Jul 2023	DM-07-2023-45	\$ 833.33
	Postage - Jun 2023	OE-EXP-06-2023-36	1.20
	Quarterly Dissemination Apr -Jun 2023	125985	1,250.00
<b>4</b>	<b>Board Meeting 08/02/2023</b>		
	Clifford Glover	2023.08.02	\$ 200.00
<b>Total</b>			<b>\$ 3,403.73</b>



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Secretary / Assistant Secretary

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Chairman / Vice Chairman



**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

**Payment Authorization No. 14**

9/26/2023

Item No.	Payee	Invoice	FY23	FY24
<b>1</b>	<b>EGIS</b> FY24 Insurance	19639		\$ 7,162.00
<b>2</b>	<b>Kutak Rock LLP</b> District Counsel Fees August 2023	3280482	\$ 187.50	
<b>3</b>	<b>PFM Group Consulting, LLC</b> DM Fee - Aug 2023 DM Fee - Sept 2023 Postage - Mar 2023 Postage - Apr 2023 Postage - Aug 2023 Quarterly Dissemination Jul -Sep 2023	DM-08-2023-45 DM-09-2023-45 OE-EXP-04-2023-21 OE-EXP-08-2023-31 OE-EXP-09-2023-30 126965	\$ 833.33 833.37 3.60 1.26 2.52 1,250.00	
<b>4</b>	<b>VGlobal Tech</b> Quarterly ADA Audits (Oct-Dec) Monthly Website Mani. Jul 2023 Monthly Website Mani. Aug 2023 Monthly Website Maint. Sep 2023	5187 5237 5314 5367	\$ 300.00 110.00 110.00 110.00	
			<b>\$ 3,741.58</b>	<b>\$ 7,162.00</b>
<b>Total</b>			<b>\$10,903.58</b>	



Secretary / Assistant Secretary

Chairman / Vice Chairman

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

**Payment Authorization No. 15**

10/31/2023

Item No.	Payee	Invoice	FY23
<b>1</b>	<b>Kutak Rock LLP</b> District Counsel Fees September 2023	3294896	\$ 393.00
<b>2</b>	<b>McClatchy</b> Legal Ads 09/25/2023	214314	\$ 63.18
<b>3</b>	<b>VGlobel Tech</b> Quarterly ADA Audits (Jul-Sep)	5467	\$ 300.00
			<u><b>\$ 756.18</b></u>
		<u><b>Total</b></u>	<u><b>\$ 756.18</b></u>

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Secretary / Assistant Secretary

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Chairman / Vice Chairman

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

**Payment Authorization No. 16**

11/27/2023

Item No.	Payee	Invoice	GF
<b>1</b>	<b>Florida Dept of Economic Opportunity</b> FY24 Annual Fee	89013	\$ 175.00
<b>2</b>	<b>Kutak Rock LLP</b> District Counsel Fees October 2023	3309481	\$ 328.50
<b>3</b>	<b>PFM Group Consulting, LLC</b> DM Fee - Oct 2023 DM Fee - Nov 2023 Postage - Sep 2023 FY24 Tax Roll (prep & submit)	DM-10-2023-45 DM-11-2023-45 OE-EXP-10-2023-37 127529	\$ 833.33 833.33 0.63 7,500.00
<b>4</b>	<b>US Bank</b> Admin Fees FY24	7103770	\$ 4,148.38
<b>5</b>	<b>VGlobalTech</b> Monthly Website Maintenance Jun 2023 Monthly Website Maintenance Oct 2023 Monthly Website Maintenance Nov 2023	5084 5526 5586	\$ 110.00 110.00 110.00
			<b>\$ 14,149.17</b>
<b>Total</b>			<b>\$ 14,149.17</b>



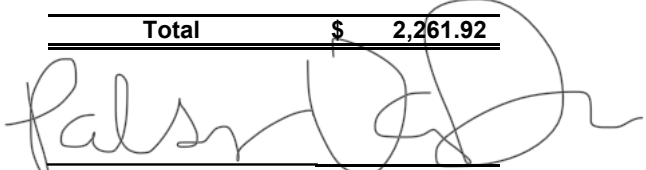
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Secretary / Assistant Secretary

