



Rizzetta & Company

Somerset Community Development District

**Board of Supervisors'
Special Meeting
July 12, 2021**

**District Office:
120 Richard Jackson Blvd, Suite 220
Panama City Beach, Florida 32407
850-334-9055**

**SOMERSET COMMUNITY
DEVELOPMENT DISTRICT AGENDA
SOMERSET COMMUNITY DEVELOPMENT DISTRICT**

District Office · Panama City Beach, Florida · (850) 334-0913
Mailing Address · 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614

www.somersetcdd.org

District Board of Supervisors	Andrew O'Connell	Chairman
	John Rosenberg	Vice Chairman
	George Hartley	Assistant Secretary
	Tonya Pippin	Assistant Secretary
	Tom Dodson	Assistant Secretary
District Manager	Kimberly O'Mera	Rizzetta & Company, Inc
District Counsel	Tucker Mackie	Hopping Green & Sams, P.A.
District Engineer	Jim Martelli	Innerlight Engineering

All cellular phones must be placed on mute while in the meeting room.

The Audience Comment portion of the agenda is where individuals may make comments on matters that concern the District. Individuals are limited to a total of three (3) minutes to make comments during this time.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting/hearing/workshop is asked to advise the District Office at least forty-eight (48) hours before the meeting/hearing/workshop by contacting the District Manager at (850) 334-9055. 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), who can aid you in contacting the District Office.

A person who decides to appeal any decision made at the meeting/hearing/workshop with respect to any matter considered at the meeting/hearing/workshop is advised that person will need a record of the 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 the appeal is to be based.

SOMERSET COMMUNITY DEVELOPMENT DISTRICT
District Office · Panama City Beach, Florida · (850) 334-0913
Mailing Address · 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614

www.somersetcdd.org

July 9, 2021

**Board of Supervisors
Somerset Community
Development District**

AGENDA

Dear Board Members:

A Special Meeting of the Board of Supervisors of the Somerset Community Development District will be held on **Monday, July 12, 2021, at 12:00 p.m. (Central Time)** at the Alys Beach Office Building 1 located at 84 Elbow Beach Road, Alys Beach, FL 32461 The following is the Agenda for this meeting:

- 1. CALL TO ORDER/ROLL CALL**
- 2. AUDIENCE COMMENTS**
- 3. BUSINESS ADMINISTRATION**
 - A. Consideration of Minutes of the Board of Supervisors Meeting Held on May 24, 2021.....Tab 1
 - B. Ratification of Operation and Maintenance Expenditures for April 2021.....Tab 2
- 4. BUSINESS ITEMS**
 - A. Consideration of Dune Maintenance Proposal
Dune Doctors.....Tab 3
 - B. Consideration of Memorandum of Understanding with
HOA – Maintenance Responsibilities.....Tab 4
 - C. Consideration of Facility Maintenance and Repair
Services Agreement – Alys Beach Resorts, LLCTab 5
 - D. Discussion of FY 2021-2022 Approved Proposed Budget.....Tab 6
 - E. Consideration of Proposal for Dune Clean Up – Dune DoctorsTab 7
 - F. Ratification of Fiscal Year 2019-2020 Audit.....Tab 8
- 5. STAFF REPORTS**
 - A. District Counsel
 - B. District Engineer
 - C. District Manager
- 6. SUPERVISOR REQUESTS**
- 7. ADJOURNMENT**

I look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call me at 850-334-9055.

Sincerely,
Kimberly O'Mera
Kimberly O'Mera
District Manager

Tab 1

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that 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.

**SOMERSET
COMMUNITY DEVELOPMENT DISTRICT**

A regular meeting of the Board of Supervisors of the Somerset Community Development District was held on **Monday, May 24, 2021, at 2:04 p.m. Central Time** at the Alys Beach office Building 1 located at 84 Elbow Road, Alys Beach, FL 32461.

Present and constituting a quorum:

Andrew O'Connell	Board Supervisor, Chairman
Tom Dodson	Board Supervisor, Assistant Secretary
George Hartley	Board Supervisor, Assistant Secretary

Also present were:

Kimberly O'Mera	District Manager, Rizzetta & Company, Inc.
Tucker Mackie	District Counsel, Hopping Green & Sams, P.A.
Jim Martelli (Via Speakerphone)	District Engineer, Inner Light Engineering

Audience	None
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FIRST ORDER OF BUSINESS

Call to Order

Ms. O'Mera called the meeting to order and read the roll call, confirming a quorum for the meeting.

SECOND ORDER OF BUSINESS

Audience Comments

Ms. O'Mera stated for the record that there was no audience present.

THIRD ORDER OR BUSINESS

Consideration of the Minutes of the Board of Supervisors' Meeting Held on February 8, 2021

On a motion by Mr. O'Connell, seconded by Mr. Hartley, with all in favor, the Board of Supervisors accepted, subject to comments, the Minutes of the Board of Supervisors' Meeting, held on February 8, 2021, for Somerset Community Development District.

FOURTH ORDER OF BUSINESS

Ratification of Operation and Maintenance Expenditures for January 2021 – March 2021

Ms. O'Mera reviewed the Operation and Maintenance Expenditures for January 2021 through March 2021 with the Board. General discussion ensued.

On a motion by Mr. O'Connell, seconded by Mr. Hartley, with all in favor, the Board of Supervisors ratified the Operation and Maintenance Expenditures for January 2021 in the amount of \$86,529.71, February 2021 in the amount of \$5,596.27 and March 2021 in the amount of \$61,016.27, for Somerset Community Development District.

FIFTH ORDER OF BUSINESS

Presentation of Amended and Restated Rules of Procedure

Ms. O'Mera turned the presentation over to Ms. Mackie. Ms. Mackie reviewed with the Board and requested them to set the Public Hearing for August 9, 2021.

On a Motion by Mr. Hartley, seconded by Mr. O'Connell, with all in favor, the Board of Supervisors approved setting a Public Hearing for August 9, 2021, on the Amended Rules of Procedure, for Somerset Community Development District.

SIXTH ORDER OF BUSINESS

Consideration of First Addendum – Contract for Professional Technology Services

Ms. O'Mera noted that this agreement is amended to add District email addresses for the Supervisors.

SOMERSET COMMUNITY DEVELOPMENT DISTRICT

May 24, 2021 Minutes of Meeting

Page 3

On a Motion by Mr. O'Connell, seconded by Mr. Dodson, with all in favor, the Board of Supervisors, approved the First Addendum Contract for Professional Technology Services, for Somerset Community Development District.

SEVENTH ORDER OF BUSINESS

Consideration of Amendment to Cost Share Agreement

Ms. O'Mera turned over the presentation to Ms. Mackie. Ms. Mackie presented and reviewed the Amendment to the Cost Share Agreement with the Board. The prior version of the agreement provided for the HOA managing the Districts' landscaping and irrigation services along Hwy 30A. The language within the agreement had become dated within the process. Ms. Mackie suggests approving in substantial form and then formalize for the form that is adopted. Discussion ensued.

On a Motion by Mr. Hartley, seconded by Mr. Dodson, with all in favor, the Board of Supervisors, approved in substantial form and to allow Chairman to work with Staff and appropriate parties, the Amendment to the Cost Share Agreement, for Somerset Community Development District.

EIGHTH ORDER OF BUSINESS

Consideration of Proposal of Somerset CDD Reserve Study Update

Ms. O'Mera presented and reviewed the Somerset CDD Reserve Study Update proposal from Custom Reserves, LLC. with a proposed cost of \$2,900.00. The study was last prepared by Custom Reserves, LLC. in 2015 with a site visit, at the same rate. It was noted that the proposal allows for a \$200.00 discount if performed in conjunction with the Association. Discussion ensued.

On a Motion by Mr. O'Connell, seconded by Mr. Dodson, with all in favor, the Board of Supervisors, approved the Somerset CDD Reserve Study, for Somerset Community Development District.

NINTH ORDER OF BUSINESS

Consideration of Water Management Agreement – The Lake Doctors

Mrs. O'Mera noted that this agreement increased from \$45.00 to \$48.00 per month.

On a Motion by Mr. O'Connell, seconded by Mr. Hartley, with all in favor, the Board of Supervisors, approved the Water Management Agreement, for Somerset Community Development District.

TENTH ORDER OF BUSINESS

**Discussion regarding Trash
Compactor and Collection**

Ms. O'Mera turned the discussion over to Mr. O'Connell. The District would lease the trash compactors and would lease or purchase the refuse collection carts. Alys Beach does not yet have a designated site for it. Mr. O'Connell stated that David Everett (Alys Beach), should be able to provide the location site for the trash compactors by the first or second Quarter of 2022. Once the site is determined, Waste Management will need to be consulted to confirm pricing. Discussion ensued.

ELEVETH ORDER OF BUSINESS

Ratification of Repairs to Crosswalk

Ms. O'Mera advised Alys Beach Resorts reported damage to on RRFB Crossing on 30A between N. Charles Street and Governors Court and presented a proposal for the necessary repairs from Griffin Traffic Signals for \$6,300.00. The repairs were authorization by Mr. O'Connell. Ms. Mackie reported that this type of repair was not on the previous reserve study.

On a Motion by Mr. O'Connell, seconded by Mr. Hartley, with all in favor, the Board of Supervisors' ratified Repairs to Crosswalk, for Somerset Community Development District.

TWELFTH ORDER OF BUSINESS

**Consideration of Maintenance
Agreement for Pump Station – Mills
Supply**

Ms. O'Mera noted that this agreement updates the last agreement entered into in 2012, maintaining the monthly rate of \$200.00.

On a Motion by Mr. O'Connell, seconded by Mr. Dodson, with all in favor, the Board of Supervisors' approved Maintenance Service Agreement for pump station, in the form of a formal agreement to be drafted by District Counsel, for Somerset Community Development District.

THIRTEENTH ORDER OF BUSINESS

**Presentation of Proposed Budget for
Fiscal Year 2021/2022 and
Consideration of Resolution 2021-03,
Approving Proposed Budget and
setting a Public Hearing**

Ms. O'Mera turned the presentation of the Proposed Budget over to Mr. O'Connell. Mr. O'Connell presented the proposed budget with the Board, highlighting the increases and the need to fund reserves at an accelerated rate over the next three years. Discussion ensued. Ms. Mackie suggests the Board have a Special Meeting prior to the scheduled meeting in August to review any necessary updates and changes.

On a Motion by Mr. O'Connell, seconded by Mr. Hartley, with all in favor, the Board of Supervisors, adopted Resolution 2021-03, Approving Proposed Budget and setting a Public Hearing for August 9, 2021, for Somerset Community Development District.

FOURTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Ms. Mackie presented the requirements of E-Verify with the Board. The District is only required register and going forward vendors will be obligated to follow E-Verify. She asked that the Board sign the Memo of Understanding of E-Verify and file it with the Department of Homeland Security.

On a Motion by Mr. O'Connell, seconded by Mr. Dodson, with all in favor, the Board of Supervisors, approved signing the Memo of Understanding of E-Verify and file with the Department of Homeland Security, for Somerset Community Development District.

B. District Engineer

Mr. Martelli had no report.

On a Motion by Mr. O'Connell, seconded by Mr. Hartley, with all in favor, the Board of Supervisors, approved Mr. Martelli assisting in the Reserve Study, for Somerset Community Development District.

C. District Manager

Ms. O'Mera presented the registered voter count. As of April 15, 2021, the count is 97. Ms. O'Mera advised that the next meeting of the Board of Directors will be August 9, 2021, and requested a motion to authorize staff to set a Special Meeting in July.

On a Motion by Mr. O'Connell, seconded by Mr. Hartley, with all in favor, the Board of Supervisors, approved setting a Special Meeting in July, for Somerset Community Development District.
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FIFTEENTH ORDER OF BUSINESS

Supervisor Requests

There were no supervisor requests at this time.

SOMERSET COMMUNITY DEVELOPMENT DISTRICT

May 24, 2021 Minutes of Meeting

Page 7

SIXTEENTH ORDER OF BUSINESS

Adjournment

On a Motion by Mr. O'Connell, seconded by Mr. Dodson, with all in favor, the Board of Supervisors adjourned the meeting at 2:54 pm (CST), for Somerset Community Development District.

Secretary/Assistant Secretary

Chairman/ Vice Chairman

Tab 2

SOMERSET COMMUNITY DEVELOPMENT DISTRICT

DISTRICT OFFICE · PANAMA CITY, FLORIDA · (850) 334-9055

MAILING ADDRESS · 3434 COLWELL AVENUE, SUITE 200 ·

TAMPA, FLORIDA 33614

Operation and Maintenance Expenditures April 2021 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from April 1, 2021 through April 30, 2021. This does not include expenditures previously approved by the Board.

The total items being presented: **\$191,439.70**

Approval of Expenditures:

_____ Chairperson

_____ Vice Chairperson

_____ Assistant Secretary

Somerset Community Development District

Paid Operation & Maintenance Expenditures

April 1, 2021 Through April 30, 2021

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
ALYS Beach Neighborhood Association	002751	02282021	ALYS Beach Neighborhood Association Reimbursement 02/21	\$ 24,899.07
ALYS Beach Resort LLC	002754	CL00004691	ALYS Beach Slip Road Widening Project 03/21	\$ 144,753.56
ALYS Beach Resort LLC	002753	CL00004693	Street Light Check And Repair - Weekly Pump Inspection 04/20	\$ 946.67
ALYS Beach Resort LLC	002753	CL00004761	Street Light Repair 04/20	\$ 632.50
ALYS Beach Resort LLC	002753	CL00005640	Street Light Repair 07/20	\$ 8,118.85
Dune Doctors, LLC	002755	122820-2a	Quarterly Maintenance 12/20	\$ 3,817.24
Gulf Power Company	2021040821-1	21046-33165 02/21	9954 E Cty Hwy 30A Irrigation 02/21	\$ 156.53
Gulf Power Company	2021040821-1	21046-33165 02/21 Credit	9954 E Cty Hwy 30A Irrigation 02/21 Credit	\$ (156.53)
Gulf Power Company	2021042921-2	21046-33165 02/21 Credit	9954 E Cty Hwy 30A Irrigation 02/21 Credit	\$ (215.63)
Gulf Power Company	2021042921-2	21046-33165 03/21	9954 E Cty Hwy 30A Irrigation 03/21	\$ 286.95
Gulf Power Company	2021042921-1	21046-33165 03/21	9954 E Cty Hwy 30A Irrigation 03/21	\$ 286.95
Gulf Power Company	2021042921-1	21046-33165 03/21	9954 E Cty Hwy 30A Irrigation 03/21	\$ (286.95)
Gulf Power Company	2021042921-1	21080-12465 03/21	9396 E Cty Hwy 30A Irrigation 03/21	\$ (317.29)

Somerset Community Development District

Paid Operation & Maintenance Expenditures

April 1, 2021 Through April 30, 2021

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Gulf Power Company	2021042921-1	21080-12465 03/21	9396 E Cty Hwy 30A Irrigation 03/21	\$ 317.29
Gulf Power Company	2021042921-2	21080-12465 03/21	9396 E Cty Hwy 30A Irrigation 03/21	\$ 317.29
Hopping Green & Sams	002756	121496	General/Monthly Legal Services 02/21	\$ 2,466.45
Mills Supply	002758	8438	Pump Station Maintenance 04/21	\$ 200.00
Newagetutors LLC DBA VGlobalTech	002752	2568	Website ADA Compliance 04/21	\$ 425.00
Rizzetta & Company, Inc.	002749	INV0000057642	District Management Services 04/21	\$ 4,646.75
Rizzetta Technology Services, LLC.	002750	INV0000007431	Website Hosting Services 04/21	\$ 100.00
The Lake Doctors, Inc.	002757	568579	Monthly Monitoring/Inspection 04/21	\$ 45.00
Report Total				<u>\$ 191,439.70</u>

INVOICE

Invoice Date

02/28/21

Invoice #

02282021

Alys Beach Neighborhood Association

c/o Rizzetta & Company
120 Richard Jackson Blvd, Suite 220
Panama City Beach, FL 32407
Phone: (850)334-9055

