

Financial Statements

September 30, 2021

**Celebration Community
Development District**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Celebration Community Development District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund, and the aggregate remaining fund information of the *Celebration Community Development District* (the "District"), as of and for the year ended September 30, 2021, 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

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, and the aggregate remaining fund information of the District as of September 30, 2021, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund 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 starting on page 3, be presented to supplement the 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 March 15, 2022, 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, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

McDiarmid Davis

Orlando, Florida
March 15, 2022

Our discussion and analysis of *Celebration Community Development District's* (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2021. Please read it in conjunction with the District's Independent Auditor's Report, financial statements and accompanying notes.

This information is being presented to provide additional information regarding the activities of the District and to meet the disclosure requirements of Government Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999.

Financial Highlights

- At September 30, 2021 the District reported net position of \$51,534,135, an increase in net position of \$2,392,877 in comparison with the prior year.
- At September 30, 2021, the District's governmental funds reported a fund balance of \$14,938,029 an increase of \$7,747,951 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the *Celebration Community Development District's* financial statements. The District's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include general government and maintenance and operations related functions.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: Governmental Funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Celebration Community Development District
Management's Discussion and Analysis

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service 2002 fund and capital projects 2021 fund, which are considered to be major funds.

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

Notes to Financial Statements

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

Government-Wide Financial Analysis

Statement of Net Position - The District's net position was \$51,534,135 at September 30, 2021. The following analysis focuses on the net position of the District's governmental activities.

	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 15,986,554	\$ 8,284,564
Capital assets, net	48,814,908	47,314,100
Total assets	<u>64,801,462</u>	<u>55,598,664</u>
Deferred charge on refunding	31,046	33,634
Total assets and deferred charge on refunding	<u>\$ 64,832,508</u>	<u>\$ 55,632,298</u>
Current liabilities	\$ 1,160,764	\$ 1,200,752
Long-term liabilities	12,137,609	5,290,288
Total liabilities	<u>13,298,373</u>	<u>6,491,040</u>
Net Position:		
Net investment in capital assets	43,901,550	42,057,446
Restricted for:		
Debt service	1,290,217	651,987
Capital projects	115,523	115,416
Unrestricted	<u>6,226,845</u>	<u>6,316,409</u>
Total net position	<u>\$ 51,534,135</u>	<u>\$ 49,141,258</u>

Celebration Community Development District
Management's Discussion and Analysis

The following is a summary of the District's governmental activities for the fiscal years ended September 30.

	<u>2021</u>	<u>2020</u>
Program Revenues:		
Charges for services	\$ 4,280,457	\$ 4,462,196
Grants and contributions	3,882,443	22,228
General Revenues:		
Right-of-way fees, investment, and other revenues	<u>1,031,650</u>	<u>1,021,906</u>
Total revenues	<u>9,194,550</u>	<u>5,506,330</u>
Expenses:		
General government	609,180	345,024
Maintenance and operations	3,489,793	3,061,574
Depreciation	2,433,662	2,607,292
Interest	<u>269,038</u>	<u>301,579</u>
Total expenses	<u>6,801,673</u>	<u>6,315,469</u>
Change in net position	2,392,877	(809,139)
Net position, beginning	<u>49,141,258</u>	<u>49,950,397</u>
Net position, ending	<u>\$ 51,534,135</u>	<u>\$ 49,141,258</u>

As noted above and in the statement of net position, the cost of all governmental activities during the year ended September 30, 2021 was \$6,801,673. The majority of these costs are comprised of maintenance and operations expenditures.

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near - term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2021, the District's governmental funds reported combined ending fund balances of \$14,938,029. Of this total, \$9,637 is nonspendable, \$8,711,184 is restricted, \$4,397,845 is assigned and the remainder of \$1,819,363 is unassigned.

The general fund balance decreased \$89,564 in the current year due to expenditures exceeding revenues, as shown in the statement of revenues, expenditures and changes in fund balances-governmental funds on page 11. The debt service 2002 fund balance increased by \$394,525 in the current year from additional assessments. The 2021 capital projects fund increased by \$7,193,205 due to the receipt of bond proceeds.

General Fund Budgetary Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. There was one amendment to the September 30, 2021 general fund budget. The legal level of budgetary control is at the fund level.

