

**Brandy Creek
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2020

Brandy Creek Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2020

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Brandy Creek Community Development District
St. Johns County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Brandy Creek Community Development District as of and for the year ended September 30, 2020, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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To the Board of Supervisors
Brandy Creek Community Development District

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and each major fund of Brandy Creek Community Development District as of September 30, 2020, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Governmental accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *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 inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 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 and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brandy Creek Community Development District's internal control over financial reporting and compliance.



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

June 25, 2021

**Brandy Creek Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

**Brandy Creek Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2020.

- ◆ The District's total assets were exceeded by total liabilities by \$(493,914) (net position). Net investment in capital assets was \$(1,032,450) and restricted net position was \$51,029. Unrestricted net position was \$487,507.
- ◆ Governmental activities revenues totaled \$1,258,876 while governmental activities expenses and conveyance of assets \$1,149,105.

**Brandy Creek Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2020	2019
Current assets	\$ 511,582	\$ 592,912
Restricted assets	256,015	272,992
Capital assets	<u>4,235,579</u>	<u>4,361,719</u>
Total Assets	<u>5,003,176</u>	<u>5,227,623</u>
Deferred outflows of resources	<u>29,500</u>	<u>31,860</u>
Current liabilities	421,590	428,168
Non-current liabilities	<u>5,105,000</u>	<u>5,435,000</u>
Total Liabilities	<u>5,526,590</u>	<u>5,863,168</u>
Net Position		
Net investment in capital assets	(1,032,450)	(1,314,674)
Restricted	51,029	169,122
Unrestricted	<u>487,507</u>	<u>541,867</u>
Total Net Position	<u>\$ (493,914)</u>	<u>\$ (603,685)</u>

The decrease in current assets was related to the decrease in cash in the Capital Projects Fund in the current year.

The decrease in capital assets is related to current year depreciation.

The decrease in non-current liabilities is primarily related to the principal payments made on bonds payable in the current year.

**Brandy Creek Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change In Net Position

	Governmental Activities	
	2020	2019
Program Revenues		
Charges for services	\$ 1,235,170	\$ 1,209,676
General Revenues		
Miscellaneous revenues	18,198	32,164
Investment earnings	5,508	13,635
Total Revenues	<u>1,258,876</u>	<u>1,255,475</u>
Expenses		
General government	107,516	117,255
Physical environment	162,514	146,278
Culture/recreation	672,664	666,872
Interest and other charges	206,411	216,859
Total Expenses	<u>1,149,105</u>	<u>1,147,264</u>
Change in Net Position	109,771	108,211
Net Position - Beginning of Year	<u>(603,685)</u>	<u>(711,896)</u>
Net Position - End of Year	<u>\$ (493,914)</u>	<u>\$ (603,685)</u>

**Brandy Creek Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2020 and 2019.

	Governmental Activities	
	2020	2019
Land	\$ 100,960	\$ 100,960
Buildings and improvements	4,052,698	4,052,698
Infrastructure	3,504,275	3,367,569
Equipment	34,553	27,293
Accumulated depreciation	(3,456,907)	(3,186,801)
Total Capital Assets, net	\$ 4,235,579	\$ 4,361,719

In the current year, \$136,706 was added to infrastructure, \$7,260 was added to equipment and depreciation was \$270,106.

General Fund Budgetary Highlights

The actual expenditures were less than budgeted amounts primarily because pool maintenance and landscape contingency expenditures were less than anticipated.

The September 30, 2020 budget was not amended.

Debt Management

Governmental Activities debt includes the following:

- ◆ In March 2013, the District issued \$4,545,000 Special Assessment Refunding Bonds, Series 2013. The Bonds were issued to refund the Special Assessments Bonds, Series 2003. The balance outstanding at September 30, 2020 was \$3,280,000.
- ◆ In October 2015, the District issued \$2,535,000 Special Assessment Refunding Bonds, Series 2015. The Bonds were issued to refund the Special Assessments Bonds, Series 2006A. The balance outstanding at September 30, 2020 was \$2,140,000.

**Brandy Creek Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Brandy Creek Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2021.

Request for Information

The financial report is designed to provide a general overview of Brandy Creek Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Brandy Creek Community Development District, GMS, LLC., 475 West Town Place, Suite 114., St. Augustine, Florida 32092.

