

River Hall Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2021

River Hall Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2021

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
River Hall Community Development District
Lee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of River Hall Community Development District as of and for the year ended September 30, 2021, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Fort Pierce / Stuart

To the Board of Supervisors
River Hall Community Development District

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of River Hall Community Development District as of September 30, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

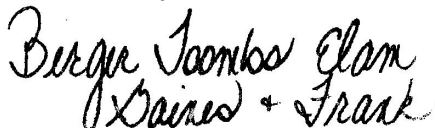
Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 22, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

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



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

March 22, 2022

**River Hall Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

**River Hall Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

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 and expenditures that are restricted for certain purposes 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 funds, 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*, a reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

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

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2021.

- ◆ The District's total assets and deferred outflows of resources exceeded total liabilities by \$6,259,814 (net position). Unrestricted net position for Governmental Activities was \$317,502. Net position restricted was \$408,244. Net investment in capital assets was \$5,534,068.
- ◆ Governmental activities revenues totaled \$2,593,471 while governmental activities expenses totaled \$2,419,885.

**River Hall Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

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.

	Governmental Activities	
	2021	2020
Current assets	\$ 831,074	\$ 799,613
Restricted assets	3,431,101	10,306,208
Capital assets	<u>28,612,950</u>	<u>23,869,290</u>
Total Assets	<u>32,875,125</u>	<u>34,975,111</u>
Deferred Outflows of Resources	<u>389,130</u>	<u>-</u>
Current liabilities	1,418,347	1,375,369
Non-current liabilities	<u>25,586,094</u>	<u>27,513,514</u>
Total Liabilities	<u>27,004,441</u>	<u>28,888,883</u>
Net position - net investment in capital assets	5,534,068	7,301,088
Net position - restricted for debt service	408,244	2,008,252
Net position - unrestricted	<u>317,502</u>	<u>(3,223,112)</u>
Total Net Position	<u><u>\$ 6,259,814</u></u>	<u><u>\$ 6,086,228</u></u>

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

The increase in capital assets is mainly the result of the construction in progress additions in the current year.

The increase in unrestricted net position and the decreases in net investment in capital assets and restricted net position for debt service is related to the bond refinancing in the current year.

**River Hall Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change in Net Position

	Governmental Activities	
	<u>2021</u>	<u>2020</u>
Program Revenues		
Charges for services	\$ 2,564,457	\$ 3,901,234
Capital grants and contributions	28,356	-
General Revenues		
Investment earnings	658	20,315
Total Revenues	<u>2,593,471</u>	<u>3,921,549</u>
Expenses		
General government	142,008	136,776
Physical environment	919,319	453,711
Interest and other charges	1,358,558	1,472,574
Total Expenses	<u>2,419,885</u>	<u>2,063,061</u>
Conveyance to other government	<u>-</u>	<u>(8,015,036)</u>
Change in Net Position	173,586	(6,156,548)
Net Position - Beginning of Year	<u>6,086,228</u>	<u>12,242,776</u>
Net Position - End of Year	<u><u>\$ 6,259,814</u></u>	<u><u>\$ 6,086,228</u></u>

The increase in physical environment is mainly related to the increase in depreciation in the current year.

The decrease in interest and other charges is related to a bond refunding in the current year that reduced the outstanding long-term debt.

**River Hall Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets activity as of September 30, 2021 and 2020:

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Capital assets not being depreciated:		
Land	\$ 9,299,800	\$ 9,299,800
Construction in progress	5,717,044	466,065
Capital assets being depreciated:		
Infrastructure	13,836,783	13,836,783
Improvements other than buildings	646,872	646,872
Less: Accumulated depreciation	<u>(887,549)</u>	<u>(380,230)</u>
Total Capital Assets	<u>\$ 28,612,950</u>	<u>\$ 23,869,290</u>

Capital asset activity during the year was additions to construction in progress of \$5,250,979, and depreciation of \$507,319.

