

**Bonnet Creek Resort
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2019

Bonnet Creek Resort Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2019

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Bonnet Creek Resort Community Development District
Orange County, FL

Report on the Financial Statements

We have audited the accompanying financial statements of Bonnet Creek Resort Community Development District as of and for the year ended September 30, 2019, 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

To the Board of Supervisors
Bonnet Creek Resort 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 and each major fund of Bonnet Creek Resort Community Development District, as of September 30, 2019, 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 March 26, 2020 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 Bonnet Creek Resort Community Development District's internal control over financial reporting and compliance.



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

March 26, 2020

Bonnet Creek Resort Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019

Management's discussion and analysis of Bonnet Creek Resort 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. 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.

**Bonnet Creek Resort Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

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 construction in progress, are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. In the **statement of activities**, 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*, reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

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

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2019.

- ◆ The District's total liabilities exceeded total assets by \$(498,163) (net position). Net investment in capital assets was \$(1,510,898) and unrestricted net position was \$1,012,735.
- ◆ Governmental activities revenues totaled \$3,021,215 while governmental activities expenses totaled \$1,999,596.

**Bonnet Creek Resort Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2019	2018
Current assets	\$ 1,706,327	\$ 1,491,011 *
Restricted assets	1,056,115	1,050,917 *
Capital assets	20,085,389	20,323,552
Total Assets	22,847,831	22,865,480
Current liabilities	1,790,994	1,750,262 *
Non-current liabilities	21,555,000	22,635,000 *
Total Liabilities	23,345,994	24,385,262
Net position - net investment in capital assets	(1,510,898)	(3,346,448)
Net position - restricted	-	607,104
Net position - unrestricted	1,012,735	1,219,562
Total Net Position	\$ (498,163)	\$ (1,519,782)

**Restated*

The increase in current assets is related to an increase in cash from revenues exceeding expenses in the current year.

The decrease in total liabilities is related to the principal payment made on long-term debt in the current year.

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

**Bonnet Creek Resort Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

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	
	2019	2018
Revenues		
Charges for services	\$ 2,940,938	\$ 2,943,059
Miscellaneous revenues	36,026	30,814
Investment earnings	44,251	15,511
Total Revenues	3,021,215	2,989,384
Expenses		
General government	101,188	104,116
Physical environment	852,664	825,146
Interest on long-term debt	1,045,744	1,091,138
Total Expenses	1,999,596	2,020,400
Change in Net Position	1,021,619	968,984
Net Position - Beginning of Year	(1,519,782)	(2,488,766)
Net Position - End of Year	\$ (498,163)	\$ (1,519,782)

The increase in investment income is related to the investment balances being in place all year long in the current year.

**Bonnet Creek Resort Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

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, 2019 and 2018.

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Land and improvements	\$ 17,157,333	\$ 17,157,333
Construction in progress	106,011	94,369
Infrastructure	4,525,886	4,525,886
Improvements other than buildings	2,649,428	2,609,748
Less: accumulated depreciation	<u>(4,353,269)</u>	<u>(4,063,784)</u>
Total Capital Assets (Net)	<u>\$ 20,085,389</u>	<u>\$ 20,323,552</u>

Capital asset activity consisted of additions to construction in progress, \$11,642, and improvements other than buildings, \$39,680, and depreciation of \$289,485.

General Fund Budgetary Highlights

Budgeted expenditures exceeded actual expenditures primarily due to less maintenance and legal fees than were anticipated.

There were no amendments to the September 30, 2019 budget.

Debt Management

Governmental Activities debt includes the following:

In October 2016, the District issued \$25,605,000, Special Assessment Refunding Bonds, Series 2016. The Bonds were issued to refund the District's outstanding Series 2002 Special Assessment Bonds. The balance outstanding at September 30, 2019 was \$22,635,000.

**Bonnet Creek Resort Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

The Bonnet Creek Resort Community Development District is in the process of finishing site construction of a hotel on a certain parcel within the District. There are other construction projects anticipated on parcels within the District, both private and certain anticipated public projects of the district. However, the District does not expect any other economic factors to have a significant effect on the financial position or results of operations of the District in Fiscal Year 2020.

