

# **FRERC**

## **COMMUNITY DEVELOPMENT DISTRICT**

**August 25, 2021**

**BOARD OF SUPERVISORS**

**PUBLIC HEARING AND**

**MEETING AGENDA**

**FRERC Community Development District**  
**OFFICE OF THE DISTRICT MANAGER**  
**2300 Glades Road, Suite 410W•Boca Raton, Florida 33431**  
**Phone: (561) 571-0010•Toll-free: (877) 276-0889•Fax: (561) 571-0013**

August 18, 2021

Board of Supervisors  
FRERC Community Development District

<p><b><u>ATTENDEES:</u></b> Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.</p>
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Dear Board Members:

The Board of Supervisors of the FRERC Community Development District will hold a Public Hearing and Regular Meeting on August 25, 2021, at 10:00 a.m., at City Center West Orange, 7380 West Sand Lake Road, Suite 305/395, Orlando, Florida 32819. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Presentation of Audited Financial Report for Fiscal Year Ended September 30, 2020, Prepared by Grau & Associates
4. Consideration of Resolution 2021-05, Hereby Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2020
5. Public Hearing on Adoption of Fiscal Year 2021/2022 Budget
  - A. Proof/Affidavit of Publication
  - B. Consideration of Resolution 2021-06, Relating to the Annual Appropriations and Adopting the Budgets for the Fiscal Year Beginning October 1, 2021, and Ending September 30, 2022; Authorizing Budget Amendments; and Providing an Effective Date
6. Consideration of Fiscal Year 2021/2022 Funding Agreement
7. Acceptance of Unaudited Financial Statements as of July 31, 2021
8. Approval of May 26, 2021 Regular Meeting Minutes
9. Staff Reports
  - A. District Counsel: *Hopping Green & Sams, P.A.*
  - B. District Engineer: *Terra-Max Engineering, Inc.*

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

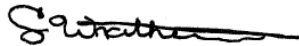
- NEXT MEETING DATE: September 22, 2021 at 10:00 A.M.
- QUORUM CHECK

BARRY RADOLAN	<input type="checkbox"/>	IN PERSON	<input type="checkbox"/>	PHONE	<input type="checkbox"/>	NO
JAMES R. LAVIGNE	<input type="checkbox"/>	IN PERSON	<input type="checkbox"/>	PHONE	<input type="checkbox"/>	NO
DEANNA SNITKO	<input type="checkbox"/>	IN PERSON	<input type="checkbox"/>	PHONE	<input type="checkbox"/>	NO
GIOVANNA GUTIERREZ	<input type="checkbox"/>	IN PERSON	<input type="checkbox"/>	PHONE	<input type="checkbox"/>	NO
CRAIG SHADRIX	<input type="checkbox"/>	IN PERSON	<input type="checkbox"/>	PHONE	<input type="checkbox"/>	NO

10. Board Members' Comments/Requests
11. Public Comments
12. Adjournment

I look forward to seeing all of you at the upcoming meeting. In the meantime, should you have any questions or concerns, please do not hesitate to contact me directly at (561) 719-8675.

Sincerely,



Craig Wrathell  
 District Manager

**FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE**

**CALL-IN NUMBER: 1-888-354-0094**

**PARTICIPANT PASSCODE: 413 553 5047**

# **FREERC**

**COMMUNITY DEVELOPMENT DISTRICT**

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**FRERC  
COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2020**

**FRERC COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA**

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**Grau & Associates**  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Supervisors  
FRERC Community Development District  
Orange County, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of FRERC Community Development District, Orange County, Florida (the "District") as of and for the fiscal year ended September 30, 2020, and the related notes to the 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 opinions 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 Auditing 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 opinions.

**Opinions**

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 the District for the fiscal year ended September 30, 2020, 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.

## **Other Matters**

### *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, 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 our report dated June 16, 2021 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, and 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.



June 16, 2021



## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of FRERC Community Development District, Orange County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2020. 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 (\$1,998,505).
- The change in the District's total net position for the fiscal year ended September 30, 2020 was (\$1,985,892), a decrease. 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, 2020, the District's governmental funds reported combined ending fund balances of \$8,022,002, an increase of \$8,062,548. The total fund balance is non-spendable for prepaid items, restricted for debt service and capital projects and the remainder is unassigned deficit fund balance in the general fund.

### 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, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being 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 has one fund category: 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 outflows 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 three 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, debt service fund, and the capital projects fund, all 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,	
	2020	2019
Current and other assets	\$ 9,651,990	\$ 73,396
Capital assets, net of depreciation	19,581,228	3,198
Total assets	<u>29,233,218</u>	<u>76,594</u>
Current liabilities	2,271,723	89,207
Long-term liabilities	28,960,000	-
Total liabilities	<u>31,231,723</u>	<u>89,207</u>
Net position		
Net investment in capital assets	(7,212,706)	-
Restricted	5,215,263	-
Unrestricted	(1,062)	(12,613)
Total net position	<u>\$ (1,998,505)</u>	<u>\$ (12,613)</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 District's net position decreased due to bond issue costs and interest expense, which were paid from the bond proceeds.

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,	
	2020	2019
Revenues:		
Program revenues		
Operating grants and contributions	\$ 117,264	\$ 81,335
Capital grants and contributions	17,147	3,198
Total revenues	<u>134,411</u>	<u>84,533</u>
Expenses:		
General government	99,608	92,481
Interest	1,085,577	-
Cost of issuance	935,118	-
Total expenses	<u>2,120,303</u>	<u>92,481</u>
Change in net position	<u>(1,985,892)</u>	<u>(7,948)</u>
Net position - beginning	(12,613)	(4,665)
Net position - ending	<u>\$ (1,998,505)</u>	<u>\$ (12,613)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2020 was \$2,120,303. The costs of the District's activities were partially funded by program revenues. Program revenues are comprised of Developer contributions. The increase in expenses during the current fiscal year is primarily due to the cost of issuance related to the issuance of the Series 2020 Bonds and the associated interest expense..

## 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, 2020.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2020, the District had \$19,581,228 invested in capital assets for its governmental activities. In the government-wide financial statements no depreciation has been taken, which resulted in a net book value of \$19,581,228.

### Capital Debt

At September 30, 2020, the District had \$28,960,000 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

For the subsequent fiscal year, the District anticipates that the cost of general operations will increase. The District anticipates the continuation of the current infrastructure and improvement project during the subsequent fiscal year.

## 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 the FRERC Community Development District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, FL 33431.

**FRERC COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2020**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 6,012
Prepays	5,251
Due from Developer	14,864
Restricted assets:	
Investments	9,625,863
Capital assets:	
Nondepreciable	19,581,228
Total assets	29,233,218
 <b>LIABILITIES</b>	
Accounts payable	1,590,064
Unearned revenue	5,251
Due to Developer	19,809
Accrued interest payable	656,599
Non-current liabilities:	
Due in more than one year	28,960,000
Total liabilities	31,231,723
 <b>NET POSITION</b>	
Net investment in capital assets	(7,212,706)
Restricted for debt service	5,215,263
Unrestricted	(1,062)
Total net position	\$ (1,998,505)

See notes to the financial statements

**FRERC COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
Primary government:		<u>Grants and</u>	<u>Grants and</u>	<u>Changes in Net</u>
Governmental activities:		<u>Contributions</u>	<u>Contributions</u>	<u>Position</u>
				<u>Governmental</u>
				<u>Activities</u>
General government	\$ 99,608	\$ 96,351	\$ -	\$ (3,257)
Maintenance and operations	-	-	17,147	17,147
Interest on long-term debt	1,085,577	11,129	-	(1,074,448)
Cost of issuance	935,118	9,784	-	(925,334)
Total governmental activities	<u>2,120,303</u>	<u>117,264</u>	<u>17,147</u>	<u>(1,985,892)</u>
				<u>(1,985,892)</u>
				<u>(12,613)</u>
				<u>\$ (1,998,505)</u>

See notes to the financial statements

**FRERC COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
<b>ASSETS</b>				
Cash	\$ 6,012	\$ -	\$ -	\$ 6,012
Investments	-	5,886,670	3,739,193	9,625,863
Due from Developer	14,864	-	-	14,864
Prepays	5,251	-	-	5,251
Total assets	<u>\$ 26,127</u>	<u>\$ 5,886,670</u>	<u>\$ 3,739,193</u>	<u>\$ 9,651,990</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	\$ 16,937	\$ -	\$ 1,573,127	\$ 1,590,064
Unearned revenue	5,251	-	-	5,251
Due to Developer	5,001	14,808	-	19,809
Total liabilities	<u>27,189</u>	<u>14,808</u>	<u>1,573,127</u>	<u>1,615,124</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - Developer	14,864	-	-	14,864
Total deferred inflows of resources	<u>14,864</u>	<u>-</u>	<u>-</u>	<u>14,864</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	5,251	-	-	5,251
Restricted for:				
Debt service	-	5,871,862	-	5,871,862
Capital projects	-	-	2,166,066	2,166,066
Unassigned	(21,177)	-	-	(21,177)
Total fund balances	<u>(15,926)</u>	<u>5,871,862</u>	<u>2,166,066</u>	<u>8,022,002</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,127</u>	<u>\$ 5,886,670</u>	<u>\$ 3,739,193</u>	<u>\$ 9,651,990</u>