To:

Somerset CDD

chartnett@rizzetta.com

c/o Rizzetta & Company
120 Richard Jackson Blvd, Suite 220
Panama City Beach, FL 32407

Inv Date	Description	Total Paid	Total Due
02/15/21	Rip's Professional Lawn Care 69506	\$ 6,992.00	\$ 6,992.00
	001.53900.4604		\$ -
02/28/21	Alys Beach Resorts CL00008513	\$ 162.50	\$ 162.50
	001.53900.4619		\$ -
02/28/21	Alys Beach Resorts CL00008302	\$ 194.57	\$ 194.57
	001.53900.4609		\$ -
02/01/21	Alys Beach Resorts CL00004343 (May 31, 2020)	\$ 17,550.00	\$ 17,550.00
	001.53900.4604		\$ -
			\$ -
	Total:		\$ 24,899.07

Please remit check made payable to: **Alys Beach Neighborhood Association**
3434 Colwell Avenue Suite #200
Tampa, FL 33614

Date Rec'd Rizzetta & Co., Inc. 03/24/2021

D/M approval *Kindy O'Neal* Date 3/30/2021

Date entered 03/26/2021

Fund 001 GL 53900 OC 4604 \$24,542.00

Check # 4609 \$194.57
4619 \$162.50

Rip's Professional Lawn Care, Inc

511 North Highway 79
Panama City Beach, FL 32413
850-233-6396

Invoice

Date	Invoice #
2/15/2021	65906

Bill To
Alys Beach Neighborhood Association c/o Rizzetta & Company 120 Richard Jackson Boulevard, Suite 220 Panama City Beach, FL 32407

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
	Complete Grounds Management - February 2021 Highway 30A Corridor	6,992.00	6,992.00
INFORMATION ONLY			
		Total	\$6,992.00



Alys Beach Resorts
 9581 E County Hwy 30A, Bldg D
 Alys Beach, FL 32461

Landscape/Irrigate ABNA-CDD 30A
 120 Richard Jackson Blvd
 Suite 220
 Panama City Beach FL 32407

Invoice Date:	Feb 28, 2021
Invoice Number:	CL00008513

Date	Reference	Description	Amount	Taxes	Total
Feb 28, 2021	REC-1	30A Weekly Inspections	162.50	0.00	162.50
INFORMATION ONLY					

Subtotal	<u>162.50</u>
Taxes	<u>0.00</u>
Total Due	<u>162.50</u>



Alys Beach Resorts
 9581 E County Hwy 30A, Bldg D
 Alys Beach, FL 32461

Landscape/Irrigate ABNA-CDD 30A
 120 Richard Jackson Blvd
 Suite 220
 Panama City Beach FL 32407

Invoice Date:	Feb 28, 2021
Invoice Number:	CL00008302

Date	Reference	Description	Amount	Taxes	Total
Feb 28, 2021	60107	PLC 65569 Irrg Rpr Buttery	194.57	0.00	194.57
INFORMATION ONLY					

Subtotal	<u>194.57</u>
Taxes	<u>0.00</u>
Total Due	<u>194.57</u>

1016152

Rip's Professional Lawn Care, Inc
511 North Highway 79
Panama City Beach, FL 32413
850-233-6396

Invoice

Date	Invoice #
1/21/2021	65569

Bill To
EBSCO Gulf Coast Development Atten: Accounts Payable P.O. Box 615500 Alys Beach, FL 32461-5500

P.O. No.	Terms	Project
WO #60107	Due on receipt	

Quantity	Description	Rate	Amount
1	Jumbo Valve Box	67.19	67.19
1.5	Labor - Replace valve box at North Buttery	68.00	102.00
INFORMATION ONLY			
	GL Code	Amount	PC
	<u>432395</u>	<u>169.19</u>	<u>1801</u>
	Total	<u>169.19</u>	
	<u>AR</u>		<u>2/2/21</u>
Approved		Date	Total \$169.19

Posted: Jan 1-26-21
 Con: _____
 WO#: 60107 / CDD
 Log: Irrigation
 LT: _____
 GL#: 432395

east buttery
Frank [Signature]

wmu 194.57



Alys Beach Resorts
 9581 E County Hwy 30A, Bldg D
 Alys Beach, FL 32461

Landscape/Irrigate ABNA-CDD 30A Landsca
 120 Richard Jackson Blvd
 Suite 220
 Panama City Beach FL 32407

Invoice Date:	Mar 31, 2020
Invoice Number:	CL00004343

Date	Reference	Description	Amount	Taxes	Total
Mar 31, 2020	A29032	PLC61396 Rmv/Rplc 2 Palms	17,550.00	0.00	17,550.00
INFORMATION ONLY					

Subtotal	<u>17,550.00</u>
Taxes	<u>0.00</u>
Total Due	<u>17,550.00</u>

1016152

Rip's Professional Lawn Care, Inc

511 North Highway 79
Panama City Beach, FL 32413
850-233-6396

Invoice

Date	Invoice #
2/13/2020	61396

Bill To
EBSCO Gulf Coast Development 9581 County Highway 30-A East - Bldg D Alys Beach, FL 32461

P.O. No.	Terms	Project
WO #29032	Due on receipt	

Quantity	Description	Rate	Amount
2	Medjool Date Palm 25' ct	6,000.00	12,000.00
24	Tree Bubblers	25.00	100.00
28	Labor - Removal and Replacement of Palms on 30A	75.00	2,100.00
	Freight	1,350.00	1,350.00
2	Staking of Palms	250.00	500.00

INFORMATION ONLY

GL Code	Amount	PC
<u>432.395</u>	<u>16,050.00</u>	<u>1801</u>

Total 16,050.00

 2/25/2020
Approved Date

Posted: _____
Con: _____
WO#: 29032
Log: _____
U7: _____
GL#: 432395
CDD

1701

Total	\$16,050.00
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w mu 17550.00



Alys Beach Resorts

9581 E County Hwy 30A, Bldg D
Alys Beach, FL 32461

Landscape/Irrigate CDD-Not 30A
120 Richard Jackson Blvd
Suite 220
Panama City Beach FL 32407

Invoice Date:	Apr 30, 2020
Invoice Number:	CL00004691

Date	Reference	Description	Amount	Taxes	Total
Apr 30, 2020	101201	Murdock Inv # 2127 4651	62,000.00	0.00	62,000.00
Apr 30, 2020	101202	Pat Shea's # 5464	6,160.00	0.00	6,160.00
Apr 30, 2020	101203	Pat Shea's # 5477	72,200.00	0.00	72,200.00
Apr 30, 2020	101204	Innerlight #4561 4651	4,393.56	0.00	4,393.56
<p>Date Rec'd Rizzetta & Co., Inc. <u>04/08/2021</u> D/M approval <i>[Signature]</i> Date <u>4/16/2021</u> Date entered <u>04/09/2021</u> Fund <u> </u> GL <u> </u> OC <u>see below</u> Check # <u> </u></p>					

Subtotal	<u>144,753.56</u>
Taxes	<u>0.00</u>
Total Due	<u>144,753.56</u>

Debit: 001-13105 (Due from reserve)
Credit: 001-20200 (AP)
Debit: 005-57900-6405 (Expense)
Credit: 005-20701 (Due to general fund)

Murdock Investments LLC
dba GRIFFIN TRAFFIC SIGNALS

6509 Highway 22
 Panama City, FL 32404

Voice: (850)270-2715
 Fax: (850)270-2715

Email: griffintraffic@gmail.com
 Web Site: www.griffintraffic.com

INVOICE

Invoice Number: 2127
 Invoice Date: Mar 23, 2020
 Page: 1

Duplicate

Bill To:
Alys Beach



Customer ID	Customer PO	Payment Terms
ALYS	Job No. 01-30-A00	
		Due Date
		4/10/20

Quantity	Item	Description	Unit Price	Amount
8.00		F&I Carmanah RRFB R920-E Solar Assembly	7,200.00	57,600.00
4.00		F&I Remote push button pole assembly	1,100.00	4,400.00
INFORMATION ONLY				
Subtotal				62,000.00
Sales Tax				
Total Invoice Amount				62,000.00
Payment/Credit Applied				
TOTAL				62,000.00

Check/Credit Memo No:

Pat Shea's Concrete, Inc
 236 Escanaba Ave
 Panama City Beach, FL 32413

Invoice

Invoice Date	Invoice #
3/16/2020	5464

Date on the job

Bill To
Alys Beach Construction / CDD 9581 County Highway 30-A East - "F" Alys Beach, FL 32461

Work Performed At
Between Slip Road

INFORMATION ONLY

Description	Amount				
4" Curb Removal between New Radius Curb's (Between Slip Road)	6,160.00				
Labor - remove pavers, dig out along side curb, cut & remove 4" sections of curb					
6 Locations					
South Seagarden St	Total - \$1,320.00				
South Castle Harbour	Total - \$1,320.00				
Entrance to Parking at George's	Total - \$ 880.00				
King Castle Court	Total - \$ 880.00				
Lizzard Leap Alley	Total - \$ 880.00				
Elbow Beach Rd	Total - \$ 880.00				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"></td> <td style="width: 30%; text-align: right;">Total</td> </tr> <tr> <td></td> <td style="text-align: right;">\$6,160.00</td> </tr> </table>			Total		\$6,160.00
	Total				
	\$6,160.00				

850-233-6942 patsconcrete221@msn.com
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Pat Shea's Concrete, Inc
 236 Escanaba Ave
 Panama City Beach, FL 32413

Invoice

Invoice Date	Invoice #
3/16/2020	5477

Date on the job

Bill To
Alys Beach Construction / CDD 9581 County Highway 30-A East - "F" Alys Beach, FL 32461

Work Performed At
30A Slip Road Corridor Widening Alys Beach

INFORMATION ONLY

Description	Amount
30A Slip Road Widening	72,200.00
Excavate, cut out existing curb	
Form & pour new curb @ \$50.00 per ft	
HH/LL 412 ft @ \$50.00 per Total - \$20,600.00	
AE 408 ft @ \$50.00 per Total - \$20,400.00	
ZJ 576 ft @ \$50.00 per Total - \$28,800.00	
Partial @ PP 48 ft @ \$50.00 per Total - \$ 2,400.00	
Total \$72,200.00	

850-233-6942 palsconcrete221@msn.com



Innerlight Engineering Corporation
11490 Emerald Coast Parkway
Suite 2W
Miramar Beach, FL 32550
(850) 424-5855
www.ieceng.com

INVOICE

BILL TO
EBSCO - COTTAGE
PROPERTY
9581 County Highway 30-A
East
Alys Beach, Florida
32461-5500 U.S.A.

INVOICE # 4561
DATE 03/12/2020
DUE DATE 03/27/2020
TERMS Net 15

INFORMATION ONLY

DATE	DESCRIPTION	QTY	RATE	AMOUNT
11/15/2019	Collect Supplemental Survey Information - Cottage Parcel	1	750.00	750.00
11/30/2019	Month of November Correspondence / Planning for Compactor	3	225.00	675.00
12/06/2019	Prepare Cottage Site Compactor Site Plan Exhibit (V1)	1	1,250.00	1,250.00
12/31/2019	Month of December Correspondence / Planning for Compactor	2	225.00	450.00
01/31/2020	Month of January Correspondence / Planning for Compactor	2	225.00	450.00
02/17/2020	Walton County Fee - Alys Beach Cottage - Trash Compactor Pre App			31.06
02/27/2020	Month of February Planning for Compactor / Pre Application Submittal / Pre App Meeting in Freeport	3.50	225.00	787.50

BALANCE DUE

\$4,393.56

THANK YOU FOR YOUR BUSINESS!



Alys Beach Resorts
 9581 E County Hwy 30A, Bldg D
 Alys Beach, FL 32461

Landscape/Irrigate CDD-Not 30A
 120 Richard Jackson Blvd
 Suite 220
 Panama City Beach FL 32407

Invoice Date:	Apr 30, 2020
Invoice Number:	CL00004693

Date	Reference	Description	Amount	Taxes	Total
Apr 30, 2020	REC-1	Pump Weekly Inspections	80.00	0.00	80.00
Apr 30, 2020	REC-2	Comm. street Light check	866.67	0.00	866.67
<p>Date Rec'd Rizzetta & Co., Inc. <u>04/08/2021</u> D/M approval <u>Kelly O'Neil</u> Date <u>4/12/2021</u> Date entered <u>04/09/2021</u> Fund <u>001</u> GL <u>53900</u> OC <u>4610</u> \$80.00 <u>54100</u> <u>4651</u> \$866.67 Check # _____</p>					

Subtotal	<u>946.67</u>
Taxes	<u>0.00</u>
Total Due	<u>946.67</u>



Alys Beach Resorts
9581 E County Hwy 30A, Bldg D
Alys Beach, FL 32461

Landscape/Irrigate CDD-Not 30A
120 Richard Jackson Blvd
Suite 220
Panama City Beach FL 32407

Invoice Date:	Apr 30, 2020
Invoice Number:	CL00004761

Date	Reference	Description	Amount	Taxes	Total
Apr 30, 2020	41525	McHry22435 Light BehindD11	632.50	0.00	632.50
<p>Date Rec'd Rizzetta & Co., Inc. <u>04/08/2021</u></p> <p>D/M approval <u><i>Kelly O'Neal</i></u> Date <u>4/12/2021</u></p> <p>Date entered <u>04/09/2021</u></p> <p>Fund <u>001</u> GL <u>54100</u> OC <u>4651</u></p> <p>Check # _____</p>					

Subtotal	<u>632.50</u>
Taxes	<u>0.00</u>
Total Due	<u>632.50</u>

1018846

McHENRY ELECTRIC, INC.

(850) 837-9003
50 Hatchew Road
Miramar Beach, FL 32550

Invoice

DATE	INVOICE #
3/13/2020	22435

BILL TO:
Alys Beach Engineering P.O. Box 61-5600 Alys Beach, FL 32461-5600

Job Information		
D Block Street Lights		
P.O. No.	TERMS	Due Date
	NET 10	3/23/2020

QUANTITY	DESCRIPTION	RATE	AMOUNT
	Located short at pole light behind D-11. Disconnected in J-Box.		
	Total Labor and Material	550.00	550.00
	GL Code	Amount	PC
	<u>432395</u>	<u>550.00</u>	<u>1801</u>
	Total	<u>550.00</u>	
	<u>Ballen</u>	<u>3/20/20</u>	
	Approved	Date	

Posted: Mon 3-23-20
 Con: _____
 * WO#: 41525
 Log: _____
 U7: _____
 GL#: 432395

ABNA 1727

Net 10 Days. A finance charge of 1.5% per month (18% per annum) will be charged on unpaid balances.	Total	\$550.00
Thank you for your business !!!		

w m u 632.50



Alys Beach Resorts
 9581 E County Hwy 30A, Bldg D
 Alys Beach, FL 32461

Landscape/Irrigate CDD-Not 30A
 120 Richard Jackson Blvd
 Suite 220
 Panama City Beach FL 32407

Invoice Date:	Jul 31, 2020
Invoice Number:	CL00005640

Date	Reference	Description	Amount	Taxes	Total
Jul 31, 2020	43582	Repair Light Pole and rewire L	712.80	0.00	712.80
Jul 31, 2020	43582	Repair Light Pole and rewire M	2,146.91	0.00	2,297.19
Jul 31, 2020	45828	New light pole L	158.40	0.00	158.40
Jul 31, 2020	45828	New light pole M	2,195.96	0.00	2,349.68
Jul 31, 2020	45420	Light pole replaced L	251.10	0.00	251.10
Jul 31, 2020	45420	Light pole replaced M	2,195.96	0.00	2,349.68
Date Rec'd Rizzetta & Co., Inc.		04/08/2021			
D/M approval <i>Kelly O'Leary</i>		Date 4/12/2021			
Date entered		04/09/2021			
Fund	001	GL 54100	OC 4651		
Check #					

Subtotal 8,118.85
 Taxes 0.00
 Total Due 8,118.85



DUNE DOCTORS

Coastal Restoration Experts

1020 East Cervantes Street
Pensacola, FL 32501-3330

Invoice

Date	Invoice #
12/28/2020	122820-2

Bill To
Somerset Community Development District Alys Beach Dunes Att: Kendall Horne

P.O. No.	Terms	Project
	Due on receipt	

Description	Quantity	Rate	Amount
Phase 4 - DUNE MANAGEMENT - Quarterly Maintenance	1	3,817.24	3,817.24

Date Rec'd Rizzetta & Co., Inc. 01/27/2021
D/M approval *Kelly O'Neil* Date 4/12/2021
Date entered 04/20/2021
Fund 001 GL 53900 OC 4604
Check # _____

		Total	\$3,817.24
--	--	--------------	-------------------



Electric Bill Statement

For: Feb 3, 2021 to Mar 3, 2021 (29 days)

Statement Date: Mar 3, 2021

Account Number: 21046-33165

Service Address:

9954 E COUNTY HIGHWAY 30A
IRRIGATION INLET BEACH, FL 32461

Hello Somerset Community Development District,
Here's what you owe for this billing period.