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Chairman / Vice Chairman

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

**Payment Authorization No. 17**  
12/15/2023

Item No.	Payee	Invoice	GF
<b>1</b>	<b>Kutak Rock LLP</b> District Counsel Fees November 2023	3325462	\$ 176.07
<b>2</b>	<b>PFM Group Consulting, LLC</b> DM Fee - Dec 2023 Postage - Oct 2023 Quarterly Dissemination Oct -Dec 2023	DM-12-2023-46 OE-EXP-11-2023-23 128238	\$ 833.33 2.52 1,250.00
<b>Total</b>			<b>\$ 2,261.92</b>

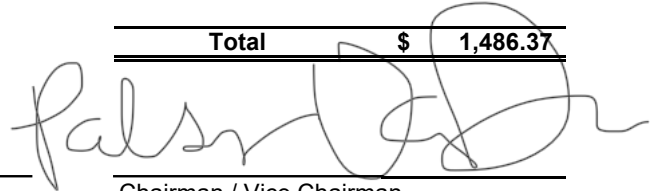
  
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Chairman / Vice Chairman

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Secretary / Assistant Secretary

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

**Payment Authorization No. 18**  
1/23/2024

Item No.	Payee	Invoice	GF
<b>1</b>	<b>Kutak Rock LLP</b> District Counsel Fees December 2023	3339540	\$ 128.00
<b>2</b>	<b>PFM Group Consulting, LLC</b> January DM Fee November Postage	DM-01-2024-46 OE-EXP-12-2023-25	\$ 833.33 5.04
<b>3</b>	<b>VGlobalTech</b> Quarterly ADA Audits (Oct-Dec) December Website Maintenance January Website Maintenance	5699 5712 5802	\$ 300.00 110.00 110.00
		<b>Total</b>	<b>\$ 1,486.37</b>



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Secretary / Assistant Secretary

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Chairman / Vice Chairman

**SANCTUARY C  
CMU NITY D L P NT DISTRICT 9**

**Payment Authorization No. 1**

2/26/2024

Item No.	Payee	Invoice	GF
1	<b>Kutak Rock LLP</b> District Counsel Fees January 2024 9	3352132 9	\$ 181.50 9
2	<b>PF Group Consulting, LLC 9</b> February DM Fee	DM-02-2024-45	\$ 833.33 9
			<u>\$ 1,014.83</u>
<b>Total 9</b>			<b>\$ 1,014.83</b>

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Secretary / Assistant Secretary 9

  
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Chairman / Vice Chairman 9

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

**Payment Authorization No. 20**  
3/5/2024

Item No.	Payee	Invoice	GF
1	<b>Grau &amp; Associates</b>		
	Audit FYE 9/30/2023	25163	\$ 2,500.00
	Audit FYE 9/30/2023	25337	\$ 2,200.00
2	<b>PFM Group Consulting, LLC</b>		
	March DM Fee	DM-03-2024-45	\$ 833.33
3	<b>VGlobaITech</b>		
	February Website Maintenance	5867	\$ 110.00
	March Website Maintenance	5949	\$ 110.00
			<b>\$ 5,753.33</b>
<b>Total</b>			<b>\$ 5,753.33</b>



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Secretary / Assistant Secretary

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Chairman / Vice Chairman

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

**Payment Authorization No. 21**

4/2/2024

Item No.	Payee	Invoice	GF
1	<b>Kutak Rock LLP</b> District Counsel Fees February 2024	3365574	\$ 309.00
2	<b>PFM Group Consulting, LLC</b> Quarterly Disclosure 01/01/2024-03/31/2024 January Postage	130032 OE-EXP-01-2024-42	\$ 1,000.00 \$ 3.31
3	<b>VGlobalTech</b> Quarterly ADA Audits (Oct-Dec)	6008	\$ 300.00
			<b>\$ 1,612.31</b>
<b>Total</b>			<b>\$ 1,612.31</b>

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Secretary / Assistant Secretary

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Chairman / Vice Chairman



**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

**Payment Authorization No. 22**

4/10/2024

Item No.	Payee	Invoice	GF
<b>1</b>	<b>PFM Group Consulting, LLC</b>		
	April DM Fee	DM-04-2024-45	\$ 833.33
	February Postage	OE-EXP-02-2024-34	\$ 12.07
	March Postage	OE-EXP-03-2024-18	\$ 2.56
<b>2</b>	<b>VGlobalTech</b>		
	April Website Maintenance	6077	\$ 110.00
			<b>\$ 957.96</b>
<b>Total</b>			<b>\$ 957.96</b>

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Secretary / Assistant Secretary

