

*Heron Isles
Community Development District*

August 2, 2018

Heron Isles

Community Development District

475 West Town Place, Suite 114, St. Augustine, Florida 32092

Phone: 904-940-5850 Fax: 904-940-5899

July 26, 2018

Board of Supervisors
Heron Isles Community Development District

Dear Board Members:

A meeting of the Board of Supervisors of the Heron Isles Community Development District will be held Thursday, August 2, 2018 at 6:00 p.m. at the Residence Inn Amelia Island, 2301 Sadler Road, Fernandina Beach, Florida.

- I. Roll Call
- II. Audience Comments
- III. Affidavit of Publication
- IV. Update from MBS Capital Markets on Status of the Series 2018 Bonds
- V. Discussion of Amenity Center Survey Results
- VI. Public Hearing to Adopt the Fiscal Year 2019 Budget
 - A. Consideration of Resolution 2018-05, Relating to Annual Appropriations and Adopting the Budget for Fiscal Year 2019
 - B. Consideration of Resolution 2018-06, Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2019
- VII. Ratification of Engagement Letters for Audit Services
 - A. FY 2017 with McDirmit Davis
 - B. FY 2018 with Berger, Toombs, Elam, Gaines & Frank
- VIII. Acceptance of the Fiscal Year 2017 Audit Report
- IX. Approval of Minutes of the May 3, 2018 Meeting
- X. Acceptance of the Minutes of the May 3, 2018 Audit Committee Meeting
- XI. Other Business
- XII. Staff Reports
 - A. District Counsel
 - B. District Engineer
 - C. District Manager – Discussion of the Fiscal Year 2019 Meeting Schedule
 - D. Property Manager – Report
- XIII. Supervisors' Requests and Audience Comments
- XIV. Financial Reports
 - A. Balance Sheet & Income Statement
 - B. Assessment Receipt Schedule
 - C. Approval of Check Register

XV. Next Scheduled Meeting – TBD

XVI. Adjournment

Enclosed under the third order of business is the affidavit of publication.

The fifth order of business is discussion of amenity center survey results. Copies of the results are enclosed for your review.

The sixth order of business is the public hearing to adopt the budget for Fiscal Year 2019. Copies of the budget and resolutions 2018-05 and 2018-06 are enclosed for your review and approval.

The seventh order of business is ratification of engagement letters for audit services. Copies of the engagement letters for FY17 and FY18 are enclosed for your review.

The eighth order of business is acceptance of the Fiscal Year 2017 audit report. A copy of the audit report is enclosed for your review.

Enclosed under the ninth order of business are the minutes of the May 3, 2018 meeting for your approval.

The tenth order of business is acceptance of the minutes of the May 3, 2018 audit committee meeting. A copy of the minutes is enclosed for your review.

The balance of the agenda is routine in nature. Staff reports and any additional support material will be presented and discussed at the meeting. If you have any questions, please contact me.

I look forward to seeing you at the meeting and in the meantime if you have any questions, please contact me.

Sincerely,

Dave deNagy

Dave deNagy
District Manager

cc:	Jason Walters	Doug Harrier	Jennifer Gillis
	Cheryl Graham	Jim Lucas	Darrin Mossing
	Gabriel McKee		

AGENDA

Heron Isles Community Development District *Agenda*

Thursday
August 2, 2018
6:00 p.m.

Residence Inn Amelia Island
2301 Sadler Road
Fernandina Beach, Florida
Call in #: 800-264-8432
Passcode: 433354
www.heronislescdd.com

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- XV. Next Scheduled Meeting – TBD
- XVI. Adjournment

THIRD ORDER OF BUSINESS

NEWS-LEADER
Published Weekly
511 Ash Street/P.O. Box 16766 (904) 261-3696
Fernandina Beach, Nassau County, Florida 32034

STATE OF FLORIDA
COUNTY OF NASSAU:

Before the undersigned authority personally appeared
Foy R. Maloy, Jr

Who on oath says that (s)he is the Publisher of the
Fernandina Beach News-Leader, a weekly newspaper published at
Fernandina Beach in Nassau County, Florida; that the attached
copy the advertisement, being a DISPLAY LEGAL NOTICE in the
matter of

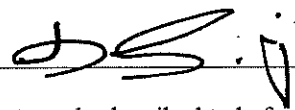
NOTICE OF PUBLIC HEARING

Was published in said newspaper in the issue(s) of

07/04/2018 07/11/2018


LEGAL DISPLAY

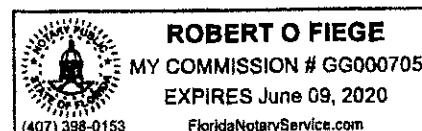
Affiant further says that the said News-Leader is
a newspaper published at Fernandina Beach, in said Nassau
County, Florida and that the said newspaper has heretofore been
continuously published in said Nassau County, Florida, each week
and has been entered as second class mail matter at the post office
in Fernandina Beach in said Nassau County, Florida, for a period
of one year preceding the first publication of the attached copy
of advertisement; and Affiant further says that (s)he has neither per-
nor promised any person, firm or corporation any discount,
rebate, commission or refund for the purpose of securing this
advertisement for publication in the said newspaper.



Sworn to and subscribed to before me
This 11th day of July, A.D. 2018


Robert O. Fiege, Notary Public

 Personally Known



HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

NOTICE OF PUBLIC HEARING TO CONSIDER THE ADOPTION OF THE FISCAL YEAR 2018/2019 BUDGET; NOTICE OF PUBLIC HEARING TO CONSIDER THE IMPOSITION OF OPERATIONS AND MAINTENANCE SPECIAL ASSESSMENTS, ADOPTION OF AN ASSESSMENT ROLL, AND THE LEVY, COLLECTION, AND ENFORCEMENT OF THE SAME; AND NOTICE OF REGULAR BOARD OF SUPERVISORS' MEETING.

Upcoming Public Hearings, and Regular Meeting

The Board of Supervisors ("Board") for the Heron Isles Community Development District ("District") will hold the following two public hearings and a regular meeting:

DATE: TIME:	August 2, 2018 6:00 p.m.
LOCATION:	Residence Inn Amelia Island 2301 Sadler Road Fernandina Beach, Florida

The first public hearing is being held pursuant to Chapter 190, Florida Statutes, to receive public comment and objections on the District's proposed budget ("**Proposed Budget**") for the fiscal year beginning October 1, 2018 and ending September 30, 2019 ("**Fiscal Year 2018/2019**"). The second public hearing is being held pursuant to Chapters 190 and 197, Florida Statutes, to consider the imposition of operations and maintenance special assessments ("**O&M Assessments**") upon the lands located within the District, to fund the Proposed Budget for Fiscal Year 2018/2019; to consider the adoption of an assessment roll; and, to provide for the levy, collection, and enforcement of assessments. At the conclusion of the hearings, the Board will, by resolution, adopt a budget and levy O&M Assessments as finally approved by the Board. A Board meeting of the District will also be held where the Board may consider any other District business.

Description of Assessments

The District imposes O&M Assessments on benefitted property within the District for the purpose of funding the District's general administrative, operations, and maintenance budget and providing the funds necessary to pay debt service on outstanding bonds as reflected in the District's debt service budget. A geographic depiction of the property potentially subject to the proposed O&M Assessments is identified in the map attached hereto. The table below shows the schedule of the proposed O&M Assessments, which are subject to change at the hearing:

Land Use Description	Total # of Units	FY 2018 Gross Per Unit	FY 2018 Total Gross Assessments	FY 2019 Gross Per Unit	FY 2019 Total Gross Assessments
Single Family	749	\$403.58	\$302,281.42	\$490.06	\$367,054.94

¹ Includes collection fees and discounts (7%)

The proposed O&M Assessments as stated include collection costs and/or early payment discounts, which Nassau County ("**County**") may impose on assessments that are collected on the County tax bill. Moreover, pursuant to Section 197.3632(4), Florida Statutes, the lien amount shall serve as the "maximum rate" authorized by law for O&M Assessments, such that no assessment hearing shall be held or notice provided in future years unless the assessments are proposed to be increased or another criterion within Section 197.3632(4), Florida Statutes, is met. Note that the O&M Assessments do not include any debt service assessments previously levied by the District and due to be collected for Fiscal Year 2018/2019.