CURRENT BILL

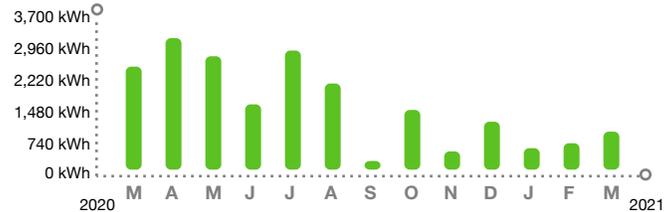
-\$215.63

TOTAL AMOUNT YOU OWE

3/24/21

NEW CHARGES DUE BY

ENERGY USAGE HISTORY



BILL SUMMARY

Amount of your last bill	-372.16
Payment received	0.00
Balance before new charges	-372.16

Credit amount - DO NOT PAY

Total new charges	156.53
Total amount due	-\$215.63

(See reverse for billing details)

Visit GulfPower.com/PayBill for ways to pay

Customer Service: 800-225-5797
To Report Power Outages: 800-487-6937

Rate adjustments in March

The Florida Public Service Commission approved two rate adjustments that will result in a net bill decrease for customers beginning in March. Learn more about all 2021 adjustments:

GulfPowerNews.com/2021RateChanges

KEEP IN MIND

The interest earned on your deposit has been credited on this bill.

Date Rec'd Rizzetta & Co., Inc. 03/08/21

D/M approval [Signature] Date 3/30/2021

Date entered 03/26/2021

Fund 001 GL 53100 OC 4308

Check # _____



/ 160022 2104633165 066020000000000000000000

#BWCDRHG
#00900E001009005#
SOMERSET COMMUNITY DEVELOPMENT DISTRICT
2806 N 5TH ST STE 403
ST AUGUSTINE FL 32084-1904

Please request changes at GulfPower.com. Notes on this bill will not be detected.

Make check payable to Gulf Power in U.S. funds and mail along with this coupon to:

GULF POWER
P.O. BOX 29090
MIAMI FL 33102-9090

21046-33165	-\$215.63	Mar 24, 2021	\$
ACCOUNT NUMBER	TOTAL AMOUNT OWED	NEW CHARGES DUE BY	CREDIT AMOUNT - DO NOT PAY



Customer Name:
Somerset Community
Development District

Account Number:
21046-33165

BILL DETAILS

Amount of your last bill	-372.16
Payment received	0.00
Balance before new charges	-\$372.16

Credit Amount - DO NOT PAY

New Charges

Rate: GS - GS General Service Non-Demand		
Base charge		25.25
Energy charge	(964 kWh at \$0.09006)	86.82
Fuel charge	(964 kWh at \$0.03070)	29.59
Electric service amount		\$141.66
Gross receipts tax		3.63
Florida sales tax		10.10
Discretionary sales surtax		1.45
Interest: Cash Security Dep		-0.31
Taxes and charges		\$14.87
Total account charges		\$156.53
Total amount you owe		-\$215.63

METER SUMMARY

Meter reading - Meter 7350283. Next meter reading Apr 2, 2021

Usage type	Current	-	Previous	=	Usage
kWh	8455		7491		964

ENERGY USE COMPARISON

	This Month	Last Month	Last Year
Service to	Mar 3, 2021	Feb 2, 2021	Mar 3, 2020
kWh used	964	671	2614
Service days	29	29	30
kWh/day	33	23	87
Amount	\$156.84	\$118.03	\$379.21

Higher bills likely due to weather

The cold weather last month likely means you used more energy than normal, leading to a higher bill. We have resources available if you need help.

[Learn more](#)

Save energy and money

Use the Energy Checkup tool to find personalized recommendations and savings tips.

[Start Saving](#)

When you pay by check, you authorize Gulf Power to process your payment electronically or as a draft. If your payment is processed electronically, your checking account may be debited on the same day we receive the check and your check will not be returned with your checking account statement.

Gulf Power does not agree to any restrictions, conditions or endorsements placed on any bill statement or payments such as check, money order or other forms of payment. We will process the payment as if these restrictions or conditions do not exist.



Electric Bill Statement

For: Feb 3, 2021 to Mar 3, 2021 (29 days)

Statement Date: Mar 3, 2021

Account Number: 21046-33165

Service Address:

9954 E COUNTY HIGHWAY 30A
IRRIGATION INLET BEACH, FL 32461

Hello Somerset Community Development District,
Here's what you owe for this billing period.

CURRENT BILL

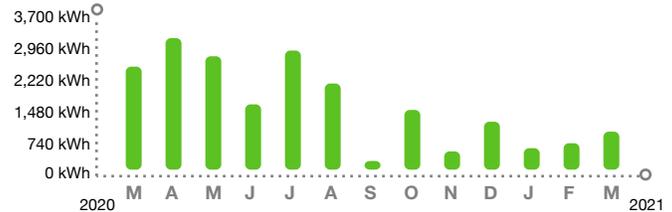
-\$215.63

TOTAL AMOUNT YOU OWE

3/24/21

NEW CHARGES DUE BY

ENERGY USAGE HISTORY



BILL SUMMARY

Amount of your last bill	-372.16
Payment received	0.00
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Credit amount - DO NOT PAY

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Date Rec'd Rizzetta & Co., Inc. 03/08/21

D/M approval Kathy O'Neil Date 3/30/2021

Date entered 03/26/2021

Fund 001 GL 53100 OC 4308

Check # _____



/ 160022 2104633165 066020000000000000000000

#BWCDRHG
#00900E001009005#
SOMERSET COMMUNITY DEVELOPMENT DISTRICT
2806 N 5TH ST STE 403
ST AUGUSTINE FL 32084-1904

Please request changes at GulfPower.com. Notes on this bill will not be detected.

Make check payable to Gulf Power in U.S. funds and mail along with this coupon to:

GULF POWER
P.O. BOX 29090
MIAMI FL 33102-9090

21046-33165	-\$215.63	Mar 24, 2021	\$
ACCOUNT NUMBER	TOTAL AMOUNT OWED	NEW CHARGES DUE BY	CREDIT AMOUNT - DO NOT PAY



Customer Name:
Somerset Community
Development District

Account Number:
21046-33165

BILL DETAILS

Amount of your last bill	-372.16
Payment received	0.00
Balance before new charges	-\$372.16

Credit Amount - DO NOT PAY

New Charges

Rate: GS - GS General Service Non-Demand		
Base charge		25.25
Energy charge	(964 kWh at \$0.09006)	86.82
Fuel charge	(964 kWh at \$0.03070)	29.59
Electric service amount		\$141.66
Gross receipts tax		3.63
Florida sales tax		10.10
Discretionary sales surtax		1.45
Interest: Cash Security Dep		-0.31
Taxes and charges		\$14.87
Total account charges		\$156.53
Total amount you owe		-\$215.63

METER SUMMARY

Meter reading - Meter 7350283. Next meter reading Apr 2, 2021

Usage type	Current	-	Previous	=	Usage
kWh	8455		7491		964

ENERGY USE COMPARISON

	This Month	Last Month	Last Year
Service to	Mar 3, 2021	Feb 2, 2021	Mar 3, 2020
kWh used	964	671	2614
Service days	29	29	30
kWh/day	33	23	87
Amount	\$156.84	\$118.03	\$379.21

Higher bills likely due to weather

The cold weather last month likely means you used more energy than normal, leading to a higher bill. We have resources available if you need help.

[Learn more](#)

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[Start Saving](#)

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Electric Bill Statement

For: Mar 4, 2021 to Apr 2, 2021 (30 days)

Statement Date: Apr 2, 2021

Account Number: 21046-33165

Service Address:

9954 E COUNTY HIGHWAY 30A
IRRIGATION INLET BEACH, FL 32461

Hello Somerset Community Development District,
Here's what you owe for this billing period.

CURRENT BILL

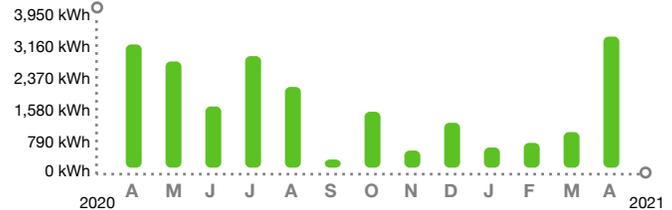
\$286.95

TOTAL AMOUNT YOU OWE

4/23/21

NEW CHARGES DUE BY

ENERGY USAGE HISTORY



BILL SUMMARY

Amount of your last bill	-215.63
Payment received	0.00
Balance before new charges	-215.63
Total new charges	502.58
Total amount due	\$286.95

(See reverse for billing details)

Visit GulfPower.com/PayBill for ways to pay

KEEP IN MIND

The interest earned on your deposit has been credited on this bill.

Date Rec'd Rizzetta & Co., Inc. 04/05/2021

D/M approval Kelly O'Neil Date 4/12/2021

Date entered 04/09/2021

Fund 001 GL 53100 OC 4308

Check # _____

Customer Service: 800-225-5797
To Report Power Outages: 800-487-6937



/ 160022 2104633165 06602000000000000000028695

#BWCDRHG
#00900E001009005#
SOMERSET COMMUNITY DEVELOPMENT DISTRICT
2806 N 5TH ST STE 403
ST AUGUSTINE FL 32084-1904

Please request changes at GulfPower.com. Notes on this bill will not be detected.

Make check payable to Gulf Power in U.S. funds and mail along with this coupon to:

GULF POWER
P.O. BOX 29090
MIAMI FL 33102-9090

21046-33165	\$286.95	Apr 23, 2021	\$
ACCOUNT NUMBER	TOTAL AMOUNT OWED	NEW CHARGES DUE BY	AMOUNT ENCLOSED



Customer Name:
Somerset Community
Development District

Account Number:
21046-33165

BILL DETAILS

Amount of your last bill	-215.63
Payment received	0.00
.....	
Balance before new charges	-\$215.63

New Charges

Rate: GS - GS General Service Non-Demand

Base charge		25.25
Energy charge	(3550 kWh at \$0.09006)	319.71
Fuel charge	(3550 kWh at \$0.03070)	108.99
.....		

Electric service charges \$453.95

Gross receipts tax	11.65
Florida sales tax	32.36
Discretionary sales surtax	4.66
Interest: Cash Security Dep	-0.04
.....	

Taxes and charges \$48.63

Total new charges \$502.58

Total amount you owe \$286.95

METER SUMMARY

Meter reading - Meter 7350283. Next meter reading May 4, 2021

Usage type	Current	-	Previous	=	Usage
kWh	12005		8455		3550

ENERGY USE COMPARISON

	This Month	Last Month	Last Year
Service to	Apr 2, 2021	Mar 3, 2021	Apr 2, 2020
kWh used	3550	964	3337
Service days	30	29	30
kWh/day	118	33	111
Amount	\$502.62	\$156.84	\$476.35

Taking inventory

We need to take inventory of our poles on the grid every 5 years. You may see our contractor, Davey Resource Group, in your area doing this.

[Learn more](#)

Save energy and money

Use the Energy Checkup tool to find personalized recommendations and savings tips.

[Start Saving](#)

We are here to help

If you are experiencing hardship as a result of the coronavirus (COVID-19) and need help with your bill, there are resources available.

[Learn more](#)

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Electric Bill Statement

For: Mar 4, 2021 to Apr 2, 2021 (30 days)

Statement Date: Apr 2, 2021

Account Number: 21080-12465

Service Address:

9396 E COUNTY HIGHWAY 30A
IRRIGATION INLET BEACH, FL 32461-7129

GULF POWER AUTO PAY - DO NOT PAY

Hello Somerset Community Development District,
Here's what you owe for this billing period.

CURRENT BILL

\$317.29

TOTAL AMOUNT YOU OWE

4/23/21

NEW CHARGES DUE BY

ENERGY USAGE HISTORY



BILL SUMMARY

Amount of your last bill	174.50
Payment(s) received - thank you	-174.50
Balance before new charges	0.00

GULF POWER AUTO PAY - DO NOT PAY

Total new charges	317.29
Total amount due	\$317.29

(See reverse for billing details)

Visit GulfPower.com/PayBill for ways to pay

Customer Service: 800-225-5797
To Report Power Outages: 800-487-6937

KEEP IN MIND

You are now active on **Auto Pay**.

The amount of this bill will be automatically deducted from your bank account on or after **April 13, 2021**

Date Rec'd Rizzetta & Co., Inc. 04/05/2021

D/M approval *Kathy O'Neil* Date 4/12/2021 som

Date entered 04/09/2021

Fund 001 GL 53100 OC 4308

Check # _____



/ 3* GULF POWER AUTO PAY - DO NOT PAY *

#BWCDRHG
#00900E001009005#
SOMERSET COMMUNITY DEVELOPMENT DISTRICT
C/O RIZZETTA & COMPANY
3434 COLWELL AVE STE 200
TAMPA FL 33614

Please request changes at GulfPower.com. Notes on this bill will not be detected.

Make check payable to Gulf Power in U.S. funds and mail along with this coupon to:

GULF POWER
P.O. BOX 29090
MIAMI FL 33102-9090

21080-12465

ACCOUNT NUMBER

\$317.29

TOTAL AMOUNT OWED

Apr 23, 2021

NEW CHARGES DUE BY

\$

GULF POWER
AUTO PAY - DO NOT PAY



Customer Name:
Somerset Community
Development District

Account Number:
21080-12465

BILL DETAILS

Amount of your last bill	174.50
Payment(s) received - thank you	-174.50
Balance before new charges	\$0.00

GULF POWER AUTO PAY – DO NOT PAY

New Charges

Rate: GS - GS General Service Non-Demand

Base charge	25.25
Energy charge <small>(2164 kWh at \$0.09006)</small>	194.89
Fuel charge <small>(2164 kWh at \$0.03070)</small>	66.43
Electric service charges	\$286.57
Gross receipts tax	7.35
Florida sales tax	20.43
Discretionary sales surtax	2.94
Taxes and charges	\$30.72
Total new charges	\$317.29
Total amount you owe	\$317.29

METER SUMMARY

Meter reading - Meter 7357992. Next meter reading May 4, 2021

Usage type	Current	-	Previous	=	Usage
kWh	24283		22119		2164

ENERGY USE COMPARISON

	This Month	Last Month	Last Year
Service to	Apr 2, 2021	Mar 3, 2021	Apr 2, 2020
kWh used	2164	1096	2261
Service days	30	29	30
kWh/day	72	38	75
Amount	\$317.29	\$174.50	\$331.76

Taking inventory

We need to take inventory of our poles on the grid every 5 years. You may see our contractor, Davey Resource Group, in your area doing this.