Capital Asset and Debt Administration

Capital Assets - At September 30, 2021, the District had \$48,814,908 invested in assets, net of accumulated depreciation. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Capital Debt - At September 30, 2021, the District had \$12,000,000 in bonds outstanding. More detailed information about the District's capital debt is presented in the notes to the financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact the *Celebration Community Development District's* Finance Department at 313 Campus Street, Celebration Florida, 34747.

FINANCIAL STATEMENTS

Celebration Community Development District
Statement of Net Position
September 30, 2021

	<u>Governmental Activities</u>
Assets:	
Current and Other Assets:	
Cash and cash equivalents	\$ 7,250,174
Investments	8,585,026
Accounts receivable	111,555
Other receivables	30,162
Prepaid expenses	7,513
Deposits	2,124
Capital Assets:	
Capital assets not being depreciated: Land	30,927,669
Capital assets, net of depreciation	<u>17,887,239</u>
Total assets	<u>64,801,462</u>
 Deferred outflows of resources	
Deferred charge on refunding	<u>31,046</u>
 Liabilities:	
Accounts payable	169,838
Accrued interest payable	112,239
Due to Other District	88,968
Easement deposit	206,676
Unearned revenue - Enterprise CDD	583,043
Noncurrent Liabilities:	
Due within one year	1,060,000
Due in more than one year	<u>11,077,609</u>
Total liabilities	<u>13,298,373</u>
 Net Position:	
Net investment in capital assets	43,901,550
Restricted for:	
Debt service	1,290,217
Capital projects	115,523
Unrestricted	<u>6,226,845</u>
Total net position	<u>\$ 51,534,135</u>

Celebration Community Development District
Statement of Activities
Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenue		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
General government	\$ 609,180	\$ 407,214	\$ -	\$ -	\$ (201,966)
Maintenance and operations	3,489,793	2,332,796	-	3,882,265	2,725,268
Depreciation	2,433,662	-	-	-	(2,433,662)
Interest	269,038	1,540,447	65	113	1,271,587
Total governmental activities	\$ 6,801,673	\$ 4,280,457	\$ 65	\$ 3,882,378	1,361,227
General Revenues:					
Right-of-way-fees					901,213
Investment and other revenues					130,437
Total general revenues					1,031,650
Change in net position					2,392,877
Net position, beginning					49,141,258
Net position, ending					\$ 51,534,135

Celebration Community Development District
Balance Sheet - Governmental Funds
September 30, 2021

	General	Debt Service 2002	2021 Capital Projects	Nonmajor Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 7,134,651	\$ -	\$ -	\$ 115,523	\$ 7,250,174
Investments	-	565,011	7,193,205	826,810	8,585,026
Accounts receivable	111,555	-	-	-	111,555
Other receivables	19,527	7,702	-	2,933	30,162
Prepaid expenditures	7,513	-	-	-	7,513
Deposits	2,124	-	-	-	2,124
Total assets	\$ 7,275,370	\$ 572,713	\$ 7,193,205	\$ 945,266	\$ 15,986,554
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 169,838	\$ -	\$ -	\$ -	\$ 169,838
Easement deposit	206,676	-	-	-	206,676
Unearned revenue - Enterprise CDD	583,043	-	-	-	583,043
Due to other districts	88,968	-	-	-	88,968
Total liabilities	1,048,525	-	-	-	1,048,525
Fund Balances:					
Nonspendable	9,637	-	-	-	9,637
Restricted for debt service	-	572,713	-	829,743	1,402,456
Restricted for capital projects	-	-	7,193,205	115,523	7,308,728
Assigned for:					
Operating reserves	893,712	-	-	-	893,712
Capital projects	1,069,633	-	-	-	1,069,633
Assessment stabilization	750,000	-	-	-	750,000
Boardwalk and trails	375,000	-	-	-	375,000
Roads and sidewalks	225,000	-	-	-	225,000
Disaster relief	1,000,000	-	-	-	1,000,000
Self insurance	84,500	-	-	-	84,500
Unassigned	1,819,363	-	-	-	1,819,363
Total fund balances	6,226,845	572,713	7,193,205	945,266	14,938,029
Total Liabilities and Fund Balances	\$ 7,275,370	\$ 572,713	\$ 7,193,205	\$ 945,266	\$ 15,986,554

Celebration Community Development District
Reconciliation of the Balance Sheet - Governmental Funds
To the Statement of Net Position
September 30, 2021

Total fund balance, governmental funds \$ 14,938,029

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 48,814,908

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. 31,046

Liabilities not due and payable from current available resources are not reported in governmental fund statements. All liabilities both current and long-term, are reported in the government-wide statements.

