

**East Homestead
Community
Development District**

Financial Statements

September 30, 2019



CRI CARR
RIGGS &
INGRAM
CPAs and Advisors

CRIcpa.com

**East Homestead Community Development District
Table of Contents
September 30, 2019**

REPORT

Independent Auditors’ Report	1
------------------------------------	---

FINANCIAL STATEMENTS

Management’s Discussion And Analysis (required supplemental information).....	3
---	---

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position	9
---------------------------------	---

Statement of Activities	10
-------------------------------	----

Fund Financial Statements

Balance Sheet – Governmental Funds.....	11
---	----

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	12
---	----

Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	13
--	----

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	14
---	----

Notes to Financial Statements	15
-------------------------------------	----

Required Supplemental Information (other than MD&A)

Budget to Actual Comparison Schedule - General Fund.....	26
--	----

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 <i>Government Auditing Standards</i>	27
---	----

Management Letter	29
-------------------------	----

Independent Accountants’ Report on Compliance with Section 218.415 Florida Statutes..	31
---	----



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

INDEPENDENT AUDITORS' REPORT

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

(850) 837-3141
(850) 654-4619 (fax)
CRlcpa.com

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of East Homestead Community Development District (hereinafter referred to as "District"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Homestead Community Development District as of September 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 11, 2020, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 11, 2020



Management's Discussion and Analysis

East Homestead Community Development District Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the East Homestead Community Development District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2019. Please read it in conjunction with the District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- At September 30, 2019, the assets and deferred outflows of resources of the District exceeded its liabilities by approximately \$14.2 million.
- During the fiscal year ended September 30, 2019, the District constructed infrastructure of approximately \$7.7 million, incurred approximately \$1.5 million of interest expenditures and repaid approximately \$2.1 million of outstanding bond principal.
- During the fiscal year ended September 30, 2019, the District issued approximately \$5.6 million of Series 2019 Special Assessment Bonds.

USING THE ANNUAL REPORT

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

Reporting the District as a Whole

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

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

East Homestead Community Development District Management's Discussion and Analysis

base and the condition of the District's infrastructure, to assess the overall health of the District.

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 6. The fund financial statements begin on page 11 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District's funds are governmental fund-types.

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

THE DISTRICT AS A WHOLE

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

<i>September 30,</i>	2019	2018	Change
Assets			
Current and other assets	\$ 4,765,992	\$ 4,141,789	\$ 624,203
Capital assets, net	43,719,056	36,743,323	6,975,733
Total assets	48,485,048	40,885,112	7,599,936
Deferred outflows of resources			
Deferred charge on refunding	87,875	93,187	(5,312)
Total assets and deferred outflows of resources	\$ 48,572,923	\$ 40,978,299	\$ 7,594,624
Liabilities			
Current liabilities	\$ 2,360,280	\$ 2,135,599	\$ 224,681
Other liabilities	32,015,984	28,603,455	3,412,529
Total liabilities	34,376,264	30,739,054	3,637,210
Net position			
Net investment in capital assets	21,820,146	18,031,710	3,788,436
Restricted for:			
Debt service	684,381	689,748	(5,367)
Capital projects	34,436	20,576	13,860
Unrestricted	(8,342,304)	(8,502,789)	160,485
Total net position	14,196,659	10,239,245	3,957,414
Total liabilities and net position	\$ 48,572,923	\$ 40,978,299	\$ 7,594,624

East Homestead Community Development District Management's Discussion and Analysis

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

During the fiscal year ended September 30, 2019, total assets and liabilities increased by approximately \$7.6 million and \$3.6 million, respectively. Deferred outflows of resources did not change significantly from the prior year. The increase in assets is primarily due to construction of infrastructure in relation to the 2019 expansion project. The increase in liabilities is primarily due to the issuance of \$5.6 million of Series 2019 Special Assessment bonds to fund the 2019 expansion project, which is partially offset by the repayment of principal on the other series of bonds.