Request for Information

The financial report is designed to provide a general overview of Bonnet Creek Resort 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 Bonnet Creek Resort Community Development District, Governmental Management Services, 135 W. Central Boulevard, Suite 320, Orlando, Florida, 32801.

Bonnet Creek Resort Community Development District
STATEMENT OF NET POSITION
September 30, 2019

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 847,271
Investments	838,172
Accounts receivable	5,443
Prepaid expenses	15,441
Total Current Assets	1,706,327
Non-Current Assets	
Restricted Assets	
Investments	1,056,115
Capital Assets, Not Being Depreciated	
Construction in progress	106,011
Land and improvements	17,157,333
Capital Assets Being Depreciated	
Infrastructure	4,525,886
Improvements other than buildings	2,649,428
Accumulated depreciation	(4,353,269)
Total Non-Current Assets	21,141,504
Total Assets	22,847,831
 LIABILITIES	
Current Liabilities	
Accounts payable	54,039
Unearned revenues	232,548
Bonds payable, current	1,080,000
Accrued interest	424,407
Total Current Liabilities	1,790,994
Non-Current Liabilities	
Bonds payable	21,555,000
Total Liabilities	23,345,994
 NET POSITION	
Net investment in capital assets	(1,510,898)
Unrestricted	1,012,735
Total Net Position	\$ (498,163)

See accompanying notes to financial statements.

Bonnet Creek Resort Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Governmental Activities
Governmental Activities			
General government	\$ (101,188)	\$ 134,880	\$ 33,692
Physical environment	(852,664)	723,996	(128,668)
Interest on long-term debt	(1,045,744)	2,082,062	1,036,318
Total Governmental Activities	\$ (1,999,596)	\$ 2,940,938	941,342
			General Revenues
			Investment income 44,251
			Miscellaneous revenues 36,026
			Total General Revenues 80,277
			Change in Net Position 1,021,619
			Net Position - October 1, 2018 (1,519,782)
			Net Position - September 30, 2019 \$ (498,163)

See accompanying notes to financial statements.

Bonnet Creek Resort Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2019

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash	\$ 637,037	\$ -	\$ 210,234	\$ 847,271
Investments	17,419	-	820,753	838,172
Accounts receivable	5,443	-	-	5,443
Due from other funds	-	232,548	-	232,548
Prepaid expenses	15,441	-	-	15,441
Restricted assets				
Cash and investments, at fair value	-	1,056,115	-	1,056,115
Total Assets	\$ 675,340	\$ 1,288,663	\$ 1,030,987	\$ 2,994,990
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 51,082	\$ -	\$ 2,957	\$ 54,039
Due to other funds	232,548	-	-	232,548
Unearned revenues	-	232,548	-	232,548
Total Liabilities	283,630	232,548	2,957	519,135
 FUND BALANCES				
Nonspendable-prepaid expenses	15,441	-	-	15,441
Restricted for debt service	-	1,056,115	-	1,056,115
Assigned for capital projects	-	-	1,028,030	1,028,030
Unassigned	376,269	-	-	376,269
Total Fund Balances	391,710	1,056,115	1,028,030	2,475,855
Total Liabilities and Fund Balances	\$ 675,340	\$ 1,288,663	\$ 1,030,987	\$ 2,994,990

See accompanying notes to financial statements.

**Bonnet Creek Resort Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2019**

Total Governmental Fund Balances	\$ 2,475,855
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, not being depreciated, construction in progress, \$106,011, land and improvements, \$17,157,333, infrastructure, \$4,525,886, improvements other than buildings, \$2,649,428, and accumulated depreciation, \$(4,353,269), used in governmental activities are not current financial resources and are not reported at the governmental fund level.	20,085,389
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported at the governmental fund level.	(22,635,000)
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the governmental fund level.	<u>(424,407)</u>
Net Position of Governmental Activities	<u><u>\$ (498,163)</u></u>

See accompanying notes to financial statements.

