

**Eden Hills Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2023**

**Eden Hills Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2023**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
Eden Hills Community Development District  
Lake Alfred, Florida

### Report on Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the governmental activities and each major fund of Eden Hills Community Development District (the "District"), as of and for the year ended September 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Eden Hills Community Development District as of September 30, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management 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; and for 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.

To the Board of Supervisors  
Eden Hills Community Development District

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including currently known information that may raise substantial doubt thereafter.

***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

To the Board of Supervisors  
Eden Hills Community Development District

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 December 4, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eden Hills Community Development District's internal control over financial reporting and compliance.

*Berger Toombs Elam  
Gaines + Frank*

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

December 4, 2024

**Eden Hills Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended September 30, 2023**

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

**Eden Hills Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended September 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

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

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

**Financial Highlights**

The following are the highlights of financial activity for the fiscal year ended September 30, 2023.

- ◆ The District's assets exceeded liabilities by \$6,918,470 (net position). Net investment in capital assets was \$6,743,004. Restricted net position was \$107,437 and unrestricted net position was \$68,029.
- ◆ Governmental activities revenues totaled \$5,824,450, while governmental activities expenses totaled \$875,944.

**Eden Hills Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended September 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District**

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

**Net Position**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
Current assets	\$ 247,728	\$ 16,506
Restricted assets	963,903	1,651,789
Capital assets	19,308,230	14,809,875
Total Assets	20,519,861	16,478,170
Current liabilities	638,652	1,389,642
Non-current liabilities	12,962,739	13,118,564
Total Liabilities	13,601,391	14,508,206
Net Position		
Net investment in capital assets	6,743,004	2,402,300
Restricted net position	107,437	-
Unrestricted	68,029	(432,336)
Total Net Position	\$ 6,918,470	\$ 1,969,964

The increase in current assets is related to the increase in cash, receivables and prepaid expenses in the current year.

The increase in capital assets is related to the capital projects activity in the current year.

The decrease in restricted assets is related to the decrease in contracts/retainage payable in the current year.

The decrease in current liabilities is mainly related to the decrease in contracts/retainage payable in the current year.



**Eden Hills Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended September 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District (Continued)**

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

**Change In Net Position**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
Program Revenues		
Charges for services	\$ 1,260,661	\$ 287,706
Operating contributions	20,000	1,108
Capital contributions	4,503,880	2,806,698
Miscellaneous revenues	30	-
Investment income	39,879	12,404
Total Revenues	<u>5,824,450</u>	<u>3,107,916</u>
Expenses		
General government	102,173	93,961
Physical environment	147,993	38,579
Culture/recreation	70,563	-
Interest and other charges	555,215	731,849
Total Expenses	<u>875,944</u>	<u>864,389</u>
Change in Net Position	4,948,506	2,243,527
Net Position - Beginning of Period	<u>1,969,964</u>	<u>(273,563)</u>
Net Position - End of Period	<u>\$ 6,918,470</u>	<u>\$ 1,969,964</u>

The increase in charges for services is related to the increase in special assessments in the current year.

The increase in capital contributions is related to the payment of capital project costs in the current year.

The increase in physical environment expenses is related to the increased cost of maintaining improvements as they are constructed.

This is the initial year for culture/recreation expenses.

The decrease in interest and other charges is mainly related to the cost of issuance of long-term debt in the prior year.

**Eden Hills Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended September 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Capital Assets Activity**

The following schedule provides a summary of the District's capital assets as of September 30, 2023 and 2022.

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
Land	\$ 1,450,000	\$ 1,450,000
Construction in progress	17,695,956	13,359,875
Equipment	182,842	-
Accumulated depreciation	(20,568)	-
Total	\$ 19,308,230	\$ 14,809,875

Current year activity consisted of additions of \$4,336,081 of construction in progress, \$182,842 of equipment and \$20,568 of depreciation.

**General Fund Budgetary Highlights**

Actual expenditures exceeded budgeted expenditures because of the effects of the financed purchase.

There were no amendments to the September 30, 2023 budget.