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

<i>For the year ended September 30,</i>	2019	2018	Change
Revenue:			
Program revenue:			
Charges for services	\$ 4,943,183	\$ 5,249,566	\$ (306,383)
Grants and contributions	69,433	36,873	32,560
General revenue:			
Developer contributions	2,699,561	-	2,699,561
Insurance proceeds	202,097	-	202,097
Interest and other revenue	79,364	70,973	8,391
Total revenue	7,993,638	5,357,412	2,636,226
Expenses:			
General government	186,106	167,861	18,245
Maintenance and operations	953,738	1,187,170	(233,432)
Clubhouse	1,011,154	947,197	63,957
Bond issue costs	287,171	-	287,171
Interest	1,598,055	1,569,957	28,098
Total expenses	4,036,224	3,872,185	164,039
Change in net position	3,957,414	1,485,227	2,472,187
Net position, beginning of year	10,239,245	8,754,018	1,485,227
Net position, end of year	\$ 14,196,659	\$ 10,239,245	\$ 3,957,414

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

Revenues and expenses increased over the prior year by approximately \$2.6 million and \$164,000, respectively. The increase in revenues is primarily due to developer contributions and insurance proceeds to help fund the 2019 expansion project. The increase in expenses is primarily due to bond issue costs incurred on the Series 2019 Special Assessment bonds. The overall result was a \$3,957,414 increase in net position for fiscal year 2019.

East Homestead Community Development District Management's Discussion and Analysis

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 11) reported a combined fund balance of approximately \$4.7 million, which is an increase over last year's fund balance that totaled approximately \$4.1 million. Significant transactions are discussed below.

- During the fiscal year ended September 30, 2019, the District constructed infrastructure of approximately \$7.7 million, incurred approximately \$1.5 million of interest expenditures and repaid principal of approximately \$2.1 million.
- During the fiscal year ended September 30, 2019, the District issued approximately \$5.6 million of Series 2019 Special Assessment Bonds.

The overall increase in fund balance for the year ended September 30, 2019 totaled \$580,604.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2019, the District had approximately \$43.7 million invested in capital assets (net of accumulated depreciation). This amount represents a net increase of approximately \$7 million over the fiscal year 2018 total. A listing of capital assets for the current and prior year follows:

<i>September 30,</i>	2019	2018	Change
Capital assets not being depreciated	\$ 30,784,515	\$ 25,807,533	\$ 4,976,982
Capital assets being depreciated	20,995,215	18,257,221	2,737,994
Total, prior to depreciation	51,779,730	44,064,754	7,714,976
Accumulated depreciation	(8,060,674)	(7,321,431)	(739,243)
Net capital assets	\$ 43,719,056	\$ 36,743,323	\$ 6,975,733

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

Debt

At September 30, 2019, the District had approximately \$33.6 million of debt outstanding. This amount represents a net increase of approximately \$3.5 million from the fiscal year 2018 total. A listing of debt amounts outstanding for the current and prior year is as follows:

<i>September 30,</i>	2019	2018	Change
Special Assessment Revenue Bonds:			
Series 2011B bonds	\$ 800,000	\$ 2,090,000	\$ (1,290,000)
Series 2013 bonds	10,770,000	10,990,000	(220,000)
Series 2015 bonds	16,180,000	16,810,000	(630,000)
Series 2019 bonds	5,630,000	-	5,630,000
Developer obligation	248,367	248,367	-
Total	\$ 33,628,367	\$ 30,138,367	\$ 3,490,000

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

GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

An Operating budget was established by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown at page 26.

The District experienced favorable variance in revenues and expenditures as compared to the budget in the amount of \$2,511 and \$157,974, respectively. The variance in expenditures occurred primarily due to clubhouse contingency, reserve and replacement expenditures budgeted in excess of amounts incurred.