See notes to the financial statements

FRERC COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
FOR SEPTEMBER 30, 2020

Fund balance - governmental funds	\$ 8,022,002
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, 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	19,581,228
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Assets that are not available to pay for current-period expenditures are unavailable in the fund statements.	14,864
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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	(656,599)	
Bonds payable	(28,960,000)	(29,616,599)

Net position of governmental activities	<u>\$ (1,998,505)</u>
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See notes to the financial statements



**FRERC COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
<b>REVENUES</b>				
Developer contributions	\$ 106,222	\$ 9,784	\$ -	\$ 116,006
Interest	-	11,129	17,147	28,276
Total revenues	<u>106,222</u>	<u>20,913</u>	<u>17,147</u>	<u>144,282</u>
<b>EXPENDITURES</b>				
Current:				
General government	99,608	-	-	99,608
Debt service:				
Interest	-	428,978	-	428,978
Bond issuance costs	-	935,118	-	935,118
Capital outlay	-	-	19,578,030	19,578,030
Total expenditures	<u>99,608</u>	<u>1,364,096</u>	<u>19,578,030</u>	<u>21,041,734</u>
Excess (deficiency) of revenues over (under) expenditures	6,614	(1,343,183)	(19,560,883)	(20,897,452)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	18,113	18,113
Transfers Out	-	(18,113)	-	(18,113)
Bond Issuance	-	7,247,966	21,712,034	28,960,000
Total other financing sources (uses)	<u>-</u>	<u>7,229,853</u>	<u>21,730,147</u>	<u>28,960,000</u>
Net change in fund balances	6,614	5,886,670	2,169,264	8,062,548
Fund balances - beginning	<u>(22,540)</u>	<u>(14,808)</u>	<u>(3,198)</u>	<u>(40,546)</u>
Fund balances - ending	<u>\$ (15,926)</u>	<u>\$ 5,871,862</u>	<u>\$ 2,166,066</u>	<u>\$ 8,022,002</u>

See notes to the financial statements

**FRERC COMMUNITY DEVELOPMENT DISTRICT  
ORANGE 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, 2020**

Net change in fund balances - total governmental funds	\$ 8,062,548
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.	19,578,030
Governmental funds report the face amount of Bonds issued as financial resources when debt is first issued, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.	(28,960,000)
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.	(656,599)
Certain revenues were unavailable for the governmental fund financial statements in the prior fiscal year. In the current fiscal year, these revenues were recorded in the governmental fund financial statements.	(24,735)
Revenues that do not provide current available resources are unavailable in the fund statements but are recognized as revenues in the statement of activities.	14,864
Change in net position of governmental activities	<u>\$ (1,985,892)</u>

See notes to the financial statements

**FRERC COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

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

FRERC Community Development District ("District") was created by Ordinance 2019-028 of the City Commission of the City of Ocoee, Florida enacted on August 7, 2019 and established 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, 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 purposes 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. The Supervisors are elected on an at large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre. The Board exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. All of the Board members all affiliated with FRERC, LLC the ("Developer").

The Board has the responsibility for:

1. Assessing 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.

### **Capital Projects Fund**

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

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**

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

#### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

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

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

#### **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 Inter-local 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. In addition, unspent Bond proceeds are required to be held in investments as specified in the Bond Indentures.

The District records all interest revenue related to investment activities in the respective funds. 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.

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 over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are reported as an expense in the year incurred.

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.

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

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

#### 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 established by the Board of Supervisors 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.

### 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, 2020:

	Amortized Cost	Credit Risk	Maturities
First American Government Obligations Fund - Class Y	\$ 9,625,863	S&P AAAM	Weighted average of the fund portfolio: 44 days
	<u>\$ 9,625,863</u>		

*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.

*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.

#### NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

##### Investments (Continued)

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, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ -	\$ 3,965,000	\$ -	\$ 3,965,000
Infrastructure under construction	3,198	15,613,030	-	15,616,228
Total capital assets, not being depreciated	3,198	19,578,030	-	19,581,228
Governmental activities capital assets, net	\$ 3,198	\$ 19,578,030	\$ -	\$ 19,581,228

The infrastructure intended to serve the District has been estimated at a total cost of approximately \$118,894,335. The proposed infrastructure will include roadways, parking, storm water management systems, sanitary sewer collections systems, utilities systems, reclaimed water distribution systems and water distribution systems. A portion of the project will be funded with proceeds from bond issuances with the remaining amount of the project funded by the Developer or additional bond issuances. Certain improvements will be conveyed to other entities upon completion of the project.

#### NOTE 6 – LONG-TERM LIABILITIES

On January 23rd, 2020, the District issued \$28,960,000 of Special Assessment Bonds, Series 2020, consisting of \$13,570,000 Term Bonds due on November 1, 2040 and \$15,390,000 Term Bonds due on November 1, 2050 with fixed interest rates ranging from 5.375% to 5.5%. 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 November 1, 2023 through November 1, 2050.

The Series 2020 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)**

The Bond Indenture established a debt service reserve requirement as well as other 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 and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2020.

Changes in long-term liability activity for the fiscal year ended September 30, 2020 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Bonds payable:					
Series 2020	\$ -	\$ 28,960,000	\$ -	\$ 28,960,000	\$ -
Total	\$ -	\$ 28,960,000	\$ -	\$ 28,960,000	\$ -

At September 30, 2020, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2021	\$ -	\$ 1,575,838	\$ 1,575,838
2022	-	1,575,838	1,575,838
2023	-	1,575,838	1,575,838
2024	465,000	1,563,341	2,028,341
2025	490,000	1,537,675	2,027,675
2026-2030	2,880,000	7,252,194	10,132,194
2031-2035	3,740,000	6,367,200	10,107,200
2036-2040	4,860,000	5,217,219	10,077,219
2041-2045	6,325,000	3,711,103	10,036,103
2046-2050	8,265,000	1,717,513	9,982,513
2051	1,935,000	53,213	1,988,213
Total	\$ 28,960,000	\$ 32,146,972	\$ 61,106,972

**NOTE 7 – DEVELOPER TRANSACTIONS**

The Developer has agreed to fund the general operations of the District. In connection with that agreement, Developer contributions were \$106,222 to the general fund during the current fiscal year and \$9,784 to the debt service fund during the current fiscal year.

During the current fiscal year, the District paid the Developer \$11,106,310 for prior improvements that were funded by the Developer and the acquisition of Land.

**NOTE 8 – CONCENTRATION**

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

**NOTE 9 – MANAGEMENT COMPANY**

The District has contracted with Wrathell, Hunt and Associates, LLC to perform management advisory services, which include financial and accounting advisory 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 10 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations.

**NOTE 11 – INTERFUND TRANSACTION**

Interfund transfers for the fiscal year ended September 30, 2020 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Debt Service Fund	\$ -	\$ 18,113
Capital Projects Fund	18,113	-
Total	<u>\$ 18,113</u>	<u>\$ 18,113</u>

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers from the debt service fund to the capital projects fund were made in accordance with the Bond Indenture.

**NOTE 12 – DEFICIT FUND EQUITY**

The general fund had a deficit fund balance of (\$15,926) at September 30, 2020. It is unclear how the deficit will be covered as the District has not collected any of its subsequent fiscal year Developer contributions to-date.

FRERC COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts <u>Original &amp; Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Landowner Contribution	\$ 140,337	\$ 106,222	\$ (34,115)
Total revenues	<u>140,337</u>	<u>106,222</u>	<u>(34,115)</u>
<b>EXPENDITURES</b>			
Current:			
General government	140,337	99,608	40,729
Total expenditures	<u>140,337</u>	<u>99,608</u>	<u>40,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	6,614	<u>\$ 6,614</u>
Fund balance - beginning		<u>(22,540)</u>	
Fund balance - ending		<u>\$ (15,926)</u>	

See notes to required supplementary information

**FRERC COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

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, 2020.



**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  
FRERC Community Development District  
Orange 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 each major fund of FRERC Community Development District, Orange County, Florida (the "District") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 16, 2021.

**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 may exist that have not been identified.

**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.

*B* *Law & Associates*

June 16, 2021



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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**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  
FRERC Community Development District  
Orange County, Florida

We have examined FRERC Community Development District, Orange 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, 2020. 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.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

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, and the Board of Supervisors of FRERC Community Development District, Orange County, Florida and is not intended to be and should not be used by anyone other than these specified parties

*Grau & Associates*

June 16, 2021



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

To the Board of Supervisors  
FRERC Community Development District  
Orange County, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of FRERC Community Development District ("District") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 16, 2021.

**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 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 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 June 16, 2021, 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 FRERC Community Development District, Orange County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank FRERC Community Development District, Orange 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.

*Grau & Associates*

June 16, 2021



## 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, 2019.

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, 2020.

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, 2020.

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, 2020. 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.

