

**Colonial Country Club
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2022

Colonial Country Club Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2022

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Colonial Country Club Community Development District
Lee County, Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of Colonial Country Club Community Development District (the "District"), as of and for the year ended September 30, 2022, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Colonial Country Club Community Development District as of September 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

Fort Pierce / Stuart

To the Board of Supervisors
Colonial Country Club Community Development District

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

To the Board of Supervisors
Colonial Country Club Community Development District

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 28, 2023 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 Colonial Country Club Community Development District's internal control over financial reporting and compliance.



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

March 28, 2023

**Colonial Country Club Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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 debt service.

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

**Colonial Country Club Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The government-wide financial statements provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including land, buildings and improvements and infrastructure are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, 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, 2022.

- ◆ The District's total assets and deferred outflows of resources exceeded total liabilities by \$2,102,023 (net position). Unrestricted net position for Governmental Activities was \$655,432. Net investment in capital assets was \$1,432,434. Restricted net position was \$14,157.
- ◆ Governmental Activities revenues totaled \$1,655,250 while Governmental Activities expenses totaled \$1,428,899.

**Colonial Country Club Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2022	2021
Current assets	\$ 661,696	\$ 790,414
Restricted assets	779,363	742,676
Capital assets	10,818,321	11,252,839
Total Assets	12,259,380	12,785,929
 Deferred outflow of resources	 381,571	 417,625
Current liabilities	986,116	966,246
Non-current liabilities	9,552,812	10,361,636
Total Liabilities	10,538,928	11,327,882
 Net Position - Net investment in capital assets	 1,432,434	 1,119,619
Net Position - Restricted	14,157	21,067
Net Position - Unrestricted	655,432	734,966
Total Net Position	\$ 2,102,023	\$ 1,875,652

The decrease in current assets and the increase in restricted assets is related to the changes in fund balance of the General Fund in the current year.

The decrease in capital assets is due to depreciation in the current year.

The decrease in non-current liabilities is primarily due to principal payments in the current year.

The increase in net position is related to revenues exceeding expenses in the current year.

**Colonial Country Club Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

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	
	2022	2021
Program Revenues		
Charges for services	\$ 1,649,992	\$ 1,650,100
General Revenues		
Intergovernmental revenues	-	588
Miscellaneous revenues	847	901
Investment earnings	4,411	9,237
Total Revenues	1,655,250	1,660,826
Expenses		
General government	126,760	137,796
Physical environment	835,762	616,907
Interest and other charges	466,377	490,366
Total Expenses	1,428,899	1,245,069
Change in Net Position	226,351	415,757
Net Position - Beginning of Year	1,875,672	1,459,915
Net Position - End of Year	\$ 2,102,023	\$ 1,875,672

The increase in physical environment is related a lakeshore repair project in the current year.

**Colonial Country Club Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of, September 30, 2022 and 2021.

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Land and improvements	\$ 6,698,496	\$ 6,698,496
Buildings and improvements	1,255,349	1,255,349
Infrastructure	10,824,541	10,824,541
Accumulated depreciation	<u>(7,960,065)</u>	<u>(7,525,547)</u>
Total Capital Assets (Net)	<u>\$ 10,818,321</u>	<u>\$ 11,252,839</u>

During the year, depreciation was \$434,518.

General Fund Budgetary Highlights

Budgeted expenditures exceeded actual governmental expenditures primarily because of lower postage and engineering expenditures than were anticipated.

The September 30, 2022 budget was amended for lake maintenance that was higher than originally anticipated.

Debt Management

Governmental Activities debt includes the following:

- ◆ In March 2013, the District issued \$16,860,000 Series 2013 Capital Improvement Revenue Refunding Bonds. These bonds were issued to pay and redeem the outstanding 2003 bonds. The outstanding balance at September 30, 2022 was \$10,395,000.
- ◆ In 2003, the District entered into an agreement with the developer to defer costs for land acquired in 2003 through a note payable in the amount of \$1,116,334. The agreement was amended in March 2013 with the District making a substantial payment and the remaining balance is to be paid over 10 years. The balance outstanding at September 30, 2022 was \$18,756.

**Colonial Country Club Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Colonial Country Club 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 2023.

Request for Information

The financial report is designed to provide a general overview of Colonial Country Club 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 Colonial Country Club Community Development District, Premier District Management, 3820 Colonial Blvd, Suite 101, Fort Myers, Florida 33966.

Colonial Country Club Community Development District
STATEMENT OF NET POSITION
September 30, 2022

	Governmental Activities
ASSETS	
Current Assets	
Cash and equivalents	\$ 661,194
Deposits	502
Total Current Assets	661,696
Non-current Assets	
Restricted assets:	
Investments - debt service	779,363
Capital Assets:	
Assets not being depreciated	
Land and improvements	6,698,496
Assets being depreciated	
Buildings and improvements	1,255,349
Infrastructure	10,824,541
Less: accumulated depreciation	(7,960,065)
Total Non-current Assets	11,597,684
Total Assets	12,259,380
 DEFERRED OUTFLOW OF RESOURCES	
Deferred amount on refunding, net	381,571
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	6,264
Accrued interest	171,096
Note payable to developer	18,756
Bonds payable	790,000
Total Current Liabilities	986,116
Non-current Liabilities	
Bonds payable, net	9,552,812
Total Liabilities	10,538,928
 NET POSITION	
Net investment in capital assets	1,432,434
Restricted for debt service	14,157
Unrestricted	655,432
Total Net Position	\$ 2,102,023

See accompanying notes to financial statements.

Colonial Country Club Community Development District
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
Governmental Activities			
General government	\$ (126,760)	\$ 109,227	\$ (17,533)
Physical environment	(835,762)	350,895	(484,867)
Interest and other charges	(466,377)	1,189,870	723,493
Total Governmental Activities	<u>\$ (1,428,899)</u>	<u>\$ 1,649,992</u>	<u>221,093</u>
		General revenues:	
		Miscellaneous revenues	847
		Investment earnings	4,411
		Total General Revenues	<u>5,258</u>
		Change in Net Position	226,351
		Net Position - October 1, 2021	1,875,672
		Net Position - September 30, 2022	<u>\$ 2,102,023</u>

See accompanying notes to financial statements.

**Colonial Country Club Community Development District
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2022**

ASSETS	General	Debt Service	Total Governmental Funds
Cash and cash equivalents	\$ 661,194	\$ -	\$ 661,194
Deposits	502	-	502
Restricted assets:			
Investments, at fair value	-	779,363	779,363
Total Assets	<u>\$ 661,696</u>	<u>\$ 779,363</u>	<u>\$ 1,441,059</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued expenses	<u>\$ 6,264</u>	<u>\$ -</u>	<u>\$ 6,264</u>
Fund Balances			
Nonspendable:			
Deposits	502	-	502
Restricted - debt service	-	779,363	779,363
Assigned:			
Operating reserve	70,170	-	70,170
Erosion control	187,120	-	187,120
Boardwalk replacement	<u>397,640</u>	<u>-</u>	<u>397,640</u>
Total Fund Balances	<u>655,432</u>	<u>779,363</u>	<u>1,434,795</u>
Total Liabilities and Fund Balances	<u>\$ 661,696</u>	<u>\$ 779,363</u>	<u>\$ 1,441,059</u>

See accompanying notes to financial statements.

**Colonial Country Club Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2022**

Total Governmental Fund Balances	\$ 1,434,795
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets not being depreciated, land and improvements, used in governmental activities are not current financial resources and therefore, are not reported at the fund statement level.	6,698,496
Capital assets being depreciated, building and improvements, \$1,255,349, and infrastructure, \$10,824,541, net of accumulated depreciation, \$(7,960,065), used in governmental activities are not current financial resources and therefore, are not reported at the fund statement level.	4,119,825
Long-term liabilities, including bonds payable, \$(10,395,000), net of bond discount, net, \$52,188, and notes payable, \$(18,756), are not due and payable in the current period and therefore, are not reported at the fund statement level.	(10,361,568)
Deferred outflow of resources are not current financial resources and therefore, are not reported at the fund statement level.	381,571
Accrued interest expense for long-term debt is not a current financial use and, therefore, is not reported at the fund statement level.	<u>(171,096)</u>
Net Position of Governmental Activities	<u><u>\$ 2,102,023</u></u>

See accompanying notes to financial statements.

Colonial Country Club Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For The Year Ended September 30, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Revenues			
Special assessments	\$ 460,122	\$ 1,189,870	\$ 1,649,992
Miscellaneous revenues	847	-	847
Interest earnings	4,373	38	4,411
Total Revenues	<u>465,342</u>	<u>1,189,908</u>	<u>1,655,250</u>
Expenditures			
Current			
General government	124,900	1,860	126,760
Physical environment	401,244	-	401,244
Debt service			
Principal	18,752	770,000	788,752
Interest	-	435,993	435,993
Total Expenditures	<u>544,896</u>	<u>1,207,853</u>	<u>1,752,749</u>
Net change in fund balances	(79,554)	(17,945)	(97,499)
Fund Balances - October 1, 2021	<u>734,986</u>	<u>797,308</u>	<u>1,532,294</u>
Fund Balances - September 30, 2022	<u>\$ 655,432</u>	<u>\$ 779,363</u>	<u>\$ 1,434,795</u>

See accompanying notes to financial statements.

Colonial Country Club 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, 2022

Net Changes in Fund Balances - Total Governmental Funds	\$ (97,499)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures when purchased. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period.	(434,518)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	788,752
Governmental funds report bond discounts as expenditures. However, in the Statement of Activities, the cost of bond discounts are allocated based over the life of the bonds as amortization expense. This is the amount of amortization in the current year.	(4,932)
The deferred outflow of resources for the refunding of debt is recognized as a component of interest expense in the Statement of Activities, but not in the governmental funds. This is the amount of current year interest.	(36,054)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net amount between prior year and current year accruals.	<u>10,602</u>
Change in Net Position of Governmental Activities	<u><u>\$ 226,351</u></u>

See accompanying notes to financial statements.

**Colonial Country Club Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND**

For The Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 458,313	\$ 458,313	\$ 460,122	\$ 1,809
Miscellaneous revenues	1,000	1,000	847	(153)
Interest earnings	9,091	9,091	4,373	(4,718)
Total Revenues	<u>468,404</u>	<u>468,404</u>	<u>465,342</u>	<u>(3,062)</u>
Expenditures				
Current				
General government	142,950	132,950	124,900	8,050
Physical environment	199,233	401,702	401,244	458
Capital outlay	107,469	-	-	-
Debt service				
Principal	18,752	18,752	18,752	-
Total Expenditures	<u>468,404</u>	<u>553,404</u>	<u>544,896</u>	<u>8,508</u>
Net change in fund balances	-	(85,000)	(79,554)	5,446
Fund Balances - October 1, 2021	<u>747,273</u>	<u>85,000</u>	<u>734,986</u>	<u>649,986</u>
Fund Balances - September 30, 2022	<u>\$ 747,273</u>	<u>\$ -</u>	<u>\$ 655,432</u>	<u>\$ 655,432</u>

See accompanying notes to financial statements.

Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF ACCOUNTING POLICIES

The financial statements of Colonial Country Club Community Development District (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 December 2, 2002 pursuant to the City of Fort Myers Ordinance Number 3094 and Chapter 190, Florida Statutes, as amended (the "Act"), as a Community Development District. The District was established for the purpose of planning, financing and managing the acquisition, construction, maintenance and operation of the public 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, water supply, sewer and waste water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or outside the boundaries of the Colonial Country Club Community Development District. The District is governed by a five-member Board of Supervisors, who are elected on a rotating basis for terms of four years. The District operates within the criteria established by Chapter 190, Florida Statutes.

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

Based upon the application of the above-mentioned criteria as set forth by the Governmental Accounting Standards Board, 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

Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF 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 separate columns for the governmental and business-type activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities which normally are supported by special assessments and interest, are reported separately from business-type activities. 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.

Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

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

The District has various policies governing the fund balance classifications.

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

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

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

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

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

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.

Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financial 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 were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when the payment is due.

3. Basis of Presentation

a. Governmental Major Funds

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

Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Debt Service Fund – Accounts for debt service requirements to retire the special assessment bonds which were used to finance the construction of District infrastructure improvements. The bond series is secured by a pledge of all available special assessment revenues in any fiscal year related to the improvements and a first lien on the special assessment revenues from the District lien on all acreage of benefited land.

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, and due to developer be reported in the governmental activities column in the government-wide statement of net position.

4. Assets, Liabilities, Deferred Outflows of Resources, 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.

**Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

a. Cash and Investments (Continued)

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

b. 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, buildings and improvements and infrastructure, are reported in the applicable governmental activities column.

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings and improvements	7-20 years
Infrastructure	20-40 years

Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

d. Deferred Outflow of Resources

Deferred outflows of resources represent a consumption of net position/fund balance 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. It is the deferred amount on refunding reported on the Statement of Net Position. A deferred amount 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.

e. Unamortized Bond Discount

Bond discounts 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 discount is netted against the applicable long-term debt.

f. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190.065, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

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

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

“Total fund balances” of the District’s governmental funds, \$1,434,795, differs from “net position” of governmental activities, \$2,102,023, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below.

Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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

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

Capital related items

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

Land and improvements	\$ 6,698,496
Building and improvements	1,255,349
Infrastructure	10,824,541
Accumulated depreciation	<u>(7,960,065)</u>
Total	<u>\$ 10,818,321</u>

Long-term debt transactions

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2022 were:

Bonds payable	\$ (10,395,000)
Bond discount, net	52,188
Notes payable	<u>(18,756)</u>
Total	<u>\$ (10,361,568)</u>

Deferred outflow of resources

Deferred outflow of resources applicable to the District's governmental activities are not financial resources and therefore, are not reported as fund deferred outflow of resources:

Deferred amount on refunding, net	<u>\$ 381,571</u>
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Accrued interest

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

Accrued interest	<u>\$ (171,096)</u>
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Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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

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

The “net change in fund balances” for government funds, \$(97,499), differs from the “change in net position” for governmental activities, \$226,351, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

Depreciation	\$ <u>(434,518)</u>
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Long-term debt transactions

Repayment of long-term debt is reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Debt principal payments	\$ 788,752
Bond discount amortization	<u>(4,932)</u>
Total	<u>\$ 783,820</u>

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

Net change in accrued interest payable	\$ 10,602
Decrease in deferred amount on refunding	<u>(36,054)</u>
Total	<u>\$ (25,452)</u>

Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE C – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2022, the District's bank balance was \$754,979 and the carrying value was \$661,194. 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, 2022, the District had the following investments and maturities:

Investment	Maturities	Fair Value
US Bank N.A. Commercial Paper	N/A	\$ 779,363

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

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that use 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 District's investment US Bank N.A. Commercial Paper is a Level 1 asset.

Investments

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes.

Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE C – CASH AND INVESTMENTS (CONTINUED)

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.

Credit Risk

The District's investments in commercial paper are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2022, the District's investments in Commercial Paper were rated A-1+ 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 Commercial Paper are 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2022 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 D – SPECIAL ASSESSMENT REVENUES

Special assessment revenues recognized for the 2021-2022 fiscal year were levied in October 2021. All taxes 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. Taxes paid in March are without discount.

All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes 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.

Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE E – CHANGES IN CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land and improvements	\$ 6,698,496	\$ -	\$ -	\$ 6,698,496
Capital assets, being depreciated:				
Building and improvements	1,255,349	-	-	1,255,349
Infrastructure	10,824,541	-	-	10,824,541
Total Capital Assets, Being Depreciated	<u>12,079,890</u>	<u>-</u>	<u>-</u>	<u>12,079,890</u>
Less accumulated depreciation for:				
Building and improvements	(880,482)	(73,700)	-	(954,182)
Infrastructure	(6,645,065)	(360,818)	-	(7,005,883)
Total Accumulated Depreciation	<u>(7,525,547)</u>	<u>(434,518)</u>	<u>-</u>	<u>(7,960,065)</u>
Total Capital Assets Depreciated, Net	<u>4,554,343</u>	<u>(434,518)</u>	<u>-</u>	<u>4,119,825</u>
Governmental Activities Capital Assets	<u>\$ 11,252,839</u>	<u>\$ (434,518)</u>	<u>\$ -</u>	<u>\$ 10,818,321</u>

Depreciation of \$434,518 was charged to physical environment.

NOTE F – LONG-TERM DEBT

The following is a summary of activity in the long-term debt of the District for the year ended September 30, 2022:

Long-term debt at October 1, 2021	\$ 11,202,508
Principal payments	<u>(788,752)</u>
Long-term debt at September 30, 2022	10,413,756
Less bond discounts, net	<u>(52,188)</u>
Total Long Term Debt, Net	<u>\$ 10,361,568</u>

Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE F – LONG-TERM DEBT (CONTINUED)

Long-term debt is comprised of the following:

Revenue Bonds

\$16,680,000 Series 2013 Capital Improvement Revenue Refunding Bonds due in annual principal installments beginning on May 2014, maturing in May 2033. Interest is due semi-annually on May 1 and November 1, beginning November 1, 2013, at a variable interest rate. \$ 10,395,000

Note Payable

Note payable to the developer for land acquired in 2003. 18,756

Total long-term debt \$ 10,413,756

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2022 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 790,000	\$ 410,630	\$ 1,200,630
2024	820,000	382,980	1,202,980
2025	850,000	353,460	1,203,460
2026	880,000	321,585	1,201,585
2027	920,000	286,385	1,206,385
2028-2032	5,025,000	852,930	5,877,930
2033	<u>1,110,000</u>	<u>45,510</u>	<u>1,155,510</u>
Totals	<u>\$ 10,395,000</u>	<u>\$ 2,653,480</u>	<u>\$ 13,048,480</u>

Summary of Significant Bonds Resolution Terms and Covenants

CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2013

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:

Colonial Country Club Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE F – LONG-TERM DEBT (CONTINUED)

Summary of Significant Bonds Resolution Terms and Covenants (Continued)

Reserve Fund – The 2013 Reserve Account is funded from the proceeds of the Series 2013 Bonds in an amount equal to fifty percent (50%) of the maximum annual debt service requirement of the 2013 bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

	Capital Improvement Revenue Refunding Bonds	
	Reserve Balance	Reserve Requirement
Series 2013 Bonds - Reserve Account	\$ 594,110	\$ 594,110

DEVELOPER NOTE PAYABLE

In 2003, the District entered into an agreement with the developer for the conveyance of certain capital assets to the District. The District entered into a new agreement during fiscal year 2013 with the developer restructuring the payment of the remaining balance owed to the developer. The balance outstanding as of September 30, 2022 is \$18,756. The remaining balance will be paid during fiscal year 2023.

The annual requirements to amortize the principal of the note payable outstanding as of September 30, 2022 are as follows:

Year Ending September 30,	Principal
2023	\$ 18,756

NOTE G – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage over 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
Colonial Country Club 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, as listed in the table of contents, of Colonial Country Club Community Development District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated March 28, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Fort Pierce / Stuart

To the Board of Supervisors
Colonial Country Club Community Development District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Colonial Country Club 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 28, 2023



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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MANAGEMENT LETTER

To the Board of Supervisors
Colonial Country Club Community Development District
Lee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Colonial Country Club Community Development District as of and for the year ended September 30, 2022, and have issued our report thereon dated March 28, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 2023, 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 financial audit report. There were no findings or recommendations in the preceding audit.

Financial Condition and Management

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

To the Board of Supervisors
Colonial Country Club Community Development District

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 Colonial Country Club Community Development District. It is management's responsibility to monitor the Colonial Country Club 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 as of September 30, 2022.

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, Colonial Country Club Community Development District reported:

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 5
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: The District paid 1 nonemployee independent contractor in September 2022.
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$13,800
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: The District paid \$5,490 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, 2021, together with the total expenditures for such project: N/A.
- 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 amend the original budget, see below.

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

- 1) The rate or rates of non-ad valorem special assessments imposed by the District. The General Fund assessment was \$249 – \$269 and the Debt Service assessment was \$288 – \$1,180.
- 2) Total special assessments collected was \$1,649,992.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds. The District had outstanding bonds at September 30, 2022 of \$10,395,000 maturing May 2033.

To the Board of Supervisors
Colonial Country Club Community Development District

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance with Original Budget Positive (Negative)</u>
Revenues			
Special assessments	\$ 458,313	\$ 460,122	\$ 1,809
Miscellaneous revenues	1,000	847	(153)
Interest earnings	9,091	4,373	(4,718)
Total Revenues	<u>468,404</u>	<u>465,342</u>	<u>(3,062)</u>
Expenditures			
Current			
General government	142,950	124,900	18,050
Physical environment	199,233	401,244	(202,011)
Capital outlay	107,469	-	107,469
Debt service			
Principal	18,752	18,752	-
Total Expenditures	<u>468,404</u>	<u>544,896</u>	<u>(76,492)</u>
Net change in fund balances	-	(79,554)	(79,554)
Fund Balances - October 1, 2021	<u>747,273</u>	<u>734,986</u>	<u>(12,287)</u>
Fund Balances - September 30, 2022	<u>\$ 747,273</u>	<u>\$ 655,432</u>	<u>\$ (91,841)</u>

Additional Matters

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

To the Board of Supervisors
Colonial Country Club Community Development District

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 28, 2023



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

To the Board of Supervisors
Colonial Country Club Community Development District
Lee County, Florida

We have examined Colonial Country Club Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2022. Management is responsible for Colonial Country Club Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Colonial Country Club 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 Colonial Country Club 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 Colonial Country Club Community Development District's compliance with the specified requirements.

In our opinion, Colonial Country Club Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2022.

*Berger Toombs Elam
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