

Viera Stewardship District
ANNUAL FINANCIAL REPORT
September 30, 2021

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ANNUAL FINANCIAL REPORT

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Viera Stewardship District
Brevard County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Viera Stewardship District as of and for the year ended September 30, 2021, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Accounting Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Fort Pierce / Stuart

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To the Board of Supervisors
Viera Stewardship District

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Viera Stewardship District, as of September 30, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Viera Stewardship District's internal control over financial reporting and compliance.



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

June 30, 2022

**Viera Stewardship District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

**Viera Stewardship District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2021.

- ◆ The District's total assets were exceeded by total liabilities by \$(18,860,340) (net position). Unrestricted net position for Governmental Activities was \$(18,968,845). Net investment in capital assets for Governmental Activities was \$108,505.
- ◆ Governmental activities revenues totaled \$526,209 while governmental activities expenses and conveyances totaled \$19,786,745.

**Viera Stewardship District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2021	2020
Current assets	\$ 288,720	\$ 422,376
Capital assets	108,505	113,155
Total Assets	<u>397,225</u>	<u>535,531</u>
Current liabilities	<u>19,257,565</u>	<u>135,335</u>
Net position-net investment in capital assets	108,505	113,155
Net position-unrestricted	<u>(18,968,845)</u>	<u>287,041</u>
Total Net Position	<u>\$ (18,860,340)</u>	<u>\$ 400,196</u>

The increase in current liabilities is related to the increase in developer advance in the current year.

The decrease in net position is related to the conveyance of capital assets in the current year.

**Viera Stewardship District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change In Net Position

	Governmental Activities	
	2021	2020
Program Revenues		
Charges for services	\$ 489,194	\$ 449,964
Operating grants and contributions	-	50,501
General Revenues		
Intergovernmental revenues	35,878	38,280
Miscellaneous revenues	900	-
Investment earnings	237	322
Total Revenues	<u>526,209</u>	<u>539,067</u>
Expenses		
General government	126,072	149,449
Physical environment	513,795	483,886
Interest and other charges	3,190	-
Total Expenses	<u>643,057</u>	<u>633,335</u>
Conveyance of assets	<u>(19,143,688)</u>	<u>-</u>
Change in Net Position	(19,260,536)	(94,268)
Net Position - Beginning of Year	<u>400,196</u>	<u>494,464</u>
Net Position - End of Year	<u>\$ (18,860,340)</u>	<u>\$ 400,196</u>

The increase in charges for services was related to a budgeted increase in special assessments.

The decrease in operating grants and contributions is related to a developer contribution in the prior year.

The conveyance of assets was related to infrastructure conveyed to another governmental entity.

**Viera Stewardship District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2021 and 2020.

Description	Governmental Activities	
	2021	2020
Infrastructure	\$ 139,505	\$ 139,505
Accumulated depreciation	(31,000)	(26,350)
Total Capital Assets (Net)	\$ 108,505	\$ 113,155

During the year, depreciation totaled \$4,650.

General Fund Budgetary Highlights

The budget was exceeded by actual governmental expenditures primarily because aquatic maintenance and streetlight expenditures were higher than anticipated.

The September 30, 2021 budget was not amended.

Economic Factors and Next Year's Budget

Viera Stewardship District issued Special Assessment Revenue Bonds, Series 2021 in October 2021 and acquired major capital improvements with the proceeds from the Bonds. The economic effect on the operation of the District for fiscal year 2022 cannot be determined at this time.

Request for Information

The financial report is designed to provide a general overview of Viera Stewardship District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Viera Stewardship District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

**Viera Stewardship District
STATEMENT OF NET POSITION
September 30, 2021**

	Governmental Activities
ASSETS	
Current Assets:	
Cash	\$ 240,719
Assessments receivable	1,004
Due from developer	251
Due from others	35,878
Prepaid expenses	10,868
Total Current Assets	288,720
Non-current Assets:	
Capital assets being depreciated:	
Infrastructure	139,505
Less: accumulated depreciation	(31,000)
Total Non-current Assets	108,505
Total Assets	397,225
LIABILITIES	
Current Liabilities	
Accounts payable	113,877
Developer advance	19,143,688
Total Current Liabilities	19,257,565
NET POSITION	
Net investment in capital assets	108,505
Unrestricted	(18,968,845)
Total Net Position	\$ (18,860,340)

See accompanying notes to financial statements.

**Viera Stewardship District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenues and Changes in Net Position Governmental Activities</u>
Governmental Activities			
General government	\$ (126,072)	\$ 97,091	\$ (28,981)
Physical environment	(513,795)	392,103	(121,692)
Interest and other charges	(3,190)	-	(3,190)
Total Governmental Activities	<u>\$ (643,057)</u>	<u>\$ 489,194</u>	<u>(153,863)</u>
General Revenues:			
			35,878
			900
			237
			<u>37,015</u>
			<u>(19,143,688)</u>
			(19,260,536)
			<u>400,196</u>
			<u><u>\$ (18,860,340)</u></u>

See accompanying notes to financial statements.