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Chairman / Vice Chairman

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

Review of District's Financial Position  
and Budget to Actual Year to Date

**Sanctuary Cove CDD**  
Statement of Financial Position  
As of 3/31/2024

	General Fund	S2021 Debt Service Fund	S2021 Capital Projects Fund	Long Term Debt Group	Total
<b><u>Assets</u></b>					
<b><u>Current Assets</u></b>					
General Checking Account	\$78,947.84				\$78,947.84
Assessments Receivable	5,200.38				5,200.38
Assessments Receivable		\$11,078.89			11,078.89
Series 2021 Debt Service Reserve		43,681.25			43,681.25
Series 2021 Revenue		190,388.69			190,388.69
Total Current Assets	<u>\$84,148.22</u>	<u>\$245,148.83</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$329,297.05</u>
<b><u>Investments</u></b>					
Amount Available in Debt Service Funds				\$234,069.94	\$234,069.94
Amount To Be Provided				2,840,930.06	2,840,930.06
Total Investments	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$3,075,000.00</u>	<u>\$3,075,000.00</u>
<b>Total Assets</b>	<u><u>\$84,148.22</u></u>	<u><u>\$245,148.83</u></u>	<u><u>\$0.00</u></u>	<u><u>\$3,075,000.00</u></u>	<u><u>\$3,404,297.05</u></u>
<b><u>Liabilities and Net Assets</u></b>					
<b><u>Current Liabilities</u></b>					
Deferred Revenue	\$5,200.38				\$5,200.38
Deferred Revenue		\$11,078.89			11,078.89
Total Current Liabilities	<u>\$5,200.38</u>	<u>\$11,078.89</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$16,279.27</u>
<b><u>Long Term Liabilities</u></b>					
Revenue Bonds Payable - Long-Term				\$3,075,000.00	\$3,075,000.00
Total Long Term Liabilities	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$3,075,000.00</u>	<u>\$3,075,000.00</u>
<b>Total Liabilities</b>	<u><u>\$5,200.38</u></u>	<u><u>\$11,078.89</u></u>	<u><u>\$0.00</u></u>	<u><u>\$3,075,000.00</u></u>	<u><u>\$3,091,279.27</u></u>
<b><u>Net Assets</u></b>					
Net Assets - General Government	\$32,075.97				\$32,075.97
Current Year Net Assets - General Govt	46,871.86				46,871.86
Net Assets, Unrestricted		\$119,783.45			119,783.45
Current Year Net Assets, Unrestricted		114,286.50			114,286.50
<b>Total Net Assets</b>	<u><u>\$78,947.83</u></u>	<u><u>\$234,069.95</u></u>	<u><u>\$0.00</u></u>	<u><u>\$0.00</u></u>	<u><u>\$313,017.78</u></u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$84,148.21</u></u>	<u><u>\$245,148.84</u></u>	<u><u>\$0.00</u></u>	<u><u>\$3,075,000.00</u></u>	<u><u>\$3,404,297.05</u></u>

**Sanctuary Cove CDD**  
**Statement of Activities**  
As of 3/31/2024

	General Fund	S2021 Debt Service Fund	S2021 Capital Projects Fund	Long Term Debt Group	Total
<b><u>Revenues</u></b>					
On-Roll Assessments	\$76,814.76				\$76,814.76
On-Roll Assessments		\$163,646.41			163,646.41
Total Revenues	<u>\$76,814.76</u>	<u>\$163,646.41</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$240,461.17</u>
<b><u>Expenses</u></b>					
Insurance	\$3,335.00				\$3,335.00
Trustee Services	4,148.38				4,148.38
Management	4,999.98				4,999.98
Disclosure	1,250.00				1,250.00
District Counsel	814.07				814.07
Assessment Administration	7,500.00				7,500.00
Audit	4,700.00				4,700.00
Postage & Shipping	7.56				7.56
Web Site Maintenance	960.00				960.00
Dues, Licenses, and Fees	175.00				175.00
Insurance - General	3,827.00				3,827.00
Interest Payments		\$52,809.38			52,809.38
Total Expenses	<u>\$31,716.99</u>	<u>\$52,809.38</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$84,526.37</u>
<b><u>Other Revenues (Expenses) &amp; Gains (Losses)</u></b>					
Interest Income	\$1,774.09				\$1,774.09
Interest Income		\$3,449.47			3,449.47
Total Other Revenues (Expenses) & Gains (Losses)	<u>\$1,774.09</u>	<u>\$3,449.47</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$5,223.56</u>
<b>Change In Net Assets</b>	<b>\$46,871.86</b>	<b>\$114,286.50</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$161,158.36</b>
<b>Net Assets At Beginning Of Year</b>	<b><u>\$32,075.97</u></b>	<b><u>\$119,783.45</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$151,859.42</u></b>
<b>Net Assets At End Of Year</b>	<b><u><u>\$78,947.83</u></u></b>	<b><u><u>\$234,069.95</u></u></b>	<b><u><u>\$0.00</u></u></b>	<b><u><u>\$0.00</u></u></b>	<b><u><u>\$313,017.78</u></u></b>