FUTURE FINANCIAL FACTORS

East Homestead Community Development District is an independent special district that operates under the provisions of Chapter 190, Florida Statutes. The District operates under an elected Board of Supervisors, which establishes policy and sets assessment rates. Assessment rates for fiscal year 2020 were established to provide for the operations of the District as well as necessary debt service requirements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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



Basic Financial Statements

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

September 30,

2019

		Governmental Activities
Assets		
Cash and cash equivalents	\$	41,981
Investments		4,604,713
Accounts receivable		4,652
Prepaid expenses		99,527
Deposits		15,119
Capital assets:		
Not being depreciated		30,784,515
Depreciable, net		12,934,541
<hr/>		
Total assets		48,485,048
<hr/>		
Deferred outflows of resources		
Deferred charge on refunding		87,875
<hr/>		
Total deferred outflows of resources		87,875
<hr/>		
Liabilities		
Accounts payable		112,305
Accrued interest payable		732,975
Non-current liabilities:		
Due within one year		1,515,000
Developer obligations payable		248,367
Due in more than one year		31,767,617
<hr/>		
Total liabilities		34,376,264
<hr/>		
Net position		
Net investment in capital assets		21,820,146
Restricted for:		
Debt service		684,381
Capital projects		34,436
Unrestricted		(8,342,304)
<hr/>		
Total net position	\$	14,196,659

The accompanying notes are an integral part of these financial statements.

East Homestead Community Development District Statement of Activities

For the year ended September 30,

2019

Functions/Programs	Expenses	Charges for Services	<u>Program Revenues</u>		Net (Expense) Revenue and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ (186,106)	\$ 171,030	\$ -	\$ -	\$ (15,076)
Maintenance and operations	(953,738)	586,201	-	-	(367,537)
Clubhouse	(1,011,154)	540,164	-	-	(470,990)
Bond issue costs	(287,171)	-	-	-	(287,171)
Interest	(1,598,055)	3,645,788	53,055	16,378	2,117,166
Total governmental activities	\$ (4,036,224)	\$ 4,943,183	\$ 53,055	\$ 16,378	976,392
General revenues					
Developer contributions					2,699,561
Insurance proceeds					202,097
Interest and other revenue					79,364
Change in net position					3,957,414
Net position - beginning of year					10,239,245
Net position - end of year					\$ 14,196,659

The accompanying notes are an integral part of these financial statements.

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

September 30,

2019

	General	Debt Service Series 2011	Debt Service Series 2013	Debt Service Series 2015	Capital Projects Series 2019	Other Non Major	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 41,981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,981
Investments	1,642,189	507,622	1,061,079	640,590	5,647	747,586	4,604,713
Accounts receivable	-	716	1,702	1,011	9	1,214	4,652
Prepaid expenditures	99,527	-	-	-	-	-	99,527
Deposits	15,119	-	-	-	-	-	15,119
Total assets	\$ 1,798,816	\$ 508,338	\$ 1,062,781	\$ 641,601	\$ 5,656	\$ 748,800	\$ 4,765,992
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 112,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,305
Total liabilities	112,305	-	-	-	-	-	112,305
Fund balances							
Nonspendable	114,646	-	-	-	-	-	114,646
Restricted for debt service	-	508,338	1,062,781	641,601	-	-	2,212,720
Restricted for capital projects	-	-	-	-	5,656	748,800	754,456
Unassigned	1,571,865	-	-	-	-	-	1,571,865
Total fund balances	1,686,511	508,338	1,062,781	641,601	5,656	748,800	4,653,687
Total liabilities and fund balances	\$ 1,798,816	\$ 508,338	\$ 1,062,781	\$ 641,601	\$ 5,656	\$ 748,800	\$ 4,765,992

The accompanying notes are an integral part of these financial statements.

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

<u>September 30,</u>	<u>2019</u>
Total fund balances, governmental funds	\$ 4,653,687
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level statements.	43,719,056
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.	87,875
Liabilities not due and payable from current resources, including accrued interest, are not reported in the fund level statements.	(34,263,959)
<u>Total net position - governmental activities</u>	<u>\$ 14,196,659</u>

The accompanying notes are an integral part of these financial statements.

