



**East Homestead Community Development  
District**

**Financial Statements**

**September 30, 2020**



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Supervisors  
East Homestead Community Development District  
Miami-Dade County, Florida

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of East Homestead Community Development District (hereinafter referred to as "District"), as of and for the 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.

### ***Auditors' 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 auditors' 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, each major fund, and the aggregate remaining fund information of the East Homestead Community Development District as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated April 26, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 the 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.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

April 26, 2021

## **Management's Discussion and Analysis**

# East Homestead Community Development District Management's Discussion and Analysis

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the East Homestead Community Development District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the District's financial statements, which begin on page 9.

### FINANCIAL HIGHLIGHTS

- At September 30, 2020, the assets and deferred outflows of resources of the District exceeded its liabilities by approximately \$14.7 million.
- During the fiscal year ended September 30, 2020, the District constructed infrastructure and other capital assets of approximately \$560,000, incurred approximately \$1.7 million of interest expenditures and repaid approximately \$1.6 million of outstanding bond principal.

### USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 9 – 10 provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

#### ***Reporting the District as a Whole***

Our analysis of the District as a whole begins on page 4. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and related changes during the current year. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's assessment base and the condition of the District's infrastructure, to assess the overall health of the District.

## East Homestead Community Development District Management's Discussion and Analysis

### **Reporting the District's Most Significant Funds**

Our analysis of the District's major funds begins on page 6. The fund financial statements begin on page 10 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District's funds are governmental fund-types.

- *Governmental funds* – All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

### THE DISTRICT AS A WHOLE

The following table reflects the condensed Statement of Net Position and is compared to the prior year.

<i>September 30,</i>	<b>2020</b>	<b>2019</b>	<b>Change</b>
<b>Assets</b>			
Current and other assets	\$ 3,949,166	\$ 4,765,992	\$ (816,826)
Capital assets, net	43,497,042	43,719,056	(222,014)
<b>Total assets</b>	<b>47,446,208</b>	<b>48,485,048</b>	<b>(1,038,840)</b>
<b>Deferred outflows of resources</b>			
Deferred charge on refunding	82,563	87,875	(5,312)
<b>Total assets and deferred outflows of resources</b>	<b>\$ 47,528,771</b>	<b>\$ 48,572,923</b>	<b>\$ (1,044,152)</b>
<b>Liabilities</b>			
Current liabilities	\$ 2,043,521	\$ 2,360,280	\$ (316,759)
Other liabilities	30,835,014	32,015,984	(1,180,970)
<b>Total liabilities</b>	<b>32,878,535</b>	<b>34,376,264</b>	<b>(1,497,729)</b>
<b>Net position</b>			
Net investment in capital assets	22,518,074	21,820,146	697,928
Restricted for:			
Debt service	571,384	684,381	(112,997)
Capital projects	157,139	34,436	122,703
Unrestricted	(8,596,361)	(8,342,304)	(254,057)
<b>Total net position</b>	<b>14,650,236</b>	<b>14,196,659</b>	<b>453,577</b>
<b>Total liabilities and net position</b>	<b>\$ 47,528,771</b>	<b>\$ 48,572,923</b>	<b>\$ (1,044,152)</b>

## East Homestead Community Development District Management's Discussion and Analysis

For more detailed information, see the accompanying Statement of Net Position.

During the fiscal year ended September 30, 2020, total assets and liabilities decreased by approximately \$1 million and \$1.5 million, respectively. Deferred outflows of resources did not change significantly from the prior year. The decrease in assets is primarily due to the use of existing resources on the repayment of debt and depreciation of assets. The decrease in liabilities is primarily due to the repayment of the bond principal.

The following schedule compares the Statement of Activities for the current and previous fiscal year.