**Sanctuary Cove CDD**  
**Budget to Actual**  
**For The Month Ending 3/31/2024**

	Year To Date			FY24 Adopted Budget
	Actual	Budget	Variance	
<b><u>Revenues</u></b>				
On-Roll Assessments	\$76,814.76	\$41,007.48	\$35,807.28	\$82,015.00
<b>Net Revenues</b>	<b>\$76,814.76</b>	<b>\$41,007.48</b>	<b>\$35,807.28</b>	<b>\$82,015.00</b>
<b><u>General &amp; Administrative Expenses</u></b>				
Supervisor Fees	\$0.00	\$799.98	\$(799.98)	\$1,600.00
Insurance	3,335.00	2,116.02	1,218.98	4,232.00
Trustee Services	4,148.38	3,000.00	1,148.38	6,000.00
Management	4,999.98	4,999.98	-	10,000.00
Engineering	-	1,000.02	(1,000.02)	2,000.00
Disclosure	1,250.00	2,500.02	(1,250.02)	5,000.00
District Counsel	814.07	6,000.00	(5,185.93)	12,000.00
Assessment Administration	7,500.00	3,750.00	3,750.00	7,500.00
Reamortization Schedule	-	62.52	(62.52)	125.00
Audit	4,700.00	2,400.00	2,300.00	4,800.00
Arbitrage Calculation	-	250.02	(250.02)	500.00
Telephone	-	7.50	(7.50)	15.00
Postage & Shipping	7.56	124.98	(117.42)	250.00
Copies	-	100.02	(100.02)	200.00
Legal Advertising	-	3,499.98	(3,499.98)	7,000.00
Bank Fees	-	25.02	(25.02)	50.00
Reserves	-	6,928.98	(6,928.98)	13,858.00
Office Supplies	-	67.50	(67.50)	135.00
Web Site Maintenance	960.00	1,300.02	(340.02)	2,600.00
Dues, Licenses, and Fees	175.00	87.48	87.52	175.00
Insurance - General	3,827.00	1,937.52	1,889.48	3,875.00
Landscape Management	-	49.92	(49.92)	100.00
<b>Total General &amp; Administrative Expenses</b>	<b>\$31,716.99</b>	<b>\$41,007.48</b>	<b>\$(9,290.49)</b>	<b>\$82,015.00</b>
<b>Total Expenses</b>	<b>\$31,716.99</b>	<b>\$41,007.48</b>	<b>\$(9,290.49)</b>	<b>\$82,015.00</b>
<b>Income (Loss) from Operations</b>	<b>\$45,097.77</b>	<b>\$0.00</b>	<b>\$45,097.77</b>	<b>\$0.00</b>
<b><u>Other Income (Expense)</u></b>				
Interest Income	\$1,774.09	\$0.00	\$1,774.09	\$0.00
<b>Total Other Income (Expense)</b>	<b>\$1,774.09</b>	<b>\$0.00</b>	<b>\$1,774.09</b>	<b>\$0.00</b>
<b>Net Income (Loss)</b>	<b>\$46,871.86</b>	<b>\$0.00</b>	<b>\$46,871.86</b>	<b>\$0.00</b>

**SANCTUARY COVE  
COMMUNITY DEVELOPMENT DISTRICT**

Staff Reports

**MEMORANDUM**

TO: District Managers and Secretaries

FROM: Kutak Rock LLP

DATE: March 25, 2024

RE: Public Records

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Recently, we have seen some confusion regarding who is the person ultimately responsible for the maintenance of a special district's ("District") public records and performing the associated duties. The purpose of this memorandum is to clarify the roles of the person(s) responsible for maintaining public records. In addition, it provides a form and process for a) the District's Secretary to designate a designee under section 119.011(5), Florida Statutes, and b) the Secretary to appoint a Records Management Liaison Officer under section 257.36(5)(a), Florida Statutes.

It is important to note the distinction between the Secretary and the Records Management Liaison Officer. While the Records Management Liaison Officer has some duties related to public records, the Records Management Liaison Officer reports to the Secretary, and the Secretary has the ultimate responsibility for the District's public records.