Accrued interest payable (112,239)
Bonds payable (12,137,609)

(12,249,848)

Net Assets of Governmental Activities

\$ 51,534,135

Celebration Community Development District
Statement of Revenues, Expenditures and Changes in the Fund Balances
Governmental Funds
Year Ended September 30, 2021

	General	Debt Service 2002	2021 Capital Projects	Nonmajor Funds	Total Governmental Funds
Revenues:					
Special assessments	\$ 2,740,010	\$ 1,076,921	\$ -	\$ 410,163	\$ 4,227,094
Prepayment revenue	-	53,363	-	-	53,363
Right-of-way fees	901,213	-	-	-	901,213
Investment and other revenues	130,437	27	6	145	130,615
Total revenues	3,771,660	1,130,311	6	410,308	5,312,285
Expenditures:					
Current:					
General government	337,431	14,161	270,400	5,393	627,385
Maintenance and operations	3,523,793	-	-	-	3,523,793
Debt Service:					
Principal	-	655,000	-	220,000	875,000
Interest	-	66,625	-	188,184	254,809
Total expenditures	3,861,224	735,786	270,400	413,577	5,280,987
Excess (Deficit) of Revenues Over Expenditures	(89,564)	394,525	(270,394)	(3,269)	31,298
Other Financing Sources (Uses)					
Bonds issued	-	-	7,291,946	253,054	7,545,000
Premium on bonds issued	-	-	171,653	-	171,653
Total other financing sources (uses)	-	-	7,463,599	253,054	7,716,653
Net change in fund balances	(89,564)	394,525	7,193,205	249,785	7,747,951
Fund balances, beginning of year	6,316,409	178,188	-	695,481	7,190,078
Fund balances, end of year	\$ 6,226,845	\$ 572,713	\$ 7,193,205	\$ 945,266	\$ 14,938,029

Celebration Community Development District
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities**
 Year Ended September 30, 2021

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

Net Change in Fund Balances - total governmental funds \$ 7,747,951

Governmental Funds report outlays for capital assets as expenditures because such outlays use current financial resources; however, in the statement of net position the cost of those assets is recorded as capital assets. Depreciation on capital assets is not recognized in the governmental fund statement; however, it is reported as an expense in the statement of activities. Capital outlay is included in maintenance and operations expenditures in the fund statements.

Capital outlay	52,205	
Depreciation expense	<u>(2,433,662)</u>	(2,381,457)

Contributions of capital assets are not reported as revenues in governmental funds. 3,882,265

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.

Bonds issued	(7,545,000)	
Premium on bonds issued	<u>(171,653)</u>	(7,716,653)

Repayments of bond principal are expenditures in governmental funds while repayments reduce liabilities in the statement of net position. Also, governmental funds report the effect premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Repayment of bonds payable	875,000	
Amortization of bond discount	(5,668)	
Amortization of deferred charge on refunding	<u>(2,588)</u>	866,744

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest		<u>(5,973)</u>
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Change in Net Position of Governmental Activities \$ 2,392,877

Celebration Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Special assessments	\$ 2,718,667	\$ 2,718,667	\$ 2,740,010	\$ 21,343
Right-of-way fees	780,600	780,600	901,213	120,613
Investment and other revenues	229,048	229,048	130,437	(98,611)
Total revenues	<u>3,728,315</u>	<u>3,728,315</u>	<u>3,771,660</u>	<u>43,345</u>
Expenditures:				
Current:				
General government	356,566	356,566	337,431	19,135
Maintenance and operations	3,366,878	3,616,878	3,523,793	93,085
Total expenditures	<u>3,723,444</u>	<u>3,973,444</u>	<u>3,861,224</u>	<u>112,220</u>
Excess (Deficit) of Revenues Over Expenditures	<u>4,871</u>	<u>(245,129)</u>	<u>(89,564)</u>	<u>155,565</u>
Net Change in fund balance	<u>\$ 4,871</u>	<u>\$ (245,129)</u>	<u>(89,564)</u>	<u>\$ 155,565</u>
Fund balance, beginning			<u>6,316,409</u>	
Fund balance, ending			<u>\$ 6,226,845</u>	