Brandy Creek Community Development District
STATEMENT OF NET POSITION
September 30, 2020

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 115,004
Investments	351,823
Due from other governments	11,516
Deposits	2,000
Prepaid expenses	31,239
Total Current Assets	511,582
Non-current Assets	
Restricted assets	
Investments, at fair value	256,015
Capital assets, not being depreciated	
Land	100,960
Capital assets, being depreciated	
Buildings and improvements	4,052,698
Infrastructure	3,504,275
Equipment	34,553
Less: accumulated depreciation	(3,456,907)
Total Non-current Assets	4,491,594
Total Assets	5,003,176
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	29,500
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	15,640
Unearned revenues	8,435
Bonds payable	315,000
Accrued interest	82,515
Total Current Liabilities	421,590
Non-current liabilities	
Bonds payable, net	5,105,000
Total Liabilities	5,526,590
 NET POSITION	
Net investment in capital assets	(1,032,450)
Restricted for debt service	51,029
Unrestricted	487,507
Total Net Position	\$ (493,914)

See accompanying notes to financial statements.

Brandy Creek Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
General government	\$ (107,516)	\$ 121,744	\$ 14,228
Physical environment	(162,514)	-	(162,514)
Culture/recreation	(672,664)	602,799	(69,865)
Interest and other charges	(206,411)	510,627	304,216
Total Governmental Activities	\$ (1,149,105)	\$ 1,235,170	86,065
	General Revenues		
			18,198
			5,508
			23,706
		Change in Net Position	109,771
		Net Position - October 1, 2019	(603,685)
		Net Position - September 30, 2020	\$ (493,914)

See accompanying notes to financial statements.

**Brandy Creek Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash	\$ 86,343	\$ -	\$ 28,661	\$ 115,004
Investments	130,102	-	221,721	351,823
Due from other governments	11,516	-	-	11,516
Prepaid expenses	31,239	-	-	31,239
Deposits	2,000	-	-	2,000
Restricted assets				
Investments, at fair value	-	256,014	1	256,015
Total Assets	\$ 261,200	\$ 256,014	\$ 250,383	\$ 767,597
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued expenses	\$ 14,650	\$ -	\$ 990	\$ 15,640
Unearned revenues	8,435	-	-	8,435
Total Liabilities	23,085	-	990	24,075
Fund Balances				
Nonspendable - deposits/prepays	33,239	-	-	33,239
Restricted for debt service	-	256,014	-	256,014
Restricted for capital projects	-	-	1	1
Assigned for capital reserves	-	-	249,392	249,392
Unassigned	204,876	-	-	204,876
Total Fund Balances	238,115	256,014	249,393	743,522
Total Liabilities and Fund Balances	\$ 261,200	\$ 256,014	\$ 250,383	\$ 767,597

See accompanying notes to financial statements.

**Brandy Creek Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2020**

Total Governmental Fund Balances	\$	743,522
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, land, \$100,960, buildings and improvements, \$4,052,698, infrastructure, \$3,504,275, and equipment, \$34,553, net of accumulated depreciation, \$(3,456,907), used in governmental activities are not current financial resources and therefore, are not reported at the fund level.		4,235,579
Deferred outflow of resources are not current financial resources and therefore, are not reported at the governmental fund level.		29,500
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported at the fund level.		(5,420,000)
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the fund level.		<u>(82,515)</u>
Net Position of Governmental Activities	\$	<u><u>(493,914)</u></u>

See accompanying notes to financial statements.

Brandy Creek Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Special assessments	\$ 724,543	\$ 510,627	\$ -	\$ 1,235,170
Miscellaneous revenues	18,198	-	-	18,198
Interest income	146	2,801	2,561	5,508
Total Revenues	<u>742,887</u>	<u>513,428</u>	<u>2,561</u>	<u>1,258,876</u>
EXPENDITURES				
Current				
General government	107,142	-	374	107,516
Physical environment	-	-	34,575	34,575
Culture/recreation	530,497	-	-	530,497
Capital outlay	-	-	143,966	143,966
Debt service				
Principal	-	305,000	-	305,000
Interest	-	208,676	-	208,676
Total Expenditures	<u>637,639</u>	<u>513,676</u>	<u>178,915</u>	<u>1,330,230</u>
Revenues Over/(Under) Expenditures	<u>105,248</u>	<u>(248)</u>	<u>(176,354)</u>	<u>(71,354)</u>
Other Financing Sources/(Uses)				
Transfers in	-	-	60,497	60,497
Transfers out	(60,497)	-	-	(60,497)
Total Other Financing Sources/(Uses)	<u>(60,497)</u>	<u>-</u>	<u>60,497</u>	<u>-</u>
Net Change in Fund Balances	44,751	(248)	(115,857)	(71,354)
Fund Balances - October 1, 2019	<u>193,364</u>	<u>256,262</u>	<u>365,250</u>	<u>814,876</u>
Fund Balances - September 30, 2020	<u>\$ 238,115</u>	<u>\$ 256,014</u>	<u>\$ 249,393</u>	<u>\$ 743,522</u>

See accompanying notes to financial statements.