# **FRERC**

**COMMUNITY DEVELOPMENT DISTRICT**

**4**

**RESOLUTION 2021-05**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE FRERC  
COMMUNITY DEVELOPMENT DISTRICT HEREBY ACCEPTING THE  
AUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2020**

**WHEREAS**, the District’s Auditor, Grau & Associates, has heretofore prepared and submitted to the Board, for accepting, the District’s Audited Financial Report for Fiscal Year 2020;

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF  
SUPERVISORS OF THE FRERC COMMUNITY DEVELOPMENT  
DISTRICT;**

1. The Audited Financial Report for Fiscal Year 2020, heretofore submitted to the Board, is hereby accepted for Fiscal Year 2020, for the period ending September 30, 2020; and
2. A verified copy of said Audited Financial Report for Fiscal Year 2020 shall be attached hereto as an exhibit to this Resolution, in the District’s “Official Record of Proceedings”.

**PASSED AND ADOPTED** this 25<sup>th</sup> day of August, 2021.

**FRERC COMMUNITY DEVELOPMENT DISTRICT**

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Secretary/Assistant Secretary

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Chair/Vice Chair, Board of Supervisors

# **FRERC**

**COMMUNITY DEVELOPMENT DISTRICT**

# **5A**

# Orlando Sentinel

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2300 Glades Rd, Ste 410W  
Boca Raton, FL, 33431-8556

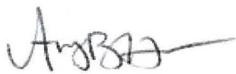
**Bill To:**

FRERC CDD - CU80052139  
2300 Glades Rd, Ste 410W  
Boca Raton, FL, 33431-8556

**State Of Illinois  
County Of Cook**

Before the undersigned authority personally appeared Amy Houser, who on oath says that he or she is an Advertising Representative of the ORLANDO SENTINEL, a DAILY newspaper published at the ORLANDO SENTINEL in ORANGE County, Florida; that the attached copy of advertisement, being a Legal Notice in the matter of 11150-Public Hearing Notice, public hearing 8/25 at 10am was published in said newspaper in the issues of Aug 05, 2021; Aug 12, 2021.

Affiant further says that the said ORLANDO SENTINEL is a newspaper Published in said ORANGE County, Florida, and that the said newspaper has heretofore been continuously published in said ORANGE County, Florida, each day and has been entered as periodicals matter at the post office in ORANGE County, Florida, in said ORANGE County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he or she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.



Signature of Affiant

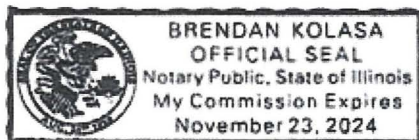
Amy Houser

Name of Affiant

Sworn to and subscribed before me on this 12 day of August, 2021,  
by above Affiant, who is personally known to me (X) or who has produced identification ( ).



Signature of Notary Public



Name of Notary, Typed, Printed, or Stamped

7006925

**FRERC COMMUNITY DEVELOPMENT DISTRICT  
NOTICE OF PUBLIC HEARING TO CONSIDER  
THE ADOPTION OF THE FISCAL YEAR  
2021/2022 BUDGET; AND NOTICE OF REGULAR  
BOARD OF SUPERVISORS' MEETING.**

The Board of Supervisors ("Board") of the FRERC Community Development District ("District") will hold a public hearing on August 25, 2021 at 10:00 a.m., at City Center West Orange, 7380 West Sand Lake Road, Suite 305/395, Orlando, Florida 32819 for the purpose of hearing comments and objections on the adoption of the proposed budgets ("Proposed Budget") of the District for the fiscal year beginning October 1, 2021 and ending September 30, 2022 ("Fiscal Year 2021/2022"). A regular board meeting of the District will also be held at that time where the Board may consider any other business that may properly come before it. A copy of the agenda and Proposed Budget may be obtained at the offices of the District Manager, Wrathell, Hunt and Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431, (561) 571-0010 ("District Manager's Office"), during normal business hours, or by visiting the District's website at <https://www.frercdd.net/>.

The public hearing and meeting are open to the public and will be conducted in accordance with the provisions of Florida law. The public hearing and meeting may be continued to a date, time, and place to be specified on the record at the meeting. There may be occasions when Board Supervisors or District Staff may participate by speaker telephone.

Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Manager's Office at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Manager's Office.

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the public hearing or meeting is advised that person will need a record of proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

District Manager

OS7006925

8/5, 8/12/2021

7006925

**FRERC**

**COMMUNITY DEVELOPMENT DISTRICT**

**5B**

## RESOLUTION 2021-06

### THE ANNUAL APPROPRIATION RESOLUTION OF THE FRERC COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGETS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021, AND ENDING SEPTEMBER 30, 2022; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, the District Manager has, prior to the fifteenth (15<sup>th</sup>) day in June, 2021, submitted to the Board of Supervisors (“**Board**”) of the FRERC Community Development District (“**District**”) proposed budgets (“**Proposed Budget**”) for the fiscal year beginning October 1, 2021 and ending September 30, 2022 (“**Fiscal Year 2021/2022**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

**WHEREAS**, at least sixty (60) days prior to the adoption of the Proposed Budget, the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), *Florida Statutes*; and

**WHEREAS**, the Board set a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), *Florida Statutes*; and

**WHEREAS**, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing; and

**WHEREAS**, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1<sup>st</sup> of each year, the Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

**WHEREAS**, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

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

#### **SECTION 1. BUDGET**

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Local Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.



- b. The Proposed Budget, attached hereto as **Exhibit "A,"** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes ("Adopted Budget")*, and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.
- c. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District's Local Records Office and identified as "The Budget for the FRERC Community Development District for the Fiscal Year Ending September 30, 2022."
- d. The Adopted Budget shall be posted by the District Manager on the District's official website within thirty (30) days after adoption, and shall remain on the website for at least 2 years.

**SECTION 2. APPROPRIATIONS**

There is hereby appropriated out of the revenues of the District, for Fiscal Year 2021/2022, the sum of \$1,706,587 to be raised by the levy of assessments and/or otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$ 130,749
DEBT SERVICE FUND – SERIES 2020	<u>\$1,575,838</u>
TOTAL ALL FUNDS	\$1,706,587

**SECTION 3. BUDGET AMENDMENTS**

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within Fiscal Year 2021/2022 or within 60 days following the end of the Fiscal Year 2021/2022 may amend its Adopted Budget for that fiscal year as follows:

- a. A line-item appropriation for expenditures within a fund may be decreased or increased by motion of the Board recorded in the minutes, and approving the expenditure, if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may approve an expenditure that would increase or decrease a line-item appropriation for expenditures within a fund if the total appropriations of the fund do not increase and if either (i) the aggregate change in the original appropriation item does not exceed the greater of \$15,000

or 15% of the original appropriation, or (ii) such expenditure is authorized by separate disbursement or spending resolution.

- c. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must ensure that any amendments to the budget under paragraph c. above are posted on the District’s website within 5 days after adoption and remain on the website for at least 2 years.

**SECTION 4. EFFECTIVE DATE.** This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED THIS 25<sup>th</sup> DAY OF AUGUST, 2021.**

ATTEST:

**FRERC COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_

Secretary/Assistant Secretary

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

Its: \_\_\_\_\_

**Exhibit A:** Fiscal Year 2022 Budget

## Exhibit A

**FRERC  
COMMUNITY DEVELOPMENT DISTRICT  
PROPOSED BUDGET  
FISCAL YEAR 2022**

**FRERC  
COMMUNITY DEVELOPMENT DISTRICT  
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Amortization Schedule - Series 2020 Bonds	5 - 6

**FRERC  
COMMUNITY DEVELOPMENT DISTRICT  
GENERAL FUND BUDGETS  
FISCAL YEAR 2022**

	Fiscal Year 2021			Total Actual & Projected	Proposed Budget FY 2022
	Adopted Budget	Actual through 3/31/2021	Projected Through 9/30/2021		
<b>REVENUES</b>					
Landowner contributions	\$ 134,899	\$ 10,000	\$ 105,036	\$ 115,036	\$ 130,749
Total revenues	<u>134,899</u>	<u>10,000</u>	<u>105,036</u>	<u>115,036</u>	<u>130,749</u>
<b>EXPENDITURES</b>					
<b>Professional &amp; administration</b>					
Supervisors	6,000	-	4,000	4,000	6,000
FICA	459	-	459	459	459
District engineer	7,500	-	3,500	3,500	3,500
District counsel	35,000	5,027	12,000	17,027	35,000
District management	48,000	24,000	24,000	48,000	48,000
Printing & binding	500	250	250	500	500
Legal advertising	1,500	855	645	1,500	1,500
Postage	500	-	250	250	500
Accounting & assessment rolls					
Series 1 Bond DSF	7,500	3,750	3,750	7,500	7,500
Dissemination agent					
Series 1 bond	3,000	1,500	1,500	3,000	3,000
Trustee					
Series 1 bond	9,850	3,750	6,100	9,850	9,850
Arbitrage rebate calculation					
Series 1 bond	750	-	750	750	750
Audit	6,500	1,500	5,000	6,500	6,500
Insurance - GL, POL	5,500	5,251	-	5,251	5,500
Miscellaneous- bank charges	750	162	438	600	600
Website					
Hosting & development	705	705	-	705	705
ADA compliance	210	210	-	210	210
Annual district filing fee	175	175	-	175	175
Office supplies	500	-	500	500	500
Total expenditures	<u>134,899</u>	<u>47,135</u>	<u>63,142</u>	<u>110,277</u>	<u>130,749</u>
Excess/(deficiency) of revenues over/(under) expenditures	-	(37,135)	41,894	4,759	-
Fund balances - beginning	-	(4,759)	(41,894)	(4,759)	-
Fund Balances - ending	<u>\$ -</u>	<u>\$ (41,894)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**FRERC  
COMMUNITY DEVELOPMENT DISTRICT  
DEFINITIONS OF GENERAL FUND EXPENDITURES**