<i>For the year ended September 30,</i>	<b>2020</b>	<b>2019</b>	<b>Change</b>
<b>Revenue:</b>			
Program revenue:			
Charges for services	\$ 4,177,299	\$ 4,943,183	\$ (765,884)
Grants and contributions	20,157	69,433	(49,276)
General revenue:			
Developer contributions	-	2,699,561	(2,699,561)
Insurance proceeds	-	202,097	(202,097)
Interest and other revenue	36,836	79,364	(42,528)
<b>Total revenue</b>	<b>4,234,292</b>	<b>7,993,638</b>	<b>(3,759,346)</b>
<b>Expenses:</b>			
General government	174,345	186,106	(11,761)
Maintenance and operations	1,041,752	953,738	88,014
Clubhouse	983,943	1,011,154	(27,211)
Bond issue costs	-	287,171	(287,171)
Interest	1,580,675	1,598,055	(17,380)
<b>Total expenses</b>	<b>3,780,715</b>	<b>4,036,224</b>	<b>(255,509)</b>
Change in net position	453,577	3,957,414	(3,503,837)
Net position, beginning of year	14,196,659	10,239,245	3,957,414
Net position, end of year	\$ 14,650,236	\$ 14,196,659	\$ 453,577

For more detailed information, see the accompanying Statement of Activities.

Revenues and expenses decreased from the prior year by approximately \$3.8 million and \$256,000, respectively. The decrease in revenues is primarily due to the decrease in the prepayment revenue, developer contributions, and insurance proceeds. The decrease in expenses is primarily due to bond issue costs incurred on the Series 2019 Special Assessment bonds in the prior year. The overall result was a \$453,577 increase in net position for fiscal year 2020.



## East Homestead Community Development District Management's Discussion and Analysis

### THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 10) reported a combined fund balance of approximately \$3.7 million, which is a decrease from last year's fund balance that totaled approximately \$4.7 million. Significant transactions are discussed below.

- During the fiscal year ended September 30, 2020, the District constructed infrastructure of approximately \$558,000, incurred approximately \$1.7 million of interest expenditures and repaid principal of approximately \$1.6 million.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### *Capital Assets*

At September 30, 2020, the District had approximately \$43.5 million invested in capital assets (net of accumulated depreciation). This amount represents a net decrease of approximately \$222,000 from the fiscal year 2019 total. A listing of capital assets for the current and prior year follows:

<i>September 30,</i>	<b>2020</b>	<b>2019</b>	<b>Change</b>
Capital assets not being depreciated	\$ 31,040,832	\$ 30,784,515	\$ 256,317
Capital assets being depreciated	21,296,401	20,995,215	301,186
Total, prior to depreciation	52,337,233	51,779,730	557,503
Accumulated depreciation	(8,840,191)	(8,060,674)	(779,517)
Net capital assets	\$ 43,497,042	\$ 43,719,056	\$ (222,014)

More information about the District's capital assets is presented in Note 4 to the financial statements.

## East Homestead Community Development District Management's Discussion and Analysis

### **Debt**

At September 30, 2020, the District had approximately \$32.1 million of debt outstanding. This amount represents a net decrease of approximately \$1.6 million from the fiscal year 2019 total. A listing of debt amounts outstanding for the current and prior year is as follows:

<i>September 30,</i>	<b>2020</b>	<b>2019</b>	<b>Change</b>
Special Assessment Revenue Bonds:			
Series 2011B bonds	\$ 135,000	\$ 800,000	\$ (665,000)
Series 2013 bonds	10,540,000	10,770,000	(230,000)
Series 2015 bonds	15,525,000	16,180,000	(655,000)
Series 2019 bonds	5,630,000	5,630,000	-
Developer obligation	248,367	248,367	-
<b>Total</b>	<b>\$ 32,078,367</b>	<b>\$ 33,628,367</b>	<b>\$ (1,550,000)</b>

More information about the District's long-term debt is presented in Notes 5 and 6 to the financial statements.

### **GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS**

An Operating budget was established by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown at page 27.

The District experienced favorable variance in revenues and expenditures as compared to the budget in the amount of \$4 and \$37,080, respectively. The variance in expenditures occurred primarily due to clubhouse contingency, reserve and replacement expenditures budgeted in excess of amounts incurred.

### **FUTURE FINANCIAL FACTORS**

East Homestead Community Development District is an independent special district that operates under the provisions of Chapter 190, Florida Statutes. The District operates under an elected Board of Supervisors, which establishes policy and sets assessment rates. Assessment rates for fiscal year 2021 were established to provide for the operations of the District as well as necessary debt service requirements.