**Viera Stewardship District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2021**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash	\$ 240,719	\$ -	\$ 240,719
Assessments receivable	1,004	-	1,004
Due from developer	251	-	251
Due from others	35,878	-	35,878
Prepaid expenses	10,868	-	10,868
Total Assets	288,720	-	288,720
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	110,687	3,190	113,877
Fund Balances			
Nonspendable-prepaid expenses	10,868	-	10,868
Unassigned	167,165	(3,190)	163,975
Total Fund Balance	178,033	(3,190)	174,843
Total Liabilities and Fund Balances	\$ 288,720	\$ -	\$ 288,720

See accompanying notes to financial statements.

Viera Stewardship District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2021

Total Governmental Fund Balances	\$	174,843
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets being depreciated, including infrastructure, \$139,505, net of accumulated depreciation, \$(31,000), used in governmental activities are not current financial resources and therefore, are not reported at the fund level.		108,505
Liabilities, including developer advance, are not due and payable in the current period and therefore, are not reported at the fund level.		<u>(19,143,688)</u>
Net Position of Governmental Activities		<u><u>\$ (18,860,340)</u></u>

See accompanying notes to financial statements.

Viera Stewardship District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	General	Debt Service	Total Governmental Funds
Revenues			
Special assessments	\$ 489,194	\$ -	\$ 489,194
Developer contributions	50,501	-	50,501
Intergovernmental revenues	35,878	-	35,878
Miscellaneous revenues	900	-	900
Investment earnings	237	-	237
Total Revenues	<u>576,710</u>	<u>-</u>	<u>576,710</u>
Expenditures			
Current			
General government	126,072	-	126,072
Physical environment	509,145	-	509,145
Debt Service			
Other	-	3,190	3,190
Total Expenses	<u>635,217</u>	<u>3,190</u>	<u>638,407</u>
Net change in fund balances	(58,507)	(3,190)	(61,697)
Fund Balances - October 1, 2020	<u>236,540</u>	<u>-</u>	<u>236,540</u>
Fund Balances - September 30, 2021	<u>\$ 178,033</u>	<u>\$ (3,190)</u>	<u>\$ 174,843</u>

See accompanying notes to financial statements.

Viera Stewardship District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	(61,697)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current year.		(4,650)
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The conveyance of capital assets is not a current use and therefore, was not recognized at the fund level, however, it did affect capital assets at the government-wide level.		(19,143,688)
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At the fund level, revenues are recognized when they become available, however, revenues are recognized when they are earned at the government-wide level. This is the amount of the change in earned revenue that was not available.		<u>(50,501)</u>
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Change in Net Position of Governmental Activities		<u><u>\$ (19,260,536)</u></u>
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See accompanying notes to financial statements.

Viera Stewardship District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 488,423	\$ 488,423	\$ 489,194	\$ 771
Developer contributions	-	-	50,501	50,501
Intergovernmental revenues	-	-	35,878	35,878
Miscellaneous revenues	40,424	40,424	900	(39,524)
Investment earnings	400	400	237	(163)
Total Revenues	529,247	529,247	576,710	47,463
Expenditures				
Current				
General government	136,629	136,629	126,072	10,557
Physical environment	474,451	474,451	509,145	(34,694)
Capital outlay	100	100	-	100
Total Expenditures	611,180	611,180	635,217	(24,037)
Net change in fund balances	(81,933)	(81,933)	(58,507)	23,426
Fund Balances - October 1, 2020	81,933	81,933	236,540	154,607
Fund Balances - September 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,033</u>	<u>\$ 178,033</u>

See accompanying notes to financial statements.

Viera Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established on August 3, 2006 by Chapter 2006-360 Laws of Florida and Section 189.404, Florida Statutes as an independent special district. The District boundaries were subsequently amended by Chapter 2009-249, Laws of Florida. The District was established for the purposes of planning, financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, financing and providing community infrastructure and services within the District. The District is governed by a five-member Board of Supervisors, who are elected for terms of four years. The District operates within the criteria established by Chapter 189, Florida Statutes.

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

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

Viera Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting

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

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

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include separate columns for the governmental and business-type activities of the primary government. The effect of interfund activity has been removed from these statements.

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

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

b. Fund Financial Statements

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

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

**Viera Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

The District classifies fund balance according to Governmental Accounting Standards Board Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

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

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

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

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

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

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

**Viera Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

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

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

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

3. Basis of Presentation

a. Governmental Major Funds

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

Debt Service Fund – Accounts for debt service requirements to retire certain special assessment revenue bonds which were used to finance the construction of District infrastructure improvements. The bonds are secured by a first lien on and pledge of the special assessment revenues and pledged funds.