**EXPENDITURES**

Supervisors	\$ 6,000
Statutorily set at \$200 per Supervisor for each meeting of the Board of Supervisors not to exceed \$4,800 for each fiscal year.	
FICA	459
As per federal law, this expenditure is currently 7.65% of gross wages.	
District engineer	3,500
The District engineer will provide engineering, consulting and construction services to the District while crafting solutions with sustainability for the long-term interests of the community while recognizing the needs of government, the environment and maintenance of the District's facilities.	
District counsel	35,000
General counsel and legal representation, which includes issues relating to public finance, public bidding, rulemaking, open meetings, public records, real property dedications, conveyances and contracts.	
District management	48,000
<b>Wrathell, Hunt and Associates, LLC</b> specializes in managing special districts in the State of Florida by combining the knowledge, skills and experience of a team of professionals to ensure compliance with all governmental requirements of the District, develops financing programs, administers the issuance of tax exempt bond financings and operates and maintains the assets of the District.	
Printing & binding	500
Letterhead, envelopes, copies, agenda packages, etc.	
Legal advertising	1,500
The District advertises for monthly meetings, special meetings, public hearings, public bids, etc. After bonds are issued, many of the required public hearings will be completed.	
Postage	500
Mailing of agenda packages, overnight deliveries, correspondence, etc.	
Accounting & assessment rolls	
<b>Wrathell, Hunt and Associates, LLC</b> , will perform the District's debt service fund accounting function and administer the District's lien book & the assessment collection process.	
Series 1 Bond DSF	7,500
Dissemination agent	
The District must annually disseminate financial information in order to comply with the requirements of Rule 15c2-12 under the Securities & Exchange Act of 1934.	
Series 1 bond	3,000
Trustee	
Annual fees paid for services provided as trustee, paying agent and registrar.	
Series 1 bond	9,850
Arbitrage rebate calculation	750
To ensure the District's compliance with all tax regulations, annual computations are necessary to calculate the arbitrage rebate liability.	
Audit	6,500
The District is required to undertake an independent examination of its books, records and accounting procedures each year. This audit is conducted pursuant to Florida State Law and the Rules of the Auditor General.	

**FRERC  
COMMUNITY DEVELOPMENT DISTRICT  
DEFINITIONS OF GENERAL FUND EXPENDITURES**

**EXPENDITURES (continued)**

Insurance - GL, POL	5,500
<p style="padding-left: 40px;">The District carries general liability and public officials liability insurance. The limit of liability is set at \$1,000,000 for general liability and \$1,000,000 for public officials liability.</p>	
Miscellaneous- bank charges	600
<p style="padding-left: 40px;">Bank charges, automated AP routing and other miscellaneous expenses incurred during the year.</p>	
Website	
Hosting & development	705
ADA compliance	210
Annual district filing fee	175
<p style="padding-left: 40px;">Annual fee paid to the Florida Department of Economic Opportunity.</p>	
Office supplies	500
Total expenditures	<u>\$ 130,749</u>



**FRERC  
COMMUNITY DEVELOPMENT DISTRICT  
DEBT SERVICE FUND BUDGET - SERIES 2020  
FISCAL YEAR 2022**

	Fiscal Year 2021				Proposed Budget FY 2022
	Adopted Budget	Actual through 3/31/2021	Projected Through 9/30/2021	Total Actual & Projected	
<b>REVENUES</b>					
Off-roll assessment levy	\$ -	\$ -	\$ -	\$ -	\$ 111,733
Interest	-	166	-	166	-
Total revenues	-	166	-	166	111,733
<b>EXPENDITURES</b>					
<b>Debt service</b>					
Principal	-	-	-	-	-
Interest	1,575,838	787,918	787,919	1,575,837	1,575,838
Total debt service	1,575,838	787,918	787,919	1,575,837	1,575,838
 Total expenditures	 1,575,838	 787,918	 787,919	 1,575,837	 1,575,838
 Excess/(deficiency) of revenues over/(under) expenditures	 (1,575,838)	 (787,752)	 (787,919)	 (1,575,671)	 (1,464,105)
<b>OTHER FINANCING SOURCES/(USES)</b>					
Transfers out	-	(61)	-	(61)	
Total other financing sources/(uses)	-	(61)	-	(61)	-
 Net increase/(decrease) in fund balance	 (1,575,838)	 (787,813)	 (787,919)	 (1,575,732)	 (1,464,105)
Fund balance - beginning (unaudited)	6,322,902	5,871,862	5,084,049	5,871,862	4,296,130
Fund balance - ending (projected)	<u>\$ 4,747,064</u>	<u>\$ 5,084,049</u>	<u>\$ 4,296,130</u>	<u>\$ 4,296,130</u>	<u>2,832,025</u>
 Use of fund balance					
Debt service reserve balance (required)					(2,044,106)
Interest expense - November 1, 2022					(787,919)
Projected fund balance surplus/(deficit) as of September 30, 2022					<u>\$ -</u>

**FRERC  
COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2018 3A AMORTIZATION SCHEDULE**

	Principal	Coupon Rate	Interest	Debt Service	Bond Balance
05/01/20			428,977.99	428,977.99	28,960,000.00
11/01/20			787,918.75	787,918.75	28,960,000.00
05/01/21			787,918.75	787,918.75	28,960,000.00
11/01/21			787,918.75	787,918.75	28,960,000.00
05/01/22			787,918.75	787,918.75	28,960,000.00
11/01/22			787,918.75	787,918.75	28,960,000.00
05/01/23			787,918.75	787,918.75	28,960,000.00
11/01/23	465,000.00	5.375%	787,918.75	1,252,918.75	28,495,000.00
05/01/24			775,421.88	775,421.88	28,495,000.00
11/01/24	490,000.00	5.375%	775,421.88	1,265,421.88	28,005,000.00
05/01/25			762,253.13	762,253.13	28,005,000.00
11/01/25	515,000.00	5.375%	762,253.13	1,277,253.13	27,490,000.00
05/01/26			748,412.50	748,412.50	27,490,000.00
11/01/26	545,000.00	5.375%	748,412.50	1,293,412.50	26,945,000.00
05/01/27			733,765.63	733,765.63	26,945,000.00
11/01/27	575,000.00	5.375%	733,765.63	1,308,765.63	26,370,000.00
05/01/28			718,312.50	718,312.50	26,370,000.00
11/01/28	605,000.00	5.375%	718,312.50	1,323,312.50	25,765,000.00
05/01/29			702,053.13	702,053.13	25,765,000.00
11/01/29	640,000.00	5.375%	702,053.13	1,342,053.13	25,125,000.00
05/01/30			684,853.13	684,853.13	25,125,000.00
11/01/30	670,000.00	5.375%	684,853.13	1,354,853.13	24,455,000.00
05/01/31			666,846.88	666,846.88	24,455,000.00
11/01/31	710,000.00	5.375%	666,846.88	1,376,846.88	23,745,000.00
05/01/32			647,765.63	647,765.63	23,745,000.00
11/01/32	745,000.00	5.375%	647,765.63	1,392,765.63	23,000,000.00
05/01/33			627,743.75	627,743.75	23,000,000.00
11/01/33	785,000.00	5.375%	627,743.75	1,412,743.75	22,215,000.00
05/01/34			606,646.88	606,646.88	22,215,000.00
11/01/34	830,000.00	5.375%	606,646.88	1,436,646.88	21,385,000.00
05/01/35			584,340.63	584,340.63	21,385,000.00
11/01/35	875,000.00	5.375%	584,340.63	1,459,340.63	20,510,000.00
05/01/36			560,825.00	560,825.00	20,510,000.00
11/01/36	920,000.00	5.375%	560,825.00	1,480,825.00	19,590,000.00
05/01/37			536,100.00	536,100.00	19,590,000.00
11/01/37	970,000.00	5.375%	536,100.00	1,506,100.00	18,620,000.00
05/01/38			510,031.25	510,031.25	18,620,000.00
11/01/38	1,020,000.00	5.375%	510,031.25	1,530,031.25	17,600,000.00
05/01/39			482,618.75	482,618.75	17,600,000.00
11/01/39	1,075,000.00	5.375%	482,618.75	1,557,618.75	16,525,000.00
05/01/40			453,728.13	453,728.13	16,525,000.00
11/01/40	1,135,000.00	5.375%	453,728.13	1,588,728.13	15,390,000.00
05/01/41			423,225.00	423,225.00	15,390,000.00
11/01/41	1,195,000.00	5.500%	423,225.00	1,618,225.00	14,195,000.00
05/01/42			390,362.50	390,362.50	14,195,000.00