For Fiscal Year 2018/2019, the District intends to have the County tax collector collect the assessments imposed on certain developed property, and will directly collect the assessments imposed on the remaining benefitted property by sending out

the District and due to be collected for Fiscal Year 2018/2019.

For Fiscal Year 2018/2019, the District intends to have the County tax collector collect the assessments imposed on certain developed property, and will directly collect the assessments imposed on the remaining benefitted property by sending out a bill prior to, or during, November 2018. It is important to pay your assessment because failure to pay will cause a tax certificate to be issued against the property which may result in loss of title, or for direct billed assessments, may result in a foreclosure action, which also may result in a loss of title. The District's decision to collect assessments on the tax roll or by direct billing does not preclude the District from later electing to collect those or other assessments in a different manner at a future time.

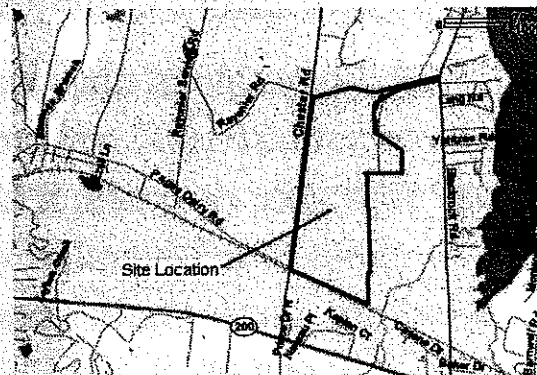
Additional Provisions

The public hearings and meeting are open to the public and will be conducted in accordance with the provisions of Florida law. A copy of the Proposed Budget, proposed assessment roll, and the agenda for the hearings and meeting may be obtained at the offices of the District Manager, located at Governmental Management Services, 475 West Town Place, Suite 114, St. Augustine, Florida 32092, Ph: 904-940-5850 ("District Manager's Office"), during normal business hours. The public hearings and meeting may be continued to a date, time, and place to be specified on the record at the hearings or meeting. There may be occasions when staff or board members may participate by speaker telephone.

Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Manager's Office at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Manager's Office.

Please note that all affected property owners have the right to appear at the public hearings and meeting, and may also file written objections with the District Manager's Office within twenty days of publication of this notice. Each person who decides to appeal any decision made by the Board with respect to any matter considered at the public hearings or meeting is advised that person will need a record of proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

David deNagy
District Manager



LOCAL VICINITY MAP
Heron Isles
Community Development District
Nassau County, Florida

EXHIBIT 2

FIFTH ORDER OF BUSINESS

From: Ernesto Torres etorres@gmsnf.com
Subject: Heron Isles CDD Final Survey Count
Date: July 20, 2018 at 9:11 AM
To: Courtney Hogge chogge@gmsnf.com

ET

Courtney, please use the below for Heron Isles CDD Survey Results:

Received 278 response.

Results:

Question #1: Would you like Heron Isles to have its own amenity center, which would include a pool, a small social hall and rest rooms (The Recreation Center)?

Yes: 73 No: 205

Question #2: If funding for a pool and amenity center is approved by the CDD Board of Supervisors, long term debt and annual maintenance costs would increase by as much as \$275 plus \$52 or \$327 per year (\$27 +/- per month). Does this increase seem reasonable to you?

Yes: 65 No: 211

Question #3: Do you agree that building a recreation center will have a positive impact on your enjoyment of living in the Heron Isles Community?