**Brandy Creek Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (71,354)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount that depreciation, \$(270,106), exceeded capital outlay, \$143,966, in the current period. (126,140)

Repayments of bond principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position. 305,000

The deferred outflow of resources for refunding of debt is recognized as a component of interest expense in the Statement of Activities, but not in the governmental funds. This is the amount of current year interest. (2,360)

In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net amount between the prior year and current year accruals. 4,625

Change in Net Position of Governmental Activities \$ 109,771

See accompanying notes to financial statements.

Brandy Creek Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 710,413	\$ 710,413	\$ 724,543	\$ 14,130
Miscellaneous revenues	16,357	16,357	18,198	1,841
Interest income	500	500	146	(354)
Total Revenues	<u>727,270</u>	<u>727,270</u>	<u>742,887</u>	<u>15,617</u>
Expenditures				
Current				
General government	117,665	117,665	107,142	10,523
Culture/recreation	549,108	549,108	530,497	18,611
Total Expenditures	<u>666,773</u>	<u>666,773</u>	<u>637,639</u>	<u>29,134</u>
Revenues Over/(Under) Expenditures	<u>60,497</u>	<u>60,497</u>	<u>105,248</u>	<u>44,751</u>
Other Financing Sources/(Uses)				
Transfers out	<u>(60,497)</u>	<u>(60,497)</u>	<u>(60,497)</u>	<u>-</u>
Net Change in Fund Balances	-	-	44,751	44,751
Fund Balances - October 1, 2019	<u>-</u>	<u>-</u>	<u>193,364</u>	<u>193,364</u>
Fund Balances - September 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,115</u>	<u>\$ 238,115</u>

See accompanying notes to financial statements.

Brandy Creek Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (“the Act”) by St. Johns County Ordinance 2003-53, as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Brandy Creek Community Development District. The District is governed by a Board of Supervisors who are elected by qualified electors within the District. The District operates within the criteria established by Chapter 190.

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

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

Brandy Creek Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting

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

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

a. Government-wide Financial Statements

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

Governmental activities are supported by special assessments and interest. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

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

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

b. Fund Financial Statements

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

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

Brandy Creek Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

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

The District has various policies governing the fund balance classifications.

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

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

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

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

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

Brandy Creek Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

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

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

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

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

Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

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

Brandy Creek Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Debt Service Funds – Accounts for debt service requirements to retire the special assessment bonds which were used to finance the construction of District infrastructure improvements.

Capital Projects Funds – Accounts for financial resources to be used in the acquisition and construction of infrastructure improvements within the boundaries of the District.

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and improvements, and non-current governmental liabilities, such as general obligation bonds and due to developer be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

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

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

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

**Brandy Creek Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

b. Restricted Net Position

Certain net position of the District is classified as restricted assets on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

c. Capital Assets

Capital assets, which include construction in progress, are reported in the governmental activities column.

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

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

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

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

Infrastructure	30 years
Buildings and Improvements	10-30 years
Equipment	10 years

d. Deferred Outflow of Resources

Deferred outflow of resources is the consumption of net position by the government that is applicable to a future reported period. Deferred amount on refunding is amortized and recognized as a component of interest expense over the life of the bond.

**Brandy Creek Community Development District
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2020**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

e. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

“Total fund balances” of the District’s governmental funds, \$743,522, differs from “Net Position” of governmental activities, \$(493,914), reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below.

Capital related items

When capital assets (land, buildings and improvements and infrastructure that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Land	\$	100,960
Buildings and improvements		4,052,698
Infrastructure		3,504,275
Equipment		34,553
Accumulated depreciation		<u>(3,456,907)</u>
Total		<u>\$ 4,235,579</u>

Deferred outflow of resources

Deferred outflow of resources applicable to the District’s governmental activities are not current financial resources and therefore, are not reported as fund deferred outflow of resources:

Deferred amount on refunding	\$	<u>29,500</u>
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**Brandy Creek Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Long-term debt transactions

Governmental Activities long-term liabilities are not due and payable in the current period and are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2020 were:

Bonds payable	\$ <u>(5,420,000)</u>
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Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to the accrued interest on bonds.