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds, due to developer and accrued compensated absences be reported in the governmental activities column in the government-wide statement of net position.

Viera Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

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

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

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

The District did not have any investments during the year ended September 30, 2021.

b. Capital Assets

Capital assets, which include infrastructure, are reported in the applicable governmental activities column.

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

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

**Viera Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

b. Capital Assets (Continued)

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

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

Infrastructure	30 years
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c. Deferred Inflows of Resources

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

d. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 189, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

NOTE B – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. The District does, however, follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2021, the District's bank balance was \$281,236 and the carrying value was \$240,719. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

The District did not have investments during the year ended September 30, 2021.

**Viera Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE C – SPECIAL ASSESSMENT REVENUES

Special assessment revenues recognized for the 2020-2021 fiscal year were levied in October 2020. All special assessments are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Assessments paid in March are without discount.

All unpaid assessments become delinquent as of April 1. Virtually all unpaid assessments are collected via the sale of tax certificates on, or prior to, June 1; therefore, there were no material taxes receivable at fiscal year end.

NOTE D – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2021 was as follows:

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Infrastructure	\$ 139,505	\$ 19,143,688	\$ 19,143,688	\$ 139,505
Less accumulated depreciation for:				
Infrastructure	(26,350)	(4,650)	-	(31,000)
Governmental Activities Capital Assets	<u>\$ 113,155</u>	<u>\$ 19,139,038</u>	<u>\$ 19,143,688</u>	<u>\$ 108,505</u>

Depreciation of \$4,650 was charged to physical environment.

NOTE E – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The District has not filed any claims under this commercial coverage during the last three years.

Viera Stewardship District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE F – RELATED PARTY TRANSACTIONS

The majority of the voting members of the Board of Supervisors are employed by the Developer or a related entity. The Developer or a related entity owns a portion of land within the District; therefore, assessment revenues in the general fund include the assessments levied on those lots owned by the Developer or a related entity.

NOTE G – ECONOMIC DEPENDENCY

The Developer or a related entity owns a significant portion of land within the District. The District's activity is dependent upon the continued involvement of the Developer or a related entity, the loss of which could have a material adverse effect on the District's operations. At September 30, 2021, three board members are affiliated with the Developer or a related entity.

NOTE H – DEVELOPER ADVANCE

In the current year, the District entered into an acquisition agreement with the Developer. During the year, the District acquired Infrastructure for \$19,143,688 from the Developer, which was conveyed to another government. Pursuant to the agreement, the Developer is to be paid for the improvements with the future issuance of bonds. The balance outstanding at September 30, 2021 was \$19,143,688.

Subsequent to year end, the entire balance was paid with the issuance of Special Assessments Revenue Bonds, Series 2021.



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

To the Board of Supervisors
Viera Stewardship District
Brevard 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 Viera Stewardship District, as of and for the year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2022.

Internal Control Over Financial Reporting

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

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

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

To the Board of Supervisors
Viera Stewardship District

Compliance and Other Matters

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

Purpose of this Report

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



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

June 30, 2022



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MANAGEMENT LETTER

To the Board of Supervisors
Viera Stewardship District
Brevard County, Florida

Report on the Financial Statements

We have audited the financial statements of the Viera Stewardship District as of and for the year ended September 30, 2021, and have issued our report thereon dated June 30, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 30, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

2020-01

Finding: The actual expenditures in the General Fund exceeded the budget which is a violation of Section 189.016, Florida Statutes.

Response: Management will review spending to ensure that expenditures do not exceed appropriations in the future.

Current Status: The finding was not corrected in the current year.

To the Board of Supervisors
Viera Stewardship District

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Viera Stewardship District. It is management's responsibility to monitor the Viera Stewardship District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2021.

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

Specific Information

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Viera Stewardship District reported:

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 0
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: N/A
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: N/A
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2020, together with the total expenditures for such project: The District had no construction projects during the year.
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended.

To the Board of Supervisors
Viera Stewardship District

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Viera Stewardship District reported:

- 7) The rate or rates of non-ad valorem special assessments imposed by the District: General Fund, \$13.53 - \$576.26.
- 8) The amount of special assessments collected by or on behalf of the District: Total Special Assessments collected was \$489,194.
- 9) The total amount of outstanding bonds issued by the District and the terms of such bonds: No outstanding date as of September 30, 2021.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we noted no such findings.

Purpose of this Letter

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

*Berger Toombs Elam
Gaines & Frank*

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Certified Public Accountants PL
Fort Pierce, Florida

June 30, 2022