## **East Homestead Community Development District Management's Discussion and Analysis**

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the East Homestead Community Development District's management company at 5385 N. Nob Hill Road, Sunrise, FL 33351.

## **Basic Financial Statements**

**East Homestead Community Development District  
Statement of Net Position**

<i>September 30,</i>	<b>2020</b>
	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 34,927
Investments	3,822,595
Accounts receivable	13
Prepaid expenses	74,112
Deposits	17,519
Capital assets:	
Not being depreciated	31,040,832
Depreciable, net	12,456,210
<hr/>	
Total assets	47,446,208
<hr/>	
<b>Deferred outflows of resources</b>	
Deferred charge on refunding	82,563
<hr/>	
Total deferred outflows of resources	82,563
<hr/>	
<b>Liabilities</b>	
Accounts payable	248,017
Accrued interest payable	645,504
Non-current liabilities:	
Due within one year	1,150,000
Developer obligations payable	248,367
Due in more than one year	30,586,647
<hr/>	
Total liabilities	32,878,535
<hr/>	
<b>Net position</b>	
Net investment in capital assets	22,518,074
Restricted for:	
Debt service	571,384
Capital projects	157,139
Unrestricted	(8,596,361)
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Total net position	\$ 14,650,236
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## East Homestead Community Development District Statement of Activities

For the year ended September 30,

2020

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ (174,345)	\$ 168,386	\$ -	\$ -	\$ (5,959)
Maintenance and operations	(1,041,752)	666,548	-	-	(375,204)
Clubhouse	(983,943)	537,037	-	-	(446,906)
Interest	(1,580,675)	2,805,328	17,321	2,836	1,244,810
Total governmental activities	\$ (3,780,715)	\$ 4,177,299	\$ 17,321	\$ 2,836	416,741

### General revenues

Interest	19,317
Other revenue	17,519
Change in net position	453,577
Net position - beginning of year	14,196,659
Net position - end of year	\$ 14,650,236

**East Homestead Community Development District  
Balance Sheet – Governmental Funds**

September 30,

**2020**

		Debt Service	Debt Service	Debt Service	Debt Service	Capital	Other Non	Total
	General	Series 2011	Series 2013	Series 2015	Series 2019	Projects Fund	Major	Governmental
						Series 2013		Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 34,927	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 34,927
Investments	1,336,505	28,516	1,092,219	642,585	422,579	282,058	18,133	3,822,595
Accounts receivable	13	-	-	-	-	-	-	13
Prepaid expenditures	74,112	-	-	-	-	-	-	74,112
Deposits	17,519	-	-	-	-	-	-	17,519
Due from other funds	-	-	2,189	4,774	1,257	-	-	8,220
<b>Total assets</b>	<b>\$ 1,463,076</b>	<b>\$ 28,516</b>	<b>\$ 1,094,408</b>	<b>\$ 647,359</b>	<b>\$ 423,836</b>	<b>\$ 282,058</b>	<b>\$ 18,133</b>	<b>\$ 3,957,386</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 104,965	\$ -	\$ -	\$ -	\$ -	\$ 143,052	\$ -	\$ 248,017
Due to other funds	8,220	-	-	-	-	-	-	8,220
<b>Total liabilities</b>	<b>113,185</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,052</b>	<b>-</b>	<b>256,237</b>
<b>Fund balances</b>								
Nonspendable	91,631	-	-	-	-	-	-	91,631
Restricted for debt service	-	28,516	1,094,408	647,359	423,836	-	-	2,194,119
Restricted for capital projects	-	-	-	-	-	139,006	18,133	157,139
Unassigned	1,258,260	-	-	-	-	-	-	1,258,260
<b>Total fund balances</b>	<b>1,349,891</b>	<b>28,516</b>	<b>1,094,408</b>	<b>647,359</b>	<b>423,836</b>	<b>139,006</b>	<b>18,133</b>	<b>3,701,149</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,463,076</b>	<b>\$ 28,516</b>	<b>\$ 1,094,408</b>	<b>\$ 647,359</b>	<b>\$ 423,836</b>	<b>\$ 282,058</b>	<b>\$ 18,133</b>	<b>\$ 3,957,386</b>