**FRERC  
COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2018 3A AMORTIZATION SCHEDULE**

	<b>Principal</b>	<b>Coupon Rate</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Bond Balance</b>
11/01/42	1,260,000.00	5.500%	390,362.50	1,650,362.50	12,935,000.00
05/01/43			355,712.50	355,712.50	12,935,000.00
11/01/43	1,330,000.00	5.500%	355,712.50	1,685,712.50	11,605,000.00
05/01/44			319,137.50	319,137.50	11,605,000.00
11/01/44	1,405,000.00	5.500%	319,137.50	1,724,137.50	10,200,000.00
05/01/45			280,500.00	280,500.00	10,200,000.00
11/01/45	1,480,000.00	5.500%	280,500.00	1,760,500.00	8,720,000.00
05/01/46			239,800.00	239,800.00	8,720,000.00
11/01/46	1,560,000.00	5.500%	239,800.00	1,799,800.00	7,160,000.00
05/01/47			196,900.00	196,900.00	7,160,000.00
11/01/47	1,650,000.00	5.500%	196,900.00	1,846,900.00	5,510,000.00
05/01/48			151,525.00	151,525.00	5,510,000.00
11/01/48	1,740,000.00	5.500%	151,525.00	1,891,525.00	3,770,000.00
05/01/49			103,675.00	103,675.00	3,770,000.00
11/01/49	1,835,000.00	5.500%	103,675.00	1,938,675.00	1,935,000.00
05/01/50			53,212.50	53,212.50	1,935,000.00
11/01/50	1,935,000.00	5.500%	53,212.50	1,988,212.50	-
<b>Total</b>	<b>28,960,000.00</b>		<b>32,575,946.84</b>	<b>61,535,946.84</b>	

# **FRERC**

**COMMUNITY DEVELOPMENT DISTRICT**

**6**

**FRERC COMMUNITY DEVELOPMENT DISTRICT  
FISCAL YEAR 2021/2022 BUDGET FUNDING AGREEMENT**

This Agreement (the "Agreement") is made and entered into this 25<sup>th</sup> day of August, 2021, by and between:

**FRERC Community Development District**, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, and located in the City of Ocoee, Florida, whose address is 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 ("**District**"), and

**City Center West Orange**, a Florida Limited Liability Company, and the developer of the lands in the District ("**Developer**") with a mailing address of 7380 West Sand Lake Road, Suite 305/395, Orlando, Florida 32819.

**Recitals**

**WHEREAS**, the District was established by an ordinance adopted by the City Commission of the City of Ocoee, Florida, for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure; and

**WHEREAS**, the District, pursuant to Chapter 190, Florida Statutes, is authorized to levy such taxes, special assessments, fees and other charges as may be necessary in furtherance of the District's activities and services; and

**WHEREAS**, Developer presently is developing the majority of all real property ("**Property**") within the District, which Property will benefit from the timely construction and acquisition of the District's facilities, activities and services and from the continued operations of the District; and

**WHEREAS**, the District is adopting its general fund budget for Fiscal Year 2021/2022, which year commences on October 1, 2021, and concludes on September 30, 2022 (the "FY 2022 Budget"); and

**WHEREAS**, the FY 2022 Budget, which both parties recognize may be amended from time to time in the sole discretion of the District, is attached hereto and incorporated herein by reference as **Exhibit A**; and

**WHEREAS**, the District has the option of levying non-ad valorem assessments on all land, including the Property owned by the Developer, that will benefit from the activities, operations and services set forth in the FY 2022 Budget, or utilizing such other revenue sources as may be available to it; and

**WHEREAS**, in lieu of levying assessments on the Property, the Developer is willing to provide such funds as are necessary to allow the District to proceed with its operations as described in **Exhibit A**; and

**WHEREAS**, the Developer agrees that the activities, operations and services provide a special and peculiar benefit equal to or in excess of the costs reflected on **Exhibit A** to the Property; and

**WHEREAS**, the Developer has agreed to enter into this Agreement in lieu of having the District levy and collect any non-ad valorem assessments as authorized by law against the Property located within the District for the activities, operations and services set forth in **Exhibit A**;

**NOW, THEREFORE**, based upon good and valuable consideration and the mutual covenants of the parties, the receipt of which and sufficiency of which are hereby acknowledged, the parties agree as follows:

**SECTION 1.** The Developer agrees to make available to the District the monies necessary for the operation of the District, as called for in the FY 2022 Budget attached hereto as **Exhibit A**, within fifteen (15) days of written request by the District. Amendments to the FY 2022 Budget as shown on **Exhibit A** adopted by the District at a duly noticed meeting shall have the effect of amending this Agreement without further action of the parties. Funds provided hereunder shall be placed in the District's general checking account. In no way shall the foregoing in any way affect the District's ability to levy special assessments upon the property within the District, including the Property, in accordance with Florida law, to provide funds for any unfunded expenditures whether such expenditures are the result of an amendment to the District's FY 2022 Budget or otherwise. These payments are made by Developer in lieu of operation and maintenance assessments which might otherwise be levied or imposed by the District.

**SECTION 2.** The District shall have the right to file a continuing lien (the "Lien") upon the Property described in **Exhibit B** for all payments due and owing under the terms of this Agreement and for interest thereon, and for reasonable attorneys' fees, paralegals' fees, expenses and court costs incurred by the District incident to the collection of funds under this Agreement or for enforcement of this Lien, and all sums advanced and paid by the District for taxes and payment on account of superior interests, liens and encumbrances in order to preserve and protect the District's Lien. The Lien shall be effective as of the date and time of the recording of a "Notice of Lien for the FY 2022 Budget" in the public records of Orange County, Florida, stating among other things, the description of the real property and the amount due as of the recording of the Notice, and the existence of this Agreement. The District Manager, in its sole discretion, is hereby authorized by the District to file the Notice of Lien for the FY 2022 Budget on behalf of the District, without the need of further Board action authorizing or directing such filing. At the District Manager's direction, the District may also bring an action at law against the record title holders to the Property to pay the amount due under this Agreement, or may foreclose the Lien against the Property in any manner authorized by law. The District may partially release any filed Lien for portions of the Property subject to a plat if and when the Developers have demonstrated, in the District's sole discretion, such release will not materially impair the ability of the District to enforce the collection of funds

hereunder. In the event the Developers sell any of the Property described in **Exhibit B** after the execution of this Agreement, the Developers' rights and obligations under this Agreement shall remain the same, provided however that the District shall only have the right to file a Lien upon the remaining Property owned by the Developers.

**SECTION 3.** In the event Developer fails to make payments as and when due to the District pursuant to this Agreement, the District shall have the following remedies, in addition to other remedies available at law and equity:

**A.** At the Board's direction, the District may bring an action at law against the record title holder to the Property to pay the amount due under this Agreement, or may foreclose the Lien against the Property in any manner authorized by law. The District may enforce the collection of funds due under this Agreement by action against Developer in the appropriate judicial forum in and for Orange County, Florida. The enforcement of the collection of funds in this manner shall be in the sole discretion of the District Manager on behalf of the District.

**B.** The District hereby finds that the activities, operations and services set out in **Exhibit A** provide a special and peculiar benefit to the Property, which benefit is initially allocated on an equal developable acreage basis. Developer agrees that the activities, operations and services set forth in **Exhibit A** provide a special and peculiar benefit to the Property equal to or in excess of the costs set out in **Exhibit A**, on an equal developable acreage basis. Therefore, in the alternative, or in addition to the other methods of collection set forth in this Agreement, the District, in its sole discretion, may choose to certify amounts due hereunder as a non ad valorem assessment on all or any part of the Property for collection, either through the Uniform Method of Collection set forth in Chapter 197, Florida Statutes, or under any method of direct bill and collection authorized by Florida law. Such assessment, if imposed, may be certified on the next available tax roll of the Orange County property appraiser. Developer hereby waives and/or relinquishes any rights it may have to challenge or object to such assessments if imposed, as well as the means of collection thereof.

**SECTION 4.** This instrument shall constitute the final and complete expression of the agreement between the parties relating to the subject matter of this Agreement. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both of the parties hereto.

**SECTION 5.** The execution of this Agreement has been duly authorized by the appropriate body or official of all parties hereto, each party has complied with all the requirements of law, and each party has full power and authority to comply with the terms and provisions of this instrument.

**SECTION 6.** This Agreement may be assigned, in whole or in part, by either party only upon the written consent of the other, which consent shall not be unreasonably withheld. In the event that Developer sells or otherwise disposes of its business or of all or substantially all of its assets relating to the lands within the District, including the Property, Developer will expressly require that the purchaser agree to be bound by the terms of this Agreement. In the

event of such sale or disposition, Developer may place into escrow an amount equal to the then unfunded portion of the adopted FY 2022 Budget to fund any budgeted expenses that may arise during the remainder of the fiscal year and provide the District evidence of assignment of this Agreement to the purchaser. Upon confirmation of the deposit of said funds into escrow, and evidence of such assignment to, and assumption by the purchaser, the Developer's obligation under this Agreement shall be deemed fulfilled and this Agreement terminated with respect to Developer's obligations. The parties hereto recognize that Developer is responsible for expenditures of the District in the FY 2022 Budget and that expenditures approved by the Board may exceed the amount adopted in the FY 2022 Budget. Developer shall notify the District in writing ninety (90) days prior to an anticipated sale or disposition of all or substantially all of the Property.