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

For the year ended September 30,

2019

	General	Debt Service Series 2011	Debt Service Series 2013	Debt Service Series 2015	Capital Projects Series 2019	Other Non Major	Total Governmental Funds
Revenue							
Assessments	\$ 1,297,395	\$ 137,385	\$ 817,674	\$ 1,400,081	\$ -	\$ -	\$ 3,652,535
Prepayment revenue	-	1,290,648	-	-	-	-	1,290,648
Developer contributions	56,607	-	-	-	2,642,954	-	2,699,561
Insurance proceeds	202,097	-	-	-	-	-	202,097
Interest and other revenue	79,364	10,107	21,159	16,878	8,174	13,115	148,797
Total revenue	1,635,463	1,438,140	838,833	1,416,959	2,651,128	13,115	7,993,638
Expenditures							
Current:							
General government	179,885	-	5,621	600	-	-	186,106
Maintenance and operations	568,428	-	-	-	-	-	568,428
Clubhouse	657,221	-	-	-	-	-	657,221
Capital Outlay	69,444	-	-	-	7,611,841	33,691	7,714,976
Debt service:							
Principal	-	1,290,000	220,000	630,000	-	-	2,140,000
Interest	-	141,283	569,381	767,100	-	-	1,477,764
Bond issue costs	-	-	-	-	287,171	-	287,171
Total expenditures	1,474,978	1,431,283	795,002	1,397,700	7,899,012	33,691	13,031,666
Excess (deficit) of revenue over expenditures	160,485	6,857	43,831	19,259	(5,247,884)	(20,576)	(5,038,028)
Other Financing Sources (Uses)							
Bond proceeds	-	-	-	-	5,264,915	365,085	5,630,000
Discount on bond issuance	-	-	-	-	(11,368)	-	(11,368)
Transfers in	-	-	-	-	-	7	7
Transfers out	-	-	-	-	(7)	-	(7)
Total other financing sources (uses)	-	-	-	-	5,253,540	365,092	5,618,632
Net change in fund balances	160,485	6,857	43,831	19,259	5,656	344,516	580,604
Fund balances, beginning of year	1,526,026	501,481	1,018,950	622,342	-	404,284	4,073,083
Fund balances, end of year	\$ 1,686,511	\$ 508,338	\$ 1,062,781	\$ 641,601	\$ 5,656	\$ 748,800	\$ 4,653,687

The accompanying notes are an integral part of these financial statements.

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

<i>For the year ended September 30,</i>	2019
Net change in fund balances - governmental funds	\$ 580,604
Capital outlay, reported as expenditures in the governmental funds, is shown as capital assets on the Statement of Net Position.	7,714,976
Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities.	(739,243)
Amortization of deferred refunding amounts and original issue bond discount is not recognized in the governmental fund statement but is reported as an expense in the Statement of Activities.	(9,209)
Governmental funds report principal payments on bonds when debt is paid, whereas these payments are eliminated in the Statement of Activities and recognized as a decrease in bonds payable in the Statement of Net Position.	2,140,000
The change in accrued interest between the current and prior year is recorded on the Statement of Activities but not on the fund financial statements.	(111,082)
Governmental funds report the effects of the bond issue discount when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	11,368
Bond proceeds which are reported as other financing sources in the governmental funds are recognized as long-term liabilities in the Statement of Net Position.	(5,630,000)
Change in net position of governmental activities	\$ 3,957,414

The accompanying notes are an integral part of these financial statements.

East Homestead Community Development District Notes to Financial Statements

NOTE 1: NATURE OF ORGANIZATION

The East Homestead Community Development District (the “District”) was established on October 17, 2003 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by Miami-Dade County Ordinance No. 03-209. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by a Board of Supervisors (“Board”), which is comprised of five members. The Supervisors are elected on an at large basis by registered voters living within the District, as an election process controlled and handled by Miami-Dade County Supervisor of Elections. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

1. Assessing and levying special assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

East Homestead Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2019, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

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

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and other similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

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

East Homestead Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports the following major governmental funds:

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

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

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

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

Capital Projects Fund Series 2019 – The Capital Projects Fund Series 2019 is used to account for the financial resources to be used in the acquisition or construction of the Series 2019 expansion project.

For the year ended September 30, 2019, the District does not report any proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Cash, Deposits and Investments

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

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

East Homestead Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets

Capital assets, which include primarily infrastructure assets (e.g., roads, sidewalks, water management systems and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial/individual cost of more than \$750 and an estimated useful life in excess of one year. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation.

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

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

<u>Asset</u>	<u>Years</u>
Infrastructure	20-30
Improvements	10
Clubhouse	10

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current period expenditures.