[Learn more](#)

Save energy and money

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[Start Saving](#)

We are here to help

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[Learn more](#)

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Hopping Green & Sams

Attorneys and Counselors

119 S. Monroe Street, Ste. 300
P.O. Box 6526
Tallahassee, FL 32314
850.222.7500

===== STATEMENT =====

March 11, 2021

Somerset Community Development District
c/o Accounts Payable
120 Richard Jackson Blvd. Suite # 220
Panama City Beach, FL 32407

Bill Number 121496
Billed through 02/28/2021

General Counsel/Monthly Meeting

SOMER 00001 TFM

FOR PROFESSIONAL SERVICES RENDERED

02/01/21	DHS	Prepare for monthly Board meeting.	0.40 hrs
02/02/21	TFM	Confer with O'Mera.	0.40 hrs
02/03/21	TFM	Confer with O'Mera regarding meeting location change.	0.40 hrs
02/04/21	TFM	Confer with O'Mera; prepare for Board meeting.	1.20 hrs
02/05/21	TFM	Confer with O'Mera; research execution of dune maintenance agreement; confer with O'Connell.	2.00 hrs
02/05/21	DHS	Prepare for monthly Board meeting.	1.00 hrs
02/08/21	TFM	Prepare for and attend Board meeting; follow-up from Board meeting.	2.00 hrs
02/15/21	DHS	Confer with staff regarding Board meeting follow up and irrigation cost-share agreement; research Dune Doctors agreement and ongoing maintenance obligations.	1.30 hrs
02/23/21	DGW	Update and revise documents pertaining to adoption of amended and restated rules of procedure.	0.40 hrs
02/26/21	JLK	Review proposed legislation; monitor committee activity and agendas; monitor Amendment 12 implementation.	0.50 hrs

Total fees for this matter \$2,445.00

DISBURSEMENTS

Conference Calls 21.45

Total disbursements for this matter \$21.45

MATTER SUMMARY

Wilbourn, David - Paralegal	0.40 hrs	125 /hr	\$50.00
Sier, Deborah H.	2.70 hrs	225 /hr	\$607.50

Mills

SUPPLY

Invoice

Date	Invoice #
4/5/2021	8438

Bill To
Somerset Community Development District Rizzetta & Company 3434 Colwell Ave, Suite 200 Tampa, FL 33614

Ship To
Alys Beach

P.O. No.	Terms	Rep	Ship	Via	Project	
	Net 10	RM	4/5/2021			
Quantity	Item Code	Description			Price Each	Amount
1	PSMAINT	Pump Station Maintenance - April 2021 Fl State, Walton County Sales Tax			200.00 7.00%	200.00 0.00
Date Rec'd Rizzetta & Co., Inc. <u>04/06/2021</u> D/M approval <u><i>Kelly O'Neil</i></u> Date <u>4/12/2021</u> Date entered <u>04/09/2021</u> Fund <u>001</u> GL <u>53900</u> OC <u>4610</u> Check # _____						
Thank you for your business.					Total	\$200.00

Rizzetta & Company, Inc.
 3434 Colwell Avenue
 Suite 200
 Tampa FL 33614

Invoice

Date	Invoice #
4/1/2021	INV0000057642

Bill To:

SOMERSET CDD 3434 Colwell Avenue, Suite 200 Tampa FL 33614
--

Terms		
April	Upon Receipt	00861

Description	Qty	Rate	Amount
District Management Services	1.00	\$2,205.92	\$2,205.92
Administrative Services	1.00	\$458.33	\$458.33
Accounting Services	1.00	\$1,545.00	\$1,545.00
Financial & Revenue Collections	1.00	\$437.50	\$437.50

Date Rec'd Rizzetta & Co., Inc. 03/25/2021

D/M approval *Kelly O'Neil* Date 3/30/2021

Date entered 03/26/2021

Fund 001 GL 51300 OC 3101 \$2,205.92

3100 \$458.33

Check # _____ 3201 \$1,545.00

3111 \$437.50

\$4,646.75

\$4,646.75

Rizzetta Technology Services
 3434 Colwell Avenue
 Suite 200
 Tampa FL 33614

Invoice

Date	Invoice #
4/1/2021	INV0000007431

Bill To:

SOMERSET CDD 3434 Colwell Avenue, Suite 200 Tampa FL 33614
--

April	00861
-------	-------

Description	Qty	Rate	Amount
EEmail Accounts, Admin & Maintenance	0	\$15.00	\$0.00
Website Compliance and Management	1	\$100.00	\$100.00
			\$100.00
			\$100.00

Date Rec'd Rizzetta & Co., Inc. 03/24/2021
 D/M approval *Kelly O'Neil* Date 3/30/2021
 Date entered 03/26/2021
 Fund 001 GL 51300 OC 5103
 Check # _____

INVOICE



3543 State Road 419, Winter Springs, FL 32708
PH: 800-666-5253

Invoice #	568579
Account #	717616
Invoice Date	4/1/2021
Due Date	4/11/2021
Rep	MTS

Bill To
SOMERSET CDD C/O RIZZETTA & COMPANY 3434 COLWELL AVE., SUITE 200 TAMPA, FL 33614

Invoice Questions:
Lakes@lakedoctors.com
Payment Questions:
Payments@lakedoctors.com

Purchase Order Number	Terms	Invoice Date Reflects Month of Service Provided
	NET 10 DAYS	

Item	Description	Amount
	Monthly Monitoring-Visual Inspection	45.00
<p>Date Rec'd Rizzetta & Co., Inc. <u>04/02/2021</u> D/M approval <i>Kathy Orfanos</i> Date <u>4/2/2021</u> Date entered <u>04/02/2021</u> Fund <u>001</u> GL <u>53800</u> OC <u>4613</u> Check # _____</p>		
Customer Total Balance		\$45.00

Please confirm your bank bill payer amount matches your invoice amount if you use a bank bill payer service. Thank you!	Total Invoice	\$45.00
---	----------------------	----------------

To help ensure prompt and accurate credit to your account, please include your account number and invoice number on your check and always include your remittance stub with your payment.

Please visit www.lakedoctors.com for your local office contact information.

PLEASE DETACH & RETURN THIS PORTION WITH PAYMENT

Bill To
SOMERSET CDD C/O RIZZETTA & COMPANY 3434 COLWELL AVE., SUITE 200 TAMPA, FL 33614

Amount Enclosed

Invoice #	568579
Account #	717616
Date	4/1/2021

Go Green! Contact us at Payments@lakedoctors.com to have your invoices emailed.

For address and contact updates, please email us at Frontdesk@lakedoctors.com.

**The Lake Doctors, Inc.
3543 State Road 419
Winter Springs, FL 32708**

IF PAYING BY CREDIT CARD, FILL OUT BELOW
___ Mastercard ___ Visa ___ American Express
Card # _____
Card Verification # _____
Exp. Date # _____
Print Name _____
Billing Address: ___ Check box if same as above

Signature _____

Tab 3



Attention: Scott Buchewicz
Via email: sbuchewicz@alysbeach.com

Re: LETTER OF AGREEMENT FOR ALYS BEACH
FLWAL_CALYSBEACH_L0014M02_07072021

Project
Address: 9581 E Co Hwy 30A – Alys Beach, FL 32461

Date: July 07, 2021

I am pleased to submit for your review and signature the following letter of agreement for your project.

By signing this agreement, you are confirming that you are legally authorized to enter into a contract with Dune Doctors, LLC; furthermore, you confirm your authorization to sign financial obligations and to negotiate terms of this contract.

(Space left blank intentionally)

DELIVERABLE	SCOPE	COST
4	<p align="center">Dune Management Phase Annual Maintenance Program</p>	\$72,480.00
MAINTENANCE	<p>Quarter One: November 2021 – January 2022 <u>We shall:</u></p> <ul style="list-style-type: none"> - Add pine straw 10-15 feet into the scrub zone for Area L & P - Pruning of dead flower stalks throughout the dune. - Remove vines and invasive weeds throughout the dune and Area L & P - Debris removal as needed throughout the dune and Area L & P - Check on Area K, N, O, R & S. <p>For all future Quarters, Dune Doctors proposes to maintain the scrub zone and dune area seaward of the CCCL over the entire width of Alys Beach. (Restoration and Plant Installation to repair construction damage not included)</p> <p>Quarter Two: February 2022 – April 2022 <u>We shall:</u></p> <ul style="list-style-type: none"> - Add flowers for beautification purposes throughout the dune. - Remove vines and invasive weeds throughout the dune and entire scrub zone. - Debris removal as needed throughout the dune and scrub zone. - Prune the protected trees and shrubs present in the scrub zone for Area P only. They shall be lowered according to DEP regulations: no more than 12" to 14", depending on the species, shall be removed. Add pine straw 10-15 feet into the scrub zone. <p>Quarter Three: May 2022 – July 2022 <u>We shall:</u></p> <ul style="list-style-type: none"> - One fertilization event of the whole dune and entire scrub zone. - Remove vines and invasive weeds throughout the dune and entire scrub zone. - Debris removal as needed throughout the dune and scrub zone. 	\$72,480.00

	<p>Quarter Three: May 2022 – July 2022 (Continued) - Prune the protected trees and shrubs present in the scrub zone for Area K. They shall be lowered according to DEP regulations: no more than 12” to 14”, depending on the species, shall be removed. Add pine straw 10-15 feet into the scrub zone.</p> <p>Quarter Four: August 2022 – October 2022 We shall: - Add flowers for beautification purposes throughout the dune. - One fertilization event of the whole dune and entire scrub zone. - Remove vines and invasive weeds throughout the dune and entire scrub zone. - Debris removal as needed throughout the dune and scrub zone. - Prune the protected trees and shrubs present in the scrub zone for Area N, O, R and S. They shall be lowered according to DEP regulations: no more than 12” to 14”, depending on the species, shall be removed. Add pine straw 10-15 feet into the scrub zone.</p>	
--	--	--

Total Project Cost: \$72,480.00
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Down Payment: Due Upon Signature.	\$21,744.00
Due upon Completion of Quarter One Maintenance Visit:	\$9,429.00
Due upon Completion of Quarter Two Maintenance Visit:	\$13,769.00
Due upon Completion of Quarter Three Maintenance Visit:	\$13,769.00
Due upon Completion of Quarter Four Maintenance Visit:	\$13,769.00

<p>Return this signed Letter of Agreement to: Frederique@DuneDoctors.com</p>	<p>Required to schedule project</p>
<p>Make Checks Payable to: Dune Doctors LLC 1020 East Cervantes Street Pensacola, Florida 32501</p>	<p>Required to commence project</p>

Continued on the next page.

Total Cost of Your Project: \$72,480.00

Please sign and return this document as soon as possible; as no project activity, including reservation of plants, may progress without a signed Letter of Agreement and the required down payment.

Dune Doctors, LLC is honored to be entrusted to complete your coastal erosion control project. Should you have questions or needs please feel free to contact us at (850) 939-7737; we will be more than happy to discuss your project. At Dune Doctors, we look forward to exceeding your expectations and adding you to our growing list of satisfied customers.

Dune Doctors, LLC



Frederique Beroset
Managing Member - Owner

DATE: July 07, 2021

SIGNATURE: _____
Authorized Property Agent/Owner

DATE: _____

PRINT NAME HERE: _____

Notes:

1. Dune Doctors, LLC guarantees over 97% of our plants will be thriving at 90 days.
2. Dune Doctors, LLC does NOT warranty damage or destruction of work due to Act of God or negligence outside of our control (examples include watering, maintenance not performed by Dune Doctors, LLC, storm damage, etc).
3. All quotes are valid for 90 days.
4. Dune Doctors' work does not guarantee the elimination of all storm-related damage but endeavors to be a natural insurance policy to mitigate impact and reduce special assessment cost.
5. Dune Doctors only installs high-quality plants that are ready to thrive. If we are replenishing our stock of plants, it may take up to 90 days to have your plants reach that high-quality mark.

Tab 4

**MEMORANDUM OF UNDERSTANDING BETWEEN THE ALYS BEACH
NEIGHBORHOOD ASSOCIATION, INC., AND THE SOMERSET COMMUNITY
DEVELOPMENT DISTRICT RELATIVE TO MAINTENANCE RESPONSIBILITY
FOR VARIOUS IMPROVEMENTS LOCATED THROUGHOUT THE ALYS BEACH
DEVELOPMENT**

This **MEMORANDUM OF UNDERSTANDING** (“**MOU**”) is entered into as of this ____ day of _____, 2021, by and between the following:

ALYS BEACH NEIGHBORHOOD ASSOCIATION, INC., a Florida not-for-profit corporation whose mailing address is 120 Richard Jackson Boulevard, Suite 220, Panama City Beach, Florida 32407 (the “**Association**”); and

SOMERSET COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government located in Walton County, Florida, with a mailing address of 120 Richard Jackson Boulevard, Suite 220, Panama City Beach, Florida 32407 (the “**District**” and together with the Association, the “**Parties**”).

RECITALS

WHEREAS, the District is a local unit of special-purpose government established, pursuant to the Uniform Community Development District Act of 1980, as codified in Chapter 190, *Florida Statutes*, by ordinance of the Board of County Commissioners in and for Walton County, Florida, for the purpose of financing, acquiring, constructing and maintaining public infrastructure improvements on certain of the lands located within the Alys Beach development in Walton County, Florida (hereinafter, “**Alys Beach**”); and

WHEREAS, the Association is governed and operated pursuant to those certain *Second Amended and Restated Declarations of Covenants, Conditions and Restrictions* dated July 17, 2017 and recorded in the Official Records of Walton County at Book 3047, Page 4124; and

WHEREAS, the Parties each own and/or operate and maintain certain improvements (the “**Improvements**”) within the Alys Beach, which Improvements are described in more detail on Exhibit A; and

WHEREAS, the Parties pay for their respective operation and maintenance through the levy and collection of assessments from homeowners and other landowners within Alys Beach; and

WHEREAS, it is in the best interest of the Parties, and the homeowners and landowners of Alys Beach, to operate as efficiently and effectively as possible; and

WHEREAS, in an effort to operate as efficiently and effectively as possible, the Parties desire to enter into this MOU to clearly and logically delineate responsibilities between the Association and the District for the maintenance, repair and/or replacement of the Improvements.

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

1. **INCORPORATION OF RECITALS.** The Recitals stated above are true and correct and are incorporated herein as a material part of this MOU.
2. **DIVISION OF RESPONSIBILITY FOR THE IMPROVEMENTS.**
 - A. **ASSOCIATION.** The Association shall be responsible for the routine repair and/or maintenance, and the extraordinary repair and/or replacement of those Improvement components identified on the attached **Exhibit A** as “Association” (hereinafter, the “**Association Components**”). The Association shall annually budget and collect assessments for the routine repair and/or maintenance, and the extraordinary repair and/or replacement of the Association Components. The funds budgeted for the extraordinary repair and/or replacement of the Association Components shall only be expended for the extraordinary repair and/or replacement of such improvements.
 - B. **DISTRICT.** The District shall be responsible for the routine repair and/or maintenance, and the extraordinary repair and/or replacement of those Improvement components identified on the attached **Exhibit A** as “District” (hereinafter, the “**District Components**”). The District shall annually budget and collect assessments for the routine repair and/or maintenance, and the extraordinary repair and/or replacement of the District Components. The funds budgeted for the extraordinary repair and/or replacement of the District Components shall only be expended for the extraordinary repair and/or replacement of such improvements.
3. **LICENSE; RIGHT OF ACCESS.** The District hereby agrees to accept, and Association hereby agrees to grant to the District and its various maintenance contractors, a non-exclusive license to access, operate and maintain the District Components located on Association-owned property.
4. **NOTICE OF NON-COMPLIANCE OR TERMINATION.** The parties shall provide a minimum of eighteen (18) months’ written notice of its anticipated non-compliance with any of the terms of this MOU, or of its intent to terminate the MOU, to each of the parties hereto.
5. **PUBLIC RECORDS.** The Association understands and agrees that all documents of any kind provided to the Districts or to the Districts’ staff in connection with the activities contemplated under this MOU are public records pursuant to Chapter 119, *Florida Statutes*, and are treated as such in accordance with Florida law.
6. **ENFORCEMENT.** In the event that a party is required to enforce this MOU by court proceedings or otherwise, the parties agree that the substantially prevailing party shall be entitled to recover from the defaulting party all fees and costs incurred, including

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

7. **AUTHORIZATION.** By execution below, the undersigned represent that they have been duly authorized by the appropriate body or official of their respective entity to execute this MOU, and that each party has complied with all the requirements of law and has full power and authority to comply with the terms and provisions of this instrument.
8. **AMENDMENTS; ASSIGNMENT.** Amendments to and waivers of the provisions contained in this MOU may be made only by an instrument in writing which is executed by the Parties hereto. None of the Parties may assign their rights, duties or obligations under this MOU without the prior written approval of the other. Any purported assignment without said written authorization shall be void.
9. **SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this MOU shall not affect the validity or enforceability of the remaining portions of this MOU, or any part of this MOU not held to be invalid or unenforceable.
10. **EXECUTION IN COUNTERPARTS.** This MOU may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.
11. **FINAL AGREEMENT.** This instrument shall constitute the final and complete expression between the District and the Association relating to the subject matter of this MOU.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned have executed this MOU effective as of the date set forth above.