**East Homestead Community Development District  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of  
Net Position**

<i>September 30,</i>	<b>2020</b>
Total fund balances, governmental funds	\$ 3,701,149
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level statements.	43,497,042
Deferred charges on refunding are not financial resources and, therefore are not reported as assets in governmental funds. The Statement of Net Position includes these charges, net of amortization.	82,563
Liabilities not due and payable from current resources, including accrued interest, are not reported in the fund level statements.	(32,630,518)
Total net position - governmental activities	\$ 14,650,236



**East Homestead Community Development District**  
**Statement of Revenue, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**

For the year ended September 30,

**2020**

	General	Debt Service Series 2011	Debt Service Series 2013	Debt Service Series 2015	Debt Service Series 2019	Capital Projects Fund Series 2013	Other Non Major	Total Governmental Funds
<b>Revenue</b>								
Assessments	\$ 1,371,971	\$ 41,725	\$ 816,807	\$ 1,398,597	\$ 367,869	\$ -	\$ -	\$ 3,996,969
Prepayment revenue	-	180,330	-	-	-	-	-	180,330
Interest	19,317	1,640	6,770	6,237	2,674	2,699	137	39,474
Other revenue	17,519	-	-	-	-	-	-	17,519
<b>Total revenue</b>	<b>1,408,807</b>	<b>223,695</b>	<b>823,577</b>	<b>1,404,834</b>	<b>370,543</b>	<b>2,699</b>	<b>137</b>	<b>4,234,292</b>
<b>Expenditures</b>								
Current:								
General government	171,895	-	1,850	600	-	-	-	174,345
Maintenance and operations	690,136	-	-	-	-	-	-	690,136
Clubhouse	556,042	-	-	-	-	-	-	556,042
Capital Outlay	327,354	-	-	-	-	230,149	-	557,503
Debt service:								
Principal	-	665,000	230,000	655,000	-	-	-	1,550,000
Interest	-	38,517	560,100	743,476	316,711	-	-	1,658,804
<b>Total expenditures</b>	<b>1,745,427</b>	<b>703,517</b>	<b>791,950</b>	<b>1,399,076</b>	<b>316,711</b>	<b>230,149</b>	<b>-</b>	<b>5,186,830</b>
Excess (deficit) of revenue over expenditures	(336,620)	(479,822)	31,627	5,758	53,832	(227,450)	137	(952,538)
Net change in fund balances	(336,620)	(479,822)	31,627	5,758	53,832	(227,450)	137	(952,538)
Fund balances, beginning of year	1,686,511	508,338	1,062,781	641,601	370,004	366,456	17,996	4,653,687
<b>Fund balances, end of year</b>	<b>\$ 1,349,891</b>	<b>\$ 28,516</b>	<b>\$ 1,094,408</b>	<b>\$ 647,359</b>	<b>\$ 423,836</b>	<b>\$ 139,006</b>	<b>\$ 18,133</b>	<b>\$ 3,701,149</b>

**East Homestead Community Development District  
Reconciliation of the Statement of Revenue, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities**

<i>For the year ended September 30,</i>	<b>2020</b>
Net change in fund balances - governmental funds	\$ (952,538)
Capital outlay, reported as expenditures in the governmental funds, is shown as capital assets on the Statement of Net Position.	557,503
Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities.	(779,517)
Amortization of deferred refunding amounts and original issue bond discount is not recognized in the governmental fund statement but is reported as an expense in the Statement of Activities.	(9,342)
Governmental funds report principal payments on bonds when debt is paid, whereas these payments are eliminated in the Statement of Activities and recognized as a decrease in bonds payable in the Statement of Net Position.	1,550,000
The change in accrued interest between the current and prior year is recorded on the Statement of Activities but not on the fund financial statements.	87,471
Change in net position of governmental activities	\$ 453,577

## **East Homestead Community Development District Notes to Financial Statements**

### **NOTE 1: NATURE OF ORGANIZATION**

The East Homestead Community Development District (the "District") was established on October 17, 2003 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by Miami-Dade County Ordinance No. 03-209. 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 a Board of Supervisors ("Board"), which is comprised of five members. The Supervisors are elected on an at large basis by registered voters living within the District, as an election process controlled and handled by Miami-Dade County Supervisor of Elections. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

1. Assessing and levying special 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.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth by Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB). Based on the foregoing criteria, no potential component units were found.

