

SOUTH VILLAGE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the South Village Community Development District was held Tuesday, October 5, 2021 at 6:30 p.m. at the Eagle Landing Residents Club, 3975 Eagle Landing Parkway, Orange Park, Florida

Present and constituting a quorum were:

Chris Payton	Chairman
Randy Smith	Vice Chairman
Rick Smith	Supervisor
Glenn Warren	Supervisor by telephone
Allan Brink	Supervisor

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel by telephone
Jim Hahn	General Manager, Honours Golf
Alex Acree	District Engineer
Matt Biagetti	Director of Operations, Honours Golf

Several Residents

The following is a summary of the actions taken at the October 5, 2021 meeting. An audio copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 6:30 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the September 7, 2021 Meeting

On MOTION by Mr. Payton seconded by Mr. Randy Smith with all in favor the minutes of the September 7, 2021 meeting were approved as presented.
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FOURTH ORDER OF BUSINESS

Update Regarding Open Items

A. Phase 5 Construction

Mr. Biagetti stated things are progressing forward, the sidewalk has been put in and other concrete work by the mail kiosk was put in, They have been grading the areas where the sod and irrigation is going to go. The monument signs are still in permitting and the second lift of asphalt should be coming in the next few months.

B. Street Signs Replacement

Mr. Biagetti stated street sign replacement continues to progress.

C. Crosswalk Project

Mr. Biagetti stated the county is going to contact the school district and the sheriff's office.

Mr. Payton stated I'm going to ask her for another meeting onsite.

D. Playground Equipment

Mr. Biagetti stated we are still waiting on that tube slide and it should be here by the end of this month or November. We have a picnic table, benches and waste receptacles coming that will finish it up nicely.

E. Golf Cart Parking

Mr. Biagetti stated we all saw the plan and have agreed upon that. We received two quotes and I'm waiting on a third one. The two quotes from Bloodworth and Duval are comparable.

Mr. Hahn discussed a better placement of the bollards that would better serve their purpose and after further discussion the board took the following action.

On MOTION by Mr. Payton seconded by Mr. Brink with all in favor the district engineer and director of operations were authorized to select the best proposal for the modified plan in an amount not to exceed \$5,700.

FIFTH ORDER OF BUSINESS

Acceptance of Fiscal Year 2020 Audit

Mr. Oliver stated as we discussed at the last meeting, this audit should have been completed by the statutory June 30th deadline. Although we missed the deadline, the audit has been completed and provided to the Auditor General. At some point in the coming year, the District will be issued a letter from the Joint Legislative Audit Committee, requiring a written response as to why the FY20 audit was late and how the District will ensure future audits are completed and circulated by the June 30 deadline.

Essentially, without regard to missing the deadline, the FY20 audit report in your agenda packet is a clean audit. It will ensure that the District will continue to maintain a high credit rating with Standard & Poor's and the other rating agencies. Inside the front cover is the table of contents, followed by the opinion letter. On page 2, the auditor writes, in our opinion the financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities, business-type activities, and each major fund of the South Village Community Development District as of September 30, 2020 and the respective changes in financial position and cash flows for the enterprise fund and the budgetary comparison for the general and special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Pages 3 – 7 are the management discussion and analysis, those are followed by the annual financial statements on pages 9 – 19. You receive and review unaudited monthly financial statements throughout the fiscal year. These annual financial statements are essentially a rollup of all those statements that have been reviewed by the auditor.

Beginning on page 20 through page 37 are the notes to financial statements. These are additional narrative paragraphs that add more light on the audited financial statements. On page 37 are the subsequent events. These are events that happened after the completion of the fiscal year that impact the district. Subsequent to the year end, the district completed a purchase of the Cottages parcel with \$275,000 due at closing and a balance of approximately \$138,000 due March 31, 2022. Of course, that has been overcome by events since then because you paid off the remaining balance early to save interest costs.

On page 38 is the independent auditors' report on internal control over financial reporting and in the last paragraph the auditor writes, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Each audit requires the auditor to discuss any recommendations that they have or any findings. On page 40 in the management letter, finding 19-01, the district did not submit the completed annual financial report by June 30, 2020 as required by section 218.32 (d) Florida Statutes and Chapter 10.558 (3) Rules of the Auditor General.

Management response: the special revenue and enterprise funds (the recreation fund and the enterprise fund is the golf course fund) are maintained by a different management company and this causes delays in the year-end audit process. Current status: The district did not submit the current year completed annual financial report by June 30, and is a repeat of the same item.

On the next page you will see the financial condition and management, the auditor writes, South Village CDD did not meet any of the conditions described in section 218.503(1), Florida Statutes. This financial condition means an emergency financial condition so you don't want to meet any of those. You are in good shape.