ATTEST: **SOMERSET COMMUNITY DEVELOPMENT DISTRICT**

Secretary

Chairman, Board of Supervisors

WITNESS: **ALYS BEACH NEIGHBORHOOD ASSOCIATION, INC.,**
a Florida not-for-profit corporation

Witness Signature

President, Board of Directors

EXHIBIT A: Designation of Responsibilities

Attachment A: Map of Irrigation Recharge Pipes and Distribution Mains

Attachment B: Map of Streetlighting and Pedestrian Lighting Improvement Locations

Exhibit A

A. Designation of Responsibilities Relative to Alys Beach Stormwater Management System

<u>Facility</u>	<u>Maintenance</u>	<u>Repair</u>	<u>Replacement/ Reconstruction</u>
Roadway Curbs and Gutters	Association	Association	Association
Roadway Inlets, Including Grates and Inlet Covers	District	District	District
Underground Inlet Boxes	District	District	District
Swales/Berms on Association Common Areas	Association	Association	Association
Swales/Berms on Property Owned by District	District	District	District
Stormwater Management Pipes and Overflow Outlet Structures	District	District	District

B. Designation of Responsibilities Relative to Alys Beach Irrigation System

<u>Facility</u>	<u>Maintenance</u>	<u>Repair</u>	<u>Replacement/ Reconstruction</u>
Irrigation Improvements along 30A within the limits of Alys Beach	District	District	District
Irrigation Wells (4) and Irrigation Pump Station and Lake Marilyn	District	District	District
Irrigation Recharge Pipes and Distribution Mains (see map attached as Attachment A)	District	District	District
Secondary Irrigation System beyond point of connection with Distribution Mains (with the exception of secondary irrigation improvements w/in 30A)	Association	Association	Association

C. Designation of Responsibilities Relative to Beach and Dune Improvements

<u>Event</u>	<u>Entity Responsible</u>
<p>Renourishment – any action taken to protect, maintain, preserve or enhance the Beaches and Dunes locating within the District, including, but not limited to, restoring or nourishing beach and dune systems, dune protection and restoration activities, construction of erosion control structures, supporting engineering and environmental studies, project monitoring, mitigation and removal of derelict structures</p> <p>‘Beaches’ – means the zone of unconsolidated material that extends landward from the mean high-water line to the place where there is a marked change in material or physiographic form, or to the line of permanent vegetation.</p> <p>‘Dunes’ – means a mound or ridge of loose sediments, usually sand-sized sediments, lying landward of the Beach and deposited by natural or artificial means.</p>	District
<p>To the extent it does not interfere with the activities of the District, aesthetic maintenance of the Beaches and Dunes that does not otherwise constitute “Renourishment” as defined above.</p>	Association

D. Designation of Responsibilities Relative to Lighting System

<u>Facility</u>	<u>Maintenance</u>	<u>Repair</u>	<u>Replacement/ Reconstruction</u>
<p>Installed Streetlighting and Pedestrian Pathway Lighting and Utilities Associated with Same (see Attachment B for Fixture Locations)</p>	District	District	District

E. Designation of Responsibilities Relative to Improvements Along 30A Within the Limits of Alys Beach

<u>Facility</u>	<u>Maintenance</u>	<u>Repair</u>	<u>Replacement/ Reconstruction</u>
Irrigation Improvements	District	District	District
Landscape Improvements	District	District	District
Lighting Improvements	District	District	District
Slip Lane Pavers	District	District	District
Pedestrian Crossing Improvements	District	District	District
Pedestrian Paths	Association	Association	Association
Entry Monumentation/Structures	Association	Association	Association
Signage Not Associated w/ Traffic	Association	Association	Association
Roadways	County	County	County
Traffic Regulation Signage	County	County	County

Tab 5

**AGREEMENT BETWEEN THE SOMERSET COMMUNITY DEVELOPMENT
DISTRICT AND ALYS BEACH RESORTS, LLC, FOR FACILITY MAINTENANCE
AND REPAIR SERVICES**

THIS AGREEMENT is made and entered into this ____ day of _____, 2021, by and between:

SOMERSET COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government located in Walton County, Florida, with a mailing address of 120 Richard Jackson Boulevard, Suite 220, Panama City Beach, Florida 32407 (the “**District**”)

ALYS BEACH RESORTS, LLC, a Florida limited liability corporation, with a mailing address of 9581 E County Hwy 30A, Bldg D, Alys Beach, Florida 32461 (“**Alys Beach**”).

RECITALS

WHEREAS, the District is a local unit of special-purpose government established, pursuant to the Uniform Community Development District Act of 1980, as codified in Chapter 190, *Florida Statutes*, by ordinance of the Board of County Commissioners in and for Walton County, Florida, for the purpose of financing, acquiring, constructing and maintaining public infrastructure improvements; and

WHEREAS, the District desires to retain an independent contractor to operate, maintain and repair certain District improvements (“**District Improvements**”) and otherwise provide the services (“**Services**”) set forth in **Exhibit A** attached hereto; and

WHEREAS, for ease of administration, potential cost savings to property owners and residents, and the benefits of full-time on-site inspection, operation and maintenance personnel, the District desires to contract with Alys Beach to manage and maintain District Improvements; and

WHEREAS, Alys Beach is a Florida limited liability company operating and maintaining various improvements and facilities in close proximity to District Improvements; and

WHEREAS, Alys Beach represents that it is qualified, through its officers, employees, contractors and affiliates, to inspect, maintain and repair District Improvements and desires to contract with the District to do so in accordance with the terms of this Agreement; and

NOW, THEREFORE, in consideration of the recitals, agreements, and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

SECTION 1. RECITALS. The recitals so stated are true and correct and by this reference are incorporated into and form a material part of this Agreement.

SECTION 2. DEFINITIONS.

- A. ***“Extraordinary Event”*** – The term “Extraordinary Event” refers to any non-routine, non-recurring, or unforeseen event – other than an event that will be addressed through Maintenance and Repairs – that will, or has, resulted in: (1) harm to the District’s Improvements; (2) suspension of any essential service to the District relating to the District’s Improvements; or (3) a violation of federal, state or local law, regulation or ordinance relating to the District’s Improvements.
- B. ***“Inspections”*** – The term “Inspections” shall refer to those services as set forth in Exhibit A.
- C. ***“Maintenance and Repairs”*** – The term “Maintenance and Repairs” shall refer to those services as set forth in Exhibit A.

SECTION 3. ALYS BEACH’S MAINTENANCE AND INSPECTION OBLIGATIONS.

- A. *General Duties.* Alys Beach shall be responsible for the inspection, maintenance and repair of District Improvements in an efficient, lawful and satisfactory manner as follows:
 - i. *Inspection Services.* Alys Beach shall provide Inspections for the District Improvements and report any irregularities to the District Manager, or his or her designated representative, and shall correct any irregularities in accordance with the terms of this Agreement. Alys Beach, as part of the District’s annual budget process and in consideration of Alys Beach’s Inspections, shall provide input to assist the District in establishing an appropriate capital improvement reserve fund, which fund is intended to address costs associated with servicing, repairing and replacing the District Improvements other than the costs for Inspections and Maintenance and Repairs for which Alys Beach will also provide input.
 - ii. *Maintenance and Repairs.* Alys Beach shall be responsible for the oversight, coordination and performance of Maintenance and Repairs. All proposals shall be approved by the District Manager prior to commencement of such work by Alys Beach. Any Maintenance and Repair exceeding **Five Thousand Dollars (\$5,000.00)** shall also be presented to and approved by the District’s Board of Supervisors in advance. Alys Beach may solicit proposals for recommended services or work related to the District Improvements or any of the constituent parts of the District Improvements, as long as the funds associated with such work were included in the annual budget for the operation and maintenance of District Improvements. Alys Beach shall supervise the maintenance of the District

Property performed by the third-party service providers in accordance with standards reasonably acceptable to District. Alys Beach will systematically and promptly direct and review the work of all maintenance service providers contracted by District or Alys Beach for the District Property.

All work shall be performed in a neat and professional manner reasonably acceptable to the District and shall be in accordance with industry standards.

- B. *Investigation and Report of Accidents/Claims.* Alys Beach shall promptly investigate and provide a full written report to the District Manager as to all accidents or claims for damage relating to the management, maintenance, and operation of the District Improvements. Such report shall at a minimum include a description of any damage or destruction of property and the estimated cost of repair. Alys Beach shall cooperate and make any and all reports required by any insurance company or the District in connection with any accident or claim. Alys Beach shall not file any claims with the District's insurance company without the prior consent of the District Board of Supervisors.
- C. *Adherence to District Rules, Regulations and Policies.* Alys Beach shall ensure that Alys Beach's officers, employees, contractors and affiliates are familiar with all District policies and procedures and are informed with respect to the rules, regulations and notices as may be promulgated by the District from time to time and Alys Beach shall ensure that said persons conform therewith. Alys Beach assures the District that all third parties will be dealt with at arm's length, and that the District's interest will be best served at all times.
- D. *Care of the District Improvements.* Alys Beach shall use all due care to protect the property of the District, its residents and landowners from damage by Alys Beach or its officers, employees, contractors and affiliates. Alys Beach agrees to repair any damage resulting from the activities and work of Alys Beach or its officers, employees, contractors and affiliates. The District is not responsible for the cost of repairs from damage resulting from the acts or omissions of Alys Beach or its officers, employees, contractors and affiliates.
- E. *Staffing.* Alys Beach shall be solely responsible for the staffing necessary to perform the management and maintenance responsibilities set forth in this Agreement.
- F. *Designation of District Representative.* The District shall designate in writing a person to act as the District's representative with respect to the services to be performed under this Agreement. The District's representative shall have complete authority to transmit instructions, receive information, interpret and define the District's policies and decisions with respect to materials, equipment, elements and systems pertinent to Alys Beach's services. The District hereby designates the District Manager to act as its representative.

- G. *Invoicing and Billing.* Alys Beach shall maintain records conforming to usual accounting practices. Further, Alys Beach agrees to render monthly invoices to the District, in writing, which shall be delivered or mailed to the District by the fifth (5th) day of the next succeeding month. Each monthly invoice shall contain, at a minimum, the invoice date, an invoice number, an itemized listing of all costs billed on the invoice with a description of each sufficient for the District to approve each cost, the time frame within which the services were provided, and the address or bank information to which payment is to be remitted as well as the itemized amounts contained in Section 5 herein. Consistent with Florida's Prompt Payment Act, Section 218.70 et al. of the Florida Statutes, these monthly invoices are due and payable within forty-five (45) days of receipt by the District.

SECTION 4. EXTRAORDINARY AND EMERGENCY REPAIRS.

- A. *Extraordinary Repairs.* If an Extraordinary Event occurs, the following procedure must be followed:
- i. Upon obtaining actual or constructive knowledge of the Extraordinary Event, Alys Beach shall promptly notify the District of the Extraordinary Event, and, within a reasonable time thereafter, provide a full written report to the District Manager as to the Extraordinary Event and its effect on the District Improvements. Such report shall at a minimum include a description of:
 - a. The location of the property;
 - b. Any damage or destruction of property;
 - c. The estimated cost of repair; and
 - d. A proposed time to review the damage.
 - ii. Representatives from the District and Alys Beach shall cooperate with each other in setting a meeting and conducting a field review of the damage for verification and documentation within forty-eight (48) hours or as otherwise agreed to by the District and Alys Beach.
 - iii. Alys Beach shall conduct the repairs to the satisfaction of the District.
 - iv. Extraordinary Repairs may be made in consultation with the District Manager and with prior approval of the District Chairman if the aggregate change in the original appropriation item does not exceed **Ten Thousand Dollars (\$10,000.00)** or 10% of the original appropriation. If the aggregate change in the original appropriation item exceeds that threshold, the proposed expenditure must be approved in advance by the Board.
- B. *Emergency Repairs.* If an Extraordinary Event occurs that requires an immediate response, and upon obtaining actual or constructive knowledge of the Extraordinary Event, Alys Beach shall immediately attempt to notify the District of the

Extraordinary Event. In the event that Alys Beach is unable after making reasonable efforts to contact the District in time to address the Extraordinary Event and mitigate any harm, Alys Beach shall promptly take all steps necessary to address and mitigate the harm, until the District can be notified.

- C. Except to the extent contrary to the provisions of this Section 4, all of the provisions of Sections 3(B) through 3(G) apply to this Section 4 governing Extraordinary Events as if fully incorporated in Section 4.

SECTION 5. COMPENSATION. The District shall pay Alys Beach the sum of _____ Dollars (\$ _____) per year for the provision of inspection, management and maintenance services pursuant to the terms of this Agreement. Alys Beach will invoice the District monthly one-twelfth (1/12) of the annual management fee, which represents the District's portion of the compensation owed to Alys Beach for management of the District's Improvements under this Agreement. This amount is to be included on the invoice provided for in Section 3(G) herein.

SECTION 6. TERM. The term of this Agreement commences upon execution and continues through September 30, 2022. The term shall be automatically renewed for additional one (1) year periods after September 30, 2022, unless the District provides the other party at least sixty (60) days written notice of its intent not to renew or otherwise terminates this Agreement pursuant to the terms stated herein.

SECTION 7. INSURANCE. Alys Beach shall maintain or cause to be maintained, at its own expense throughout the term of this Agreement, the following insurance with Alys Beach and the District, and their respective staff, consultants, agents and supervisors, all of whom shall be named as additional insureds:

- A. Worker's Compensation Insurance in accordance with the laws of the State of Florida.
- B. Commercial General Liability Insurance covering Alys Beach's legal liability for bodily injuries, with limits of not less than \$1,000,000 combined single limit bodily injury and property damage liability.
- C. Employer's Liability Coverage with limits of at least \$1,000,000 (one million dollars) per accident or disease.
- D. Automobile Liability Insurance for bodily injuries in limits of not less than \$1,000,000 combined single limit bodily injury and for property damage, providing coverage for any accident arising out of or resulting from the operation, maintenance, or use by Alys Beach of any owned, non-owned, or hired automobiles, trailers, or other equipment required to be licensed.

No certificate shall be acceptable to the District unless it provides that any change or termination within the policy periods of the insurance coverage, as certified, shall not be effective within thirty (30) days of prior written notice to the District. Insurance coverage shall be from a reputable

insurance carrier, licensed to conduct business in the State of Florida, and such carrier shall have a Best's Insurance Reports rating of at least A-VII. If Alys Beach fails to have secured and maintained the required insurance, the District has the right (without any obligation to do so, however) to secure such required insurance in which event, Alys Beach shall pay the cost for that required insurance and shall furnish, upon demand, all information that may be required in connection with the District's obtaining the required insurance.

In the event that Alys Beach does not directly provide the insurance required by this Section 7 by obtaining a policy in Alys Beach's name but instead causes another entity ("Third Party Insurer") to provide such insurance through a policy issued to the Third Party Insurer that additionally affords the coverage required herein, Alys Beach shall require by written agreement with the Third Party Insurer that the Third Party Insurer shall comply with the terms of this Section 7; that the District shall have third party rights to pursue all available legal remedies against the Third Party Insurer in the event the Third Party Insurer fails to provide such insurance without first complying with the notice provisions stated in this Section 7; and that the Third Party Insurer, as a contractor, shall indemnify the District pursuant to Section 8. Alys Beach shall provide proof of insurance upon request by the District.