Debt Management

Governmental Activities debt includes the following:

- In May 2011, the District issued Capital Improvements Revenue Bonds, Series 2011 A-1 and Series 2011 A-2 to restructure and retire the remaining balance on its Series 2005 bonds. These bonds were issued to fund certain infrastructure and facilities benefitting the lands of the District. The Series 2011 Bonds were fully redeemed and refunded in the current year.
- In September 2020, the District issued \$7,410,000 Series 2020A Capital Improvement Revenue Bonds. These bonds were issued to finance a portion of the cost of acquisition, construction, installation and equipping of a portion of the 2020A Project. As of September 30, 2021, the balance outstanding was \$7,410,000.
- In September 2021, the District issued Capital Improvements Refunding Revenue Bonds, Series 2021A-1, \$9,065,000, and Series 2021A-2, \$9,930,000, to refund the remaining balance of the Series 2011A-1 and 2011A-2 Bonds. As of September 30, 2021, the outstanding balance was \$18,995,000.

**River Hall Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

General Fund Budgetary Highlights

Actual expenditures for the current fiscal year were less than budgeted amounts primarily because stormwater system maintenance and landscape replacement costs were less than expected.

The September 30, 2021 budget was not amended.

Economic Factors and Next Year's Budget

River Hall Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year ended September 30, 2022.

Request for Information

The financial report is designed to provide a general overview of River Hall 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 River Hall Community Development District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

River Hall Community Development District
STATEMENT OF NET POSITION
September 30, 2021

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 692,340
Investments	5,276
Assessments receivable	110,607
Prepaid expenses	21,229
Deposits	1,622
Total Current Assets	831,074
Non-current Assets:	
Restricted assets:	
Investments	3,431,101
Capital assets not being depreciated:	
Land improvements	9,299,800
Construction in progress	5,717,044
Capital assets being depreciated:	
Infrastructure	13,836,783
Improvements other than buildings	646,872
Less: accumulated depreciation	(887,549)
Total Non-current Assets	32,044,051
Total Assets	32,875,125
 Deferred Outflows of Resources	
Deferred amount on refunding	389,130
 LIABILITIES	
Current Liabilities:	
Accounts payable and accrued expenses	28,102
Retainage payable	94,590
Bonds payable	1,160,000
Accrued interest payable	135,655
Total Current Liabilities	1,418,347
Non-current liabilities:	
Bonds payable, net	25,586,094
Total Liabilities	27,004,441
 NET POSITION	
Net investment in capital assets	5,534,068
Restricted for:	
Debt service	408,244
Unrestricted	317,502
Total Net Position	\$ 6,259,814

See accompanying notes.

**River Hall Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General government	\$ (142,008)	\$ 145,669	\$ -	\$ 3,661
Physical environment	(919,319)	422,623	28,356	(468,340)
Interest and other charges	(1,358,558)	1,996,165	-	637,607
Total Governmental Activities	<u>\$ (2,419,885)</u>	<u>\$ 2,564,457</u>	<u>\$ 28,356</u>	<u>172,928</u>
General revenues:				
				658
				<u>173,586</u>
				6,086,228
				<u>\$ 6,259,814</u>

See accompanying notes.

River Hall Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2021

ASSETS	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 692,340	\$ -	\$ -	\$ 692,340
Due from other funds	-	8	-	8
Investments	5,276	-	-	5,276
Assessment receivables	883	109,724	-	110,607
Prepaid expenses	21,229	-	-	21,229
Deposits	1,622	-	-	1,622
Restricted assets:				
Restricted investments	-	877,253	2,553,848	3,431,101
Total Assets	<u><u>\$ 721,350</u></u>	<u><u>\$ 986,985</u></u>	<u><u>\$2,553,848</u></u>	<u><u>\$ 4,262,183</u></u>
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	\$ 28,102	\$ -	\$ -	\$ 28,102
Due to other funds	-	-	8	8
Retainage payable	-	-	94,590	94,590
Total Liabilities	<u><u>28,102</u></u>	<u><u>-</u></u>	<u><u>94,598</u></u>	<u><u>122,700</u></u>
 FUND BALANCES				
Nonspendable prepaids/deposits	22,851	-	-	22,851
Restricted for:				
Debt service	-	986,985	-	986,985
Capital projects	-	-	2,459,250	2,459,250
Assigned for:				
Operating capital	145,000	-	-	145,000
Disaster recovery	250,000	-	-	250,000
Unassigned	275,397	-	-	275,397
Total Fund Balances	<u><u>693,248</u></u>	<u><u>986,985</u></u>	<u><u>2,459,250</u></u>	<u><u>4,139,483</u></u>
 Total Liabilities and Fund Balances	 <u><u>\$ 721,350</u></u>	 <u><u>\$ 986,985</u></u>	 <u><u>\$2,553,848</u></u>	 <u><u>\$ 4,262,183</u></u>

See accompanying notes.

**River Hall Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2021**

Total Governmental Fund Balances	\$ 4,139,483
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets not being depreciated, land improvements, \$9,299,800, and construction in progress, \$5,717,044, used in governmental activities are not current financial resources and; therefore, are not reported at the fund level.	15,016,844
Capital assets being depreciated, infrastructure, \$13,836,783, and improvements other than buildings, \$646,872, net of accumulated depreciation \$(887,549), used in governmental activities are not current financial resources and; therefore, are not reported at the fund level.	13,596,106
Deferred outflows of resources, deferred amount on refunding net, are not current financial resources and therefore, are not reported at the fund level.	389,130
Long-term liabilities, bonds payable, \$(26,405,000), net of bond discount, \$21,486, and bond premium, \$(361,864), are not due and payable in the current period and; therefore, are not reported at the fund level.	(26,746,094)
Accrued interest expense for long-term debt is not a current financial use and; therefore, is not reported at the fund level.	<u>(135,655)</u>
Net Position of Governmental Activities	<u><u>\$ 6,259,814</u></u>

See accompanying notes.

**River Hall Community Development District
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ 568,292	\$ 1,996,165	\$ -	\$ 2,564,457
Developer contributions	-	-	28,356	28,356
Investment earnings	7	288	363	658
Total Revenues	<u>568,299</u>	<u>1,996,453</u>	<u>28,719</u>	<u>2,593,471</u>
Expenditures				
Current				
General government	142,008	-	-	142,008
Physical environment	412,000	-	-	412,000
Capital outlay	-	-	5,250,979	5,250,979
Debt service				
Principal	-	20,970,000	-	20,970,000
Interest	-	1,275,106	-	1,275,106
Other debt service costs	-	812,405	-	812,405
Total Expenditures	<u>554,008</u>	<u>23,057,511</u>	<u>5,250,979</u>	<u>28,862,498</u>
Revenues over/(under) expenditures	14,291	(21,061,058)	(5,222,260)	(26,269,027)
Other Financing Sources/(Uses)				
Transfer in	-	8	200	208
Transfer out	-	(200)	(8)	(208)
Issuance of new debt	-	18,995,000	-	18,995,000
Bond premium	-	361,864	-	361,864
Total Other Financing Sources/(Uses)	<u>-</u>	<u>19,356,672</u>	<u>192</u>	<u>19,356,864</u>
Net change in fund balances	14,291	(1,704,386)	(5,222,068)	(6,912,163)
Fund Balances - October 1, 2020	<u>678,957</u>	<u>2,691,371</u>	<u>7,681,318</u>	<u>11,051,646</u>
Fund Balances - September 30, 2021	<u>\$ 693,248</u>	<u>\$ 986,985</u>	<u>\$ 2,459,250</u>	<u>\$ 4,139,483</u>

See accompanying notes.

River Hall Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Net Changes in Fund Balances - Total Governmental Funds \$ (6,912,163)

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

Government funds reported capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is eliminated and capitalized in the Statement of Net Position. This is the amount that capital outlay, \$5,250,979, exceeded depreciation, \$(507,319). 4,743,660

The issuance of long-term debt, \$(18,995,000), net of bond premium, \$(361,864), is recorded as an other financing source at the fund level, however at the government-wide level it increases non-current liabilities. (19,356,864)

Repayment of long-term liabilities are reported as expenditures in the governmental funds statement but such repayments reduce liabilities in the Statement of Net Position. 20,970,000

The deferred amount on refunding of debt is recognized as an other financing source at the fund level, but at the government-wide level it increases liabilities. This is the amount of the current year deferred amount on refunding. 389,130

Bond discount is recognized as an other financing use in the year the debt was issued at the fund level, however at the government-wide level it is recognized as a contra liability and amortized over the life of the bond as interest. This is the amount of current year interest (716)

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 from the prior year. 340,539

Change in Net Position of Governmental Activities \$ 173,586

See accompanying notes.

**River Hall Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND
For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 544,589	\$ 544,589	\$568,292	\$ 23,703
Miscellaneous revenues	500	500	-	(500)
Investment earnings	-	-	7	7
Total Revenues	<u>545,089</u>	<u>545,089</u>	<u>568,299</u>	<u>23,210</u>
Expenditures				
Current				
General government	119,090	119,090	142,008	(22,918)
Physical environment	453,550	453,550	412,000	41,550
Total Expenditures	<u>572,640</u>	<u>572,640</u>	<u>554,008</u>	<u>18,632</u>
Net change in fund balances	(27,551)	(27,551)	14,291	41,842
Fund Balances - October 1, 2020	<u>660,248</u>	<u>660,248</u>	<u>678,957</u>	<u>18,709</u>
Fund Balances - September 30, 2021	<u>\$ 632,697</u>	<u>\$ 632,697</u>	<u>\$693,248</u>	<u>\$ 60,551</u>

See accompanying notes.

River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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 April 21, 2005, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes. 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 or re-constructing, enlarging or extending, equipping, operating and maintaining water management, district roads, landscaping, street lights and other basic infrastructure projects within or outside the boundaries of the River Hall Community Development District. The District is governed by a five-member Board of Supervisors who are elected on an at-large basis by qualified electors living within the boundaries of the District. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the River Hall 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, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria, 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

River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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 special assessments. Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. 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.

River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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 implemented the 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.

River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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 revenue 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 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 another financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The General Fund is composed of General Fund and Reserve Fund balances.

Debt Service Fund – Accounts for debt service requirements to retire the capital improvement bonds which were used to finance the construction of District infrastructure improvements.

Capital Projects Fund – Accounts for the construction of improvements within the boundaries of the District.

b. Non-current Governmental Assets/Liabilities

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

4. Assets, Deferred Outflows of Resources, 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.

Cash and cash equivalents includes time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Deferred Outflows of Resources, Liabilities, and Net Position or Equity (Continued)

b. Restricted Assets

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

c. Capital Assets

Capital assets, which include land improvements, infrastructure, improvements other than buildings and construction in progress are reported in governmental activities.

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' estimated useful lives. Useful life for assets is estimated at 15 years.

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. Formal budgets are adopted for the general fund. The legal level of budgetary control is at the fund level. As a result, deficits in the budget columns of the accompanying financial statements may occur. All budgeted appropriations lapse at year end.

e. Deferred Outflows of Resources

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

f. Unamortized Bond Discounts/Premiums

Bond discounts/premiums are presented on the government-wide financial statements. The costs are amortized over the life of the bonds using the straight-line method. For financial reporting, the unamortized bond discounts/premiums are netted against the applicable long-term debt.

**River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Deferred Outflows of Resources, Liabilities, and Net Position or Equity (Continued)

g. Net Position

Net position represents the difference between assets and liabilities and is reported in three categories. Net position invested in capital assets, net of related debt, represents capital assets, net of accumulated depreciation and any outstanding debt related to those assets. Net position is reported as restricted when there are legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. Unrestricted net position is assets that do not meet definitions of the classifications previously described.

NOTE B – 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, 2021, the District's bank balance was \$752,391 and the carrying value was \$692,340. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2021, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
First American Treasury Obligation Fund	13 days*	\$ 33,713
First American Govt Obligation Fund	14 days*	3,397,388
Florida PRIME	49 days*	5,276
Total		<u>\$ 3,436,377</u>

* Weighted average maturity

River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE B – CASH AND INVESTMENTS (CONTINUED)

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District 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 realizable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtained 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 investments in First American Treasury Obligation Fund and the first American Govt Obligation Fund are Level 1 assets.

Investments

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. The investment in Florida PRIME is measured at amortized cost. Florida PRIME has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that would limit daily access to 100 percent of the account value.

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, however; the bond indenture limits the type of investments held using unspent proceeds.

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices.

River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

As a pool participant, the District invests in pools of investments in which shares are owned in the pool rather than the underlying investments. Fair market value is determined and reported as disclosed by the State Board of Administration and the calculation of the net change in the fair value of investments is independent of the calculation of realized gains and losses.

As of September 30, 2021, the District's investments in the First American Treasury Obligation Fund, First American Govt Obligation Fund and Florida PRIME were 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 less than 1% and the investments in First American Govt Obligation Fund represent 99% of the District's total investments. The investment in Florida Prime represents less than 1% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2021 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

NOTE C – SPECIAL ASSESSMENT REVENUES

Special assessment revenues recognized for the 2020-2021 fiscal year were levied in October 2020. All assessments are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes, discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Assessments paid in March are without discount.

All unpaid assessments become delinquent as of April 1. Virtually all unpaid assessments are collected via the sale of tax certificates on or prior to, June 1; therefore, there were no material taxes receivable at fiscal year end.

River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE D – CAPITAL ASSETS

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

	Balance 10/1/2020	Additions	Disposals	Balance 09/30/21
<u>Governmental Activities:</u>				
Capital assets, not depreciated:				
Land improvements	\$ 9,299,800	\$ -	\$ -	\$ 9,299,800
Construction in progress	466,065	5,250,979	-	5,717,044
Total Capital Assets, Not Depreciated	<u>9,765,865</u>	<u>5,250,979</u>	<u>-</u>	<u>15,016,844</u>
Capital assets, being depreciated:				
Infrastructure	13,836,783	-	-	13,836,783
Improvements other than buildings	646,872	-	-	646,872
Less accumulated depreciation:	(380,230)	(507,319)	-	(887,549)
Total Capital Assets Being Depreciated, Net	<u>14,103,425</u>	<u>(507,319)</u>	<u>-</u>	<u>13,596,106</u>
Governmental Activities Capital Assets	<u>\$ 23,869,290</u>	<u>\$ 4,743,660</u>	<u>\$ -</u>	<u>\$ 28,612,950</u>

Depreciation of \$507,319 was charged to physical environment.

NOTE E – LONG-TERM DEBT

The following is a summary of debt activity for the District for the year ended September 30, 2021:

	Balance 10/1/2020	Additions	Reductions	Balance 9/30/2021
<u>Governmental Activities:</u>				
Bonds payable:				
Series 2011A-1	\$ 9,685,000	\$ -	\$ (9,685,000)	\$ -
Series 2011A-2	11,285,000	-	(11,285,000)	-
Series 2020A	7,410,000	-	-	7,410,000
Series 2020A Bond Discount	(21,486)	-	716	(20,770)
Series 2021A-1	-	9,065,000	-	9,065,000
Series 2021A-2	-	9,930,000	-	9,930,000
Series 2021 Bond Premium	-	361,864	-	361,864
Bonds Payable, Net	<u>\$ 28,358,514</u>	<u>\$ 19,356,864</u>	<u>\$ (20,969,284)</u>	<u>\$ 26,746,094</u>

**River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE E – LONG-TERM DEBT (CONTINUED)

District debt is comprised of the following at September 30, 2021:

\$7,410,000 Series 2020A Capital Improvement Revenue Bonds maturing through 2051, at various interest rates between 2.75 and 3.875%, payable May 1 and November 1. Current portion is \$145,000.	\$ 7,410,000
\$9,065,000 Series 2021A-1 and \$9,930,000 Series 2021A-2 Capital Improvement Refunding Revenue Bonds maturing through 2036, interest of 3%, payable May 1 and November 1. Current portions are \$485,000 and \$530,000, respectively.	<u>18,995,000</u>
Bonds Payable at September 30, 2021	<u>\$ 26,405,000</u>

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2021 are as follows:

Year Ending September 30,	Principal	Interest	Total
2022	\$ 1,160,000	\$ 624,744	\$ 1,784,744
2023	1,200,000	804,000	2,004,000
2024	1,240,000	768,375	2,008,375
2025	1,270,000	731,563	2,001,563
2026	1,305,000	693,850	1,998,850
2027-2031	7,180,000	2,849,725	10,029,725
2032-2036	8,360,000	1,684,594	10,044,594
2037-2041	1,275,000	807,375	2,082,375
2042-2046	1,540,000	546,763	2,086,763
2047-2051	<u>1,875,000</u>	<u>223,781</u>	<u>2,098,781</u>
Totals	<u>\$ 26,405,000</u>	<u>\$ 9,734,770</u>	<u>\$ 36,139,770</u>

In September 2021, the District issued \$9,065,000 Series 2021A-1 and \$9,930,000 Series 2021A-2 Capital Improvement Refunding Revenue Bonds which retire the Series 2011A-1 and Series 2011A-2 Capital Improvement Revenue Bonds. The current refunding of the Series 2011A-1 Bonds resulted in a deferred amount on refunding of \$191,374. As a result of this transaction, the District decreases its aggregate debt payment by \$2,013,829 over the next 14 years and realized an economic gain of approximately \$1,545,224. The current refunding of the Series 2011A-2 Bonds resulted in a deferred amount on refunding of \$197,756. As a result of this transaction, the District decreases its aggregate debt payment by \$1,539,802 over the next 14 years and realized an economic gain of approximately \$1,194,266.

**River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE E – LONG-TERM DEBT (CONTINUED)

Summary of Significant Bonds Resolution Terms and Covenants

Capital Improvement Revenue Bonds, Series 2020A

The Series 2020A Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2031 a price equal to the par amount of the Series 2020A Bonds thereof, together with accrued interest to the date of redemption. The Series 2020A 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.

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 2020A Reserve Account was funded from the proceeds of the Series 2020A Bonds in an amount equal to 50 percent of the outstanding Series 2020A Bonds. 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, 2021:

	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Capital Improvement Revenue Bonds, Series 2020A	\$ 206,925	\$ 206,925

**River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE E – LONG-TERM DEBT (CONTINUED)

Capital Improvement Revenue Bonds, Series 2021 A-1 and A-2

Significant Bond Provisions

The Series 2021A-1 and Series 2021A-2 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2031 a price equal to the par amount of the Series 2021A-1/2 Bonds thereof, together with accrued interest to the date of redemption. The Series 2021A-1 and Series 2021A-2 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.

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 2021A-1 Reserve Account was funded from the proceeds of the Series 2021A-1 Bonds in an amount equal to 10 percent of the maximum outstanding debt related to the Series 2021A-1 Bonds. The Series 2021A-2 Reserve Account was funded from the proceeds of the Series 2021A-2 Bonds in an amount equal to 50 percent of the maximum outstanding debt related to the Series 2021A-2 Bonds. 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, 2021:

	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Capital Improvement Refunding Revenue Bonds, Series 2021A-1	\$ 75,460	\$ 75,460
Capital Improvement Refunding Revenue Bonds, Series 2021A-2	\$ 412,550	\$ 412,550

River Hall Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE F – ECONOMIC DEPENDENCY

The District's activity is dependent upon the continued involvement of the Developer, the loss of which would have a material adverse effect on the District's operations.

NOTE G – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There have been no claims filed for the past three years.



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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
River Hall Community Development District
Lee 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 River Hall Community Development District, as of and for the year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated March 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered River Hall 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 River Hall Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of River Hall Community Development District's internal control.

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

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

To the Board of Supervisors
River Hall Community Development District
Lee County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether River Hall 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

March 22, 2022



Berger, Toombs, Elam, Gaines & Frank

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MANAGEMENT LETTER

To the Board of Supervisors
River Hall Community Development District
Lee County, Florida

Report on the Financial Statements

We have audited the financial statements of the River Hall Community Development District as of and for the year ended September 30, 2021, and have issued our report thereon dated March 22, 2022.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated March 22, 2022, 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 made in the preceding financial audit report.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not River Hall 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 River Hall Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Supervisors
River Hall Community Development District

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2021 for the River Hall Community Development District. It is management's responsibility to monitor the River Hall Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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

Specific Information

The information below was provided by management and has not been audited by us; 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, River Hall Community Development District reported:

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: N/A.
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: N/A.
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: N/A.
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: The District paid \$5,222,623 to nonemployee independent contractors.
- 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, 2020, together with the total expenditures for such project: The District has no construction projects at this time.
- 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 District did not amend the original budget.

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

- 7) The rate or rates of non-ad valorem special assessments imposed by the District. The General Fund assessment was \$182.18 - \$535.83 and the Debt Service assessment was \$283.89 - \$2,188.34.
- 8) Total Special Assessments collected was \$2,564,457.
- 9) The total amount of outstanding bonds issued by the District and the terms of such bonds. The District had outstanding bonds at September 30, 2021 of \$7,410,000 Series 2020A Bonds, maturing in 2051 and \$18,995,000 of Series 20121A-1 and A-2 Bonds maturing in 2036.

To the Board of Supervisors
River Hall 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 did not note any such findings.

Purpose of this Letter

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

*Berger Toombs Elam
Gaines & Frank*

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

March 22, 2022



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

To the Board of Supervisors
River Hall Community Development District
Lee County, Florida

We have examined River Hall Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2021. Management is responsible for River Hall Community Development District's compliance with those requirements. Our responsibility is to express an opinion on River Hall 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 River Hall 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 River Hall Community Development District's compliance with the specified requirements.

In our opinion, River Hall Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2021.

*Berger Toombs Elam
Gaines & Frank*

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

March 22, 2022