

**Habitat Community
Development District**

ANNUAL FINANCIAL REPORT

September 30, 2020

Habitat Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2020

TABLE OF CONTENTS

	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	15
Notes to Financial Statements	16-29
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 <i>GOVERNMENT AUDITING STANDARDS</i>	30-31
MANAGEMENT LETTER	32-33
INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE WITH SECTION 218.415 FLORIDA STATUTES	34



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

REPORT OF INDEPENDENT AUDITORS

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

Report on the Financial Statements

We have audited the accompanying financial statements of Habitat Community Development District as of and for the year ended September 30, 2020, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Fort Pierce / Stuart

- 1 -

Member AICPA

Member AICPA Division for CPA Firms
Private Companies practice Section

Member FICPA

To the Board of Supervisors
Habitat Community Development District

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the General Fund, and Debt Service Fund of Habitat Community Development District, as of September 30, 2020, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 21, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Habitat Community Development District's internal control over financial reporting and compliance.



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

May 21, 2021

**Habitat Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position 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 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.

**Habitat Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

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 infrastructure are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, 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, 2020.

- ◆ The District's total assets and deferred outflows of resources exceeded total liabilities by \$8,027,317 (net position). Net investment in capital assets for the District was \$6,664,066. Unrestricted net position for Governmental Activities was \$1,295,392. Governmental activities restricted net position was \$67,859.

- ◆ Governmental activities revenues totaled \$1,755,337 while governmental activities expenses totaled \$1,667,047.

**Habitat Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2020	2019
Current assets	\$ 1,392,182	\$ 951,947
Restricted assets	350,357	358,763
Capital assets	12,146,026	12,825,918
Total Assets	13,888,565	14,136,628
 Deferred outflows of resources	 172,381	 184,202
 Current liabilities	 438,155	 464,382
Non-current liabilities	5,595,474	5,917,421
Total Liabilities	6,033,629	6,381,803
 Net Position		
Net investment in capital assets	6,664,066	7,039,941
Restricted	67,859	61,996
Unrestricted	1,295,392	837,090
Total Net Position	\$ 8,027,317	\$ 7,939,027

The increase in current assets is related to revenues exceeding expenditures at the fund level.

The decrease in restricted assets is related to the increase in due from other funds in the current year.

The decrease in capital assets is associated with current year depreciation.

The decrease in long term liabilities is the result of the current year payment for bonds payable.

**Habitat Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change In Net Position

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Program Revenues		
Charges for services	\$ 1,689,085	\$ 1,686,485
General Revenues		
Intergovernmental revenues	49,288	-
Miscellaneous	1,026	12,051
Investment earnings	15,938	32,478
Total Revenues	<u>1,755,337</u>	<u>1,731,014</u>
Expenses		
General government	174,425	167,143
Physical environment	1,274,820	1,328,057
Interest and other charges	217,802	224,512
Total Expenses	<u>1,667,047</u>	<u>1,719,712</u>
Change in Net Position	88,290	11,302
Net Position - Beginning of Year	<u>7,939,027</u>	<u>7,927,725</u>
Net Position - End of Year	<u>\$ 8,027,317</u>	<u>\$ 7,939,027</u>

The increase in intergovernmental revenues is related to a grant received for hurricane clean-up in the current year.

The decrease in physical environment was related to the decrease in maintenance expenses in the current year.

**Habitat Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

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, 2020 and 2019.

	Governmental Activities	
	2020	2019
Infrastructure	\$ 21,186,399	\$ 21,145,782
Less: accumulated depreciation	(9,040,373)	(8,319,864)
Governmental Activities Capital Assets	\$ 12,146,026	\$ 12,825,918

During the year, depreciation was \$726,413, additions of \$53,667 were added to infrastructure and a loss on disposal of \$7,146 on certain infrastructure was recognized.

General Fund Budgetary Highlights

The budget exceeded actual expenditures primarily due to less reserve expenditures than were anticipated.

The September 30, 2020 budget was not amended.

Debt Management

Governmental Activities debt includes the following:

- ◆ In January 2015, the District issued \$7,490,000, Series 2015 Capital Improvement Revenue Refunding Bonds. These bonds were issued together with other legally available funds to currently redeem and retire the Series 2004 Capital Improvement Revenue Bonds. The balance outstanding at September 30, 2020 was \$5,955,000.

**Habitat Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Habitat 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 2021.

Request for Information

The financial report is designed to provide a general overview of Habitat 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 Habitat Community Development District, Premier District Management, 3820 Colonial Blvd, Suite 101, Fort Myers, Florida 33901.