SECTION 8. INDEMNIFICATION. Alys Beach agrees to indemnify, defend and hold harmless the District and its officers, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity for injuries, death, property damage or of any nature, arising out of, or in connection with, the acts or omissions of Alys Beach, or its officers, employees, and representatives, including litigation or any appellate proceedings with respect thereto. Alys Beach agrees to require by written contract any contractor and subcontractors hired in connection with this Agreement to indemnify, defend and hold harmless the District and its officers, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity for injuries, death, property damage or of any nature, arising out of, or in connection with, the acts or omissions of such contractors and subcontractors, including litigation or any appellate proceedings with respect thereto. Obligations under this section shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, arbitration and/or mediation costs, litigation expenses, attorney fees, and paralegal fees (incurred in court, out of court, on appeal, or in bankruptcy proceedings) as ordered.

SECTION 9. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, Florida Statutes or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

SECTION 10. COMPLIANCE WITH GOVERNMENTAL REGULATION. Alys Beach shall keep, observe, and perform all requirements of applicable local, State, and Federal laws, rules, regulations, or ordinances.

SECTION 11. LIENS AND CLAIMS. Alys Beach shall promptly and properly pay for all labor employed, materials purchased, and equipment hired by it to perform under this Agreement. Alys Beach shall keep the District's property free from any materialmen's or mechanic's liens and claims or notices in respect to such liens and claims, which arise by reason of Alys Beach's performance under this Agreement, and Alys Beach shall immediately discharge any such claim or lien.

SECTION 12. DEFAULT AND PROTECTION AGAINST THIRD PARTY INTERFERENCE. A default by either Party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages, injunctive relief, and/or specific performance. Nothing contained in this Agreement shall limit or impair the District's right to protect its rights from interference by a third party to this Agreement.

SECTION 13. CUSTOM AND USAGE. It is hereby agreed, any law, custom, or usage to the contrary notwithstanding, that the District shall have the right at all times to enforce the conditions and agreements contained in this Agreement in strict accordance with the terms of this Agreement, notwithstanding any conduct or custom on the part of the District in refraining from so doing; and further, that the failure of the District at any time or times to strictly enforce its rights under this Agreement shall not be construed as having created a custom in any way or manner contrary to the specific conditions and agreements of this Agreement, or as having in any way modified or waived the same.

SECTION 14. SUCCESSORS. This Agreement shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors, and assigns of the Parties to this Agreement, except as expressly limited in this Agreement.

SECTION 15. TERMINATION.

- A. The District shall have the right to terminate this Agreement effective immediately at any time due to Alys Beach's failure to perform in accordance with the terms of this Agreement. In the event of termination by the District for cause, Alys Beach shall be required to provide the District with sufficient funds to provide for the services contemplated by this Agreement through the end of the District's fiscal year which ends on September 30.
- B. The District shall have the right to terminate this Agreement upon thirty (30) days written notice without a showing of cause. In the event of termination without cause, Alys Beach shall have no further financial obligation to the District.

SECTION 16. PERMITS AND LICENSES. All permits and licenses required by any governmental agency directly for the District shall be obtained and paid for by the District. All other permits or licenses necessary for Alys Beach to perform under this Agreement shall be obtained and paid for by Alys Beach.

SECTION 17. ASSIGNMENT. Neither party may assign this Agreement without the prior written approval of the other. Any purported assignment without such written consent shall be void.

SECTION 18. INDEPENDENT CONTRACTOR STATUS. In all matters relating to this Agreement, Alys Beach shall be acting as an independent contractor. Neither Alys Beach nor employees of Alys Beach, if there are any, are employees of the District under the meaning or application of any Federal or State Unemployment or Insurance Laws or Old Age Laws or otherwise. Alys Beach agrees to assume all liabilities or obligations imposed by any one or more of such laws with respect to employees of Alys Beach, if there are any, in the performance of this Agreement. Alys Beach shall not have any authority to assume or create any obligation, express or implied, on behalf of the District and Alys Beach shall have no authority to represent the District as an agent, employee, or in any other capacity.

SECTION 19. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall neither control nor affect the meaning or construction of any of the provisions of this Agreement.

SECTION 20. ENFORCEMENT OF AGREEMENT. In the event that either the District or Alys Beach is required to enforce this Agreement by court proceedings or otherwise, then the prevailing party shall be entitled to recover all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

SECTION 21. AGREEMENT. This instrument shall constitute the final and complete expression of this Agreement between the District and Alys Beach relating to the subject matter of this Agreement.

SECTION 22. AMENDMENTS. 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 the District and Alys Beach.

SECTION 23. AUTHORIZATION. The execution of this Agreement has been duly authorized by the appropriate body or official of the District and Alys Beach, both the District and Alys Beach have complied with all the requirements of law, and both the District and Alys Beach have full power and authority to comply with the terms and provisions of this instrument.

SECTION 24. NOTICES. All notices, requests, consents and other communications under this Agreement ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the parties, as follows:

A. If to District: Somerset Community Development District
120 Richard Jackson Boulevard, Suite 220
Panama City Beach, Florida 32407
Attn: District Manager

With a copy to: Hopping Green & Sams, P.A.
119 S. Monroe Street, Suite 300
Tallahassee, Florida 32301
Attn: Tucker F. Mackie

B. If to Alys Beach:

Alys Beach Resorts, LLC
9581 E County Hwy 30A, Bldg D
Alys Beach, Florida 32461
Attn: _____

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for Alys Beach may deliver Notice on behalf of the District and Alys Beach, respectively. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

SECTION 25. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the District and Alys Beach and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the District and Alys Beach any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and Alys Beach and their respective representatives, successors and assigns.

SECTION 26. APPLICABLE LAW AND VENUE. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Venue for any dispute shall be in a court of appropriate jurisdiction in Walton County, Florida.

SECTION 27. PUBLIC RECORDS. Alys Beach understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records, and, accordingly, Alys Beach agrees to comply with all applicable provisions of Florida law in handling such records, including but not limited to Section 119.0701, Florida Statutes. Alys Beach acknowledges that the designated public records custodian for the District is Todd Wodraska (“Public Records Custodian”). Among other requirements and to the extent applicable by law, Alys Beach shall 1) keep and maintain public records required by the District to perform the service; 2) upon request by the Public Records Custodian, provide the District with the requested public records or allow the records to be inspected or copied within a reasonable time period at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes; 3) ensure that public records which are exempt or confidential, and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the contract term and following the contract term if Alys Beach does not transfer the records to the Public Records Custodian of the District; and 4) upon completion of the contract, transfer to the District, at no cost, all public records in Alys Beach’s possession or, alternatively, keep, maintain and meet all applicable requirements for retaining public records pursuant to Florida laws. When such public records are transferred by Alys Beach, Alys Beach shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the District in a format that is compatible with Microsoft Word or Adobe PDF formats.

IF ALYS BEACH HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO ALYS BEACH’S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT RIZZETTA & COMPANY, 120 RICHARD JACKSON BOULEVARD, SUITE 220 PANAMA CITY BEACH, FLORIDA 32407, 850-629-0153; komera@rizzetta.com

SECTION 28. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

SECTION 29. ARM’S LENGTH TRANSACTION. This Agreement has been negotiated fully between the District and Alys Beach as an arm's length transaction. The District and Alys Beach 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 any doubtful language will not be interpreted or construed against any party.

SECTION 30. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument.

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

ATTEST:

**SOMERSET COMMUNITY DEVELOPMENT
DISTRICT**

Secretary/Assistant Secretary

Chairman, Board of Supervisors

ALYS BEACH RESORTS, LLC

(Signature of Witness)

By: _____

Its: _____

(Print Name of Witness)

Exhibit A
Services

Tab 6



Rizzetta & Company

Somerset Community Development District

<http://somerseccdd.org>

Approved Proposed Budget for Fiscal Year 2021-2022

Presented by: Rizzetta & Company, Inc.

**120 Richard Jackson Blvd.
Suite 220
Panama City Beach, FL 32407
Phone: 850-334-9055**

rizzetta.com

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Approved Proposed Budget
Somerset Community Development District
General Fund
Fiscal Year 2021-2022

	Chart of Accounts Classification	Actual YTD through 03/31/21	Projected Annual Totals 2020/2021	Annual Budget for 2020/2021	Projected Budget variance for 2020/2021	Budget for 2021/2022	Budget Increase (Decrease) vs 2020/2021	Comments
1								
2	REVENUES							
3								
4	Special Assessments							
5	Tax Roll*	\$ 172,785	\$ 202,253	\$ 202,253	\$ -	\$ 392,506	\$ 190,253	Tax/Off Roll determined upon final roll certification.
6	Off Roll*	\$ 123,903	\$ 193,113	\$ 193,113	\$ -	\$ 372,305	\$ 179,192	Tax/Off Roll determined upon final roll certification.
7								
8	TOTAL REVENUES	\$ 296,688	\$ 395,366	\$ 395,366	\$ -	\$ 764,811	\$ 369,445	
9								
10	Balance Forward from Prior Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11								
12	TOTAL REVENUES AND BALANCE FORWARD	\$ 296,688	\$ 395,366	\$ 395,366	\$ -	\$ 764,811	\$ 369,445	
13								
14	*Allocation of assessments between the Tax Roll and Off Roll are estimates only and subject to change prior to certification.							
15								
16	EXPENDITURES - ADMINISTRATIVE							
17								
18	Legislative							
19	Supervisor Fees	\$ 800	\$ 3,200	\$ 4,000	\$ 800	\$ 4,000	\$ -	Maintained at same rate.
20	Financial & Administrative							
21	Administrative Services	\$ 2,750	\$ 5,500	\$ 5,500	\$ -	\$ 5,500	\$ -	Maintained at same rate.
22	District Management	\$ 13,236	\$ 26,471	\$ 26,471	\$ -	\$ 26,471	\$ -	Maintained at same rate.
23	District Engineer	\$ -	\$ 8,500	\$ 3,600	\$ (4,900)	\$ 3,600	\$ -	Recommend increasing per known projects
24	Disclosure Report	\$ 250	\$ 1,500	\$ 1,500	\$ -	\$ 1,500	\$ -	Maintained at same rate.
25	Trustees Fees	\$ 3,688	\$ 3,688	\$ 5,000	\$ 1,312	\$ 5,000	\$ -	Maintained at same rate.
26	Assessment Roll	\$ 5,250	\$ 5,250	\$ 5,250	\$ -	\$ 5,250	\$ -	Maintained at same rate.
27	Financial & Revenue Collections	\$ 2,625	\$ 5,250	\$ 5,250	\$ -	\$ 5,250	\$ -	Maintained at same rate.
28	Accounting Services	\$ 9,270	\$ 18,540	\$ 18,540	\$ -	\$ 18,540	\$ -	Maintained at same rate.
29	Auditing Services	\$ 26	\$ 3,400	\$ 3,400	\$ -	\$ 3,500	\$ 100	Per agreement, FY 21 \$3,600
30	Arbitrage Rebate Calculation	\$ 500	\$ 500	\$ 500	\$ -	\$ 500	\$ -	Per agreement, FY 20,21,22 \$500/yr
31	Public Officials Liability Insurance	\$ 2,960	\$ 2,960	\$ 3,101	\$ 141	\$ 3,500	\$ 399	Per Egis projections
32	Legal Advertising	\$ 868	\$ 1,736	\$ 1,600	\$ (136)	\$ 2,000	\$ 400	Increased due to projected meetings
33	Dues, Licenses & Fees	\$ 175	\$ 350	\$ 175	\$ (175)	\$ 175	\$ -	Increased based on projections.
34	Miscellaneous Fees	\$ -	\$ -	\$ 200	\$ 200	\$ 200	\$ -	Maintained at same rate.
35	Website Hosting, Maintenance, Backup (and Email)	\$ 3,150	\$ 6,300	\$ 6,300	\$ -	\$ 6,500	\$ 200	Increased based on projections.
36	Legal Counsel							
37	District Counsel	\$ 6,703	\$ 13,406	\$ 14,000	\$ 594	\$ 15,000	\$ 1,000	Increased based on projections.
38								
39	Administrative Subtotal	\$ 52,251	\$ 106,551	\$ 104,387	\$ (2,164)	\$ 106,486	\$ 2,099	

**Somerset Community Development District
Debt Service
Fiscal Year 2021/2022**

Chart of Accounts Classification	Series 2005	Budget for 2021/2022
REVENUES		
Special Assessments		
Net Special Assessments	\$1,161,919.76	\$1,161,919.76
TOTAL REVENUES	\$1,161,919.76	\$1,161,919.76
EXPENDITURES		
Administrative		
Financial & Administrative		
Debt Service Obligation	\$1,161,919.76	\$1,161,919.76
Administrative Subtotal	\$1,161,919.76	\$1,161,919.76
TOTAL EXPENDITURES	\$1,161,919.76	\$1,161,919.76
EXCESS OF REVENUES OVER EXPEN	\$0.00	\$0.00

Walton County Collecction Costs (2%) and Early Payment Discounts (4%)

6.0%

Gross assessments

\$1,236,084.85

Notes:

1. Tax Roll Collection Costs and Early Payment Discounts are 6.0% of Tax Roll. Budgeted net of tax roll assessments. See Assessment Table.

SOMERSET COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2021/2022 O&M AND DEBT SERVICE ASSESSMENT SCHEDULE

2021/2022 O&M Budget	\$1,511,367.00
Collection Costs (2%):	\$32,156.74
Early Payment Discount (4%):	\$64,313.49
2021/2022 Total:	<u>\$1,607,837.23</u>

2020/2021 O&M Budget	\$566,775.00
2021/2022 O&M Budget	\$1,511,367.00

Total Difference:	<u><u>\$944,592.00</u></u>
-------------------	----------------------------

	PER UNIT ANNUAL ASSESSMENT		Proposed Increase / Decrease	
	2020/2021	2021/2022	\$	%
Debt Service - Commercial	\$1,217.02	\$1,217.02	\$0.00	0.00%
Operations/Maintenance - Commercial	\$593.65	\$1,583.04	\$989.39	166.66%
Total	\$1,810.67	\$2,800.06	\$989.39	54.64%
Debt Service - Hotel / Inn	\$811.35	\$811.35	\$0.00	0.00%
Operations/Maintenance - Hotel / Inn	\$395.77	\$1,055.36	\$659.59	166.66%
Total	\$1,207.12	\$1,866.71	\$659.59	54.64%
Debt Service - Single Family	\$1,622.69	\$1,622.69	\$0.00	0.00%
Operations/Maintenance - Single Family	\$791.54	\$2,110.72	\$1,319.18	166.66%
Total	\$2,414.23	\$3,733.41	\$1,319.18	54.64%

SOMERSET COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2021/2022 O&M & DEBT SERVICE ASSESSMENT SCHEDULE

TOTAL O&M BUDGET		\$1,511,367.00
COLLECTION COSTS @:	2.0%	\$32,156.74
EARLY PAYMENT DISCOUNT @:	4.0%	\$64,313.49
TOTAL O&M ASSESSMENT:		<u>\$1,607,837.23</u>

LOT SIZE	UNITS ASSESSED		ALLOCATION OF O&M ASSESSMENT				TOTAL SERIES 2005 DEBT SERVICE ASSESSMENT	PER LOT ANNUAL ASSESSMENT			
	O&M	SERIES 2005 DEBT SERVICE ⁽¹⁾	EAU FACTOR	TOTAL		TOTAL O&M BUDGET		SERIES 2005			
				EAU's	% TOTAL EAU's			O&M ⁽²⁾	DEBT SERVICE ⁽³⁾	TOTAL ⁽⁴⁾	
PLATTED LOTS											
SINGLE & MULTI FAMILY	531	531		1.00	531.00	69.71%	\$1,120,789.72	\$861,648.39	\$2,110.72	\$1,622.69	\$3,733.41
COMMERCIAL	22.8	22.8	1K sf	0.75	17.10	2.24%	\$36,093.23	\$27,748.06	\$1,583.04	\$1,217.02	\$2,800.06
Total Platted	<u>553.8</u>	<u>553.8</u>			<u>548.10</u>	<u>71.95%</u>	<u>\$1,156,882.95</u>	<u>\$889,396.45</u>			
UNPLATTED LOTS											
COMMERCIAL	154.2	154.2	1K sf	0.75	115.65	15.18%	\$244,104.20	\$187,664.48	\$1,583.04	\$1,217.02	\$2,800.06
HOTEL / INN	60	60		0.50	30.00	3.94%	\$63,321.45	\$48,681.00	\$1,055.36	\$811.35	\$1,866.71
SINGLE FAMILY	68	68		1.00	68.00	8.93%	\$143,528.63	\$110,342.92	\$2,110.72	\$1,622.69	\$3,733.41
Total Unplatted	<u>282.2</u>	<u>282.2</u>			<u>213.65</u>	<u>28.05%</u>	<u>\$450,954.28</u>	<u>\$346,688.40</u>			
TOTAL COMMUNITY	<u>836</u>	<u>836</u>			<u>761.75</u>	<u>100.00%</u>	<u>\$1,607,837.23</u>	<u>\$1,236,084.85</u>			

LESS: Walton County Collection Costs (2%) and Early Payment Discounts (4%):

Net Revenue to be Collected:

(\$96,470.23)	(\$74,165.09)
<u>\$1,511,367.00</u>	<u>\$1,161,919.76</u>

UNPLAT BY ACREAGE ⁽²⁾	88.62	88.62			\$450,954.28	\$346,688.40
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PER ACRE ASSESSMENTS - UNPLATTED		
O&M	DEBT SERVICE	TOTAL
\$5,088.57	\$3,912.03	\$9,000.60

⁽¹⁾ Reflects the number of total lots with Series 2005 debt outstanding.