**Debt Management**

Governmental Activities debt includes the following:

- In November 2020, the District issued \$2,950,000 Series 2020 Special Assessment Bonds. These bonds were issued to finance a portion or all of the costs of the planning, financing, acquisition, construction, equipping and installation of the Series 2020 Project. As of September 30, 2023, the balance outstanding was \$2,840,000.
- In February 2022, the District issued \$10,465,000 Series 2022 Special Assessment Bonds. These bonds were issued to finance a portion or all of the costs of the planning, financing, acquisition, construction, equipping and installation of the Series 2022 Project. As of September 30, 2023, the balance outstanding was \$10,250,000.
- In October 2022, the District entered into a financed purchase agreement for recreational equipment, \$182,842. As of September 30, 2023, the balance outstanding was \$155,688.

**Eden Hills Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended September 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Economic Factors and Next Year's Budget**

Eden Hills Community Development District will continue to construct the Series 2020 Project. The District does not anticipate any other factors on operations for the year ended September 30, 2024.

**Request for Information**

The financial report is designed to provide a general overview of Eden Hills Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Eden Hills Community Development District, Governmental Management Services, LLC, 219 East Livingston Street, Orlando, Florida, 32801.

**Eden Hills Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 119,409
Assessments receivable	74,191
Other receivables	18,870
Due from developer	5,426
Prepaid expenses	29,832
Total Current Assets	247,728
Non-Current Assets	
Restricted assets	
Investments	963,903
Capital Assets, not being depreciated	
Land	1,450,000
Construction in progress	17,695,956
Capital Assets, being depreciated	
Equipment	182,842
Accumulated depreciation	(20,568)
Total Non-Current Assets	20,272,133
Total Assets	20,519,861
 <b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	52,858
Contracts/retainage payable	79,236
Accrued interest	215,349
Financed purchase	31,209
Bonds payable	260,000
Total Current Liabilities	638,652
Non-Current Liabilities:	
Financed purchase	124,479
Bonds payable, net	12,838,260
Total Non-Current Liabilities	12,962,739
Total Liabilities	13,601,391
 <b>NET POSITION</b>	
Net investment in capital assets	6,743,004
Restricted for debt service	107,437
Unrestricted	68,029
Total Net Position	\$ 6,918,470

See accompanying notes to financial statements.

**Eden Hills Community Development District**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended September 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities					
General government	\$ (102,173)	\$ 153,111	\$ 20,000	\$ -	\$ 70,938
Physical environment	(147,993)	231,397	-	4,503,880	4,587,284
Culture/recreation	(70,563)	76,389	-	-	5,826
Interest and other charges	(555,215)	799,764	-	-	244,549
Total Governmental Activities	<u>\$ (875,944)</u>	<u>\$ 1,260,661</u>	<u>\$ 20,000</u>	<u>\$ 4,503,880</u>	<u>4,908,597</u>
		<b>General Revenues</b>			
					30
					39,879
					<u>39,909</u>
					4,948,506
					1,969,964
					<u>\$ 6,918,470</u>

See accompanying notes to financial statements.

**Eden Hills Community Development District**  
**BALANCE SHEET –**  
**GOVERNMENTAL FUNDS**  
**September 30, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 118,662	\$ -	\$ 747	\$ 119,409
Other receivables	18,870	-	-	18,870
Assessments receivable	26,514	47,677	-	74,191
Due from developer	-	-	5,426	5,426
Prepaid expenses	29,832	-	-	29,832
Restricted assets				
Investments, at fair value	-	963,831	72	963,903
<b>Total Assets</b>	<b>\$ 193,878</b>	<b>\$ 1,011,508</b>	<b>\$ 6,245</b>	<b>\$ 1,211,631</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 52,858	\$ -	\$ -	\$ 52,858
Contracts/retainage payable	-	-	79,236	79,236
<b>Total Liabilities</b>	<b>52,858</b>	<b>-</b>	<b>79,236</b>	<b>132,094</b>
<b>FUND BALANCES</b>				
Nonspendable - prepaid expenses	29,832	-	-	29,832
Restricted for debt service	-	1,011,508	-	1,011,508
Unassigned	111,188	-	(72,991)	38,197
<b>Total Fund Balances</b>	<b>141,020</b>	<b>1,011,508</b>	<b>(72,991)</b>	<b>1,079,537</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 193,878</b>	<b>\$ 1,011,508</b>	<b>\$ 6,245</b>	<b>\$ 1,211,631</b>

See accompanying notes to financial statements.