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the District conform to GAAP as applicable to governments in accordance with those promulgated by GASB. The following is a summary of the more significant policies:

#### ***Government-wide and Fund Financial Statements***

The basic financial statements include both government-wide and fund financial statements.

## **East Homestead Community Development District Notes to Financial Statements**

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2020, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### ***Measurement Focus, Basis of Accounting and Basis of 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 the related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and other similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. However, debt service expenditures are recorded only when payment is due.

Assessments, including debt service assessments along with operation and maintenance assessments, are non-ad valorem special assessments imposed on all lands located within the District and benefited by the District's activities, operation and maintenance. Operations and maintenance assessments are levied and certified for collection by the District prior to the start of the fiscal year which begins October 1<sup>st</sup> and ends on September 30<sup>th</sup>. Operation and maintenance special assessments are imposed upon all benefited lands located in the District. Debt service special assessments are imposed upon certain lots and lands as described in each resolution imposing the special assessment for each series of bonds issued by the District. Certain debt service assessments are collected upon the closing of those lots subject to short term debt and are used to prepay a portion of the bonds outstanding.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

## East Homestead Community Development District Notes to Financial Statements

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

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Debt Service Fund Series 2011 – The Debt Service Fund Series 2011 is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Debt Service Fund Series 2013 – The Debt Service Fund Series 2013 is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Debt Service Fund Series 2015 – The Debt Service Fund Series 2015 is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Debt Service Fund Series 2019 – The Debt Service Fund Series 2019 is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund Series 2013 – The Capital Projects Fund Series 2013 is used to account for the financial resources to be used in the acquisition or construction of the Series 2013 expansion project.

For the year ended September 30, 2020, the District does not report any proprietary funds.

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, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in governmental fund financial statements, it is the government's policy to use committed resources first, followed by assigned resources, and then unassigned resources as needed.

#### ***Cash, Deposits and Investments***

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by GASB, Statement Number 40, *Deposits and Investment Disclosures (An Amendment of GASB, Statement Number 3)*.

## East Homestead Community Development District Notes to Financial Statements

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

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. The authorized investments include among others, direct obligations of the United States Treasury; the Local Government Surplus Funds Trust as created by Section 218.405, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions.

#### ***Capital Assets***

Capital assets, which include primarily infrastructure assets (e.g., roads, sidewalks, water management systems and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial/individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market 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 asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Asset</u>	<u>Years</u>
Infrastructure	10-30
Improvements	10
Clubhouse	10-25

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.

#### ***Long-Term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line or effective interest method. Bonds payable are reported net of these premiums or discounts. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current period expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the 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 current period expenditures.

## East Homestead Community Development District Notes to Financial Statements

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

#### ***Deferred Outflows/Inflows of Resources***

In addition to assets, the Statement of Net Position and Balance Sheet – Governmental Funds will sometimes include 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. The District only has one item that qualifies for reporting in this category: the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position and Balance Sheet – Governmental Funds 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. The District does not have any of this type of item at September 30, 2020.

#### ***Fund Equity***

Net position in the government-wide financial statements represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to infrastructure and property, plant and equipment, net of any related debt. Restricted net position represents the net position restricted by the District's bond covenants.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the District board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

#### ***Prepaid Expenses***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures on the Statement of Net Position. These items will be expensed over the applicable usage period.