**SECTION 7.** A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which shall include, but not be limited to, the right of damages, injunctive relief and specific performance and specifically including the ability of the District to enforce any and all payment obligations under this Agreement in the manner described in Paragraph 3 above.

**SECTION 8.** This Agreement is solely for the benefit of the parties hereto and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any person or entity not a party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or entity other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns subject to the terms of Paragraph 6 above.

**SECTION 9.** This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Venue shall be in Orange County, Florida.

**SECTION 10.** This Agreement has been negotiated fully between the parties as an arm's length transaction. The parties participated fully in the preparation of this Agreement with the assistance of their respective counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, the parties are each deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against any party.

**SECTION 11.** The Agreement shall be effective after execution by both parties hereto. The enforcement provisions of this Agreement shall survive its termination, until all payments due under this Agreement are paid in full.

**SECTION 12.** In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the substantially prevailing party shall be entitled to recover from the other all costs incurred, including reasonable attorneys'



fees, paralegal fees and expert witness fees and costs for trial, alternative dispute resolution, or appellate proceedings.

**IN WITNESS WHEREOF**, the parties execute this Agreement the day and year first written above.

**ATTEST:**

**FRERC COMMUNITY DEVELOPMENT DISTRICT**

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

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

**CITY CENTER WEST ORANGE**  
a Florida Limited Liability Company

\_\_\_\_\_  
Witness

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

**Exhibit A:** Fiscal Year 2021/2022 General Fund Budget  
**Exhibit B:** Description of the Property

**Exhibit A**

Fiscal Year 2021/2022 General Fund Budget

## Exhibit B

### Description of the Property

#### DESCRIPTION

A PORTION OF THE SOUTHEAST 1/4 AND THE SOUTHWEST 1/4 OF SECTION 20, TOWNSHIP 22 SOUTH, RANGE 28 EAST, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 20, TOWNSHIP 22 SOUTH, RANGE 28 EAST, RUN THENCE S00°33'50"E ALONG THE WEST LINE OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 20, A DISTANCE OF 30.00 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF MAINE STREET AS SHOWN ON THE PLAT OF LAKE BENNET CENTRE AS RECORDED IN PLAT BOOK 35, PAGES 126 AND 127, PUBLIC RECORDS OF ORANGE COUNTY, FLORIDA; THENCE N89°51'09"E ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 208.19 FEET TO THE NORTHEAST CORNER OF THE LANDS DESCRIBED IN INSTRUMENT NO. 20170493053; RUN THENCE THE FOLLOWING THREE (3) COURSES ALONG SAID LANDS: (1) S00°22'03"E A DISTANCE OF 184.59 FEET; (2) N87°01'32"W A DISTANCE OF 123.81 FEET; (3) N68°42'10"W A DISTANCE OF 90.49 FEET TO A POINT ON SAID WEST LINE OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 20; THENCE S00°33'50"E ALONG SAID WEST LINE, A DISTANCE OF 372.36 FEET TO THE NORTHEAST CORNER OF TRACT "C", OCOEE TOWN CENTER - PHASE I, AS RECORDED IN PLAT BOOK 77, PAGES 37 THROUGH 41, PUBLIC RECORDS OF ORANGE COUNTY, FLORIDA; THENCE N89°56'30"W ALONG THE NORTH LINE OF SAID TRACT "C", AND ITS WESTERLY EXTENSION A DISTANCE OF 1,330.09 FEET TO THE SOUTHWEST CORNER OF THE LANDS DESCRIBED IN INSTRUMENT NO. 20160538981; THENCE N00°31'16"W ALONG THE WEST LINE OF SAID LANDS AND ITS NORTHERLY EXTENSION A DISTANCE OF 594.53 FEET TO A POINT ON THE EXISTING NORTH RIGHT-OF-WAY LINE OF MAINE STREET; THENCE RUN THE FOLLOWING THREE (3) COURSES ALONG SAID EXISTING NORTH RIGHT-OF-WAY LINE: (1) N89°30'08"W A DISTANCE OF 538.19 FEET TO A POINT OF CURVATURE ON A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 480.78 FEET, A CHORD BEARING OF N75°46'40"W, A CHORD DISTANCE OF 228.78 FEET, (2) NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 27°31'42", A DISTANCE OF 230.99 FEET TO THE A POINT OF TANGENCY; (3) N62°00'49"W A DISTANCE OF 295.60 FEET TO A POINT OF THE SOUTHEASTERLY LINE OF THE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2957, PAGE 668, PUBLIC RECORDS OF ORANGE COUNTY, FLORIDA; RUN THENCE THE FOLLOWING THREE (3) COURSES ALONG THE SOUTHEASTERLY LINE AND THE EAST LINE OF SAID LANDS: (1) N00°28'46"W A DISTANCE OF 174.77 FEET; (2) S66°06'13"E A DISTANCE OF 372.66 FEET; (3) N00°28'46"W A DISTANCE OF 430.00 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 20; THENCE S89°20'13"E ALONG SAID NORTH LINE A DISTANCE OF 679.39 FEET TO THE NORTHEAST CORNER OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 20, TO A POINT HEREIN AFTER REFERRED TO AS POINT "A"; THENCE CONTINUE S89°20'13"E A DISTANCE OF 347.43 FEET TO A POINT ON THE SOUTHERLY PROJECTION OF THE WEST LINE OF LOT 10, BLOCK 5, TOWN OF OCOEE AS RECORDED IN PLAT BOOK "A" PAGES 100 AND 101, PUBLIC RECORDS OF ORANGE COUNTY, FLORIDA; THENCE N00°31'16"W ALONG SAID WEST LINE, A DISTANCE OF 652.85 FEET TO THE NORTHWEST CORNER OF LOT 10, SAID BLOCK 5; THENCE S89°02'04"E ALONG THE NORTH LINE OF SAID BLOCK 5 AND ITS EASTERLY EXTENSION A DISTANCE OF 1,328.47 FEET TO THE NORTHEAST CORNER OF LOT 25, BLOCK 6, SAID TOWN OF OCOEE; THENCE S00°29'24"E ALONG THE EAST LINE OF LOT 25, SAID BLOCK 6, A DISTANCE OF 359.99 FEET TO A POINT ON THE NORTH LINE OF OFFICIAL RECORDS BOOK 5785, PAGE 4859, PUBLIC RECORDS OF ORANGE COUNTY, FLORIDA; THENCE SOUTHEASTERLY ALONG SAID NORTH LINE TO A POINT LYING N89°20'20"W A DISTANCE OF 146.76 WEST OF THE NORTHEAST CORNER OF VACATED CALIFORNIA AVENUE, AS RECORDED IN OFFICIAL RECORDS BOOK 6936, PAGE 2686, PUBLIC RECORDS OF ORANGE COUNTY, FLORIDA; THENCE S89°20'20"E A DISTANCE OF 146.76 FEET TO SAID NORTHEAST CORNER OF VACATED CALIFORNIA AVENUE, SAID POINT BEING A POINT ON THE WEST LINE OF OCOEE COMMONS PUD, AS RECORDED IN PLAT BOOK 60, PAGES 92 THROUGH 98, PUBLIC RECORDS OF ORANGE COUNTY, FLORIDA; THENCE S00°11'17"E ALONG SAID WEST LINE A DISTANCE OF 690.58 FEET TO A POINT ON THE NORTH LINE OF TRACT "B", LAKE BENNET CENTRE AS RECORDED IN PLAT BOOK 35, PAGES 126 AND 127, PUBLIC RECORDS OF ORANGE COUNTY, FLORIDA; THENCE S89°51'09"W ALONG SAID NORTH LINE, DISTANCE OF 425.95 FEET TO THE NORTHWEST CORNER OF SAID TRACT "B", SAID POINT ALSO BEING THE SOUTHWEST CORNER OF A PORTION OF VACATED MAINE STREET, AS RECORDED IN OFFICIAL RECORDS BOOK 4926, PAGE 3959, PUBLIC RECORDS OF ORANGE COUNTY, FLORIDA; THENCE N00°08'52"W ALONG THE WEST LINE OF SAID OFFICIAL RECORDS BOOK 4926, PAGE 3959 DISTANCE OF 30.00 FEET TO THE NORTHWEST CORNER OF SAID OFFICIAL RECORDS BOOK 4926, PAGE 3959, SAID POINT BEING A POINT ON THE NORTH RIGHT-OF-WAY LINE OF SAID MAINE STREET; THENCE S89°51'09"W ALONG SAID NORTH RIGHT-OF-WAY LINE DISTANCE OF 895.58 FEET; THENCE S00°33'50"E A DISTANCE OF 30.00 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT THE LIFT STATION DESCRIBED IN OFFICIAL RECORDS BOOK 9841, PAGE 1413, PUBLIC RECORDS OF ORANGE COUNTY, FLORIDA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

