

**Coconut Cay Community  
Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2023**

**Coconut Cay Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2023**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
Coconut Cay Community Development District  
Miami-Dade 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 Coconut Cay Community Development District (the "District"), as of and for the year ended September 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### *Basis for Opinion*

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

#### *Responsibilities of Management for the Financial Statements*

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

To the Board of Supervisors  
Coconut Cay Community Development District

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

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

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

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

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

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

To the Board of Supervisors  
Coconut Cay 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 February 21, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

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



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

February 21, 2024

**Coconut Cay Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2023**

Management's discussion and analysis of Coconut Cay 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 are comprised of 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 is reported in three categories; 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

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

**Coconut Cay Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2023**

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

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

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including capital assets are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, 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, 2023.

- ◆ The District's total liabilities exceeded total assets by \$(2,607,773) (net position). Unrestricted net position for Governmental Activities was \$(1,956,278). Governmental Activities restricted net position was \$222,242 and net investment in capital assets was \$(873,737).
- ◆ Governmental Activities revenues totaled \$777,850 while Governmental Activities expenses totaled \$667,119.

**Coconut Cay Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2023**

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

**Financial Analysis of the District**

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

**Net Position**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
Current assets	\$ 192,723	\$ 117,851
Restricted assets	462,893	440,242
Capital assets	1,764,296	1,975,984
Total Assets	2,419,912	2,534,077
Current liabilities	340,516	330,412
Non-current liabilities	4,687,169	4,922,169
Total Liabilities	5,027,685	5,252,581
Net position - net investment in capital assets	(873,737)	(764,913)
Net position - restricted	222,242	187,250
Net position - unrestricted	(1,956,278)	(2,140,841)
Total Net Position	\$ (2,607,773)	\$ (2,718,504)

The increase in current assets was related to revenues exceeding expenditures in 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 the result of the principal payments on long-term debt.

The decrease in net investments in capital assets is related to depreciation exceeding principal payments in the current year.



**Coconut Cay Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2023**

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

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

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

**Change in Net Position**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
Program Revenues		
Charges for services	\$ 578,990	\$ 578,783
General Revenues		
Miscellaneous revenues	181,000	56,285
Investment earnings	17,860	416
Total Revenues	777,850	635,484
Expenses		
General government	64,839	71,708
Physical environment	364,794	234,823
Interest and other charges	237,486	248,997
Total Expenses	667,119	555,528
Change in Net Position	110,731	79,956
Net Position - Beginning of Year	(2,718,504)	(2,798,460)
Net Position - End of Year	\$ (2,607,773)	\$ (2,718,504)

The increase in physical environment is primarily the result of higher engineering fee and pump maintenance costs in the current year.

The increase in miscellaneous income is related to a settlement for drainage repairs.

**Coconut Cay Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2023**

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

**Capital Assets Activity**

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

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Infrastructure	\$ 4,308,273	\$ 4,308,273
Less: accumulated depreciation	(2,543,977)	(2,332,289)
Total	<u>\$ 1,764,296</u>	<u>\$ 1,975,984</u>

Capital activity for the year consisted of depreciation of \$211,688.

**General Fund Budgetary Highlights**

The budgeted expenditures exceeded actual expenditures primarily because of less legal and engineering fee and capital outlay expenditures than were anticipated.

The September 30, 2023 budget was not amended.

**Debt Management**

Governmental Activities debt includes the following:

- ◆ In May 2006, the District issued \$6,840,000 Series 2006 construction of certain improvements Special Assessment Bonds. These bonds were issued to finance the acquisition and construction of certain improvements within the District. The balance outstanding at September 30, 2023 was \$4,290,000.
- ◆ The District determined in fiscal year 2015 that a \$632,169 deferred cost liability exists for capital improvements to the District that were not paid with bond proceeds. These amounts were advanced by the Developer under the Acquisition Agreement. The balance outstanding at September 30, 2023 was \$632,169.

**Coconut Cay Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2023**

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

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

Coconut Cay 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 2024.

**Request for Information**

The financial report is designed to provide a general overview of Coconut Cay 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 Coconut Cay Community Development District, Governmental Management Services – SF, LLC, 5385 N Nob Hill Road, Sunrise, Florida 33351.

**Coconut Cay Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2023**

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 124,092
Investments	58,380
Prepaid expenses	10,251
Total Current Assets	<u>192,723</u>
Non-current Assets	
Restricted assets	
Investments	462,893
Capital assets, being depreciated	
Infrastructure	4,308,273
Less: accumulated depreciation	<u>(2,543,977)</u>
Total Non-current Assets	<u>2,227,189</u>
Total Assets	<u>2,419,912</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	9,438
Accrued interest	96,078
Bonds payable	235,000
Total Current Liabilities	<u>340,516</u>
Non-current liabilities	
Bonds payable	4,055,000
Note payable-developer	632,169
Total Non-current Liabilities	<u>4,687,169</u>
Total Liabilities	<u>5,027,685</u>
<b>NET POSITION</b>	
Net investment in capital assets	(873,737)
Restricted for debt service	52,805
Restricted for capital projects	169,437
Unrestricted	<u>(1,956,278)</u>
Total Net Position	<u><u>\$ (2,607,773)</u></u>

*See accompanying notes to financial statements.*

**Coconut Cay Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenues and Changes in Net Position Governmental Activities</u>
Governmental Activities			
General government	\$ (64,839)	\$ 32,556	\$ (32,283)
Physical environment	(364,794)	76,876	(287,918)
Interest and other charges	(237,486)	469,558	232,072
Total Governmental Activities	<u>\$ (667,119)</u>	<u>\$ 578,990</u>	<u>(88,129)</u>
 <b>General revenues:</b>			
			17,860
			181,000
			<u>198,860</u>
			110,731
			(2,718,504)
			<u>\$ (2,607,773)</u>

*See accompanying notes to financial statements.*

**Coconut Cay Community Development District**  
**BALANCE SHEET –**  
**GOVERNMENTAL FUNDS**  
**September 30, 2023**

ASSETS	General	Debt Service	Capital Projects	Total Governmental Funds
Cash	\$ 124,092	\$ -	\$ -	\$ 124,092
Investments, at fair value	58,380	-	-	58,380
Prepaid expenses	10,251	-	-	10,251
Restricted assets:				
Investments, at fair value	-	293,456	169,437	462,893
Total Assets	\$ 192,723	\$ 293,456	\$ 169,437	\$ 655,616
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 9,438	\$ -	\$ -	\$ 9,438
<b>FUND BALANCES</b>				
Nonspendable - prepaid expense	10,251	-	-	10,251
Restricted:				
Debt service	-	293,456	-	293,456
Capital projects	-	-	169,437	169,437
Unassigned	173,034	-	-	173,034
Total Fund Balances	183,285	293,456	169,437	646,178
Total Liabilities and Fund Balances	\$ 192,723	\$ 293,456	\$ 169,437	\$ 655,616

See accompanying notes to financial statements.

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

Total Governmental Fund Balances	\$	646,178
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets being depreciated, infrastructure, \$4,308,273, net of accumulated depreciation, \$(2,543,977), used in governmental activities are not current financial resources and therefore, are not reported at the fund level.		1,764,296
Long-term liabilities, including bonds payable, \$(4,290,000), and note payable, \$(632,169), are not due and payable in the current period and therefore, are not reported at the fund level.		(4,922,169)
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the fund level.		<u>(96,078)</u>
Net Position of Governmental Activities	\$	<u><u>(2,607,773)</u></u>

*See accompanying notes to financial statements.*

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

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ 109,432	\$ 469,558	\$ -	\$ 578,990
Investment earnings	2,354	10,897	4,609	17,860
Miscellaneous revenues	236,000	-	-	236,000
Total Revenues	<u>347,786</u>	<u>480,455</u>	<u>4,609</u>	<u>832,850</u>
Expenditures				
Current				
General government	64,839	-	-	64,839
Physical environment	153,106	-	-	153,106
Debt service				
Principal	-	220,000	-	220,000
Interest	-	242,413	-	242,413
Total Expenditures	<u>217,945</u>	<u>462,413</u>	<u>-</u>	<u>680,358</u>
Excess of revenues over expenditures	<u>129,841</u>	<u>18,042</u>	<u>4,609</u>	<u>152,492</u>
Other Financing Sources/(Uses)				
Transfers in	-	-	16,321	16,321
Transfers out	-	(16,321)	-	(16,321)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(16,321)</u>	<u>16,321</u>	<u>-</u>
Net change in fund balances	129,841	1,721	20,930	152,492
Fund Balances - October 1, 2022	<u>53,444</u>	<u>291,735</u>	<u>148,507</u>	<u>493,686</u>
Fund Balances - September 30, 2023	<u>\$ 183,285</u>	<u>\$ 293,456</u>	<u>\$ 169,437</u>	<u>\$ 646,178</u>

See accompanying notes to financial statements.



**Coconut Cay 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, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ 152,492
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period.	(211,688)
Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the Statement of Net Position.	220,000
Certain revenues are not recognized at the fund level because they are unavailable to meet current obligations. At the government-wide level revenue is recognized when earned. This is the current year change in unavailable revenues.	(55,000)
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 the prior year and the current year accruals.	<div style="border-top: 1px solid black;">4,927</div>
Change in Net Position of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 110,731</div>

*See accompanying notes to financial statements.*

**Coconut Cay Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –**  
**GENERAL FUND**

For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues				
Special assessments	\$ 108,600	\$ 108,600	\$ 109,432	\$ 832
Investment earnings	-	-	2,354	2,354
Miscellaneous revenues	236,000	236,000	236,000	-
Total Revenues	<u>344,600</u>	<u>344,600</u>	<u>347,786</u>	<u>3,186</u>
Expenditures				
Current				
General government	104,199	104,199	64,839	39,360
Physical environment	210,656	210,656	153,106	57,550
Capital outlay	70,000	70,000	-	70,000
Total Expenditures	<u>384,855</u>	<u>384,855</u>	<u>217,945</u>	<u>166,910</u>
Net change in fund balances	(40,255)	(40,255)	129,841	170,096
Fund Balances - October 1, 2022	<u>40,255</u>	<u>40,255</u>	<u>53,444</u>	<u>13,189</u>
Fund Balances - September 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183,285</u>	<u>\$ 183,285</u>

See accompanying notes to financial statements.

**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

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

The financial statements of Coconut Cay 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 September 8, 2005 by the Board of County Commissioners of Miami-Dade County, Florida pursuant to Ordinance 05-164 created by the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), as a Community Development District. The District was established for the purposes of managing and financing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or without the boundaries of the Coconut Cay Community Development District. The District is governed by a five-member Board of Supervisors, who are elected for terms of four years. The District operates within the criteria established by Chapter 190, Florida Statutes.

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

Based upon the application of the above-mentioned criteria as set forth in principles established by the Governmental Accounting Standard, 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

**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 the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

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

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

**a. Government-wide Financial Statements (Continued)**

Governmental activities, which normally are supported by special assessments and interest. 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.

**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.

**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

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

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

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

**Governmental Funds (Continued)**

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 for funds 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.

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.

**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

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

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

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

**Governmental Funds (Continued)**

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

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

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources 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 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.

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

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

**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

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

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

**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 special assessment bonds, be reported in the governmental activities column in the government-wide statement of net position.

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

**a. Cash and Investments**

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

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

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

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

**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

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

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

**b. Restricted Net Position**

Certain net position of the District are classified as restricted assets 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 includes infrastructure, is 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 two years. The valuation basis for all assets is historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend 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:

Infrastructure	15-30 years
----------------	-------------



**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

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

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

**d. Budgets**

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget variance 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, \$646,178, differs from “net position” of governmental activities, \$(2,607,773), 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 balances. The effect of the differences is illustrated below.

**Capital related items**

When capital assets (infrastructure that is 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.

Infrastructure	\$ 4,308,273
Less: accumulated depreciation	<u>(2,543,977)</u>
Total	<u><u>\$ 1,764,296</u></u>

**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**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)**

**Long-term debt transactions**

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

Note payable	\$ (632,169)
Bonds payable	<u>(4,290,000)</u>
Total	<u>\$ (4,922,169)</u>

**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 on bonds payable	<u>\$ (96,078)</u>
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**2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities**

The “net change in fund balances” for government funds, \$152,492, differs from the “change in net position” for governmental activities, \$110,731, 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 as follows.

**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

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

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

**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 expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the year.

Depreciation	\$ <u>(211,688)</u>
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**Long-term debt transactions**

Repayments of bond principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. At the government wide level, these payments are reflected as a reduction of bonds payable.

Principal payments	\$ <u>220,000</u>
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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 decrease in accrued interest payable	\$ <u>4,927</u>
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**Unavailable revenues**

Certain revenues are not recognized as resources at the fund level, because they are unavailable; however, at the government-wide level revenue is recognized when earned. This is the current year change.

Unavailable revenues	\$ <u>(55,000)</u>
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**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE C – CASH AND INVESTMENTS**

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2023, the District's bank balance was \$132,419 and the carrying value was \$124,092. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

Investments

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

Investment	Maturity	Fair Value
Florida PRIME	35 days*	\$ 58,380
US Bank Money Market Fund	N/A	462,893
Total		\$ 521,273

\* Maturity is weighted average maturity

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

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

**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

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

Investments (Continued)

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, 2023, 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.

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. As of September 30, 2023, the District's investments in Florida PRIME was rated AAAM by Standard & Poor's. The investments in US Bank Money Market Fund is not rated.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in US Bank Money Market Fund are 89% of the District's total investments. The investments in Florida PRIME are 11% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2023 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 2022-2023 fiscal year were levied in July 2022. All levies 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. Amounts 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 amounts receivable at fiscal year end.

**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**NOTE E – CAPITAL ASSETS**

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

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Infrastructure	\$ 4,308,273	\$ -	\$ -	\$ 4,308,273
Less accumulated depreciation for:				
Infrastructure	(2,332,289)	(211,688)	-	(2,543,977)
Total Capital Assets Depreciated, Net	<u>\$ 1,975,984</u>	<u>\$ (211,688)</u>	<u>\$ -</u>	<u>\$ 1,764,296</u>

Depreciation, \$211,688, was charged to physical environment.

**NOTE F – LONG-TERM DEBT**

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

Long-term debt at October 1, 2022	\$ 4,510,000
Principal payments	<u>(220,000)</u>
Long-term debt at September 30, 2023	<u>\$ 4,290,000</u>

**Special Assessment Bonds**

Long-term debt is comprised of the following:

\$6,840,000 Series 2006 Special Assessment Bonds due in annual principal installments beginning May 2007, maturing in May 2036. Interest is due semi-annually on May 1 and November 1, beginning November 1, 2006, at a rate of 5.375%. Current portion is \$235,000.

\$ 4,290,000

**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

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

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

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 235,000	\$ 242,413	\$ 477,413
2025	250,000	230,588	480,588
2026	260,000	217,956	477,956
2027	275,000	204,519	479,519
2028	290,000	190,544	480,544
2029-2033	1,710,000	606,031	2,316,031
2034-2036	<u>1,270,000</u>	<u>335,668</u>	<u>1,605,668</u>
Totals	<u>\$ 4,290,000</u>	<u>\$ 2,027,719</u>	<u>\$ 6,317,719</u>

Summary of Significant Bonds Resolution Terms and Covenants

The District levies special assessments pursuant to Chapter 170, Chapter 197 and Section 190.022, Florida Statutes and the assessment rolls are approved by resolutions of the District Board. The collections are to be strictly accounted for and applied to the debt service of the bond series for which they were levied. The District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds. However, payment of principal and interest is dependent on the money available in the debt service fund and the District's ability to collect special assessments levied.

The bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date, or in part on an interest payment date, without premium, together with accrued interest to the redemption date if monies are available to retire the debt in accordance with the provisions of the indenture.

The bond resolution and the trust indenture provide for the establishment of certain accounts and an order in which revenues are to be deposited into these accounts. The accounts include a construction, revenue, redemption, reserve, interest and prepayment account and are maintained by a trustee.

**Coconut Cay Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

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

The bond indenture provides for Debt Service Reserve Funds, which shall be held by the Trustee separate and apart from all other funds. The following is a schedule of reserve requirements and balances in the reserve accounts at September 30, 2023:

	Reserve Balance	Reserve Requirement
Special Assessment Bonds		
Series 2006	\$ 159,064	\$ 144,573

Developer Note Payable

The Developer advanced funds for construction of the 2006 improvements. The advances were intended to be reimbursed as the improvements were completed and were repaid in a prior fiscal year. Furthermore, deferred costs of \$632,169 related to the Series 2006 Project exist at September 30, 2023. The balance owed to the Developer is not included in a maturity schedule as the District will not make scheduled payments.

**NOTE G – INTERFUND ACTIVITY**

Interfund transfers for the year ended September 30, 2023 consisted of the following:

	Transfer Out
<u>Transfer In</u>	<u>Debt Service Fund</u>
Capital Projects Fund	\$ 16,321

The transfers consist of the excess funds from the Debt Service Fund which were transferred to the deferred costs account in accordance with the Series 2006 Bond Indenture.

**NOTE H – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; threats of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during 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  
Coconut Cay Community Development District  
Miami-Dade County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, as listed in the table of contents, of Coconut Cay Community Development District, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated February 21, 2024.

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

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

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

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

To the Board of Supervisors  
Coconut Cay Community Development District

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

As part of obtaining reasonable assurance about whether Coconut Cay 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

February 21, 2024



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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## MANAGEMENT LETTER

To the Board of Supervisors  
Coconut Cay Community Development District  
Miami-Dade County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Coconut Cay Community Development District as of and for the year ended September 30, 2023, and have issued our report thereon dated February 21, 2024.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 21, 2024, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been 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 Coconut Cay 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 Coconut Cay Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Supervisors  
Coconut Cay 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 Coconut Cay Community Development District. It is management's responsibility to monitor the Coconut Cay 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, 2023.

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, Coconut Cay 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 4 nonemployee independent contractors in September 2023.
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$5,000.
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: The District paid \$143,063 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, 2022, 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 Coconut Cay Community Development District reported:

- 1) The rate or rates of non-ad valorem special assessments imposed by the District. The General Fund assessment was \$210.53, and the Debt Service assessment was \$904.00.
- 2) Total special assessments collected was \$578,990.
- 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, 2023 of \$4,290,000 Series 2006 Bonds maturing May 2036.

To the Board of Supervisors  
Coconut Cay 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 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

February 21, 2024



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

To the Board of Supervisors  
Coconut Cay Community Development District  
Miami-Dade County, Florida

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

In our opinion, Coconut Cay Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2023.

*Berger Toombs Elam  
Gaines + Frank*

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

February 21, 2024