Habitat Community Development District
STATEMENT OF NET POSITION
September 30, 2020

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 1,329,548
Accounts receivable	49,288
Prepaid expenses	12,821
Deposits	525
Total Current Assets	1,392,182
Non-Current Assets	
Restricted Assets	
Investments - debt service	350,357
Capital Assets, Being Depreciated	
Infrastructure	21,186,399
Less: accumulated depreciation	(9,040,373)
Total Non-current Assets	12,496,383
Total Assets	13,888,565
 DEFERRED OUTFLOW OF RESOURCES	
Deferred amount on refunding, net	172,381
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	40,578
Bonds payable, current portion	315,000
Accrued interest	82,577
Total Current Liabilities	438,155
Non-Current Liabilities	
Bonds payable	5,595,474
Total Liabilities	6,033,629
 NET POSITION	
Net investment in capital assets	6,664,066
Restricted - debt service	67,859
Unrestricted	1,295,392
Total Net Position	\$ 8,027,317

See accompanying notes to financial statements.

**Habitat Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020**

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
General government	\$ (174,425)	\$ 282,431	\$ 108,006
Physical environment	(1,274,820)	880,728	(394,092)
Interest and other charges	(217,802)	525,926	308,124
Total Governmental Activities	\$ (1,667,047)	\$ 1,689,085	22,038
	General Revenues		
			49,288
			15,938
			1,026
			66,252
			88,290
			7,939,027
			\$ 8,027,317

See accompanying notes to financial statements.

Habitat Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2020

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash	\$1,329,548	\$ -	\$ 1,329,548
Accounts receivable	49,288	-	49,288
Due from other funds	-	56,212	56,212
Prepaid expenses	12,821	-	12,821
Deposits	525	-	525
Restricted assets			
Investments, at fair value	-	350,357	350,357
Total Assets	<u>\$1,392,182</u>	<u>\$ 406,569</u>	<u>\$ 1,798,751</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ 40,578	\$ -	\$ 40,578
Due to other funds	56,212	-	56,212
Total Liabilities	<u>96,790</u>	<u>-</u>	<u>96,790</u>
FUND BALANCES			
Nonspendable - prepaid expenses/deposits	13,346	-	13,346
Restricted - debt service	-	406,569	406,569
Assigned:			
Operating reserves	125,000	-	125,000
Renewals and replacements	797,240	-	797,240
Unassigned:	359,806	-	359,806
Total Fund Balances	<u>1,295,392</u>	<u>406,569</u>	<u>1,701,961</u>
Total Liabilities and Fund Balances	<u>\$1,392,182</u>	<u>\$ 406,569</u>	<u>\$ 1,798,751</u>

See accompanying notes to financial statements.

Habitat Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2020

Total Governmental Fund Balances	\$ 1,701,961
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets (infrastructure (\$21,186,399), net of accumulated depreciation (\$9,040,373)) used in governmental activities are not current financial resources and; therefore, are not reported at the fund level.	12,146,026
Deferred outflows of resources, deferred amount on refunding, net, are not current financial resources, and therefore, are not reported at the fund level.	172,381
Long-term liabilities, including, bonds payable (\$5,955,000), and bond discount, net (\$44,526) are not due and payable in the current period and; therefore, are not reported at the fund level.	(5,910,474)
Accrued interest expense for long-term debt is not a financial use and; therefore, is not reported at the fund level.	<u>(82,577)</u>
Net Position of Governmental Activities	<u><u>\$ 8,027,317</u></u>

See accompanying notes to financial statements.

Habitat Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	General	Debt Service	Total Governmental Funds
Revenues			
Special assessments	\$ 1,163,159	\$ 525,926	\$ 1,689,085
Intergovernmental revenues	49,288	-	49,288
Miscellaneous revenues	1,026	-	1,026
Investment income	13,328	2,610	15,938
Total Revenues	<u>1,226,801</u>	<u>528,536</u>	<u>1,755,337</u>
Expenditures			
Current			
General government	173,571	854	174,425
Physical environment	541,261	-	541,261
Capital outlay	53,667	-	53,667
Debt service			
Principal	-	320,000	320,000
Interest	-	205,459	205,459
Other debt service	-	500	500
Total Expenditures	<u>768,499</u>	<u>526,813</u>	<u>1,295,312</u>
Net Change in Fund Balances	458,302	1,723	460,025
Fund Balances - October 1, 2019	<u>837,090</u>	<u>404,846</u>	<u>1,241,936</u>
Fund Balances - September 30, 2020	<u>\$ 1,295,392</u>	<u>\$ 406,569</u>	<u>\$ 1,701,961</u>

See accompanying notes to financial statements.