**Eden Hills Community Development District  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
September 30, 2023**

Total Governmental Fund Balances	\$ 1,079,537
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, land, \$1,450,000, construction in progress, \$17,695,956, and equipment, \$182,842, net of accumulated depreciation, \$(20,568), used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	19,308,230
Long-term liabilities, including bonds payable, \$(13,090,000), bond premium, net, \$(8,260), and financed purchase payable, \$(155,688), are not due and payable in the current period and therefore, are not reported at the fund level.	(13,253,948)
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the fund level.	<u>(215,349)</u>
Net Position of Governmental Activities	<u><u>\$ 6,918,470</u></u>

See accompanying notes to financial statements.

**Eden Hills Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended September 30, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Developer contributions	\$ 20,000	\$ -	\$ 4,503,880	\$ 4,523,880
Special assessments	460,897	799,764	-	1,260,661
Miscellaneous revenues	30	-	-	30
Investment earnings	-	37,716	2,163	39,879
Total Revenues	<u>480,927</u>	<u>837,480</u>	<u>4,506,043</u>	<u>5,824,450</u>
Expenditures				
Current				
General government	100,208	1,851	114	102,173
Physical environment	151,445	-	-	151,445
Culture/recreation	49,995	-	-	49,995
Capital outlay	182,842	-	4,336,081	4,518,923
Debt service				
Principal	27,154	270,000	-	297,154
Interest	23,898	582,959	-	606,857
Total Expenditures	<u>535,542</u>	<u>854,810</u>	<u>4,336,195</u>	<u>5,726,547</u>
Excess of revenues over/(under) expenditures	<u>(54,615)</u>	<u>(17,330)</u>	<u>169,848</u>	<u>97,903</u>
Other Financing Sources/(Uses)				
Initiation of financed purchase	182,842	-	-	182,842
Insurance proceeds	3,452	-	-	3,452
Total Other Financing Sources/(Uses)	<u>186,294</u>	<u>-</u>	<u>-</u>	<u>186,294</u>
Net change in fund balances	131,679	(17,330)	169,848	284,197
Fund Balances - October 1, 2022	<u>9,341</u>	<u>1,028,838</u>	<u>(242,839)</u>	<u>795,340</u>
Fund Balances - September 30, 2023	<u>\$ 141,020</u>	<u>\$1,011,508</u>	<u>\$ (72,991)</u>	<u>\$ 1,079,537</u>

See accompanying notes to financial statements.



**Eden Hills Community Development District  
RECONCILIATION OF THE STATEMENT  
OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended September 30, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ 284,197
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount that capital outlay, \$4,518,923 exceeds depreciation, \$(20,568), in the current year.	4,498,355
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The issuance of financed purchase is recorded as an other financing source at the fund level, however, the proceeds increase liabilities at the government-wide level.	(182,842)
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The payment of principal on long-term debt is recognized as an expenditure at the fund level, however, it reduces liabilities at the government-wide level.	297,154
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Bond premium is amortized over the life of the bonds at the government-wide level. This is the current year amortization.	304
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In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the change in accrued interest during the current period.	51,338
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Change in Net Position of Governmental Activities	\$ 4,948,506
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See accompanying notes to financial statements.

**Eden Hills Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND**  
**For the Fiscal Year Ended September 30, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Developer contributions	\$ 101,193	\$ 101,193	\$ 20,000	\$ (81,193)
Special assessments	459,000	459,000	460,897	1,897
Miscellaneous revenues	-	-	30	30
<b>Total Revenues</b>	<u>560,193</u>	<u>560,193</u>	<u>480,927</u>	<u>(79,266)</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	155,678	155,678	100,208	55,470
Physical environment	218,900	218,900	151,445	67,455
Culture/recreation	105,480	105,480	49,995	55,485
Capital outlay	-	-	182,842	(182,842)
<b>Debt service</b>				
Principal	-	-	27,154	(27,154)
Interest	-	-	23,898	(23,898)
<b>Total Expenditures</b>	<u>480,058</u>	<u>480,058</u>	<u>535,542</u>	<u>(55,484)</u>
<b>Excess of revenues over/(under) expenditures</b>	<u>80,135</u>	<u>80,135</u>	<u>(54,615)</u>	<u>(134,750)</u>
<b>Other Financing Sources/(Uses)</b>				
Initiation of financed purchase	-	-	182,842	182,842
Insurance proceeds	-	-	3,452	3,452
Transfers out	(80,135)	(80,135)	-	80,135
<b>Total Other Financing Sources/(Uses)</b>	<u>(80,135)</u>	<u>(80,135)</u>	<u>186,294</u>	<u>266,429</u>
<b>Net change in fund balances</b>	-	-	131,679	131,679
<b>Fund Balances - October 1, 2022</b>	<u>-</u>	<u>-</u>	<u>9,341</u>	<u>9,341</u>
<b>Fund Balances - September 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,020</u>	<u>\$ 141,020</u>

See accompanying notes to financial statements.