Bonnet Creek Resort Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2019

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ 858,876	\$ 2,082,062	\$ -	\$ 2,940,938
Investment income	467	23,286	20,498	44,251
Miscellaneous revenues	36,026	-	-	36,026
Total Revenues	<u>895,369</u>	<u>2,105,348</u>	<u>20,498</u>	<u>3,021,215</u>
Expenditures				
Current				
General government	101,188	-	-	101,188
Physical environment	543,147	-	20,032	563,179
Capital outlay	-	-	51,322	51,322
Debt service				
Principal	-	1,035,000	-	1,035,000
Interest	-	1,065,150	-	1,065,150
Total Expenditures	<u>644,335</u>	<u>2,100,150</u>	<u>71,354</u>	<u>2,815,839</u>
Excess of revenues over/(under) expenditures	<u>251,034</u>	<u>5,198</u>	<u>(50,856)</u>	<u>205,376</u>
Other Financing Sources/(Uses)				
Transfers in	-	-	158,433	158,433
Transfers out	<u>(158,433)</u>	<u>-</u>	<u>-</u>	<u>(158,433)</u>
Total other financing sources/(uses)	<u>(158,433)</u>	<u>-</u>	<u>158,433</u>	<u>-</u>
Net Change in Fund Balances	92,601	5,198	107,577	205,376
Fund Balances - October 1, 2018	<u>299,109</u>	<u>1,050,917</u>	<u>920,453</u>	<u>2,270,479</u>
Fund Balances - September 30, 2019	<u>\$ 391,710</u>	<u>\$ 1,056,115</u>	<u>\$ 1,028,030</u>	<u>\$ 2,475,855</u>

See accompanying notes to financial statements.

Bonnet Creek Resort 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, 2019

Net Change in Fund Balances - Total Governmental Funds	\$	205,376
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. This is the amount that capital outlay, \$51,322, was exceeded by depreciation, \$(289,485), in the current period.		(238,163)
Governmental funds report principal payments as expenditures when paid, whereas these payments are recognized as a decrease in bonds payable at the government-wide level.		1,035,000
At the fund level interest is recognized when due. At the government-wide level interest is accrued on outstanding debt. This is the current year change in accrual.		<u>19,406</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,021,619</u></u>

See accompanying notes to financial statements.

Bonnet Creek Resort Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 858,876	\$ 858,876	\$ 858,876	\$ -
Investment income	150	150	467	317
Miscellaneous revenues	39,000	39,000	36,026	(2,974)
Total Revenues	<u>898,026</u>	<u>898,026</u>	<u>895,369</u>	<u>(2,657)</u>
Expenditures				
Current				
General government	106,335	106,335	101,188	5,147
Physical environment	633,258	633,258	543,147	90,111
Total Expenditures	<u>739,593</u>	<u>739,593</u>	<u>644,335</u>	<u>95,258</u>
Excess of revenues over/(under) expenditures	158,433	158,433	251,034	92,601
Other Financing Sources/(Uses)				
Transfers out	<u>(158,433)</u>	<u>(158,433)</u>	<u>(158,433)</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>92,601</u>	<u>92,601</u>
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>299,109</u>	<u>299,109</u>
Fund Balances - September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391,710</u>	<u>\$ 391,710</u>

See accompanying notes to financial statements.

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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 July 27, 2000, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance No. 2000-16 of the Board of County Commissioners of Orange 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 Bonnet Creek Resort Community Development District. The District is governed by a Board of Supervisors who are elected by the owners of property within the District. The District operates within the criteria established by Chapter 190.

As required by GAAP, these financial statements present the Bonnet Creek Resort 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 in Governmental Accounting Standards 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

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments. Program revenues 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.

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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 reports 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.

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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.

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Debt Service Fund – The Series 2016 Debt Service Fund accounts for debt service requirements to retire the Series 2016 Special Assessment Bonds, which were used to finance the construction of certain improvements within the District.

Capital Projects Fund – The Series 2016 Capital Projects Fund accounts for acquisition and construction of infrastructure improvements located within the boundaries of the District.

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 general obligation 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;

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

a. Cash and Investments (Continued)

4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Cash and investments include time deposits, certificates of deposit, money market funds, and all highly liquid debt instruments with original maturities of three months or less.

b. Restricted Assets

Certain net position of the District are classified as restricted assets on the Statement of Net Position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted 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 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.