## **East Homestead Community Development District Notes to Financial Statements**

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

#### ***Estimates***

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Budgets***

The District is required to establish a budgetary system and an approved annual budget. Annual budgets are legally adopted on a basis consistent with GAAP for the General Fund. Any revision to the budget must be approved by the District Board. The budgets are compared to actual expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorization amounts. 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 significant budget changes must be approved by the District Board.
- E. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 26, 2021. See Note 12 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

### **NOTE 3: INVESTMENTS**

The District's investments consist of money market funds in which shares are owned in the fund rather than the underlying investments. In accordance with GAAP, these amounts are reported at amortized cost. At the close of the fiscal year, the District held investments in the Local Government Surplus Funds Trust Fund ("Florida PRIME") external investment pool. The Florida PRIME is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. Florida PRIME currently meets all of the necessary criteria set forth in GASB 79 to measure its investments at amortized cost; therefore, the District's account balance in the SBA is also reported at amortized cost.



## East Homestead Community Development District Notes to Financial Statements

### NOTE 3: INVESTMENTS (Continued)

There are no limitations or restrictions on withdrawals from Florida PRIME, although on the occurrence of an event that has a material impact on liquidity or operations of the fund, the fund's executive director may limit contributions or withdrawals from the trust fund for a period of 48 hours.

The following is a summary of the District's investments:

<u>September 30,</u>	<u>2020</u>	<u>Credit Risk</u>	<u>Weighted Average Maturities</u>
Short-term Money Market Funds	\$ 2,486,090	S&P AAAM	41 - 45 days
State Board of Administration Florida PRIME	1,336,505	S&P AAAM	48 days
<b>Total investments</b>	<b>\$ 3,822,595</b>		

*Concentration risk* – The District's investment policy requires diversification, but does not specify limits on types of investments.

*Custodial credit risk* – For an investment, custodial credit risk is the risk that the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. At September 30, 2020, none of the investments listed above are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

*Interest rate risk* – The District does not have a formal policy for addressing interest rate risk; however, investments are made with discretion, to seek reasonable returns, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values from interest rate changes by reviewing the portfolio on an ongoing basis for changes in effective yield amounts.

## East Homestead Community Development District Notes to Financial Statements

### NOTE 4: CAPITAL ASSETS

The following is a summary of changes in the capital assets for the year ended September 30, 2020:

	Beginning Balance	Additions	Transfers	Ending Balance
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land and land improvements	\$ 28,820,024	\$ -	\$ -	\$ 28,820,024
Construction in progress	1,964,491	256,317	-	2,220,808
<b>Total capital assets, not being depreciated</b>	<b>30,784,515</b>	<b>256,317</b>	<b>-</b>	<b>31,040,832</b>
<b>Capital assets being depreciated</b>				
Infrastructure	8,539,628	232,286	-	8,771,914
Improvements	2,720,926	-	-	2,720,926
Clubhouse	9,734,661	68,900	-	9,803,561
<b>Total capital assets, being depreciated</b>	<b>20,995,215</b>	<b>301,186</b>	<b>-</b>	<b>21,296,401</b>
<b>Less accumulated depreciation for:</b>				
Infrastructure	3,026,147	338,120	-	3,364,267
Improvements	2,588,395	13,496	-	2,601,891
Clubhouse	2,446,132	427,901	-	2,874,033
<b>Total accumulated depreciation</b>	<b>8,060,674</b>	<b>779,517</b>	<b>-</b>	<b>8,840,191</b>
<b>Total capital assets, being depreciated, net</b>	<b>12,934,541</b>	<b>(478,331)</b>	<b>-</b>	<b>12,456,210</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 43,719,056</b>	<b>\$ (222,014)</b>	<b>\$ -</b>	<b>\$ 43,497,042</b>

Depreciation expense for the year ended September 30, 2020 totaled \$779,517, of which \$351,616 was allocated to maintenance and operations and \$427,901 was allocated to clubhouse expenses on the Statement of Activities.

### NOTE 5: BONDS PAYABLE

On June 1, 2006, the District issued \$26,000,000 of Special Assessment Revenue Bonds, Series 2006B with a fixed interest rate of 5.00%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. In April 2011, the District entered into an amendment to the 2006B Bond Indenture, whereby on the close of business on the maturity date of May 1, 2011, the Series 2006B bonds were re-designated "East Homestead Community Development District Special Assessment Revenue Bonds, Series 2011B." The District reconstituted \$13,060,000 of Series 2006B bonds as Special Assessment Revenue Bonds, Series 2011B with a fixed interest rate of 7.25%. The Series 2011B bonds will mature in full in 2021.