**Eden Hills Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Reporting Entity**

The District was established on October 21, 2019, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No 1422-19, as amended by Ordinance 1456-21 on June 16, 2021, of the City Commission of the City of Lake Alfred, Florida, as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Eden Hills Community Development District. The District is governed by a five member Board of Supervisors. All the Supervisors are employed by the Developer. The District operates within the criteria established by Chapter 190, Florida Statutes.

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

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

**2. Measurement Focus and Basis of Accounting**

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

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

**Eden Hills Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**a. Government-wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

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

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

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

**b. Fund Financial Statements**

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

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

**Eden Hills Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds**

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

The District has various policies governing the fund balance classifications.

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

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

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

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

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

**Eden Hills Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

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

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

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

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

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

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

Debt service expenditures are recorded only when payment is due.

**3. Basis of Presentation**

**a. Governmental Major Funds**

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

**Eden Hills Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Basis of Presentation (Continued)**

**a. Governmental Major Funds (Continued)**

Debt Service Fund – Accounts for debt service requirements to retire certain capital improvement revenue bonds which were used to finance the construction of District infrastructure improvements and finance certain additional improvements. The bond series is secured by a pledge of debt service special assessment revenues in any fiscal year related to the improvements. A lien is placed on all benefited land in relationship to the debt outstanding.

Capital Projects Fund – The Capital Projects Fund accounts for the construction of infrastructure improvements within the District.

**b. Non-current Governmental Assets/Liabilities**

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

**4. Assets, Liabilities, and Net Position or Equity**

**a. Cash and Investments**

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

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

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

**Eden Hills Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**a. Cash and Investments (Continued)**

Cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

**b. Capital Assets**

Capital assets, which include land, construction in progress and equipment, are reported in the applicable governmental activities column.

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

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method over the assets' useful lives which range from 5-10 years.

**c. Bond Premium**

Bond premiums associated with the issuance of bonds are amortized over the life of the bonds using the straight line method of accounting.

**d. Budgets**

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



**Eden Hills Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

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

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

“Total fund balances” of the District’s governmental funds, \$1,079,537, differs from “net position” of governmental activities, \$6,918,470, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below.

**Capital related items**

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

Construction in progress	\$ 17,695,956
Land	1,450,000
Equipment	182,842
Accumulated depreciation	<u>(20,568)</u>
Total	<u>\$ 19,308,230</u>

**Long-term debt transactions**

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2023 were:

Bonds payable	\$ (13,090,000)
Bond premium, net	<u>(8,260)</u>
Total	<u>\$ (13,253,948)</u>
Financed purchase payable	<u>\$ (155,688)</u>

**Accrued interest**

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to the accrued interest on bonds.

Accrued interest	<u>\$ (215,349)</u>
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**Eden Hills Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

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

**2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities**

The “net change in fund balances” for government funds, \$284,197, differs from the “change in net position” for governmental activities, \$4,948,506, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below:

**Capital related items**

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the year.

Capital outlay	\$ 4,518,923
Depreciation	<u>(20,568)</u>
Total	<u>\$ 4,498,355</u>

**Long-term debt transactions**

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

Net change in accrued interest payable	<u>\$ 51,338</u>
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Proceeds from the issuance of long-term debt is recognized as an other financing source at the fund level. These proceeds increase liabilities at the government-wide level.

Issuance of financed purchase	<u>\$ (182,842)</u>
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The repayment of long-term liabilities is reported as an expenditure at the fund level, but such repayments reduce long-term liabilities at the government-wide level.

Principal payments	<u>\$ 297,154</u>
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Amortization of the bond discount does not require the use of current resources and therefore is not reported in the governmental funds.

Amortization of bond premium	<u>\$ 304</u>
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**Eden Hills Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE C – CASH AND INVESTMENTS**

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2023, the District's bank balance was \$220,097 and the carrying value was \$119,409. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

Investments

As of September 30, 2023, the District had the following investments and maturities:

<b>Investment</b>	<b>Maturities</b>	<b>Fair Value</b>
First American Treasury Obligation Fund	15 Days*	\$ 963,903

\*Weighted Average Maturity

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

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

Based on the criteria in the preceding paragraph, the investment listed above is a Level 1 asset.