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Celebration Community Development District, (the "District") was established on March 8, 1994 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. Chapter 190 provides that a Community Development District with a size of 1,000 acres or more may be established by rule adopted under Chapter 120 by the Florida Land and Water Adjudicatory Commission ("FLWAC"). The District was established by Chapter 42Q, Florida Administrative Code as amended, adopted by FLWAC. The District currently comprises approximately 6,548 acres of an anticipated 9,500 acre planned community.

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, as well as, outside the District pursuant to the interlocal agreements. The District has the authority to borrow money and issue bonds, and to assess and levy non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District is governed by a Board of Supervisors ("Board"), which is comprised of five members. The Supervisors are elected by qualified electors of Osceola County whose primary residence is within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

1. Allocating 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) in statements No. 14 and No. 61. Based on the foregoing criteria, no potential component units were found.

Government-Wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants, contributions and investment income that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) operating-type special assessments that are treated as charges for services (including assessments for maintenance and debt service). Other items not included among program revenues are reported instead as *general revenues*.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied.

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 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 and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. Operation and maintenance special assessments are levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. These 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.

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. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following governmental funds, which are considered to be major funds:

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.

Debt Service Fund Series 2002 - accounts for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund Series 2021 - accounts for the expenditures associated with major capital projects for the District.

Additionally, the District reports the following nonmajor governmental funds:

Debt Service Funds - Series 1999, Series 2013A and Series 2021 - accounts for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Funds - Series 2002 - accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Restricted Assets

These assets represent cash and investments set aside pursuant to bond covenants.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments

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

Investments of the District are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The District's investments consist of investments authorized in accordance with Section 218.415, Florida Statutes.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Equipment	3 - 10
Improvements	15 - 30
Infrastructure	20 - 30

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 method. Bonds payable are reported net of premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and 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 expenditures.

Deferred Outflows of Resources

In addition to assets, the statement of financial position includes 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 has one item, a deferred charge on refunding that qualifies for reporting in this category. 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.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District doesn't have any items that qualify for reporting in this category.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes fund balance amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors may designate and individual to assign amounts for specific purposes. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above an additional action is essential to either remove or revise a commitment.

Other Disclosures

Use of Estimates

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

New Accounting Standards

In fiscal year 2021, the District has not implemented any new accounting standards with a material effect on the District's financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District is required to establish a budgetary system and an approved annual budget for the General Fund. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at the fiscal year end. The legal level of budgetary control is at the fund level. Any budget amendments that increase the aggregate budgeted appropriations, at the fund level, must be approved by the Board of Supervisors.

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

1. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted by the District Board.
4. All budget changes must be approved by the District Board.
5. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The District categorizes its fair value measurements within the fair value hierarchy 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's investments in money market funds consist of shares owned in the fund rather than the underlying investments. In accordance with GASB 72, these amounts are reported at amortized cost.

The commercial paper is reported in the financial statements at fair value. Under GASB 72, 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.

The District has the following recurring fair value measurements as of September 30, 2021:

- Commercial paper of \$7,957,905 is valued using Level 1 inputs.

Instead of establishing a written investment policy, the District elected to limit investments to those approved by Florida Statutes and the District Trust Indenture. Authorized District investments include, but are not limited to:

1. The Local Government Surplus Funds Trust Fund (SBA);
2. Securities and Exchange Commission Registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency;
3. Interest-bearing time deposits or savings accounts in qualified public depositories;
4. Direct obligations of the U.S. Treasury;

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments made by the District at September 30, 2021 are summarized below.

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
Short-term Money Market Funds	\$ 627,121	AAAm	14 days
Commercial Paper	7,957,905	A-1+	NA
	\$ 8,585,026		

Credit Risk:

The District limits credit risk by restricting authorized investments to those described which are either backed by the full faith and credit of the United States Government or maintain the highest credit quality ratings of Moody's or S&P.