Yes: 74 No: 204

SIXTH ORDER OF BUSINESS

***Approved Budget
Fiscal Year 2019***

***Heron Isles Community
Development District***

August 2, 2018



***Heron Isles
Community Development District***

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Debt Service Fund

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Heron Isles

Community Development District

General Fund

Description	Adopted Budget FY 2018	Actual Thru 6/30/2018	Projected Next 3 Months	Total Projected 9/30/2018	Approved Budget FY 2019
Revenues					
Assessments - On Roll	\$281,122	\$282,980	\$1,056	\$284,035	\$341,361
Interest Income	\$0	\$349	\$116.46	\$466	\$400
Fund Balance	\$6,711	\$19,087	\$0	\$19,087	\$0
TOTAL REVENUES	\$287,832	\$302,415	\$1,172	\$303,587	\$341,762
Expenditures					
Administrative					
Supervisor Fees	\$4,000	\$4,400	\$1,000	\$5,400	\$4,000
FICA Expense	\$306	\$337	\$77	\$413	\$306
Engineering	\$5,000	\$2,220	\$500	\$2,720	\$5,000
Assessment Roll	\$7,500	\$7,500	\$0	\$7,500	\$7,500
Dissemination	\$1,500	\$1,125	\$375	\$1,500	\$1,500
Attorney	\$15,000	\$7,637	\$7,363	\$15,000	\$15,000
Annual Audit	\$3,700	\$3,700	\$0	\$3,700	\$4,000
Trustee Fees	\$2,200	\$0	\$2,200	\$2,200	\$2,200
Management Fees	\$43,260	\$32,445	\$10,815	\$43,260	\$45,423
Computer Time	\$1,000	\$750	\$250	\$1,000	\$1,000
Website Compliance	\$500	\$375	\$125	\$500	\$500
Telephone	\$100	\$150	\$20	\$170	\$100
Postage	\$500	\$983	\$265	\$1,248	\$500
Printing & Binding	\$1,250	\$1,127	\$150	\$1,277	\$1,250
Insurance	\$6,646	\$6,042	\$0	\$6,042	\$6,700
Legal Advertising	\$1,800	\$2,611	\$3,004	\$5,615	\$2,500
Other Current Charges	\$1,000	\$965	\$35	\$1,000	\$1,000
Office Supplies	\$100	\$63	\$37	\$100	\$100
Meeting Room Rental	\$1,300	\$400	\$100	\$500	\$1,300
Dues, Licenses & Subscriptions	\$175	\$175	\$0	\$175	\$175
Capital Outlay	\$250	\$0	\$0	\$0	\$250
TOTAL ADMINISTRATIVE EXPENDITURES	\$97,087	\$73,005	\$26,315	\$99,320	\$100,304
UTILITIES:					
Electric	\$21,000	\$18,997	\$8,332.20	\$27,329	\$32,005
Water & Sewer	\$56,500	\$32,437	\$11,796.26	\$44,233	\$46,813
SUBTOTAL UTILITIES	\$77,500	\$51,433	\$20,128	\$71,562	\$78,818
CONTRACT SERVICES					
Landscape Maintenance	\$57,072	\$47,931	\$14,295	\$62,226	\$64,250
Irrigation Maintenance	\$3,000	\$1,669	\$1,331	\$3,000	\$3,000
Lake Maintenance	\$12,900	\$9,675	\$3,225	\$12,900	\$12,900
Janitorial Services	\$7,200	\$5,400	\$1,800	\$7,200	\$7,200
Pool Maintenance	\$0	\$0	\$0	\$0	\$14,000
Pool Chemicals	\$0	\$0	\$0	\$0	\$6,500
Pool Permits	\$0	\$0	\$0	\$0	\$625
Security	\$0	\$0	\$0	\$0	\$6,000
Trash Removal Services	\$7,440	\$4,500	\$1,500	\$6,000	\$7,440
Management Company	\$9,000	\$6,750	\$2,250	\$9,000	\$9,000
Pest Control Services	\$225	\$0	\$225	\$225	\$225
Holiday Decorations	\$0	\$1,161	\$1,161	\$2,322	\$1,500
SUBTOTAL CONTRACT SERVICES	\$96,837	\$77,086	\$25,787	\$102,874	\$132,640
REPAIRS & MAINTENANCE					
Repairs & Maintenance	\$16,408	\$22,374	\$7,458	\$29,832	\$30,000
SUBTOTAL REPAIRS & MAINTENANCE	\$16,408	\$22,374	\$7,458	\$29,832	\$30,000
TOTAL FIELD EXPENDITURES	\$190,745	\$150,894	\$53,374	\$204,267	\$241,458
TOTAL EXPENDITURES	\$287,832	\$223,898	\$79,689	\$303,587	\$341,761
Excess Revenues	(\$0)	\$78,517	(\$78,517)	\$0	\$0