Habitat 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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	460,025
--	----	---------

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

Governmental funds report capital outlays 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 depreciation (\$(726,413)) and loss on disposal (\$(7,146)) exceeded capital outlay (\$53,667) in the current period.		(679,892)
---	--	-----------

Repayments of bond principal are reported as expenditures at the fund level statements, but reduce long term debt in the Statement of Net Position.		320,000
---	--	---------

Bond discount and deferred amount on refunding are amortized as interest over the life of the new bonds payable series.		(14,874)
---	--	----------

In the Statement of Activities, interest is accrued on outstanding bonds; whereas at the governmental funds level, interest expenditures are reported when due. This is the change in accrued interest in the current period.		3,031
---	--	-------

Change in Net Position of Governmental Activities	\$	<u>88,290</u>
---	----	---------------

See accompanying notes to financial statements.

Habitat Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$1,158,883	\$1,158,883	\$1,163,159	\$ 4,276
Intergovernmental revenues	-	-	49,288	49,288
Miscellaneous revenues	-	-	1,026	1,026
Investment income	10,500	10,500	13,328	2,828
Total Revenues	<u>1,169,383</u>	<u>1,169,383</u>	<u>1,226,801</u>	<u>57,418</u>
Expenditures				
Current				
General government	168,660	168,660	173,571	(4,911)
Physical environment	619,084	619,084	541,261	77,823
Capital outlay	335,000	335,000	53,667	281,333
Total Expenditures	<u>1,122,744</u>	<u>1,122,744</u>	<u>768,499</u>	<u>354,245</u>
Net Change in Fund Balances	46,639	46,639	458,302	411,663
Fund Balances - October 1, 2019	<u>910,976</u>	<u>910,976</u>	<u>837,090</u>	<u>(73,886)</u>
Fund Balances - September 30, 2020	<u>\$ 957,615</u>	<u>\$ 957,615</u>	<u>\$1,295,392</u>	<u>\$ 337,777</u>

See accompanying notes to financial statements.

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

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 14, 2003, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance #03-10 of the Board of County Commissioners of Lee County, 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 Habitat Community Development District. The District is governed by a five member Board of Supervisors who are elected at large by qualified electors of the District. The District operates within the criteria established by Chapter 190.

As required by GAAP, these financial statements present the Habitat 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, 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

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

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 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.

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

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

The District has various policies governing the fund balance classifications.

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

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

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

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

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

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest 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.

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Debt Service Fund – Accounts for debt service requirements to retire the special assessment bonds which were used to finance the construction of District infrastructure improvements. The bonds are secured by a first lien on and pledge of the pledged revenues.

b. Non-current Governmental Assets/Liabilities

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

4. Assets, Liabilities, 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.

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

a. Cash and Investments (Continued)

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

b. Restricted Assets

Certain 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 infrastructure, 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 one year. The valuation basis for all assets is historical cost.

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

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets range from 15 to 40 years.

d. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred amount on refunding reported on the Statement of Net Position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

e. Unamortized Bond Discount

Bond discounts are presented on the government-wide financial statements. The costs are amortized over the life of the bonds. For financial reporting, the unamortized bond discount is netted against the applicable long-term debt.

f. Net Position

Equity in the government-wide statement of net position is displayed in three categories: 1) net investment in capital assets, 2) restricted and 3) unrestricted. Net position investment in capital assets, consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net position consists of all net position that does not meet the definition of either of the other two components.

g. 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.

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

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

“Total fund balances” of the District’s governmental funds, \$1,701,961, differs from “Net Position” of governmental activities, \$8,027,317, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below.

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

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

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

Capital related items

When capital assets (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	\$ 21,186,399
Less: accumulated depreciation	<u>(9,040,373)</u>
Total	<u>\$ 12,146,026</u>

Deferred outflows of resources

When a bond refinancing occurs, the excess of new borrowings over the amount needed to retire the old bond series is reflected as another debt service cost at the fund level. At the government wide level, this amount is recognized as a deferred outflow of resources and amortized over the amortization period of the new debt. Deferred outflows of resources applicable to the District's governmental activities are not current financial resources and therefore, are not reported as assets in the governmental funds.

Deferred amount on refunding, net	<u>\$ 172,381</u>
-----------------------------------	-------------------

Long-term debt transactions

Governmental Activities long-term liabilities are not due and payable in the current period and 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, 2020 were:

Bonds payable	\$ (5,955,000)
Bond discount, net	<u>44,526</u>
Total	<u>\$ (5,910,474)</u>

Accrued interest

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

Accrued interest	<u>\$ (82,577)</u>
------------------	--------------------

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

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

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

The “net change in fund balances” for government funds, \$460,025, differs from the “change in net position” for governmental activities, \$88,290, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

Depreciation	\$ (726,413)
Loss on disposal of assets	(7,146)
Capital outlay	<u>53,667</u>
Net Change in Capital Related Items	<u><u>\$ (679,892)</u></u>

Deferred outflows of resources

Amortization of deferred outflows of resources does not require the use of current resources and therefore, are not reported as expenditures in the government funds.