RETURN TO SAID POINT "A" AND RUN S00°31'16"E ALONG THE EAST LINE OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 20, ALSO BEING THE WEST RIGHT-OF-WAY LINE OF RICHMOND AVENUE A DISTANCE OF 381.50 FEET FOR A POINT OF BEGINNING; THENCE S64°13'43"W A DISTANCE OF 60.00 FEET; THENCE N25°46'17"W A DISTANCE OF 60.00 FEET; THENCE N64°13'43"E A DISTANCE OF 60.00 FEET; THENCE S25°46'17"E A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

## DESCRIPTION (CONTINUED)

TOGETHER WITH:

COMMENCE AT THE SOUTHWEST CORNER OF SECTION 20, TOWNSHIP 22 SOUTH, RANGE 28 EAST, RUN THENCE N00°28'58"W ALONG THE WEST LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 20 A DISTANCE OF 691.70 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 20, SAID POINT BEING HEREIN AFTER REFERED TO AS POINT "B"; THENCE S89°57'05"E ALONG SAID SOUTH LINE A DISTANCE OF 50.00 FEET FOR A POINT OF BEGINNING, SAID POINT BEING A POINT ON THE EAST RIGHT-OF-WAY LINE OF MAGUIRE ROAD; THENCE RUN THE FOLLOWING FOUR (4) COURSES ALONG SAID EAST RIGHT-OF-WAY LINE: (1) N00°28'58"W A DISTANCE OF 149.79 FEET; (2) S89°31'02"W A DISTANCE OF 10.00 FEET; (3) N00°28'58"W A DISTANCE OF 106.76 FEET TO A POINT OF CURVATURE ON A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 560.27 FEET, A CHORD BEARING OF N05°35'49"W, A CHORD DISTANCE OF 99.89 FEET, (4) NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 10°13'43", A DISTANCE OF 100.02 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF MAINE STREET; RUN THENCE THE FOLLOWING THREE (3) COURSES ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE: (1) N36°44'50"E A DISTANCE OF 55.77 FEET; (2) N85°13'13"E A DISTANCE OF 305.15 FEET; (3) S65°08'13"E A DISTANCE OF 49.78 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF SOUTH BLUFORD AVENUE; THENCE S36°04'33"E ALONG SAID WESTERLY RIGHT-OF-WAY LINE A DISTANCE OF 15.04 FEET; THENCE S54°04'52"W A DISTANCE OF 195.01 FEET; THENCE S16°05'38"E A DISTANCE OF 290.12 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 20; THENCE N89°57'05"W ALONG SAID SOUTH LINE A DISTANCE OF 292.08 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

RETURN TO SAID POINT "B" AND RUN N00°28'58"W ALONG THE WEST LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 20 A DISTANCE OF 493.90 FEET FOR A POINT OF BEGINNING; THENCE CONTINUE N00°28'58"W A DISTANCE OF 513.72 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF SOUTH BLUFORD AVENUE; RUN THENCE THE FOLLOWING THREE (3) COURSES ALONG SAID WESTERLY RIGHT-OF-WAY LINE: (1) S36°04'33"E A DISTANCE OF 108.81 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1,754.83 FEET, A CHORD BEARING OF S32°12'15"E, A CHORD DISTANCE OF 236.98 FEET, (2) SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 07°44'36", A DISTANCE OF 237.16 FEET TO A POINT OF TANGENCY; (3) S36°04'33"E A DISTANCE OF 170.83 FEET; THENCE S18°56'50"W A DISTANCE OF 95.19 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 215.00 FEET, A CHORD BEARING OF S80°07'16"W, A CHORD DISTANCE OF 38.22 FEET, RUN THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 10°11'53", A DISTANCE OF 38.27 FEET TO A POINT OF TANGENCY; THENCE S85°13'13"W A DISTANCE OF 194.20 FEET; THENCE N20°31'50"W A DISTANCE OF 22.43 FEET; THENCE N74°33'25"W A DISTANCE OF 17.31 FEET TO THE POINT OF BEGINNING.

CONTAINS 97.404 ACRES MORE OR LESS.

# **FRERC**

**COMMUNITY DEVELOPMENT DISTRICT**

**7**

**FRERC COMMUNITY  
DEVELOPMENT DISTRICT  
FINANCIAL STATEMENTS  
UNAUDITED  
JULY 31, 2021**

**FRERC COMMUNITY  
DEVELOPMENT DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JULY 31, 2021**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 3,514	\$ -	\$ -	\$ 3,514
Investments				
Reserve	-	2,044,109	-	2,044,109
Interest	-	2,266,882	-	2,266,882
Construction	-	-	805	805
Due from Landowner	66,632	-	-	66,632
Total assets	<u>\$ 70,146</u>	<u>\$4,310,991</u>	<u>\$ 805</u>	<u>\$ 4,381,942</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 57,660	\$ -	\$ -	\$ 57,660
Due to Developer	-	14,808	-	14,808
Due to other	1,020	-	-	1,020
Accrued wages payable	3,200	-	-	3,200
Accrued taxes payable	245	-	-	245
Landowner advance	5,000	-	-	5,000
Total liabilities	<u>67,125</u>	<u>14,808</u>	<u>-</u>	<u>81,933</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred receipts	66,632	-	-	66,632
Total deferred inflows of resources	<u>66,632</u>	<u>-</u>	<u>-</u>	<u>66,632</u>
Fund balances:				
Restricted				
Debt service	-	4,296,183	-	4,296,183
Capital projects	-	-	805	805
Unassigned	(63,611)	-	-	(63,611)
Total fund balances	<u>(63,611)</u>	<u>4,296,183</u>	<u>805</u>	<u>4,233,377</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 70,146</u>	<u>\$ 4,310,991</u>	<u>\$ 805</u>	<u>\$ 4,381,942</u>

**FRERC COMMUNITY  
DEVELOPMENT DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE PERIOD ENDED JULY 31, 2021**

	<u>Current Month</u>	<u>Year to Date</u>	<u>Budget</u>	<u>% of Budget</u>
<b>REVENUES</b>				
Landowner contribution	\$ -	\$ 30,251	\$ 134,899	22%
Total revenues	<u>-</u>	<u>30,251</u>	<u>134,899</u>	22%
<b>EXPENDITURES</b>				
<b>Professional &amp; administrative</b>				
Supervisors	-	1,600	6,000	27%
FICA	-	122	459	27%
District engineer	-	600	7,500	8%
District counsel	-	8,500	35,000	24%
District management	4,000	40,000	48,000	83%
Printing & binding	42	417	500	83%
Legal advertising	-	1,066	1,500	71%
Postage	-	-	500	0%
Accounting & assessment rolls				
Series 1 Bond DSF	625	6,250	7,500	83%
Dissemination agent				
Series 1 bond	250	2,500	3,000	83%
Trustee				
Series 1 bond	-	3,750	9,850	38%
Arbitrage rebate calculation				
Series 1 bond	-	-	750	0%
Audit	-	6,500	6,500	100%
Insurance - GL, POL	-	5,251	5,500	95%
Miscellaneous- bank charges	25	289	750	39%
Website				
Hosting & development	-	705	705	100%
ADA compliance	-	210	210	100%
Annual district filing fee	-	175	175	100%
Office supplies	-	-	500	0%
Total expenditures	<u>4,942</u>	<u>77,935</u>	<u>134,899</u>	58%
Excess/(deficiency) of revenues over/(under) expenditures	(4,942)	(47,684)	-	
Fund balances - beginning	<u>(58,669)</u>	<u>(15,927)</u>	-	
Fund balances - ending	<u>\$ (63,611)</u>	<u>\$ (63,611)</u>	<u>\$ -</u>	



**FRERC COMMUNITY  
DEVELOPMENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
DEBT SERVICE FUND SERIES 2020  
FOR THE PERIOD ENDED JULY 31, 2021**

	Current Month	Year To Date	Budget	% of Budget
<b>REVENUES</b>				
Interest	\$ 21	\$ 261	-	N/A
Total revenues	<u>21</u>	<u>261</u>	<u>-</u>	N/A
<b>EXPENDITURES</b>				
Interest	-	1,575,838	1,575,838	100%
Total debt service	<u>-</u>	<u>1,575,838</u>	<u>1,575,838</u>	100%
Excess/(deficiency) of revenues over/(under) expenditures	21	(1,575,577)	(1,575,838)	
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers out	(10)	(102)	-	N/A
Total other financing sources	<u>(10)</u>	<u>(102)</u>	<u>-</u>	N/A
Net change in fund balances	11	(1,575,679)	(1,575,838)	
Fund balances - beginning	4,296,172	5,871,862	6,322,902	
Fund balances - ending	<u>\$ 4,296,183</u>	<u>\$ 4,296,183</u>	<u>\$ 4,747,064</u>	

**FRERC COMMUNITY  
DEVELOPMENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUND SERIES 2020  
FOR THE PERIOD ENDED JULY 31, 2021**

	<u>Current Month</u>	<u>Year To Date</u>
<b>REVENUES</b>		
Interest	\$ 1	\$ 62
Total revenues	<u>1</u>	<u>62</u>
<b>EXPENDITURES</b>		
Capital outlay	13,415	2,165,425
Total expenditures	<u>13,415</u>	<u>2,165,425</u>
Excess/(deficiency) of revenues over/(under) expenditures	(13,414)	(2,165,363)
<b>OTHER FINANCING SOURCES/(USES)</b>		
Transfer in	10	102
Total other financing sources/(uses)	<u>10</u>	<u>102</u>
Net change in fund balances	(13,404)	(2,165,261)
Fund balances - beginning	14,209	2,166,066
Fund balances - ending	<u>\$ 805</u>	<u>\$ 805</u>

# **FREERC**

**COMMUNITY DEVELOPMENT DISTRICT**

**8**

**DRAFT**  
**MINUTES OF MEETING**  
**FRERC**  
**COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the FRERC Community Development District held a Regular Meeting on May 26, 2021 at 10:00 a.m., at City Center West Orange, 7380 West Sand Lake Road, Suite 305/395, Orlando, Florida 32819.