Interest Rate Risk

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

**Eden Hills Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE C – CASH AND INVESTMENTS (CONTINUED)**

Credit Risk

The District's investments in treasury funds, are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2023, the District's investments in First American Treasury Obligation Fund was rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in First American Treasury Obligation Fund represent 100% of District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2023 were typical. The District considers any decline in fair value for certain investments to be temporary.

**NOTE D – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2023 was as follows:

	Balance October 1, 10/1/2022	Additions	Deletions	Balance September 30, 9/30/2023
<b><u>Governmental Activities:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 1,450,000	\$ -	\$ -	\$ 1,450,000
Construction in progress	13,359,875	4,336,081	-	17,695,956
Total Capital Assets, Not Depreciated	<u>14,809,875</u>	<u>4,336,081</u>	<u>-</u>	<u>19,145,956</u>
Capital assets, depreciated:				
Equipment	-	182,842	-	182,842.00
Accumulated depreciation	-	(20,568)	-	(20,568.00)
Total Capital Assets, Depreciated, Net	<u>-</u>	<u>162,274</u>	<u>-</u>	<u>162,274.00</u>
Governmental Activities Capital Assets	<u>\$14,809,875</u>	<u>\$ 4,498,355</u>	<u>\$ -</u>	<u>\$ 19,308,230</u>

Depreciation of \$20,568 was charged to culture/recreation.

**Eden Hills Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE E – LONG-TERM DEBT**

The following is a summary of debt activity for the District for the year ended September 30, 2023:

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023
<u>Governmental Activities:</u>				
Series 2020	\$ 2,895,000	\$ -	\$ (55,000)	\$ 2,840,000
Series 2020 Bond Premium	8,564	-	(304)	8,260
Series 2022	10,465,000	-	(215,000)	10,250,000
	<u>\$ 13,368,564</u>	<u>\$ -</u>	<u>\$ (270,304)</u>	<u>\$ 13,098,260</u>
Bonds Payable, Net				

District debt is comprised of the following at September 30, 2023:

**Special Assessment Revenue Bonds**

\$2,950,000 Series 2020 Special Assessment Bonds maturing through 2051, at various interest rates between 2.750% and 4.125%, payable May 1 and November 1.	\$ 2,840,000
\$10,465,000 Series 2022 Special Assessment Bonds maturing through 2052, at various interest rates between 3.250% and 4.125%, payable May 1 and November 1.	<u>10,250,000</u>
Bonds payable	<u>\$ 13,090,000</u>

**Eden Hills Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE E – LONG-TERM DEBT (CONTINUED)**

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 260,000	\$ 516,838	\$ 776,838
2025	265,000	508,688	773,688
2026	270,000	500,375	770,375
2027	285,000	484,450	769,450
2028	290,000	482,338	772,338
2029-2033	1,630,000	2,237,725	3,867,725
2034-2038	1,990,000	1,905,156	3,895,156
2039-2043	2,425,000	1,458,138	3,883,138
2044-2048	2,980,000	934,519	3,914,519
2049-2052	2,695,000	273,281	2,968,281
Totals	<u>\$ 13,090,000</u>	<u>\$ 9,301,508</u>	<u>\$ 22,391,508</u>

Summary of Significant Bonds Resolution Terms and Covenants

**Special Assessment Bonds, Series 2020**

Significant Bond Provisions

The Series 2020 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time on or after May 1, 2030, at a price equal to the par amount of the respective Bonds thereof, together with accrued interest to the date of redemption. The Series 2020 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Series 2022 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time on or after May 1, 2032, at a price equal to the par amount of the respective Bonds thereof, together with accrued interest to the date of redemption. The Series 2022 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Trust Indenture established certain amounts be maintained in a reserve account. In addition, the Trust Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements.