⁽²⁾ Assessments are allocated on an equal assessment per acre basis until lots are platted.

⁽³⁾ Annual debt service assessment per lot adopted in connection with the Series 2005 bond issue. Annual assessment includes principal, interest, Walton County collection costs and early payment discounts.

⁽⁴⁾ Annual assessment that will appear on November 2021 Walton County property tax bill. Amount shown includes all applicable collection costs and early payment discounts (up to 4% if paid early).

GENERAL FUND BUDGET ACCOUNT CATEGORY DESCRIPTION

The General Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all General Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

REVENUES:

Interest Earnings: The District may earn interest on its monies in the various operating accounts.

Tax Roll: The District levies Non-Ad Valorem Special Assessments on all of the assessable property within the District to pay for operating expenditures incurred during the Fiscal Year. The assessments may be collected in two ways. The first is by placing them on the County's Tax Roll, to be collected with the County's Annual Property Tax Billing. This method is only available to land properly platted within the time limits prescribed by the County.

Off Roll: For lands not on the tax roll and that is by way of a direct bill from the District to the appropriate property owner.

Developer Contributions: The District may enter into a funding agreement and receive certain prescribed dollars from the Developer to off-set expenditures of the District.

Event Rental: The District may receive monies for event rentals for such things as weddings, birthday parties, etc.

Miscellaneous Revenues: The District may receive monies for the sale or provision of electronic access cards, entry decals etc.

Facilities Rentals: The District may receive monies for the rental of certain facilities by outside sources, for such items as office space, snack bar/restaurants etc.

EXPENDITURES – ADMINISTRATIVE:

Supervisor Fees: The District may compensate its supervisors within the appropriate statutory limits of \$200.00 maximum per meeting within an annual cap of \$4,800.00 per supervisor.

Administrative Services: The District will incur expenditures for the day to today operation of District matters. These services include support for the District Management function, recording and preparation of meeting minutes, records retention and maintenance in accordance with Chapter 119, Florida Statutes, and the District's adopted Rules of Procedure, preparation and delivery of agenda, overnight deliveries, facsimiles and phone calls.

District Management: The District as required by statute, will contract with a firm to provide for management and administration of the District's day to day needs. These services include the conducting of board meetings, workshops, overall administration of District functions, all required state and local filings, preparation of annual budget, purchasing, risk management, preparing various resolutions and all other secretarial duties requested by the District throughout the year is also reflected in this amount.

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

Disclosure Report: The District is required to file quarterly and annual disclosure reports, as required in the District's Trust Indenture, with the specified repositories. This is contracted out to a third party in compliance with the Trust Indenture.

Trustee's Fees: The District will incur annual trustee's fees upon the issuance of bonds for the oversight of the various accounts relating to the bond issues.

Assessment Roll: The District will contract with a firm to maintain the assessment roll and annually levy a Non-Ad Valorem assessment for operating and debt service expenses.

Financial & Revenue Collections: Services include all functions necessary for the timely billing and collection and reporting of District assessments in order to ensure adequate funds to meet the District's debt service and operations and maintenance obligations. These services include, but are not limited to, assessment roll preparation and certification, direct billings and funding request processing as well as responding to property owner questions regarding District assessments. This line item also includes the fees incurred for a Collection Agent to collect the funds for the principal and interest payment for its short-term bond issues and any other bond related collection needs. These funds are collected as prescribed in the Trust Indenture. The Collection Agent also provides for the release of liens on property after the full collection of bond debt levied on particular properties.

Accounting Services: Services include the preparation and delivery of the District's financial statements in accordance with Governmental Accounting Standards, accounts payable and accounts receivable functions, asset tracking, investment tracking, capital program administration and requisition processing, filing of annual reports required by the State of Florida and monitoring of trust account activity.

Auditing Services: The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting firm, once it reaches certain revenue and expenditure levels, or has issued bonds and incurred debt.

Arbitrage Rebate Calculation: The District is required to calculate the interest earned from bond proceeds each year pursuant to the Internal Revenue Code of 1986. The Rebate Analyst is required to verify that the District has not received earnings higher than the yield of the bonds.

Travel: Each Board Supervisor and the District Staff are entitled to reimbursement for travel expenses per Florida Statutes 190.006(8).

Public Officials Liability Insurance: The District will incur expenditures for public officials' liability insurance for the Board and Staff.

Legal Advertising: The District will incur expenditures related to legal advertising. The items for which the District will advertise include, but are not limited to meeting schedules, special meeting notices, and public hearings, bidding etc. for the District based on statutory guidelines

Bank Fees: The District will incur bank service charges during the year.

Dues, Licenses & Fees: The District is required to pay an annual fee to the Department of Economic Opportunity, along with other items which may require licenses or permits, etc.

Miscellaneous Fees: The District could incur miscellaneous throughout the year, which may not fit into any standard categories.

Website Hosting, Maintenance and Email: The District may incur fees as they relate to the development and ongoing maintenance of its own website along with possible email services if requested.

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

EXPENDITURES - FIELD OPERATIONS:

Deputy Services: The District may wish to contract with the local police agency to provide security for the District.

Security Services and Patrols: The District may wish to contract with a private company to provide security for the District.

Electric Utility Services: The District will incur electric utility expenditures for general purposes such as irrigation timers, lift station pumps, fountains, etc.

Streetlights: The District may have expenditures relating to streetlights throughout the community. These may be restricted to main arterial roads or in some cases to all streetlights within the District's boundaries.

Utility - Recreation Facility: The District may budget separately for its recreation and or amenity electric separately.

Gas Utility Services: The District may incur gas utility expenditures related to district operations at its facilities such as pool heat etc.

Garbage - Recreation Facility: The District will incur expenditures related to the removal of garbage and solid waste.

Solid Waste Assessment Fee: The District may have an assessment levied by another local government for solid waste, etc.

Water-Sewer Utility Services: The District will incur water/sewer utility expenditures related to district operations.

Utility - Reclaimed: The District may incur expenses related to the use of reclaimed water for irrigation.

Aquatic Maintenance: Expenses related to the care and maintenance of the lakes and ponds for the control of nuisance plant and algae species.

Fountain Service Repairs & Maintenance: The District may incur expenses related to maintaining the fountains within throughout the Parks & Recreational areas

Lake/Pond Bank Maintenance: The District may incur expenditures to maintain lake banks, etc. for the ponds and lakes within the District's boundaries, along with planting of beneficial aquatic plants, stocking of fish, mowing and landscaping of the banks as the District determines necessary.

Wetland Monitoring & Maintenance: The District may be required to provide for certain types of monitoring and maintenance activities for various wetlands and waterways by other governmental entities.

Mitigation Area Monitoring & Maintenance: The District may be required to provide for certain types of monitoring and maintenance activities for various mitigation areas by other governmental entities.

Aquatic Plant Replacement: The expenses related to replacing beneficial aquatic plants, which may or may not have been required by other governmental entities.

General Liability Insurance: The District will incur fees to insure items owned by the District for its general liability needs

Property Insurance: The District will incur fees to insure items owned by the District for its property needs

Entry and Walls Maintenance: The District will incur expenditures to maintain the entry monuments and the fencing.

Landscape Maintenance: The District will incur expenditures to maintain the rights-of-way, median strips, recreational facilities including pond banks, entryways, and similar planting areas within the District. These services include but are not limited to monthly landscape maintenance, fertilizer, pesticides, annuals, mulch, and irrigation repairs.

Irrigation Maintenance: The District will incur expenditures related to the maintenance of the irrigation systems.

Irrigation Repairs: The District will incur expenditures related to repairs of the irrigation systems.

Landscape Replacement: Expenditures related to replacement of turf, trees, shrubs etc.

Field Services: The District may contract for field management services to provide landscape maintenance oversight.

Miscellaneous Fees: The District may incur miscellaneous expenses that do not readily fit into defined categories in field operations.

Gate Phone: The District will incur telephone expenses if the District has gates that are to be opened and closed.

Street/Parking Lot Sweeping: The District may incur expenses related to street sweeping for roadways it owns or are owned by another governmental entity, for which it elects to maintain.

Gate Facility Maintenance: Expenses related to the ongoing repairs and maintenance of gates owned by the District if any.

Sidewalk Repair & Maintenance: Expenses related to sidewalks located in the right of way of streets the District may own if any.

Roadway Repair & Maintenance: Expenses related to the repair and maintenance of roadways owned by the District if any.

Employees - Salaries: The District may incur expenses for employees/staff members needed for the recreational facilities such as Clubhouse Staff.

Employees - P/R Taxes: This is the employer's portion of employment taxes such as FICA etc.

Employee - Workers' Comp: Fees related to obtaining workers compensation insurance.

Management Contract: The District may contract with a firm to provide for the oversight of its recreation facilities.

Maintenance & Repair: The District may incur expenses to maintain its recreation facilities.

Facility Supplies: The District may have facilities that required various supplies to operate.

Gate Maintenance & Repairs: Any ongoing gate repairs and maintenance would be included in this line item.

Telephone, Fax, Internet: The District may incur telephone, fax and internet expenses related to the recreational facilities.

Office Supplies: The District may have an office in its facilities which require various office related supplies.

Clubhouse - Facility Janitorial Service: Expenses related to the cleaning of the facility and related supplies.

Pool Service Contract: Expenses related to the maintenance of swimming pools and other water features.

Pool Repairs: Expenses related to the repair of swimming pools and other water features.

Security System Monitoring & Maintenance: The District may wish to install a security system for the clubhouse

Clubhouse Miscellaneous Expense: Expenses which may not fit into a defined category in this section of the budget

Athletic/Park Court/Field Repairs: Expense related to any facilities such as tennis, basketball etc.

Trail/Bike Path Maintenance: Expenses related to various types of trail or pathway systems the District may own, from hard surface to natural surfaces.

Special Events: Expenses related to functions such as holiday events for the public enjoyment

Miscellaneous Fees: Monies collected and allocated for fees that the District could incur throughout the year, which may not fit into any standard categories.

Miscellaneous Contingency: Monies collected and allocated for expenses that the District could incur throughout the year, which may not fit into any standard categories.

Capital Outlay: Monies collected and allocated for various projects as they relate to public improvements.

RESERVE FUND BUDGET ACCOUNT CATEGORY DESCRIPTION

The Reserve Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all Reserve Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

REVENUES:

Tax Roll: The District levies Non-Ad Valorem Special Assessments on all of the assessable property within the District to pay for operating expenditures incurred during the Fiscal Year. The assessments may be collected in two ways. The first is by placing them on the County's Tax Roll, to be collected with the County's Annual Property Tax Billing. This method is only available to land properly platted within the time limits prescribed by the County.

Off Roll: For lands not on the tax roll and that is by way of a direct bill from the District to the appropriate property owner.

Developer Contributions: The District may enter into a funding agreement and receive certain prescribed dollars from the Developer to off-set expenditures of the District.

Miscellaneous Revenues: The District may receive monies for the sale or provision of electronic access cards, entry decals etc.

EXPENDITURES:

Capital Reserve: Monies collected and allocated for the future repair and replacement of various capital improvements such as club facilities, swimming pools, athletic courts, roads, etc.

Capital Outlay: Monies collected and allocated for various projects as they relate to public improvements.

DEBT SERVICE FUND BUDGET
ACCOUNT CATEGORY DESCRIPTION

The Debt Service Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all Debt Service Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

REVENUES:

Special Assessments: The District may levy special assessments to repay the debt incurred by the sale of bonds to raise working capital for certain public improvements. The assessments may be collected in the same fashion as described in the Operations and Maintenance Assessments.

EXPENDITURES – ADMINISTRATIVE:

Bank Fees: The District may incur bank service charges during the year.

Debt Service Obligation: This would a combination of the principal and interest payment to satisfy the annual repayment of the bond issue debt.

Tab 7



Attention: Scott Buchewicz
Via email: sbuchewicz@alysbeach.com

Re: PROPOSAL FOR ABNA (Alys Beach Neighborhood Association)

RECAP FOR THE CLEAN-UP IN AREAS: K, N, O AND R ON THE
PROVIDED MAP
FLWAL_CALYSBEACH_P01202_05182021

Project
Address: Alys Beach, FL 32461

Date: May 18, 2021

Scott,

This is a RECAP proposal – If you approve this proposal or portions of it, we can aim for the following time lines. Our plan is to have 25% of Area K completed by end of May, 1st week of June and fully completing the section by August 1, 2021. Area N can be completed by September 1, 2021. Area O can be completed by October 1, 2021, and Area R can be completed by November 1, 2021.

(Space left blank intentionally)

DELIVERABLE	SCOPE	COST
1	<p align="center">Preservation Phase Designed to Improve Vitality</p>	<p align="center">\$62,064.36</p>
CLEANUP & PRUNING	<p>This cleanup concerns the area South of Sea Castle Alley: Area K on the provided map. (Approximately 25,000 sq. ft.) We shall:</p> <ul style="list-style-type: none"> - Remove vines and invasive weeds. - Prune the protected trees and shrubs present in the scrub zone. They shall be lowered according to DEP regulations: no more than 12" to 14", depending on the species, shall be removed. - Add pine straw 10-15 feet into the scrub zone. 	<p align="center">\$29,610.00</p>
CLEANUP & PRUNING	<p>This cleanup concerns the area South East of Gulf Green: Area N on the provided map. (Approximately 6,500 sq. ft.) We shall:</p> <ul style="list-style-type: none"> - Remove vines and invasive weeds. - Prune the protected trees and shrubs present in the scrub zone. They shall be lowered according to DEP regulations: no more than 12" to 14", depending on the species, shall be removed. - Add pine straw 10-15 feet into the scrub zone. 	<p align="center">\$7,700.40</p>
CLEANUP & PRUNING	<p>This cleanup concerns the area: Area O on the provided map. (Approximately 12,000 sq. ft.) We shall:</p> <ul style="list-style-type: none"> - Remove vines and invasive weeds. - Prune the protected trees and shrubs present in the scrub zone. They shall be lowered according to DEP regulations: no more than 12" to 14", depending on the species, shall be removed. - Add pine straw 10-15 feet into the scrub zone. 	<p align="center">\$14,212.80</p>

Continued on next page.