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

d. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget 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 (\$2,475,855) differs from “net position” of governmental activities (\$498,163) 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:

Capital related items

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

Construction in progress	\$ 106,011
Land and improvements	17,157,333
Infrastructure	4,525,886
Improvements other than buildings	2,649,428
Less: accumulated depreciation	<u>(4,353,269)</u>
Total	<u>\$ 20,085,389</u>

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

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

Long-term debt transactions

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2019 were:

Bonds payable	\$ <u>(22,635,000)</u>
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Accrued interest

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

Accrued interest	\$ <u>(424,407)</u>
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2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds (\$205,376) differs from the “change in net position” for governmental activities (\$1,021,619) 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.

Capital outlay		\$ 51,322
Depreciation		<u>(289,485)</u>
	Total	<u>\$ (238,163)</u>

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

When long-term debt is issued for governmental activities, the resources obtained are recognized as an other financing source at the fund level. At the government-wide level, however, the new debt increases non-current liabilities. Also, interest is recognized when due at the fund level, but is accrued at the government-wide level.

Principal payments		\$ 1,035,000
Accrued interest		<u>19,406</u>
Total		<u><u>\$ 1,054,406</u></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, 2019, the District's bank balance was \$849,663 and the carrying value was \$847,271. 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, 2019, the District had the following investments and maturities:

Investment	Maturity Date	Fair Value
First American Govt Obligation Fd	24 days*	\$ 1,056,115
Local Government Surplus Fund	37 days*	<u>838,172</u>
Total		<u><u>\$ 1,894,287</u></u>

* Weighted Average Maturity

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Investments (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 are a Level 1 asset.

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. Both First American Government Obligation Funds and Local Government Surplus Funds are rated AAAM by Standards and Poors.

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.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in the First American Government Obligations Funds represent 56% of the District's investments. The remaining 44% is represented by Local Government Surplus Funds.

The types of deposits and investments and their level of risk exposure as of September 30, 2019 were typical of these items during the fiscal year then ended.

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE D – SPECIAL ASSESSMENT REVENUES

Special assessment revenues for the year are set at the public hearing to adopt the annual budget. The special assessment revenues are collected directly by the District in accordance with Chapter 170 and Chapter 190, Florida Statutes. The installment payment dates are established each year by the annual assessment resolution adopted at the public hearing to adopt the annual budget. Payments not received by the installment due dates are subject to a 1% per month penalty and interest charge. There are no delinquent special assessments as of September 30, 2019.

NOTE E – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2019 was as follows:

	October 1, 2018 <u>Balance</u>	Additions	Deletions	September 30, 2019 <u>Balance</u>
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land and improvements	\$ 17,157,333	\$ -	\$ -	\$ 17,157,333
Construction in progress	94,369	51,322	(39,680)	106,011
Total Capital Assets, not depreciated	<u>17,251,702</u>	<u>51,322</u>	<u>(39,680)</u>	<u>17,263,344</u>
Capital assets, being depreciated:				
Improvements other than buildings	2,609,748	39,680	-	2,649,428
Infrastructure	4,525,886	-	-	4,525,886
Total Capital Assets being depreciated	<u>7,135,634</u>	<u>39,680</u>	<u>-</u>	<u>7,175,314</u>
Less accumulated depreciation for:	<u>(4,063,784)</u>	<u>(289,485)</u>	<u>-</u>	<u>(4,353,269)</u>
Total Capital Assets Depreciated, Net	<u>3,071,850</u>	<u>(249,805)</u>	<u>-</u>	<u>2,822,045</u>
 Governmental Activities Capital Assets	 <u>\$ 20,323,552</u>	 <u>\$ (198,483)</u>	 <u>\$ -</u>	 <u>\$ 20,085,389</u>

Depreciation of \$289,485 was charged to physical environment.

NOTE F – LONG-TERM DEBT

Long-term debt is comprised of the following:

Special Assessment Bonds

\$25,605,000 Series 2016 Special Assessment Refunding Bonds are due in annual principal installments maturing May 2034. Interest is due semi-annually on May 1 and November 1 at a 4.5% interest rate.