Accrued interest	\$ <u>(82,515)</u>
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2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds, \$(71,354), differs from the “change in net position” for governmental activities, \$109,771, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated as follows.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets are capitalized and the cost is allocated over their estimated useful lives as depreciation. This is the current year capital outlay and depreciation.

Accumulated depreciation	\$ (270,106)
Capital outlay	<u>143,966</u>
Total	<u>\$ (126,140)</u>

Long-term debt transactions

Proceeds from the issuance of debt are recognized as an other financing source at the fund level and increase long-term debt at the government-wide level. Repayments of bond principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Bond principal payments	\$ <u>305,000</u>
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**Brandy Creek Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities (Continued)

Accrued interest

Interest is reported at the fund level when paid, however at the government-wide level interest is reported as incurred. This is the change in accrued interest in the current year.

Accrued interest	\$ <u>4,625</u>
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Deferred outflow of resources

The deferred outflow of resources for refunding of debt is recognized as a component of interest expense at the government-wide level. This is the amount of current year interest.

Deferred amount on refunding	\$ <u>(2,360)</u>
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NOTE C – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2020, the District's bank balance was \$119,785 and the carrying value was \$115,004. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2020, the District had the following investments and maturities:

Investment	Maturities	Fair Value
U S Bank Money Market	N/A	\$ 168,040
First American Govt Obligations	44 days*	256,015
Local Govt Surplus Prime Fund	48 days*	183,783
Total		\$ 607,838

*Weighted average maturity

Brandy Creek Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE C – CASH AND INVESTMENTS (CONTINUED)

The District categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, U S Bank Money Market and First American Government Obligations are Level 1 assets.

Interest Rate Risk

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

Credit Risk

The District's investments in treasury funds, commercial paper, and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. The Local Government Surplus Prime Fund is an authorized investment under Section 218.415, Florida Statutes. The District's investments in the state investment pool and government loans are limited by state statutory requirements and bond compliance. The District had monies invested with the Local Government Surplus Prime Fund, at September 30, 2020. This fund met the requirements of a "2-7a like pool" as defined in Government Accounting Standards Board, Statement 31. As of September 30, 2020, the District's investment in Local Government Surplus Prime Fund and First American Government Obligations Funds were rated AAAM by Standard & Poor's. The District's investment in U S Bank Money Market was unrated.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in First Government Obligation are 42% of the District's total investments, Local Government Surplus Funds, Florida Prime are 30% of the District's total investments and US Bank Money Market Funds are 28% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2020 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

**Brandy Creek Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE D – CAPITAL ASSETS

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

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
<u>Governmental Activities:</u>				
Capital assets				
Land	\$ 100,960	\$ -	\$ -	\$ 100,960
Buildings and improvements	4,052,698	-	-	4,052,698
Infrastructure	3,367,569	136,706	-	3,504,275
Equipment	27,293	7,260	-	34,553
Accumulated depreciation	<u>(3,186,801)</u>	<u>(270,106)</u>	-	<u>(3,456,907)</u>
Total Capital Assets, net	<u>\$ 4,361,719</u>	<u>\$ (126,140)</u>	<u>\$ -</u>	<u>\$ 4,235,579</u>

Depreciation of \$270,106 was charged to physical environment, \$127,939, and culture/recreation \$142,167.

NOTE E – LONG-TERM DEBT

The following is a summary of activity in the long-term debt account group of the District for the year ended September 30, 2020:

Long-term debt at October 1, 2019	\$ 5,725,000
Principal payments	<u>(305,000)</u>
Long-term debt at September 30, 2020	<u>\$ 5,420,000</u>

Brandy Creek Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE E – LONG-TERM DEBT (CONTINUED)

Long-term debt is comprised of the following:

Special Assessment Refunding Bonds

\$4,545,000 Series 2013 Special Assessment Refunding Bonds due in annual principal installments beginning May 2014 and maturing May 2033. Interest is due semi-annually on May 1 and November 1, at a fixed interest rate of 3.70%. Current portion is \$210,000. \$ 3,280,000