Amortization of deferred amount on refunding	<u><u>\$ (11,821)</u></u>
--	---------------------------

Long-term debt transactions

Repayments of bond principal are reported as expenditures in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Bond principal payments	\$ 320,000
Amortization of bond discounts	<u>(3,053)</u>
Total	<u><u>\$ 316,947</u></u>

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

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)

Long-term debt transactions (Continued)

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.

Decrease in accrued interest payable	\$ <u>3,031</u>
--------------------------------------	-----------------

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, 2020, the District's bank balance was \$1,331,601 and the carrying value was \$1,329,548. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2020, the District had the following investments and maturities:

Investment	Maturities	Fair Value
First American Govt Obligation	44 days*	\$ 350,357

* Weighted Average Maturity

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits (Continued)

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 in First American Government Obligation Fund is a Level 1 asset.

Credit Risk

The District's investments in government obligations 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, 2020, the District's investments in First American Government Obligation was rated AAAm by Standard & Poor's.

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.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investment in First American Government Obligation is 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2020 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.

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Infrastructure	\$ 21,145,782	\$ 53,667	\$ (13,050)	\$ 21,186,399
Less accumulated depreciation for:				
Infrastructure	(8,319,864)	(726,413)	5,904	(9,040,373)
Total Capital Assets Depreciated, Net	<u>\$ 12,825,918</u>	<u>\$ (672,746)</u>	<u>\$ (7,146)</u>	<u>\$ 12,146,026</u>

Current year depreciation of \$726,413 was charged to physical environment.

NOTE E – LONG-TERM DEBT

The following is a summary of activity in the bonds payable for the year ended September 30, 2020:

Bonds payable at October 1, 2019	\$ 6,275,000
Principal payments	<u>(320,000)</u>
Bonds payable at September 30, 2020	5,955,000
Bond discount, net	<u>(44,526)</u>
Total long term debt, net	<u>\$ 5,910,474</u>

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE E – LONG-TERM DEBT (CONTINUED)

Long-term debt is comprised of the following:

Capital Improvement Refunding Bonds

\$7,490,000 Series 2015 Bonds, interest at 1.5% to 3.6%, maturing May 1, 2015 thru May 1, 2035, payable on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

\$ 5,955,000

The annual requirements to amortize the principal and interest of note payable and bonded debt outstanding as of September 30, 2020 are as follows:

Year Ending September 30,	Principal	Interest	Total
2021	\$ 315,000	\$ 198,184	\$ 513,184
2022	325,000	190,309	515,309
2023	335,000	181,371	516,371
2024	345,000	171,321	516,321
2025	355,000	160,971	515,971
2026-3030	1,960,000	624,606	2,584,606
2031-2035	<u>2,320,000</u>	<u>255,890</u>	<u>2,575,890</u>
Totals	<u>\$ 5,955,000</u>	<u>\$ 1,782,652</u>	<u>\$ 7,737,652</u>

**HABITAT COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2020**

NOTE E – LONG-TERM DEBT (CONTINUED)

Significant Bond Provisions

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

Depository Funds

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

Reserve Fund – The 2015 Reserve Account is funded from the proceeds of the Bonds in an amount equal to 50% Maximum Annual Debt Service Requirement. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

	Capital Improvement Refunding Bonds	
	Reserve Balance	Reserve Requirement
Series 2015 Capital Improvement Refunding Bonds	\$ 257,242	\$ 256,133

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. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

NOTE G – SUBSEQUENT EVENT

Subsequent to year end, the District made a \$5,000 prepayment on November 1, 2020, and a \$45,000 prepayment on May 1, 2021.



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Habitat Community Development District, as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2021.

Internal Control Over Financial Reporting

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

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

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

To the Board of Supervisors
Habitat Community Development District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Habitat 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

May 21, 2021



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Habitat Community Development District as of and for the year ended September 30, 2020, and have issued our report thereon dated May 21, 2021.

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 May 21, 2021, 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 included in the preceding financial 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 Habitat 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 Habitat Community Development District did not meet any of the conditions described in Section 218.503(1) Florida Statutes.

Fort Pierce / Stuart

- 32 -

To the Board of Supervisors
Habitat 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 Habitat Community Development District. It is management's responsibility to monitor the Habitat 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, 2020.

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

Additional Matters

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

May 21, 2021



**Berger, Toombs, Elam,
Gaines & Frank**

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

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

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

We have examined Habitat Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2020. Management is responsible for Habitat Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Habitat 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 Habitat 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 Habitat Community Development District's compliance with the specified requirements.

In our opinion, Habitat Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2020.

*Berger Toombs Elam
Gaines & Frank*

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

May 21, 2021