\$ 22,635,000

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE F – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2019 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,080,000	\$ 1,018,575	\$ 2,098,575
2021	1,130,000	969,975	2,099,975
2022	1,180,000	919,125	2,099,125
2023	1,235,000	866,025	2,101,025
2024	1,295,000	810,450	2,105,450
2025-2029	7,420,000	3,123,000	10,543,000
2030-2034	9,295,000	1,292,400	10,587,400
Totals	<u>\$ 22,635,000</u>	<u>\$ 8,999,550</u>	<u>\$ 31,634,550</u>

Significant Bond Provisions

The Series 2016 Bonds are subject to redemption at the option of the as outlined in the Trust Indenture. The Series 2016 Bonds are also subject to extraordinary mandatory redemption prior to the selected maturity in the manner determined by the Bond Registrar if certain events occurred as outline in the Bond Indenture.

The Trust Indenture established certain amounts be maintained in a reserve account. In addition, the Trust Indenture has certain restrictions and requirements relating to 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.

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE F – 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:

Reserve Fund – The Series 2016 Reserve Accounts were funded from the proceeds of the Series 2016 Bonds in amounts equal to 50% of the maximum annual debt service requirement for the outstanding Series 2016 Bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

The following is a schedule of required reserve deposits as of September 30, 2019:

	Reserve Balance	Reserve Requirement
Series 2016 Special Assessment Bonds	\$ 1,038,713	\$ 1,038,531

NOTE G – INTERFUND ACTIVITY

Interfund activity as of September 30, 2019, consisted of the following:

	Due From General Fund
Due To Debt Service Fund	\$ 232,548

Interfund balances between the General Fund and Debt Service Fund is the result of revenues deposited into the General Fund that are owed to the Debt Service Fund.

	Transfers In Capital Projects Fund
Transfers Out General Fund	\$ 158,433

Transfers are the result of monies collected and allocated for future repair and replacement of various capital improvements.

NOTE H – ECONOMIC DEPENDENCY

The Developer and major landowners own a significant portion of land within the District. The District's activity is dependent upon the continued involvement of the Developer and major landowners, the loss of which could have a material adverse effect on the District's operations. At September 30, 2019, one board member was affiliated with the Developer.

Bonnet Creek Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE I – 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. The District has not filed any claims since its inception.



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**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
Bonnet Creek Resort Community Development District
Orange 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 Bonnet Creek Resort Community Development District, as of and for the year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bonnet Creek Resort Community Development District's internal control over financial reporting to determine the 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 Bonnet Creek Resort Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bonnet Creek Resort Community Development District's internal control over financial reporting.

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 over financial reporting 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
Bonnet Creek Resort Community Development District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bonnet Creek Resort 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
Fort Pierce, Florida

March 26, 2020



Berger, Toombs, Elam, Gaines & Frank

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MANAGEMENT LETTER

To the Board of Supervisors
Bonnet Creek Resort Community Development District
Orange County, Florida

Report on the Financial Statements

We have audited the financial statements of the Bonnet Creek Resort Community Development District as of and for the year ended September 30, 2019, and have issued our report thereon dated March 26, 2020.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 26, 2020, 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 made in the preceding financial audit report.

Financial Condition

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

To the Board of Supervisors
Bonnet Creek Resort Community Development District

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Bonnet Creek Resort Community Development District. It is management's responsibility to monitor the Bonnet Creek Resort 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, 2019.

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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

*Berger Toombs Elam
Gaines & Frank*

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

March 26, 2020



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

To the Board of Supervisors
Bonnet Creek Resort Community Development District
Orange County, FL

We have examined Bonnet Creek Resort Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2019. Management is responsible for Bonnet Creek Resort Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Bonnet Creek Resort 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 Bonnet Creek Resort 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 Bonnet Creek Resort Community Development District's compliance with the specified requirements.

In our opinion, Bonnet Creek Resort Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2019.

*Berger Toombs Elam
Gaines & Frank*

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

March 26, 2020