**Present were:**

Barry Radolan	Chair
Deanna Snitko	Assistant Secretary
Giovanna Gutierrez	Assistant Secretary

**Also present were:**

Craig Wrathell	District Manager
Jonathan Johnson (via telephone)	District Counsel
Momtaz Barq	District Engineer
Jean Amm	Construction Manager

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Wrathell called the meeting to order at 11:35 a.m. Supervisors Radolan, Gutierrez and Snitko were present. Supervisors Lavigne and Shadrix were not present.

**SECOND ORDER OF BUSINESS**

**Public Comments**

There were no public comments.

**THIRD ORDER OF BUSINESS**

**Consideration of Resolution 2021-03, Approving Proposed Budgets for Fiscal Year 2021/2022 and Setting a Public Hearing Thereon Pursuant to Florida Law; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date**

Mr. Wrathell presented Resolution 2021-03. He explained the annual budget preparation, deliberation, public hearing and adoption process. He reviewed the proposed Fiscal Year 2022 budget, highlighting any line item adjustments, compared to the Fiscal Year

43 2021 budget, and explained the reasons for any adjustments. The budget would Landowner  
44 funded. He noted the bond Amortization Schedule and capitalized interest period.

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46 **On MOTION by Ms. Snitko and seconded by Ms. Gutierrez, with all in favor,**  
47 **Resolution 2021-03, Approving Proposed Budgets for Fiscal Year 2021/2022**  
48 **and Setting a Public Hearing Thereon Pursuant to Florida Law for August 25,**  
49 **2021 at 10:00 a.m., at City Center West Orange, 7380 West Sand Lake Road,**  
50 **Suite 305/395, Orlando, Florida 32819; Addressing Transmittal, Posting and**  
51 **Publication Requirements; Addressing Severability; and Providing an Effective**  
52 **Date, was adopted.**

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55 **FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2021-04,**  
**Designating Dates, Times and Locations for**  
**Regular Meetings of the Board of**  
**Supervisors of the District for Fiscal year**  
**2021/2022 and Providing for an Effective**  
**Date**

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62 Mr. Wrathell presented Resolution 2021-04.

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64 **On MOTION by Ms. Gutierrez and seconded by Ms. Snitko, with all in favor,**  
65 **Resolution 2021-04, Designating Dates, Times and Locations for Regular**  
66 **Meetings of the Board of Supervisors of the District for Fiscal year 2021/2022**  
67 **and Providing for an Effective Date, was adopted.**

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70 **FIFTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial**  
**Statements as of April 30, 2021**

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73 Mr. Wrathell presented Unaudited Financial Statements as of April 30, 2021.

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75 **On MOTION by Ms. Snitko and seconded by Mr. Radolan, with all in favor, the**  
76 **Unaudited Financial Statements as of April 30, 2021, were accepted.**

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79 **SIXTH ORDER OF BUSINESS**

**Consideration of Minutes**

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81 Mr. Wrathell presented the following Meeting Minutes:

82 **A. November 3, 2020 Landowners' Meeting**

83 **B. November 18, 2020 Continued Landowners' Meeting**

84 **C. November 18, 2020 Regular Meeting**

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On MOTION by Ms. Gutierrez and seconded by Ms. Snitko, with all in favor, the November 3, 2020 Landowners' Meeting, November 18, 2020 Continued Landowners' Meeting and November 18, 2020 Regular Meeting, as presented, were approved.

## SEVENTH ORDER OF BUSINESS

### Staff Reports

#### A. District Counsel: *Hopping Green & Sams, P.A.*

There being no report, the next item followed.

#### B. District Engineer: *Terra-Max Engineering, Inc.*

Mr. Barq stated that construction work was completed and close out with the City was pending. Mr. Adams stated that, once the last requisition is received and paid, the Construction Account could be closed out. Mr. Amm stated that he is waiting to finalize all the certification from the City and Department of Environmental Protection (DEP) before he releases the last payment to the contractor; everything should be finished in three to six weeks.

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

##### I. 1 Registered Voter in District as of April 15, 2021

##### II. NEXT MEETING DATE: June 23, 2021 at 10:00 A.M.

##### ○ QUORUM CHECK

The next meeting will be on June 23, 2021, unless cancelled.

## EIGHTH ORDER OF BUSINESS

### Board Members' Comments/Requests

There being no Board Members' comments or requests, the next item followed.

## NINTH ORDER OF BUSINESS

### Public Comments

There were no public comments.

## TENTH ORDER OF BUSINESS

### Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Ms. Snitko and seconded by Ms. Gutierrez, with all in favor, the meeting adjourned at 11:46 a.m.

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Secretary/Assistant Secretary

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Chair/Vice Chair

**FRERC**

**COMMUNITY DEVELOPMENT DISTRICT**

**9C**



## FRERC COMMUNITY DEVELOPMENT DISTRICT

### BOARD OF SUPERVISORS FISCAL YEAR 2020/2021 MEETING SCHEDULE

#### LOCATION

*City Center West Orange, 7380 West Sand Lake Road, Suite 305/395, Orlando, Florida 32819*

DATE	POTENTIAL DISCUSSION/FOCUS	TIME
<b>October 28, 2020 CANCELED</b>	Regular Meeting	10:00 AM
CALL IN NUMBER: <a href="tel:1-888-354-0094">1-888-354-0094</a> CONFERENCE ID: <a href="#">2144145</a>		
<b>November 3, 2020</b>	Landowners' Meeting	2:00 PM
<b>November 18, 2020*</b>	Continued Landowner's Meeting and Regular Meeting	10:00 AM
<b>December 16, 2020* CANCELED</b>	Regular Meeting	10:00 AM
<b>January 27, 2021</b>	Regular Meeting	10:00 AM
<b>February 24, 2021 CANCELED</b>	Regular Meeting	10:00 AM
<b>March 24, 2021 CANCELED</b>	Regular Meeting	10:00 AM
<b>April 28, 2021 CANCELED</b>	Regular Meeting	10:00 AM
<b>May 26, 2021</b>	Regular Meeting	10:00 AM
<b>June 23, 2021 CANCELED</b>	Regular Meeting	10:00 AM
<b>July 28, 2021 CANCELED</b>	Regular Meeting	10:00 AM
<b>August 25, 2021</b>	Public Hearing & Regular Meeting	10:00 AM
<b>September 22, 2021</b>	Regular Meeting	10:00 AM

**\*Exceptions**

*November meeting date is one week earlier to accommodate Thanksgiving Holiday*

*December meeting date is one week earlier to accommodate Christmas Holiday*

<b>FRERC COMMUNITY DEVELOPMENT DISTRICT</b>		
<b>BOARD OF SUPERVISORS FISCAL YEAR 2021/2022 MEETING SCHEDULE</b>		
<b>LOCATION</b>		
<i>City Center West Orange, 7380 West Sand Lake Road, Suite 305/395, Orlando, Florida 32819</i>		
<b>DATE</b>	<b>POTENTIAL DISCUSSION/FOCUS</b>	<b>TIME</b>
<b>October 27, 2021</b>	<b>Regular Meeting</b>	<b>10:00 AM</b>
<b>November 17, 2021*</b>	<b>Regular Meeting</b>	<b>10:00 AM</b>
<b>December 15, 2021*</b>	<b>Regular Meeting</b>	<b>10:00 AM</b>
<b>January 26, 2022</b>	<b>Regular Meeting</b>	<b>10:00 AM</b>
<b>February 23, 2022</b>	<b>Regular Meeting</b>	<b>10:00 AM</b>
<b>March 23, 2022</b>	<b>Regular Meeting</b>	<b>10:00 AM</b>
<b>April 27, 2022</b>	<b>Regular Meeting</b>	<b>10:00 AM</b>
<b>May 25, 2022</b>	<b>Regular Meeting</b>	<b>10:00 AM</b>
<b>June 22, 2022</b>	<b>Regular Meeting</b>	<b>10:00 AM</b>
<b>July 27, 2022</b>	<b>Regular Meeting</b>	<b>10:00 AM</b>
<b>August 24, 2022</b>	<b>Public Hearing &amp; Regular Meeting</b>	<b>10:00 AM</b>
<b>September 28, 2022</b>	<b>Regular Meeting</b>	<b>10:00 AM</b>

**\*Exceptions**

*November meeting date is one week earlier to accommodate Thanksgiving Holiday  
 December meeting date is one week earlier to accommodate Christmas Holiday*