East Homestead Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet – Governmental Funds will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category: the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position and Balance Sheet – Governmental Funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any of this type of item at September 30, 2019.

Fund Equity

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

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

Prepaid Expenses

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

East Homestead Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

Budgets

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

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

- A. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- B. A public hearing is conducted to obtain comments.
- C. Prior to October 1, the budget is legally adopted by the District Board.
- D. All significant budget changes must be approved by the District Board.
- E. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 3: INVESTMENTS

The District's investments consist of money market funds in which shares are owned in the fund rather than the underlying investments. In accordance with GAAP, these amounts are reported at amortized cost. At the close of the fiscal year, the District held investments in the Local Government Surplus Funds Trust Fund ("Florida PRIME") external investment pool. The Florida PRIME is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. Florida PRIME currently meets all of the necessary criteria set forth in GASB 79 to measure its investments at amortized cost; therefore, the District's account balance in the SBA is also reported at amortized cost. There are no limitations or restrictions on withdrawals from Florida PRIME, although on the occurrence of an event that has a material impact on liquidity or operations of the fund, the fund's executive director may limit contributions or withdrawals from the trust fund for a period of 48 hours.

East Homestead Community Development District Notes to Financial Statements

NOTE 3: INVESTMENTS (Continued)

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

<u>September 30,</u>	<u>2019</u>	<u>Credit Risk</u>	<u>Weighted Average Maturities</u>
Short-term Money Market Funds	\$ 2,962,524	S&P AAAM	24 - 27 days
State Board of Administration Florida PRIME	1,642,189	S&P AAAM	37 days
Total investments	\$ 4,604,713		

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

Custodial credit risk – For an investment, custodial credit risk is the risk that the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. At September 30, 2019, none of the investments listed above are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

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

NOTE 4: CAPITAL ASSETS

On September 27, 2017, the District entered into an agreement with Kingman Lennar, LLC ("Landowner"), whereby the Landowner will annex approximately 80 acres of land into the boundaries of the District and caused the District to issue special assessment bonds to pay for the cost of development of certain public infrastructure improvements within the property. During the year ended September 30, 2019, the District issued \$5,630,000 of Special Assessment Bonds, Series 2019 to finance the expansion area project referenced above.

Depreciation expense for the year ended September 30, 2019 totaled \$739,243, of which \$315,866 was allocated to maintenance and operations and \$423,377 was allocated to clubhouse expenses on the Statement of Activities.

East Homestead Community Development District Notes to Financial Statements

NOTE 4: CAPITAL ASSETS (Continued)

The following is a summary of changes in the capital assets for the year ended September 30, 2019:

	Beginning Balance	Additions	Transfers	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 25,807,533	\$ 3,012,491	\$ -	\$ 28,820,024
Construction in progress	-	1,964,491	-	1,964,491
Total capital assets, not being depreciated	25,807,533	4,976,982	-	30,784,515
Capital assets being depreciated				
Infrastructure	5,877,172	2,662,456	-	8,539,628
Improvements	2,659,638	61,288	-	2,720,926
Clubhouse	9,720,411	14,250	-	9,734,661
Total capital assets, being depreciated	18,257,221	2,737,994	-	20,995,215
Less accumulated depreciation for:				
Infrastructure	2,728,581	297,566	-	3,026,147
Improvements	2,570,095	18,300	-	2,588,395
Clubhouse	2,022,755	423,377	-	2,446,132
Total accumulated depreciation	7,321,431	739,243	-	8,060,674
Total capital assets, being depreciated, net	10,935,790	1,998,751	-	12,934,541
Governmental activities capital assets, net	\$ 36,743,323	\$ 6,975,733	\$ -	\$ 43,719,056

NOTE 5: BONDS PAYABLE

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

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

East Homestead Community Development District Notes to Financial Statements

NOTE 5: BONDS PAYABLE (Continued)

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

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

At September 30, 2019, the scheduled debt service requirements on long-term debt were as follows:

<i>Year Ending September 30,</i>	Principal	Interest	Total Debt Service
2020	\$ 1,515,000	\$ 1,655,449	\$ 3,170,449
2021	1,185,000	1,545,111	2,730,111
2022	1,065,000	1,490,219	2,555,219
2023	1,100,000	1,445,563	2,545,563
2024	1,140,000	1,410,269	2,550,269
2025-2029	6,595,000	6,165,706	12,760,706
2030-2034	8,305,000	4,426,616	12,731,616
2035-2039	6,105,000	2,374,509	8,479,509
2040-2044	4,550,000	1,103,300	5,653,300
2045-2049	1,480,000	277,000	1,757,000
2050	340,000	8,500	348,500
	\$ 33,380,000	\$ 21,902,242	\$ 55,282,242

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

East Homestead Community Development District Notes to Financial Statements

NOTE 5: BONDS PAYABLE (Continued)

The Bond Indentures require that the District maintain adequate funds in the reserve accounts to meet the debt service reserve requirements as defined in the Indentures. The requirements have been met for the fiscal year ended September 30, 2019.

NOTE 6: LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
Bonds Payable:					
Series 2011B	\$ 2,090,000	\$ -	\$ (1,290,000)	\$ 800,000	\$ 630,000
Series 2013	10,990,000	-	(220,000)	10,770,000	230,000
Series 2015	16,810,000	-	(630,000)	16,180,000	655,000
Series 2019	-	5,630,000	-	5,630,000	-
Bond Issue Discount	(89,912)	(11,368)	3,897	(97,383)	-
Developer obligations payable (see Note 7)	248,367	-	-	248,367	-
	<u>\$ 30,048,455</u>	<u>\$ 5,618,632</u>	<u>\$ (2,136,103)</u>	<u>\$ 33,530,984</u>	<u>\$ 1,515,000</u>

NOTE 7: RELATED PARTY TRANSACTIONS

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

For the year ended September 30, 2019, the District directly assessed the Developer \$137,385 for debt service costs on the Series 2011B Bonds. In addition, the Developer and its affiliate were assessed \$508,429 and \$977,039 for operations and maintenance and debt service costs, respectively, through the local tax collector. The Developer also paid for certain acquisition and construction costs related to the expansion area project during the current year totaling \$2,699,561.

At September 30, 2019, the Developer and its affiliate owned a significant portion of the assessable property located within the District boundaries. A significant portion of the District's future activity is dependent upon the continued involvement of the Developer and its affiliates.

East Homestead Community Development District Notes to Financial Statements

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in the previous three years.

NOTE 9: MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

NOTE 10: COMMITMENT

In January 2019, the District and Developer entered into a contract for the construction of infrastructure for the 2019 expansion project. The contract totaled \$11,408,953, of which the District's responsibility is \$7,742,450. As of September 30, 2019, there was approximately \$3.8 million remaining on the contract, of which the District's commitment for the remaining work is \$102,295. The work is expected to be completed during fiscal year 2020.

NOTE 11: SUBSEQUENT EVENT

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



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

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

For the year ended September 30,

2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenue				
Assessments	\$ 1,294,884	\$ 1,294,884	\$ 1,297,395	\$ 2,511
Developer contributions	-	56,607	56,607	-
Insurance proceeds	-	202,097	202,097	-
Interest and other revenue	23,500	79,364	79,364	-
Total revenue	1,318,384	1,632,952	1,635,463	2,511
Expenditures				
General government	163,318	194,086	179,885	14,201
Maintenance and operations	511,096	703,266	568,428	134,838
Clubhouse expenditures	643,970	735,600	657,221	78,379
Capital outlay	-	-	69,444	(69,444)
Total expenditures	1,318,384	1,632,952	1,474,978	157,974
Excess of revenue over expenditures	\$ -	\$ -	\$ 160,485	\$ 160,485



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

(850) 837-3141
(850) 654-4619 (fax)
CRlcpa.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of East Homestead Community Development District (hereinafter referred to as the "District"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report dated June 11, 2020.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

June 11, 2020



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

(850) 837-3141
(850) 654-4619 (fax)
CRlcpa.com

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of East Homestead Community Development District ("District") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 11, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 11, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 11, 2020



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

(850) 837-3141
(850) 654-4619 (fax)
CRlcpa.com

INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined East Homestead Community Development District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and performed the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 11, 2020