\$2,535,000 Series 2015 Special Assessment Refunding Bonds due in annual principal installments beginning May 2017 and maturing May 2036. Interest is due semi-annually on May 1 and November 1, at a fixed interest rate of 3.70%. Current portion is \$105,000. \$ 2,140,000

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2020 are as follows:

Year Ending September 30,	Principal	Interest	Total
2021	\$ 315,000	\$ 197,413	\$ 512,413
2022	315,000	185,940	500,940
2023	320,000	174,504	494,504
2024	335,000	163,077	498,077
2025	345,000	150,730	495,730
2026-2030	1,945,000	555,024	2,500,024
2031-2035	1,670,000	186,799	1,856,799
2036	175,000	6,583	181,583
Totals	<u>\$ 5,420,000</u>	<u>\$ 1,620,070</u>	<u>\$ 7,040,070</u>

Brandy Creek Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE E – LONG-TERM DEBT (CONTINUED)

The Series 2013 Bonds are subject to redemption at the option of the District prior to their maturity, in whole, but not in part, on any Interest Payment Date, at a redemption price equal to 101% of the principal amount of the Series 2013 Bonds to be redeemed, together with accrued interest to the date of redemption. The Series 2013 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Series 2015 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at a redemption price equal to 100% of the principal amount of the Series 2015 Bonds to be redeemed, together with accrued interest to the date of redemption. The Series 2013 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Trust Indenture established certain amounts be maintained in a reserve account. In addition, the Trust Indenture has certain restrictions and requirements relating to 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 bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

Reserve Fund – The Series 2013 Reserve Account was funded from the proceeds of the Series 2013 Bonds in an amount equal to 10% of the maximum annual debt service outstanding on the Series 2013 Bonds. The Series 2015 Reserve Account was funded from the proceeds of the Series 2015 Bonds in an amount equal to 50% of the maximum annual debt service outstanding on the Series 2015 Bonds. Monies held in the reserve account will be used only for the purposes established in the Trust Indenture

The following is a schedule of required reserve deposits as of September 30, 2020:

	<u>Special Assessment Bonds</u>	
	<u>Reserve</u>	<u>Reserve</u>
	<u>Balance</u>	<u>Requirement</u>
Series 2013 Special Assessment Refunding Bonds	\$ 31,916	\$ 31,826
Series 2015 Special Assessment Refunding Bonds	\$ 90,554	\$ 89,678

Brandy Creek Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE F – 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 for which the government carries commercial insurance. There were no claims or settled claims from these risks that have exceeded commercial insurance coverage.

NOTE G – INTERFUND TRANSFERS

The interfund transfers for the year ended September 30, 1930 were as follows.

Transfers Out	Transfers In
General Fund	Capital Projects Fund
	\$ 60,497

Current year transfers relate to the transfer from the General Fund to the Capital Projects Fund for reserve funding.



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

To the Board of Supervisors
Brandy Creek Community Development District
St. Johns 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 Brandy Creek Community Development District, as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated June 25, 2021.

Internal Control Over Financial Reporting

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

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

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

To the Board of Supervisors
Brandy Creek Community Development District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Brandy Creek Community Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. Certain findings are addressed in the accompanying management letter.

Purpose of this Report

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



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

June 25, 2021



Berger, Toombs, Elam, Gaines & Frank

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MANAGEMENT LETTER

To the Board of Supervisors
Brandy Creek Community Development District
St. Johns County, Florida

Report on the Financial Statements

We have audited the financial statements of the Brandy Creek Community Development District as of and for the year ended September 30, 2020, and have issued our report thereon dated June 25, 2021.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated June 25, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been made to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding financial audit report.

Financial Condition

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

To the Board of Supervisors
Brandy Creek Community Development District

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2020 for the Brandy Creek Community Development District. It is management's responsibility to monitor the Brandy Creek Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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

Additional Matters

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

Purpose of this Letter

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

*Berger Toombs Elam
Gaines + Frank*

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

June 25, 2021



**Berger, Toombs, Elam,
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**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Brandy Creek Community Development District
St. Johns County, Florida

We have examined Brandy Creek Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2020. Management is responsible for Brandy Creek Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Brandy Creek Community Development 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 and, accordingly, included examining, on a test basis, evidence about Brandy Creek Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Brandy Creek Community Development District's compliance with the specified requirements.

In our opinion, Brandy Creek Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2020.

*Berger Toombs Elam
Gaines & Frank*

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

June 25, 2021