**Records Custodian**

Rule 1.1(2) of the standard Rules of Procedure provided by Kutak Rock provides that the Secretary is the District's official Custodian of Public Records. The Secretary is often an employee of the district manager, but sometimes it can be a board member or another person.

The definition of "Custodian of Public Records" in section 119.011(5), F.S., requires the Custodian of Public Records of a District to be an elected or appointed officer charged with the responsibility of maintaining the office having public records, or his or her designee. Because the Custodian of Public Records must be an elected or appointed officer, a district management company cannot be designated as a Custodian of Public Records. Further, should the Secretary designate someone else under section 119.011(5), F.S., such a designation may not relieve the Secretary of the statutory obligation and so such designations should be carefully considered. With that said, it may make sense for the Secretary to appoint a designee to be listed as the Custodian of Public Records in standard contract language designed to direct public records requests to the appropriate employee of the district manager.

**Records Management Liaison Officer**

Section 257.36(5)(a), Florida Statutes, requires a District to designate a "Records Management Liaison Officer." The standard records retention resolution provided by Kutak Rock provides that the "Records Custodian," as defined therein, appoints the Records Management Liaison Officer. Specifically, it provides:

SECTION 1. The District hereby authorizes the District's records custodian to appoint a Records Management Liaison Officer and report such appointment to the appropriate State of Florida agencies. A Records Management Liaison Officer shall be an employee of the District or the District Manager. The Board, and the District's records custodian, shall each have the individual power to remove the Records Management Liaison Officer at any time for any reason. Immediately following the removal or resignation of a Records Management Liaison Officer, the District's records custodian shall appoint a replacement Records Management Liaison Officer.

SECTION 2. The duties of the Records Management Liaison Officer shall include the following:

- A. serve as the District's contact with the Florida Department of State, State Library and Archives of Florida; and
- B. coordinate the District's records inventory; and
- C. maintain records retention and disposition forms; and
- D. coordinate District records management training; and
- E. develop records management procedures consistent with the below Records Retention Policy, as amended; and
- F. participate in the development of the District's development of electronic record keeping systems; and
- G. submit annual compliance statements; and
- H. work with the Florida Department of State, State Library and Archives of Florida to establish individual retention schedules for the District, from time to time and as may be necessary; and
- I. such other duties as may be assigned by the Board or the District's records custodian in the future.

## **Form and Process**

Historically, there has not been a formal process to document the Secretary's designation of a designee under section 119.011(5), F.S., or to document the Secretary's appointment of a Records Management Liaison Officer to the Board. To remedy this, we have provided a simple form for the Secretary to complete which is attached as Exhibit A hereto. We recommend the following below process.

### *Records Custodian*

1. The Secretary identifies if there is a need to appoint a designee under section 119.011(5), F.S., and if so, who that designee should be.
2. If there is a need, the Secretary completes the first paragraph of Exhibit A and fills in the name of the designee in the second paragraph of Exhibit A.
3. The Secretary then signs the form and includes it in the next agenda under manager's report as an informational item only, as no Board vote is required.
4. The same process is completed each time a designee is removed or replaced.

### *Records Management Liaison Officer*

1. The Secretary identifies the person who will be appointed the Records Management Liaison Officer under section 257.36(5)(a), F.S.
2. The Secretary completes the first paragraph of Exhibit A and fills in the name of the Records Management Liaison Officer in the third paragraph of Exhibit A.



# KUTAKROCK

3. The Secretary then signs the form and includes it in the next agenda under manager's report as an informational item only, as no Board vote is required.
4. The same process is completed each time a Records Management Liaison Officer is removed or replaced.

Please contact us with any questions.

**EXHIBIT A**

**DESIGNATIONS BY SECRETARY RELATED TO PUBLIC RECORDS**

I, Lynne Mullins, as Secretary of the Sanctuary Cove Community Development District (“District”) Board of Supervisors, hereby make the following designation and/or appointment:

Lynne Mullins is designated as a custodian of public records for the District under section 119.011(5), Florida Statutes. Any prior designation of a designee by a Secretary is hereby rescinded.

AND/OR

Lynne Mullins is appointed as the District’s Records Management Liaison Officer under section 257.36(5)(a), Florida Statutes. Any prior appointment of a Records Management Liaison Officer by a Secretary is hereby rescinded.

*Lynne Mullins*  
Printed Name: Lynne Mullins  
Secretary, District Board of Supervisors  
Date: 04.24.24