**Eden Hills Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE E – LONG-TERM DEBT (CONTINUED)**

Depository Funds

The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

Reserve Funds – The Series 2020 and Series 2022 Reserve Accounts were funded from the proceeds of the Series 2020 and Series 2022 Bonds in an amount equal to the maximum annual debt service required for Series 2020 and Series 2022 Bonds at the date of issue until the Reserve Account Release Conditions have been satisfied as established in the Trust Indenture. Once the Release Conditions have been satisfied as established in the Trust Indenture the Reserve Account shall be reduced to an amount equal to 50% of the maximum annual debt service with respect to the then outstanding principal amount. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

The following is a schedule of required reserve balances as of September 30, 2023:

	Reserve Balance	Reserve Requirement
Series 2020 Special Assessment Bonds	\$ 86,038	\$ 86,038
Series 2022 Special Assessment Bonds	\$ 602,716	\$ 602,684

**NOTE F – FINANCED PURCHASE**

The District entered into a 60-month financed purchase agreement for certain equipment during the year ended September 30, 2023. The agreement has an end-of-finance purchase option which qualifies it as a financed purchase; therefore, the asset has been recorded at the present value of future minimum payments. The agreement has a total cost of \$182,842, and a carrying value of \$162,274.

The annual requirements to amortize the principal and interest of the financed purchase as of September 30, 2023, were as follows:

Year Ending September 30,	Payments
2024	\$ 51,053
2025	51,053
2026	51,053
2027	51,052
Total minimum lease payments	204,211
Less: amount representing interest	48,523
Present value of future minimum payments	\$ 155,688

**Eden Hills Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE G – RELATED PARTY TRANSACTIONS**

All voting members of the Board of Supervisors are affiliated with the Developer. The District received \$4,523,880 in contributions from the Developer for the fiscal year ended September 30, 2023.

**NOTE H – ECONOMIC DEPENDENCY**

The Developer owns a significant portion of land within the District. The District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

**NOTE I – RISK MANAGEMENT**

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. Settled claims from these risks have not exceeded commercial coverage in the past three years.

**NOTE J – SUBSEQUENT EVENT**

Subsequent to year-end, the District accepted the Engineer's certificate of completion for the Series 2020 Project and approved the conveyance of Phase 2B Common Area Tracts.





# Berger, Toombs, Elam, Gaines & Frank

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

To the Board of Supervisors  
Eden Hills Community Development District  
Lake Alfred, 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, as listed in the table of contents, of Eden Hills Community Development District, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated December 4, 2024.

### **Report on Internal Control Over Financial Reporting**

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

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

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

To the Board of Supervisors  
Eden Hills Community Development District

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Eden Hills Community Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

December 4, 2024



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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## MANAGEMENT LETTER

To the Board of Supervisors  
Eden Hills Community Development District  
Lake Alfred, Florida

### Report on the Financial Statements

We have audited the financial statements of the Eden Hills Community Development District as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated December 4, 2024.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated December 4, 2024, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not Eden Hills Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Eden Hills Community Development 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 conditions assessment procedures as of September 30, 2023 for the Eden Hills Community Development District. It is management's responsibility to monitor the Eden Hills Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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To the Board of Supervisors  
Eden Hills Community Development District

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**

The information provided below was provided by management and has not been audited; therefore, we do not express an opinion or provide any assurance on the information.

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

- 1) The total number of District employees compensated in the last pay period of the District's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 12
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$0
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$5,078,214
- 5) 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, 2022, together with the total expenditures for such project: The Series 2022 Project had \$4,336,081 in project costs during the current year.
- 6) 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 adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Eden Hills Community Development District reported:

- 1) The rate or rates of non-ad valorem special assessments imposed by the District: The General Fund, \$806.45, and the Debt Service Fund, \$1,303.76.
- 2) The amount of special assessments collected by or on behalf of the District: Total special assessments collected was \$1,260,661.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds: Governmental Activities Series 2020 Bonds, \$2,840,000, maturing May 2051 and the Series 2022 Bonds, \$10,250,000 maturing May 2052.

To the Board of Supervisors  
Eden Hills Community Development District

**Additional Matters**

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

**Purpose of this Letter**

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

*Berger Toombs Elam  
Gaines + Frank*

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

December 4, 2024



# Berger, Toombs, Elam, Gaines & Frank

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## INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE WITH SECTION 218.415 FLORIDA STATUTES

To the Board of Supervisors  
Eden Hills Community Development District  
Lake Alfred, Florida

We have examined Eden Hills Community Development District's compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2023. Management is responsible for Eden Hills Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Eden Hills Community Development District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Eden Hills Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Eden Hills Community Development District's compliance with the specified requirements.

In our opinion, Eden Hills Community Development District's complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2023.

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

December 4, 2024