Finding 20-01, the district did not initially provide an accurate balanced trial balance for the special revenue fund, enterprise fund and associated capital reserve. The management company that manages these funds treated and maintained the aforementioned funds as one fund, which caused the balancing issues. The management company provided several trial balances for these funds that were never in balance. The response, the management company is aware of this issue and trial balances will be kept separately for the special revenue fund, enterprise fund and associated capital reserve in the future. What happened is that all three of those funds, recreation, golf enterprise fund and the capital reserve fund were all kept as one fund. In this particular type of governmental accounting, the trial balances for the three funds must maintained separately. That has been rectified; that is why we have this clean audit. As we begin the FY21 audit process, we'll ensure the separate trial balances for Rec Fund, Golf Enterprise Fund, and Capital Reserve Funds are provided to the auditor much earlier in the process, rather than so close to the June 30 deadline. If this continues to be a problem, the Board may need to may need to change the accounting responsibilities to make sure the audit is not late again.

Again, except for the timing, it is a clean audit. Staff regrets the fact that the audit was late, but will make sure that never happens again.

On MOTION by Mr. Payton seconded by Mr. Randy Smith with all in favor the fiscal year 2020 audit was accepted.

SIXTH ORDER OF BUSINESS

Staff Reports

A. General Manager - Report

Mr. Hahn gave an overview of the operations report, which was included as part of the agenda package and included the operations of the amenity center, athletic center, tennis facility, golf and clubhouse operations, common areas and retention ponds and landscaping.

Mr. Randy Smith asked about staffing shortages.

Mr. Hahn stated we are two short in full cooks in the back of the kitchen, we hired a couple new people for up front. We are probably three or four people shy in the full operation and it has been challenging to get what we normally get for the menu from our two main suppliers.

It is not just food & beverage, it is golf, maintenance and everything. We are already paying our primary staff the \$15 minimum wage, we are paying more than we have in the past. We have doubled the food & beverage revenues in 2 ½ to 3 years, we have had very good success. Under the circumstances we haven't been able to get back to a lot of the things we like to do, more consistently. I don't want anyone thinking we have a financial crisis because we are shy a few cooks.

Mr. Randy Smith stated I think we need to acknowledge that we need to spend more money on staff so we can do those things you described.

Mr. Payton stated we all acknowledge that not just our restaurant but every restaurant around here is facing challenges. Is the goal to reopen back to our expanded hours or is it just to have specials and stuff?

Mr. Randy Smith stated the weekend specials were very popular. I don't know where we are as far as Sunday brunch availability. Do we still offer that?

Mr. Hahn responded no. We offer breakfast but we don't have full brunch.

Mr. Payton stated I have no issue with putting a bunch of money towards staffing and work with vendors to try to get other food options and maybe we should let food availability decide what the specials are. Back to the usual operation

Mr. Hahn stated I will work on a budget that reflects a higher wage to the back of the house folks. I will assume some hours coming back and some revenue increases too and share that at the next meeting.

Mr. Payton stated you don't have to wait until next month. With this conversation hire the folks you need to hire it is your budget.

B. District Counsel

There being none, the next item followed.

C. District Manager

There being none, the next item followed.

D. District Engineer

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS

Supervisor's Requests

Items brought up and discussed by the board and staff: status of the gym floor expansion, outstanding job on the fall mixer by staff, additional doggie waste stations, vast improvement on green #11 and the rest of the debris will be removed, residents can contact Matt or the security company when incidents occur, Mr. Payton to follow-up with district counsel of the possibility of the district paying tournament fees and related costs for Troon Cup next year between \$5,000 to \$10,000,

EIGHTH ORDER OF BUSINESS

Audience Comments

Items brought up by residents and discussed: send email to residents on the type of items they need to contact security to take care of versus calling the sheriff's office, work done on pump at entry, CCUA to be notified to clean up the debris on the sidewalk at Autumn Pine, proposal to increase the social membership fee on new sales from \$500 to \$1,000 and require new sales to become a member of the golf course for one year for \$1,500 and impose an annual fee of \$600 restaurant fee for food & beverage annually on every house (the district is unable to do this), suggestion to pay off Series 2016 debt but the district is unable to do that since it is the responsibility of each owner.

NINTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet as of August 31, 2021 and Statement of Revenues and Expenses for the Period Ending August 31, 2021

The balance sheet and income statement were included as part of the agenda package.

B. Assessment Receipt Schedule

The assessment receipt Schedule was included as part of the agenda package.

C. Approval of Check Register

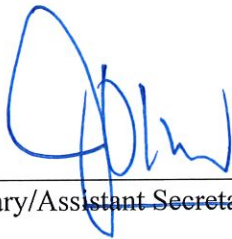
On MOTION by Mr. Payton seconded by Mr. Randy Smith with all in favor the check register was approved.

TENTH ORDER OF BUSINESS

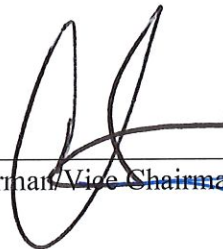
**Next Meeting Scheduled for Tuesday,
November 2, 2021 at 6:30 p.m. at Eagle
Landing Residents Club**

Mr. Oliver stated the next meeting is scheduled for November 2, 2021 at 6:30 p.m.

On MOTION by Mr. Payton seconded by Mr. Randy Smith with all in favor the meeting adjourned at 7:50 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman