

**Hammock Oaks  
Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2024**

**Hammock Oaks Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2024**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
Hammock Oaks Community Development District  
Town of Lady Lake, Florida

### Report on Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the governmental activities and each major fund of Hammock Oaks Community Development District (the "District"), as of and for the year ended September 30, 2024, 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 Hammock Oaks Community Development District as of September 30, 2024, 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 (*Government Auditing Standards*). 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.

#### *Emphasis of Matter*

As discussed in Note I to the Financial Statements, beginning fund balance and net position as of October 1, 2023, were restated for correction of an error. Our opinion is not modified with respect to this matter.

To the Board of Supervisors  
Hammock Oaks Community Development District

### ***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.

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 judgment 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 judgment, 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.

To the Board of Supervisors  
Hammock Oaks Community Development District

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.

***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 June 26, 2025 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 Hammock Oaks Community Development District's internal control over financial reporting and compliance.



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

June 26, 2025

**Hammock Oaks Community Development District**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended September 30, 2024**

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

**Hammock Oaks Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2024**

**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 special assessment bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, reconciliations are provided from the *fund financial statements* to the *government-wide financial statements*.

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

**Financial Highlights**

The following are the highlights of financial activity for the year ended September 30, 2024.

- ◆ The District's total assets exceeded total liabilities by \$16,427,988 (net position). Unrestricted net position was \$9,958, restricted net position was \$876,736, and net investment in capital assets was \$15,541,294.
- ◆ Governmental activities revenues totaled \$18,093,166 while governmental activities expenses totaled \$1,308,246.

**Hammock Oaks Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2024**

**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.

	<b>Net Position</b>	
	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Current assets	\$ 1,040,943	\$ 10,017
Restricted assets	14,966,641	4,001,731
Capital assets	23,831,346	3,683,156
Total Assets	39,838,930	7,694,904
Current liabilities	1,880,372	2,228,339 *
Non-current liabilities	21,530,570	5,823,497
Total Liabilities	23,410,942	8,051,836
<b>Net Position</b>		
Net investment in capital assets	15,541,294	-
Restricted	876,736	-
Unrestricted	9,958	(356,932) *
Total Net Position	\$ 16,427,988	\$ (356,932)

\* Restated

The increase in current assets is related to the increase in due from developer in the current year.

The increase in restricted assets and non-current liabilities is related to the issuance of long-term debt in the current year.

The increase in capital assets and net investment in capital assets is related to the construction completed on the current capital projects in the current year.

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

**Hammock Oaks Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2024**

**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>2024</b>	<b>2023</b>
Program Revenues		
Charges for services	\$ 416,928	\$ -
Operating contributions	130,862	85,469
Capital contributions	17,268,952	-
General Revenues		
Investment income	276,424	39,955
Total Revenues	<u>18,093,166</u>	<u>125,424</u>
Expenses		
General government	98,371	84,765 *
Physical environment	18,391	-
Interest and other charges	1,191,484	392,745
Total Expenses	<u>1,308,246</u>	<u>477,510</u>
Change in Net Position	16,784,920	(352,086)
Net Position - Beginning of Year	<u>(356,932) *</u>	<u>(4,846)</u>
Net Position - End of Year	<u>\$ 16,427,988</u>	<u>\$ (356,932) *</u>

\*Restated

The increase in charges for service is related to the initial levying of special assessments in the debt service fund in the current year.

The increase in capital contributions is related to the developer funding received for the current capital projects.

The increase in interest and other charges is related to the issuance of long-term debt in the current year.

**Hammock Oaks Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2024**

**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, 2024 and 2023:

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Construction in progress	<u>\$ 23,831,346</u>	<u>\$ 3,683,156</u>

The activity for the year consisted of additions to construction in progress, \$20,148,190.

**General Fund Budgetary Highlights**

Budgeted expenditures exceeded actual in the current year primarily because field operations management and maintenance, and landscape maintenance expenditures were less than anticipated.

The September 30, 2024 budget was not amended.

**Debt Management**

Governmental Activities debt includes the following:

- ◆ In June 2023, the District issued \$5,965,000 Series 2023 Special Assessment Bonds. These bonds were issued to finance a portion of the cost of acquisition, construction, installation, and equipping of the Series 2023 Project. The balance outstanding on the Series 2023 Bonds at September 30, 2024 was \$5,885,000.
- ◆ In May 2024, the District issued \$16,000,000 Series 2024 Special Assessment Bonds. These bonds were issued to finance a portion of the cost of acquisition, construction, installation, and equipping of the Series 2024 Project. The balance outstanding on the Series 2024 Bonds at September 30, 2024 was \$16,000,000.

**Hammock Oaks Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2024**

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

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

The Series 2023 and 2024 Projects will continue in fiscal year 2025. The District also issued Special Assessment Bonds, Series 2025 to begin the Assessment Area Three Project. The District does not anticipate any other economic factors to affect operations for the year ending September 30, 2025.

**Request for Information**

The financial report is designed to provide a general overview of Hammock Oaks 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 Hammock Oaks Community Development District's Accounting Department at 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614.

**Hammock Oaks Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2024**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 9,833
Assessments receivable	143,832
Due from developer	881,870
Prepaid expenses	5,408
Total Current Assets	1,040,943
Non-Current Assets	
Restricted Assets	
Investments	14,966,641
Capital Assets, Not Being Depreciated	
Construction in progress	23,831,346
Total Non-Current Assets	38,797,987
Total Assets	39,838,930
 <b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	38,556
Contracts/retainage payable	1,067,023
Bonds payable	295,000
Accrued interest	479,793
Total Current Liabilities	1,880,372
Non-Current Liabilities	
Bonds payable, net	21,530,570
Total Liabilities	23,410,942
 <b>NET POSITION</b>	
Net investment in capital assets	15,541,294
Restricted	
Debt service	34,733
Capital projects	842,003
Unrestricted	
Total Net Position	\$ 16,427,988

*See accompanying notes to financial statements.*

**Hammock Oaks Community Development District  
STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2024**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expenses) Revenues and Change in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
Governmental Activities					
General government	\$ (98,371)	\$ -	\$ 110,250	\$ -	\$ 11,879
Physical environment	(18,391)	-	20,612	17,268,952	17,271,173
Interest and other charges	(1,191,484)	416,928	-	-	(774,556)
Total Governmental Activities	<u>\$ (1,308,246)</u>	<u>\$ 416,928</u>	<u>\$ 130,862</u>	<u>\$ 17,268,952</u>	<u>16,508,496</u>
<b>General Revenues</b>					
Investment income					<u>276,424</u>
Change in Net Position					<u>16,784,920</u>
Net Position - Beginning of Year, Previously Reported					(352,790)
Restatement - correction of an error					(4,142)
Net Position - Beginning of Year, Restated					<u>(356,932)</u>
Net Position - End of Year					<u>\$ 16,427,988</u>

See accompanying notes to financial statements.

**Hammock Oaks Community Development District**  
**BALANCE SHEET –**  
**GOVERNMENTAL FUNDS**  
**September 30, 2024**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 3,239	\$ -	\$ 6,594	\$ 9,833
Assessments receivable	-	143,832	-	143,832
Due from other funds	-	6,594	-	6,594
Due from developer	39,867	-	842,003	881,870
Prepaid expenses	5,408	-	-	5,408
Restricted assets				
Investments	-	2,023,437	12,943,204	14,966,641
Total Assets	<u>\$ 48,514</u>	<u>\$ 2,173,863</u>	<u>\$ 13,791,801</u>	<u>\$ 16,014,178</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 38,556	\$ -	\$ -	\$ 38,556
Contracts/retainage payable	-	-	1,067,023	1,067,023
Due to other funds	-	-	6,594	6,594
Total Liabilities	<u>38,556</u>	<u>-</u>	<u>1,073,617</u>	<u>1,112,173</u>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid expenses	5,408	-	-	5,408
Restricted:				
Debt service	-	2,173,863	-	2,173,863
Capital projects	-	-	12,718,184	12,718,184
Unassigned	4,550	-	-	4,550
Total Fund Balances	<u>9,958</u>	<u>2,173,863</u>	<u>12,718,184</u>	<u>14,902,005</u>
Total Liabilities and Fund Balances	<u>\$ 48,514</u>	<u>\$ 2,173,863</u>	<u>\$ 13,791,801</u>	<u>\$ 16,014,178</u>

*See accompanying notes to financial statements.*

**Hammock Oaks Community Development District**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**September 30, 2024**

Total Governmental Fund Balances	\$ 14,902,005
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, construction in progress, used in governmental activities are not current financial resources, and therefore, are not reported at the fund level.	23,831,346
Long-term liabilities, bonds payable, are not due and payable in the current period, and therefore, are not reported at the fund level.	(21,885,000)
Bond discount being amortized, net of accumulated amortization, used in governmental activities are not current financial resources and, therefore, are not reported at the fund level.	59,430
Accrued interest expense for long-term debt is not a current financial use, and therefore, is not reported at the fund level.	<u>(479,793)</u>
Net Position of Governmental Activities	<u><u>\$ 16,427,988</u></u>

*See accompanying notes to financial statements.*

**Hammock Oaks Community Development District  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS  
For the Year Ended September 30, 2024**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Special assessments	\$ -	\$ 416,928	\$ -	\$ 416,928
Developer contributions	130,862	-	17,268,952	17,399,814
Investment income	-	45,215	231,209	276,424
Total Revenues	<u>130,862</u>	<u>462,143</u>	<u>17,500,161</u>	<u>18,093,166</u>
<b>EXPENDITURES</b>				
Current				
General government	98,371	-	-	98,371
Physical environment	18,391	-	-	18,391
Capital outlay	-	-	20,148,190	20,148,190
Debt service				
Principal	-	80,000	-	80,000
Interest	-	281,527	-	281,527
Other	-	-	514,500	514,500
Total Expenditures	<u>116,762</u>	<u>361,527</u>	<u>20,662,690</u>	<u>21,140,979</u>
Excess of revenues over/(under) expenditures	<u>14,100</u>	<u>100,616</u>	<u>(3,162,529)</u>	<u>(3,047,813)</u>
Other Financing Sources/(Uses)				
Issuance of long-term debt	-	1,578,448	14,421,552	16,000,000
Transfers in	-	20	41,056	41,076
Transfers out	-	(41,056)	(20)	(41,076)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>1,537,412</u>	<u>14,462,588</u>	<u>16,000,000</u>
Net Change in Fund Balance	<u>14,100</u>	<u>1,638,028</u>	<u>11,300,059</u>	<u>12,952,187</u>
Fund Balances - Beginning of Year, Previously Reported	-	535,835	1,418,125	1,953,960
Restatement - correction of an error	(4,142)	-	-	(4,142)
Fund Balances - Beginning of Year, Restated	<u>(4,142)</u>	<u>535,835</u>	<u>1,418,125</u>	<u>1,949,818</u>
Fund Balances - End of Year	<u>\$ 9,958</u>	<u>\$ 2,173,863</u>	<u>\$ 12,718,184</u>	<u>\$ 14,902,005</u>

See accompanying notes to financial statements.

**Hammock Oaks 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, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 12,952,187

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 expense. This is the amount of capital outlay in the current period.	20,148,190
The issuance of long-term debt is recognized as an other financing source at the fund level; however, it increases liabilities at the government-wide level.	(16,000,000)
Repayment of principal are expenditures at the governmental fund level, but the repayments reduce long-term liabilities in the Statement of Net Position.	80,000
Bond discount is amortized over the life of the bond as interest expense. This is the current year amortization.	(2,073)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas at the governmental fund level, interest expenditures are reported when due. This is the change in accrued interest in the current period.	<u>(393,384)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 16,784,920</u></u>

*See accompanying notes to financial statements.*

**Hammock Oaks Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND**  
**For the Year Ended September 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues				
Developer contributions	\$ 338,690	\$ 338,690	\$ 130,862	\$ (207,828)
Expenditures				
Current				
General government	104,690	104,690	98,371	6,319
Physical environment	234,000	234,000	18,391	215,609
Total Expenditures	<u>338,690</u>	<u>338,690</u>	<u>116,762</u>	<u>221,928</u>
Net Change in Fund Balances	-	-	14,100	(429,756)
Fund Balances - Beginning of Year, Restated	<u>-</u>	<u>-</u>	<u>(4,142)</u>	<u>(4,142)</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,958</u>	<u>\$ 9,958</u>

*See accompanying notes to financial statements.*

**Hammock Oaks Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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

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

**1. Reporting Entity**

The District was established on April 4, 2022, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by the Town of Lady Lake Ordinance 2021-30 as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Hammock Oaks Community Development District. The District is governed by a five member Board of Supervisors. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Hammock Oaks 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

**Hammock Oaks Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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

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

**a. Government-wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments, developer contributions, and interest. 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.

**Hammock Oaks Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**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 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.

**Hammock Oaks Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**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.

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

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

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

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

Debt service expenditures are recorded only when payment is due.

**3. Basis of Presentation**

**a. Governmental Major Funds**

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

Debt Service Fund – Accounts for the accumulation of resources for the annual payment of principal and interest on long-term general obligation debt.

Capital Projects Fund – The Capital Projects Funds account for the construction of infrastructure improvements within the boundaries of the District.

**Hammock Oaks Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**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 construction in progress, 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 all highly liquid debt instruments with original maturities of three months or less and held in a qualified depository as defined by Section 280.02, Florida Statutes.

**Hammock Oaks Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**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 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 net position, 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 construction in progress, are reported in the 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.

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.

**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 columns of the accompanying financial statements may occur.

**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 method of accounting. For financial reporting, the unamortized bond discount is netted against the applicable long-term debt.

**Hammock Oaks Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2024**

**NOTE B – CASH AND INVESTMENTS**

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2024, the District's bank balance was \$61,314 and the carrying value was \$9,833. 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, 2024, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Goldman Sachs Financial Square Government Fund	39 Days*	\$ 14,966,641

\*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, the investments listed above are Level 1 assets.

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.

**Hammock Oaks Community Development District  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2024**

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

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, 2024, the District's investment in Goldman Sachs Financial Square Government Fund were rated AAAM by Standard and Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The District's investment in the Goldman Sachs Financial Square Government Fund represents 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2024 were typical of these items during the period then ended. The District considers any decline in fair value to be temporary.

**NOTE C – CAPITAL ASSETS**

Capital asset activity for the period ended September 30, 2024 was as follows:

	Balance October 1, 2023	Additions	Deletions	Balance September 30, 2024
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 3,683,156	\$ 20,148,190	\$ -	\$ 23,831,346

**NOTE D – SPECIAL ASSESSMENT REVENUES**

Debt Service Assessments are levied when bonds are issued and collected annually. The District may collect assessments directly or utilize the uniform method of collection (Chapter 197.3632, Florida Statutes). Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by the County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all the Debt Service Assessments on their property subject to various provisions in the bond documents.

**Hammock Oaks Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE E – LONG-TERM DEBT**

The following is a summary of activity for long-term debt of the Governmental Activities for the year ended September 30, 2024:

Long-term debt at October 1, 2023	\$	5,965,000
Issuance of long-term debt		16,000,000
Principal payments		<u>(80,000)</u>
Long-term debt at September 30, 2024	\$	<u>21,885,000</u>

Long-term debt is comprised of the following:

**Special Assessment Revenue Bonds**

\$5,965,000 Series 2023 Bonds are due in annual principal installments beginning May 2024, maturing May 2053. Interest is due semi-annually on May 1 and November 1, beginning November 1, 2023, at variable rates of 4.875% to 5.750%. Current portion is \$85,000.

\$ 5,885,000

\$16,000,000 Series 2024 Bonds are due in annual principal installments beginning May 2025, maturing May 2054. Interest is due semi-annually on May 1 and November 1, beginning November 1, 2024, at variable rates of 5.00% to 6.15%. Current portion is \$210,000.

16,000,000

Bond discount, net (59,430)

Bonds Payable, net \$ 21,825,570

**Hammock Oaks Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2024 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 295,000	\$ 1,227,806	\$ 1,522,806
2026	310,000	1,263,154	1,573,154
2027	330,000	1,247,766	1,577,766
2028	345,000	1,231,385	1,576,385
2029	360,000	1,214,260	1,574,260
2030-2034	2,120,000	5,769,718	7,889,718
2035-2039	2,820,000	5,088,665	7,908,665
2040-2044	3,780,000	4,168,156	7,948,156
2045-2049	5,075,000	2,909,728	7,984,728
2050-2054	<u>6,450,000</u>	<u>1,173,208</u>	<u>7,623,208</u>
Totals	<u>\$ 21,885,000</u>	<u>\$ 25,293,846</u>	<u>\$ 47,178,846</u>

Summary of Significant Bond Resolution Terms and Covenants

Significant Bond Provisions

The Series 2023 Bonds, are subject to optional redemption, at any time after May 1, 2033 and extraordinary mandatory redemption, at the option of the District prior to their maturity, in whole or in part, in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Series 2024 Bonds, are subject to optional redemption, at any time after May 1, 2034 and extraordinary mandatory redemption, at the option of the District prior to their maturity, in whole or in part, in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

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

**Hammock Oaks Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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

Depository Funds

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

1. Reserve Fund – The 2023 and 2024 Reserve Accounts were funded from the proceeds of the Series 2023 and Series 2024 Bonds, respectively, in an amount equal to the maximum annual debt service at issuance with respect to the Series 2023 and Series 2024 Bonds. Upon satisfaction of release conditions #1, as defined in the trust indenture, the reserve requirements will be reduced to 50% of the maximum annual debt service with respect to the then outstanding principal amount. Upon satisfaction of release conditions #2, as defined in the trust indenture, the reserve requirements will be reduced to 10% of the maximum annual debt service with respect to the then outstanding principal amount. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

	<b>Reserve Balance</b>	<b>Reserve Requirement</b>
Series 2023 Special Assessment Bonds	\$ 416,928	\$ 416,928
Series 2024 Special Assessment Bonds	\$ 1,154,835	\$ 1,154,835

**NOTE F – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no claims or settled claims from these risks and claims have not exceeded commercial insurance coverage since inception.

**NOTE G – ECONOMIC DEPENDENCY AND RELATED PARTY**

At September 30, 2024, the Developer owned a significant amount of the assessable property located within the District's boundaries. A significant portion of the District's activity is dependent upon continued involvement of the Developer, the loss which could have a material adverse effect on the District's operations. During the fiscal year ended September 30, 2024, the District recognized operating contributions of \$130,862 and capital contributions of \$17,268,952 from the Developer. Additionally, as of September 30, 2024, the District had a balance due from the Developer of \$881,870. At September 30, 2024, all Board members were employed by the Developer or an affiliate.

**NOTE H – SUBSEQUENT EVENT**

In April 2025, the District issued \$17,700,000 Special Assessment Bonds, Series 2025 to finance a portion of the cost of the Assessment Area Three Project.

**Hammock Oaks Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**NOTE I – PRIOR PERIOD RESTATEMENT**

During the fiscal year ended September 30, 2024, management identified an error in the previously issued financial statements for the fiscal year ended September 30, 2023. The error was due to the omission of an expenditure and the related accounts payable that should have been recognized in the General Fund and Government-wide Statements in the prior year.

As a result, the beginning fund balance/net position as of October 1, 2023, has been restated as follows:

**Restatement of Fund Balance**

General Fund

Fund Balance - October 1, 2023, as previously reported	\$	-
Restatement for correction of an error		(4,142)
Net Position - October 1, 2023, as restated	\$	<u>(4,142)</u>

**Restatement of Net Position**

Governmental Activities

Net Position - October 1, 2023, as previously reported	\$	(352,790)
Restatement for correction of an error		(4,142)
Net Position - October 1, 2023, as restated	\$	<u>(356,932)</u>



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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  
Hammock Oaks Community Development District  
Town of Lady Lake, 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 Hammock Oaks Community Development District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated June 26, 2025.

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

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

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

As part of obtaining reasonable assurance about whether Hammock Oaks 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

June 26, 2025



# Berger, Toombs, Elam, Gaines & Frank

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## MANAGEMENT LETTER

To the Board of Supervisors  
Hammock Oaks Community Development District  
Town of Lady Lake, Florida

### Report on the Financial Statements

We have audited the financial statements of the Hammock Oaks Community Development District as of and for the year ended September 30, 2024, and have issued our report thereon dated June 26, 2025.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent 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 June 26, 2025, 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 report.

### 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 Hammock Oaks 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 Hammock Oaks Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Supervisors  
Hammock Oaks Community Development District

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2024 for the Hammock Oaks Community Development District. It is management's responsibility to monitor the Hammock Oaks Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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

### **Specific Information**

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Hammock Oaks Community Development District reported:

- 1) The total number of District employees compensated in the last pay period of the District's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation, defined as individual or entities that receive 1099s, was paid in the last month of the District's fiscal year: 2
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$0
- 4) All compensation earned by or awarded to nonemployee independent contractors, defined as entities or individuals that receive 1099s, whether paid or accrued, regardless of contingency: \$6,472,817.99.
- 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, 2023, together with the total expenditures for such project: The District had \$20,148,190 in costs for the 2023 and 2024 capital projects.
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)9, Rules of the Auditor General, the Hammock Oaks Community Development District reported:

- 1) The rate or rates of non-ad valorem special assessments imposed by the District: Debt Service Fund \$1,198.93 - \$1,498.67.
- 2) The amount of special assessments collected by or on behalf of the District: \$416,928.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds. Series 2023 Bonds, \$5,885,000, matures May 2053 at rates between 4.875% and 5.750% and Series 2024 Bonds, \$16,000,000, matures May 2054 at rates between 5.00% and 6.15%.



To the Board of Supervisors  
Hammock Oaks 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 fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

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

*Berger Toombs Elam  
Gaines + Frank*

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

June 26, 2025



# Berger, Toombs, Elam, Gaines & Frank

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

To the Board of Supervisors  
Hammock Oaks Community Development District  
Town of Lady Lake, Florida

We have examined Hammock Oaks Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2024. Management is responsible for Hammock Oaks Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Hammock Oaks 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 Hammock Oaks 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 Hammock Oaks Community Development District's compliance with the specified requirements.

In our opinion, Hammock Oaks Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2024.

*Berger Toombs Elam  
Gaines & Frank*

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

June 26, 2025