## East Homestead Community Development District Notes to Financial Statements

### NOTE 5: BONDS PAYABLE (Continued)

On May 15, 2013, the District issued \$11,795,000 of Special Assessment Revenue Bonds, Series 2013 with a variable interest rate averaging 5.50%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1. Principal on the Series 2013 Bonds is paid serially commencing on November 1, 2013 through November 1, 2043.

On March 17, 2015, the District issued \$18,555,000 of Special Assessment Refunding Bonds, Series 2015 consisting of \$3,030,000 Term Series 2015 Bonds, \$3,705,000 Term Series 2015 Bonds, and \$11,820,000 Term Series 2015 Bonds with interest rates of 3.75%, 4.25%, and 4.75%, respectively. These bonds included a redemption premium of \$112,000 and were used to fully redeem Series 2005 and 2006A Bonds, which were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1. Principal payments are made serially commencing on May 1, 2016 through May 1, 2036. The bonds are secured by a pledge of revenues derived from the collection of non-ad valorem special assessments.

On January 25, 2019, the District issued \$5,630,000 of Special Assessment Bonds, Series 2019 consisting of \$95,000 Series 2019 Term Bonds, \$415,000 Series 2019 Term Bonds, \$625,000 Series 2019 Term Bonds, \$1,725,000 Series 2019 Term Bonds and \$2,770,000 Series 2019 Term Bonds with interest rates of 3.55%, 3.75%, 4.125%, 4.75%, and 5.00%, respectively. These bonds were issued to finance the acquisition or construction of the expansion area project (the "EAP"). These bonds are exclusively secured by the expansion area. Interest is paid semiannually on each May 1 and November 1. Principal payments are made serially commencing on May 1, 2020 through May 1, 2049. The bonds are secured by a pledge of revenues derived from the collection of non-ad valorem special assessments.

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

<i>Year Ending September 30,</i>	Principal	Interest	Total Debt Service
2021	1,150,000	1,542,574	2,692,574
2022	1,065,000	1,490,219	2,555,219
2023	1,100,000	1,445,563	2,545,563
2024	1,140,000	1,399,338	2,539,338
2025	1,200,000	1,350,100	2,550,100
2026-2030	6,900,000	5,854,134	12,754,134
2031-2035	8,700,000	4,022,913	12,722,913
2036-2040	5,020,000	2,056,844	7,076,844
2041-2045	4,005,000	870,391	4,875,391
2046-2050	1,550,000	201,250	1,751,250
	<b>\$ 31,830,000</b>	<b>\$ 20,233,324</b>	<b>\$ 52,063,324</b>

## East Homestead Community Development District Notes to Financial Statements

### NOTE 5: BONDS PAYABLE (Continued)

The Bond Indentures have certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedure to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with the requirements of the Bond Indentures.

The Bond Indentures require that the District maintain adequate funds in the reserve accounts to meet the debt service reserve requirements as defined in the Indentures. The requirements have been met for the fiscal year ended September 30, 2020.

### NOTE 6: LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
Bonds Payable:					
Series 2011B	\$ 800,000	\$ -	\$ (665,000)	\$ 135,000	\$ 135,000
Series 2013	10,770,000	-	(230,000)	10,540,000	240,000
Series 2015	16,180,000	-	(655,000)	15,525,000	680,000
Series 2019	5,630,000	-	-	5,630,000	95,000
Bond Issue Discount	(97,383)	-	4,030	(93,353)	-
Developer obligations payable (see Note 7)	248,367	-	-	248,367	-
	<u>\$ 33,530,984</u>	<u>\$ -</u>	<u>\$ (1,545,970)</u>	<u>\$ 31,985,014</u>	<u>\$ 1,150,000</u>

### NOTE 7: RELATED PARTY TRANSACTIONS

The Developer has advanced certain amounts in prior years to the District for construction. In the current and future years, to the extent that funds become available, a portion of those advances will be repaid. Although no set timetable for repayment exists, during the prior fiscal year District management concluded it is probable that an amount totaling \$248,367 will be paid in future years. This amount is included in Non-current liabilities due in more than one year on the accompanying Statement of Net Position.