Custodial Credit Risk:

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2021, all of the District's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2021, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

There is no limit on the amount the District may invest in any one issuer.

Interest Rate Risk:

The District does not specifically address interest rate risk; however, their practice is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The District invests to provide sufficient liquidity to pay obligations as they come due.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 30,927,669	\$ -	\$ -	\$ 30,927,669
Total capital assets not being depreciated	<u>30,927,669</u>	<u>-</u>	<u>-</u>	<u>30,927,669</u>
Capital Assets Being Depreciated:				
Equipment	306,978	18,205	-	325,183
Infrastructure	68,499,771	3,882,265	-	72,382,036
Improvements	3,755,727	34,000	-	3,789,727
Total capital assets being depreciated	<u>72,562,476</u>	<u>3,934,470</u>	<u>-</u>	<u>76,496,946</u>
Less Accumulated Depreciation for:				
Equipment	(80,989)	(31,286)	-	(112,275)
Infrastructure	(52,841,061)	(2,316,760)	-	(55,157,821)
Improvements	(3,253,995)	(85,616)	-	(3,339,611)
Total accumulated depreciation	<u>(56,176,045)</u>	<u>(2,433,662)</u>	<u>-</u>	<u>(58,609,707)</u>
 Total capital assets being depreciated, net	 <u>16,386,431</u>	 <u>1,500,808</u>	 <u>-</u>	 <u>17,887,239</u>
Governmental activities capital assets, net	<u>\$ 47,314,100</u>	<u>\$ 1,500,808</u>	<u>\$ -</u>	<u>\$ 48,814,908</u>

Depreciation expense was \$2,433,662.

Included in current year additions is infrastructure valued at \$3,882,265 contributed from Mattamy Orlando, LLC for the extension of Celebration Boulevard.

NOTE 5 LONG-TERM LIABILITIES

Special Assessment and Refunding Bonds - Public Offering

\$18,285,000 of Special Assessment Bonds, Series 2002 A with interest rates of 2% to 5%. Interest is paid semiannually on each May 1 and November 1. Principal payments on the Series 2002 A Bonds are made serially commencing on May 1, 2003 through May 1, 2022.

\$5,175,000 of Special Assessment Revenue Refunding Bonds, Series 2013 A with interest rates from 2.250% to 4.000%. These bonds were issued to repay in full the Series 2003 A bonds. Interest is paid semiannually on each May 1 and November 1. Principal payments on the Series 2013A bonds are made serially commencing on May 1, 2015 through May 1, 2034.

In August of 2021, the District issued \$7,545,000 of Special Assessment Revenue Refunding Bonds, Series 2021 with interest rates from 2.25% to 4.00%. These bonds were issued to finance the acquisition and construction of certain improvements. Interest is paid semiannually on each May 1 and November 1. Principal payments on the Series 2021 bonds are made serially commencing on May 1, 2022 through May 1, 2051.

The Bond Indentures for all series have certain restrictions and requirements relating principally to the use of proceeds to pay for public infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District has levied special assessments in annual amounts adequate to provide payment of debt service. The District is in compliance with the requirements of the Bond Indentures for all series.

The Bond Indentures also require that the District maintain adequate funds in reserve accounts to meet the debt service reserve requirements as defined in the Bond Indentures. The debt service reserve requirements have been met for the fiscal year ended September 30, 2021. The requirement was met through the use of a surety bond for Series 2002 bonds.

Long-term debt activity for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
Series 2002 A	\$ 1,335,000	\$ -	\$ (655,000)	\$ 680,000	\$ 680,000
Series 2013 A	3,995,000	-	(220,000)	3,775,000	220,000
Series 2021	-	7,545,000	-	7,545,000	160,000
Unamortized premium	-	171,653	-	171,653	-
Unamortized discount	(39,712)	-	5,668	(34,044)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental activity long-term liabilities	<u>\$ 5,290,288</u>	<u>\$ 7,716,653</u>	<u>\$ (869,332)</u>	<u>\$ 12,137,609</u>	<u>\$ 1,060,000</u>

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

At September 30, 2021, the scheduled debt service requirements on the bonds payable were as follows:

<u>Year Ending September 30,</u>	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 1,060,000	\$ 387,488	\$ 1,447,488
2023	390,000	422,425	812,425
2024	400,000	409,431	809,431
2025	420,000	395,731	815,731
2026	435,000	380,969	815,969
2027 - 2031	2,450,000	1,633,281	4,083,281
2032 - 2036	2,175,000	1,093,188	3,268,188
2037 - 2041	1,275,000	801,031	2,076,031
2042 - 2046	1,525,000	561,800	2,086,800
2047 - 2051	1,870,000	230,400	2,100,400
	<u>\$ 12,000,000</u>	<u>\$ 6,315,744</u>	<u>\$ 18,315,744</u>

NOTE 6 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. These risks are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in the previous three years.

NOTE 7 RELATED PARTY TRANSACTIONS

During the year ended September 30, 2021, the District assessed the Developer \$1,454 and \$2,000 for operations and maintenance and debt service costs, respectively, through the local tax collector.

NOTE 8 INTERLOCAL AGREEMENT

During the year ended September 30, 2016, the District and Enterprise Community Development District ("Enterprise") entered into an interlocal agreement for the development and operations and maintenance of the Celebration Maintenance Facility ("Facility"). In connection with this agreement, Enterprise paid the District \$656,335.

The payment of \$656,335 represents a base rent contribution related to a 50-year lease of a portion of the Facility. The lease commenced March 1, 2016 and can be renewed for two successive 10-year periods for additional consideration after the initial 50-year period ends. No additional base rent amounts are due during the initial 50-year period, however Enterprise has agreed to pay 40% of the total ongoing operations and maintenance costs. In accordance with generally accepted accounting principles, the base rent contribution is being recognized as revenue on a straight-line basis over the term of the lease. Accordingly, revenue totaling \$13,127, included in the Statement of Revenues, Expenditures and Changes in Fund Balances as investment and other revenues of the General Fund, has been recognized during the year ended September 30, 2021, and the remaining balance of \$583,043 is recorded as unearned revenue in the Statement of Net Position and Balance Sheet - Governmental Funds. If the lease was terminated prior to the end of the first 50-year period, the District would be required to repay a portion of Enterprise's development contribution based on the length of the remaining term of the lease.

NOTE 9 MANAGEMENT COMPANY

The District has contracted with a management company, Inframark, 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.

The District has contracts with the same company to serve as the "Field Manager" for the common area maintenance of the District. The Field Manager oversees certain services including: landscape, irrigation and general grounds maintenance operations.

The District entered into an agreement whereby it leased a portion of the Celebration Maintenance Facility to its management company. The agreement calls for base annual rent of \$4,680, payable in equal monthly installments, which is included in the Statement of Revenues, Expenditures and Changes in Fund Balances as investment and other revenues of the General Fund. The agreement renews automatically from month to month unless either party delivers written notice of its intention to terminate the agreement.

COMPLIANCE SECTION



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

To the Board of Supervisors
Celebration Community Development District

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Celebration Community Development District (the "District") as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the District's financial statements and have issued our report thereon dated March 15, 2022.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting 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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

McDermitt Davis

Orlando, Florida
March 15, 2022

MANAGEMENT LETTER

Board of Supervisors
Celebration Community Development District

Report on the Financial Statements

We have audited the financial statements of *Celebration Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 15, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of 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 March 15, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require 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 such findings in the preceding annual financial 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. This information has been 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 of 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 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.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year- None.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 15.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency - None.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$1,595,006.

- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as: N/A
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final budget under Section 189.016(6), Florida Statutes, as included in General Fund Budget Statement.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the district reported:

- a. The rate or rates of non-ad valorem special assessments imposed by the district as \$.24 to \$2,139.60 per unit/square foot.
- b. The total amount of special assessments collected by or on behalf of the district as \$4,131,876.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds is disclosed in Note 5 of the financial statements.

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 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 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.

McDiarmid Davis

Orlando, Florida
March 15, 2022



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**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

Board of Supervisors
Celebration Community Development District

We have examined Celebration Community Development District's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2021. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the 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 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, 2021.

McDermitt Davis

Orlando, Florida
March 15, 2022