CLEANUP & PRUNING	<p>This cleanup concerns the area: Area R on the provided map. (Approximately 8,900 sq. ft.)</p> <p>We shall:</p> <ul style="list-style-type: none"> - Remove vines and invasive weeds. - Prune the protected trees and shrubs present in the scrub zone. They shall be lowered according to DEP regulations: no more than 12" to 14", depending on the species, shall be removed. - Add pine straw 10-15 feet into the scrub zone. 	\$10,541.16
SUBJECT MATTER EXPERT	<p>Consulting, planning and permitting services.</p> <p>*Some projects may require additional costs. There will be 1 fee per permit.</p>	*\$250.00 per permit

Estimated Project Cost: \$62,064.36
--

Dune Doctors, LLC would be honored to be entrusted to complete your coastal erosion control project. Should you have questions or needs please feel free to contact us at (850) 939-7737; we will be more than happy to discuss your project.

We look forward to exceeding your expectations and adding you to our growing list of satisfied customers.

Dune Doctors, LLC



Frederique Beroset
 Managing Member - Owner

DATE: May 14, 2021

A PLANTING RESTORATION PLAN TO BE DONE ALONG WITH LANDSCAPE PLANS. ARCHITECT TO CONTACT DUNE DOCTORS TO PRODUCE RESTORATION PLAN DESIGN- KH TO FOLLOW UP

D THIS PLANTING RESORATION HAS BEEN COMPLETED 2020-10-30

E NEED QUOTE FOR CLEANUP AND PLANT RESTORATION DESIGN- KH TO FOLLOW UP

F PLANTING RESTORATION PLAN TO BE PRODUCED AFTER CONSTRUCTION DESIGN- KH TO FOLLOW UP

G THIS PLANTING RESTORATION IN FRONT OF BEACH CLUB HAS BEEN COMPLETED

H NEED DATE FOR THIS PLANTING RESTORATION IN FRONT OF CONDOS DESIGN- KH TO FOLLOW UP

i DESIGN- KH TO FOLLOW UP PLANTING RESTORATION PLAN TO BE DONE AFTER CONSTRUCTION



PRIORITY
QUOTE IS \$29,610
K MAINTENANCE- SB TO FOLLOW UP

PRIORITY
L THIS AREA NEEDS TO BE TRIMMED AGAIN 2021 MAINTENANCE- SB TO FOLLOW UP

N QUOTE IS \$7,700.40 MAINTENANCE- SB TO FOLLOW UP

O QUOTE IS \$14,212.80 MAINTENANCE- SB TO FOLLOW UP

P THIS TRIMMING IN FRONT OF BEACH CLUB HAS BEEN COMPLETED

Q PLANTING UNDER BOARDWALK HAS BEEN COMPLETED

R QUOTE IS \$10,541.16 MAINTENANCE- SB TO FOLLOW UP

S NEED THIS AREA MAINTENANCE- TO BE TRIMMED SB TO FOLLOW UP

Tab 8

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

**SOMERSET COMMUNITY DEVELOPMENT DISTRICT
WALTON COUNTY, FLORIDA**

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Fax (561) 994-5823
www.graucpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Somerset Community Development District
Walton County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Somerset Community Development District, Walton County, Florida ("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 as of September 30, 2020, and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management'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 24, 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, 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 24, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Somerset Community Development District, Walton 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 (\$4,842,996).
- The change in the District's total net position in comparison with the prior fiscal year was (\$167,660), 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 \$2,054,408, a decrease of (\$242,100) in comparison with the prior fiscal year. The total fund balance is non-spendable for prepaid items, restricted for debt service, assigned to capital reserves, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is 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 special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance and operations functions.

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: the governmental funds.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and 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 two governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund, both of which are considered major funds.

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	NET POSITION	
	SEPTEMBER 30,	
	2020	2019
Current and other assets	\$ 2,230,794	\$ 2,363,853
Capital assets, net of depreciation	5,822,424	6,259,025
Total assets	8,053,218	8,622,878
Current liabilities	451,214	353,214
Long-term liabilities	12,445,000	12,945,000
Total liabilities	12,896,214	13,298,214
Net position		
Net investment in capital assets	(6,622,576)	(5,823,894)
Restricted	1,224,157	351,636
Unrestricted	555,423	796,922
Total net position	\$ (4,842,996)	\$ (4,675,336)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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.

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

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

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		
Charges for services	\$ 1,741,370	\$ 1,734,892
Operating grants and contributions	14,384	33,230
General revenues		
Unrestricted investment earnings	4,526	11,331
Total revenues	<u>1,760,280</u>	<u>1,779,453</u>
Expenses:		
General government	89,290	82,253
Maintenance and operations	740,549	685,624
Culture and recreation	423,719	143,122
Interest on long-term debt	674,382	699,202
Total expenses	<u>1,927,940</u>	<u>1,610,201</u>
Change in net position	(167,660)	169,252
Net position - beginning	<u>(4,675,336)</u>	<u>(4,844,588)</u>
Net position - ending	<u>\$ (4,842,996)</u>	<u>\$ (4,675,336)</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 \$1,927,940. The costs of the District's activities were primarily funded by program revenues. Program revenues were comprised primarily of assessments during the current and prior fiscal years. Program revenues decreased from the prior year as a result of a decrease in per unit operations and maintenance assessments and a decrease in interest rates. In total, expenses increased from the prior fiscal year, the majority of the increase was the result of an increase in charges for the slip road project.

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 for the fiscal year ended September 30, 2020 exceeded appropriations by \$250,182. The over expenditures were funded by available fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2020, the District had \$10,915,038 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$5,092,614 has been taken, which resulted in a net book value of \$5,822,424. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Capital Debt

At September 30, 2020, the District had \$12,445,000 Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND OTHER EVENTS

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Somerset Community Development District's Finance Department at 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614.

FINANCIAL STATEMENTS

**SOMERSET COMMUNITY DEVELOPMENT DISTRICT
WALTON COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	Governmental Activities
ASSETS	
Cash	\$ 719,683
Prepaid items	12,126
Restricted assets:	
Investments	1,498,985
Capital assets:	
Depreciable, net	5,822,424
Total assets	8,053,218
 LIABILITIES	
Accounts payable and accrued expenses	176,386
Accrued interest payable	274,828
Non-current liabilities:	
Due within one year	465,000
Due in more than one year	11,980,000
Total liabilities	12,896,214
 NET POSITION	
Net investment in capital assets	(6,622,576)
Restricted for debt service	1,224,157
Unrestricted	555,423
Total net position	\$ (4,842,996)

See notes to the financial statements

**SOMERSET COMMUNITY DEVELOPMENT DISTRICT
WALTON 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) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 89,290	\$ 89,290	\$ -	\$ -
Maintenance and operations	740,549	481,642	-	(258,907)
Culture and recreation	423,719	-	-	(423,719)
Interest on long-term debt	674,382	1,170,438	14,384	510,440
Total governmental activities	1,927,940	1,741,370	14,384	(172,186)
General revenues:				
Unrestricted investment earnings				4,526
Total general revenues				4,526
Change in net position				(167,660)
Net position - beginning				(4,675,336)
Net position - ending				\$ (4,842,996)

See notes to the financial statements

**SOMERSET COMMUNITY DEVELOPMENT DISTRICT
WALTON COUNTY, FLORIDA
BALANCE SHEET –
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Major Funds		Total Governmental Funds
	General	Debt Service	
ASSETS			
Cash	\$ 719,683	\$ -	\$ 719,683
Investments	-	1,498,985	1,498,985
Prepaid items	12,126	-	12,126
Total assets	\$ 731,809	\$ 1,498,985	\$ 2,230,794
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 176,386	\$ -	\$ 176,386
Total liabilities	176,386	-	176,386
Fund balances:			
Nonspendable:			
Prepaid items	12,126	-	12,126
Restricted for:			
Debt service	-	1,498,985	1,498,985
Assigned to:			
Capital reserves	401,971	-	401,971
Unassigned	141,326	-	141,326
Total fund balances	555,423	1,498,985	2,054,408
Total liabilities and fund balances	\$ 731,809	\$ 1,498,985	\$ 2,230,794

See notes to the financial statements

**SOMERSET COMMUNITY DEVELOPMENT DISTRICT
WALTON COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Fund balance - governmental funds \$ 2,054,408

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

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

Cost of capital assets	10,915,038	
Accumulated depreciation	<u>(5,092,614)</u>	5,822,424

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	(274,828)	
Bonds payable	<u>(12,445,000)</u>	<u>(12,719,828)</u>
Net position of governmental activities		<u>\$ (4,842,996)</u>

**SOMERSET COMMUNITY DEVELOPMENT DISTRICT
WALTON 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	
REVENUES			
Assessments	\$ 570,932	\$ 1,170,438	\$ 1,741,370
Interest income	4,526	14,384	18,910
Total revenues	<u>575,458</u>	<u>1,184,822</u>	<u>1,760,280</u>
EXPENDITURES			
Current:			
General government	89,290	-	89,290
Maintenance and operations	303,948	-	303,948
Culture and recreation	423,719	-	423,719
Debt service:			
Principal	-	500,000	500,000
Interest	-	685,423	685,423
Total expenditures	<u>816,957</u>	<u>1,185,423</u>	<u>2,002,380</u>
Excess (deficiency) of revenues over (under) expenditures	(241,499)	(601)	(242,100)
Fund balances - beginning	<u>796,922</u>	<u>1,499,586</u>	<u>2,296,508</u>
Fund balances - ending	<u>\$ 555,423</u>	<u>\$ 1,498,985</u>	<u>\$ 2,054,408</u>

See notes to the financial statements

**SOMERSET COMMUNITY DEVELOPMENT DISTRICT
WALTON 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 \$ (242,100)

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

Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities. 500,000

Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities. (436,601)

The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements. 11,041

Change in net position of governmental activities \$ (167,660)

See notes to the financial statements

**SOMERSET COMMUNITY DEVELOPMENT DISTRICT
WALTON COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Somerset Community Development District (the "District") was established by Walton County Ordinance No. 05-04 enacted on April 1, 2005 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 landowners of the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2020, certain Board members are affiliated with EBSCO Gulf Coast Development, Inc. ("Developer").

The Board has the responsibility for:

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

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District 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 collected 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 imposed on assessable lands located within the District. Assessments may be levied on property to pay for the operations and maintenance of the District. The fiscal year for which annual assessments may be levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. For debt service assessments, amounts collected as advance payments are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments.

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

The District reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

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

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

Assets, Liabilities and Net Position or Equity

Restricted Assets

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deposits and Investments

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

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

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

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured and any unspent Bond proceeds are required to be held in investments as specified in the Bond Indenture.

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 governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Erosion control structures	25
Surface water treatment	25

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Long-Term Obligations

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

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

Deferred Outflows/Inflows of Resources

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

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

Fund Equity/Net Position

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

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

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

Assigned fund balance – Includes spendable fund balance amounts 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Disclosures

Use of Estimates

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

NOTE 3 – BUDGETARY INFORMATION

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

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

- a) Each year, the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) A public hearing is conducted to obtain 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:

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
First American Treasury Obligations			Weighted average of the fund portfolio: 46 days
Fund Class Z	\$ 1,498,985	S&P AAAm	
Total Investments	<u>\$ 1,498,985</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.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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

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

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

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

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental activities</u>				
Capital assets, being depreciated				
Erosion control structures	\$ 933,321	\$ -	\$ -	\$ 933,321
Surface water treatment	9,981,717	-	-	9,981,717
Total capital assets, being depreciated	10,915,038	-	-	10,915,038
Less accumulated depreciation for:				
Erosion control structures	(447,996)	(37,333)	-	(485,329)
Surface water treatment	(4,208,017)	(399,268)	-	(4,607,285)
Total accumulated depreciation	(4,656,013)	(436,601)	-	(5,092,614)
Total capital assets, being depreciated, net	6,259,025	(436,601)	-	5,822,424
Governmental activities capital assets, net	\$ 6,259,025	\$ (436,601)	\$ -	\$ 5,822,424

Depreciation expense was charged to the maintenance and operations function.

NOTE 6 – LONG-TERM LIABILITIES

On July 12, 2005, the District issued \$21,045,000 of Capital Improvement Revenue Bonds, Series 2005 consisting of \$2,875,000 Term Bonds due on May 1, 2015 with a fixed interest rate of 5% and \$18,170,000 Term Bonds due on May 1, 2037 with a fixed interest rate of 5.3%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2008 through May 1, 2037.

The 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.

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
<u>Governmental activities</u>					
Bonds payable:					
Series 2005	\$ 12,945,000	\$ -	\$ (500,000)	\$ 12,445,000	\$ 465,000
Total	\$ 12,945,000	\$ -	\$ (500,000)	\$ 12,445,000	\$ 465,000

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	\$ 465,000	\$ 659,585	\$ 1,124,585
2022	490,000	634,940	1,124,940
2023	515,000	608,970	1,123,970
2024	545,000	581,675	1,126,675
2025	575,000	552,790	1,127,790
2026-2030	3,365,000	2,273,700	5,638,700
2031-2035	4,385,000	1,279,950	5,664,950
2036-2037	2,105,000	168,805	2,273,805
Total	\$ 12,445,000	\$ 6,760,415	\$ 19,205,415

NOTE 7 – DEVELOPER TRANSACTIONS

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

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 – COST SHARE AGREEMENT

The District entered into a cost share agreement with the ALYS Beach Neighborhood Association (“Association”), whereby the Association would contract a vendor for landscaping and related services and be reimbursed by the District. Pursuant to the agreement, the District reimbursed the Association \$137,766 for current year services.

NOTE 10 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management services, which include financial and accounting services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

NOTE 11 – 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. There were no settled claims during the past three years.

**SOMERSET COMMUNITY DEVELOPMENT DISTRICT
WALTON 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 Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Assessments	\$ 566,775	\$ 570,932	\$ 4,157
Interest Income	-	4,526	4,526
Total revenues	566,775	575,458	8,683
EXPENDITURES			
Current:			
General government	103,690	89,290	14,400
Maintenance and operations	276,585	303,948	(27,363)
Culture and recreation	186,500	423,719	(237,219)
Total expenditures	566,775	816,957	(250,182)
Excess (deficiency) of revenues over (under) expenditures	\$ -	(241,499)	\$ (241,499)
Fund balance - beginning		796,922	
Fund balance - ending		\$ 555,423	

See notes to required supplementary information

**SOMERSET COMMUNITY DEVELOPMENT DISTRICT
WALTON 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 for the fiscal year ended September 30, 2020 exceeded appropriations by \$250,182. The over expenditures were funded by available fund balance.



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
Somerset Community Development District
Walton 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 Somerset Community Development District, Walton County, Florida ("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 report thereon dated June 24, 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*.

We noted certain matters that we reported to management of the District in a separate letter dated June 24, 2021.

The District's response to the finding identified in our audit is described in the accompanying Management Letter. We did not audit the District's response and, accordingly, we express no opinion on it.

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.

June 24, 2021



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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
Somerset Community Development District
Walton County, Florida

We have examined Somerset Community Development District, Walton 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 the District's compliance with those requirements. Our responsibility is to express an opinion on the 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 Somerset Community Development District, Walton County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

June 24, 2021



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

To the Board of Supervisors
Somerset Community Development District
Walton County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Somerset Community Development District, Walton County, Florida ("District") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 24, 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 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 24, 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 of 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 Somerset Community Development District, Walton County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Somerset Community Development District, Walton 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.

June 24, 2021

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2020-01 Budget and project overrun:

Observation: Actual expenditures exceeded appropriations in the general fund for the fiscal year ended September 30, 2020 mainly as a result of the slip road project. The costs of the slip road project significantly exceeded the Board approved charges and based on the minutes we could not determine that the Board was aware of and approved the additional charges.

Recommendation: The District should amend the budget during the fiscal year or within statutory guidelines to ensure that all expenditures are properly budgeted. In addition, when projects are significantly over Board approved amounts, management should get Board approval for the additional costs and have that documented in the minutes.

Management Response: The Board generally approved of the slip road widening project during its meeting held on May 26, 2020, and the Board ratified the payment of the additional expenditures associated with the slip road widening project during its meetings held on February 8, 2021 and May 17, 2021. Management will implement the recommendation of the auditor as it relates to future project expenditures.

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, except as noted above.

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.

REPORT TO MANAGEMENT (Continued)

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA (Continued)

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.