For the year ended September 30, 2020, the District directly assessed the Developer \$41,725 for debt service costs on the Series 2011B Bonds. In addition, the Developer and its affiliate were assessed \$511,811 and \$983,447 for operations and maintenance and debt service costs, respectively, through the local tax collector.

## **East Homestead Community Development District Notes to Financial Statements**

### **NOTE 7: RELATED PARTY TRANSACTIONS (Continued)**

At September 30, 2020, the Developer and its affiliate owned a significant portion of the assessable property located within the District boundaries. A significant portion of the District's future activity is dependent upon the continued involvement of the Developer and its affiliates.

### **NOTE 8: 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 maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in the previous three years.

### **NOTE 9: MANAGEMENT COMPANY**

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory 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 10: COMMITMENT**

During fiscal year 2020, the District entered into a contract for clubhouse gym remodeling in the amount of \$624,051. In 2020, the expenses related to this contract totaled \$208,659. As of September 30, 2020, there was \$415,392 remaining on the contract. The work is expected to be completed during fiscal year 2021.

### **NOTE 11: CONTINGENCIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the District. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meeting, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

The District is involved in pending and threatened legal actions. In the opinion of the District management, after consulting with legal counsel, the range of potential loss from all such claims and actions should not materially affect the financial condition of the District.

## **East Homestead Community Development District Notes to Financial Statements**

### **NOTE 12: SUBSEQUENT EVENTS**

Subsequent to year end, the District entered into an agreement as part of the clubhouse improvements totaling approximately \$99,000 and an agreement for drainage improvements totaling \$314,000.

**Required Supplemental Information  
(Other Than MD&A)**

## East Homestead Community Development District Budget to Actual Comparison Schedule - General Fund

*For the year ended September 30,*

**2020**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenue</b>				
Assessments	\$ 1,363,357	\$ 1,371,967	\$ 1,371,971	\$ 4
Interest	20,000	19,317	19,317	-
Other revenue	10,000	17,519	17,519	-
<b>Total revenue</b>	<b>1,393,357</b>	<b>1,408,803</b>	<b>1,408,807</b>	<b>4</b>
<b>Expenditures</b>				
General government	166,338	174,773	171,895	2,878
Maintenance and operations	590,799	911,241	690,136	221,105
Clubhouse expenditures	633,512	696,493	556,042	140,451
Capital outlay	-	-	327,354	(327,354)
<b>Total expenditures</b>	<b>1,390,649</b>	<b>1,782,507</b>	<b>1,745,427</b>	<b>37,080</b>
 Excess (deficit) of revenue over expenditures	 \$ 2,708	 \$ (373,704)	 \$ (336,620)	 \$ 37,084



**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  
East Homestead Community Development District  
Miami-Dade 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, each major fund, and the aggregate remaining fund information of East Homestead Community Development District (hereinafter referred to as the "District"), as of and for the 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 April 26, 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) 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 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 grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

April 26, 2021



**Carr, Riggs & Ingram, LLC**  
Certified Public Accountants  
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Suite 210  
Miramar Beach, Florida 32550

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## **MANAGEMENT LETTER**

To the Board of Supervisors  
East Homestead Community Development District  
Miami-Dade County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of East Homestead Community Development District ("District") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated April 26, 2021.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant'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 April 26, 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 taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

## **Financial Condition and Management**

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's 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.

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 did not note any such findings.

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of 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.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida  
April 26, 2021



Carr, Riggs & Ingram, LLC  
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## INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Supervisors  
East Homestead Community Development District  
Miami-Dade County, Florida

We have examined East Homestead Community Development District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management of the District is responsible for the District's compliance with the specified 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 performed the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. 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 year ended September 30, 2020.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida  
April 26, 2021