FY 2017 FY 2018 FY 2019

NET ASSESSMENTS	\$259,162	\$281,122	\$341,361
PLUS COLLECTION FEES (7%)	\$19,507	\$21,160	\$25,694
GROSS ASSESSMENTS	\$278,669	\$302,281	\$367,055
NO. OF UNITS	740	749	749
PER UNIT ASSESSMENT	\$377	\$404	\$490

Heron Isles
Community Development District
General Fund

Exhibit "A"

Allocation of Operating Reserves

Estimated Funds Available

<i>Beginning Fund Balance - Fiscal Year 2018</i>	<i>\$19,087</i>
<i>Estimated Excess Revenues - Fiscal Year 2018</i>	<i>(\$19,086)</i>
Total Estimated Funds Available - 9/30/18	<u>\$0</u>

Allocation of Funds Available

⁽¹⁾ <i>Operating Reserve - First Quarter Operating Capital</i>	<i>\$55,844</i>
<i>Capital Reserve/Renewal & Replacement</i>	<i>\$47,258</i>
Total Allocation of Funds	<u>\$103,102</u>
Total Undesignated Cash	<u>(\$103,101)</u>

⁽¹⁾ Represents approximately (2) two months of operating expenditures

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND BUDGET

FISCAL YEAR 2019

REVENUES:

Maintenance Assessments

The District will levy a non ad-valorem special assessment on all assessable property within the District to fund all of the General Operating Expenditures for the fiscal year.

EXPENDITURES:

Administrative:

Supervisor Fees

The Florida Statutes allows each board member to receive \$200 per meeting not to exceed \$4,800 in one year. The amount for the fiscal year is based upon all five supervisors attending the estimated 12 annual meetings.

FICA Expanse

Represents the Employer's share of Social Security and Medicare taxes withheld from Board of Supervisors checks.

Engineering Fees

The District's engineer will be providing general engineering services to the District including attendance and preparation for board meetings, etc.

Assessment Roll

Governmental Management Services serves as the District's collection agent and certifies the District's non-ad valorem assessments with the county tax collector.

Dissemination Agent

The District is required by the Security and Exchange Commission to comply with Rule 15(c) (2)-12(b) (5), which relates to additional reporting requirements for un-rated bond issues.

Attorney

The District's legal counsel will be providing general legal services to the District, i.e., attendance and preparation for monthly meetings, review operating and maintenance contracts.

Annual Audit

The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting Firm.

Trustee Fees

The District issued Series 2005 Capital Improvement Revenue Bonds, which are held with a Trustee at US Bank. The amount of the trustee fees is based on the agreement between US Bank and the District.

Management Fees

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Governmental Management Services. These services are further outlined in Exhibit "A" of the Management Agreement.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND BUDGET FISCAL YEAR 2019

Computer Time

The District processes all of its financial activities, i.e., accounts payable, financial statements, etc. on a mainframe computer leased by Governmental Management Services.

Website Compliance

Per Chapter 2014-22, Laws of Florida, all Districts must have a website by October 1, 2015 to provide detailed information on the CDD as well as links to useful websites regarding Compliance issues. This website will be maintained by GMS, LLC and updated monthly.

Telephone

Telephone and fax machine.

Postage

Mailing of agenda packages, overnight deliveries, correspondence, etc.

Printing & Binding

Printing and Binding agenda packages for board meetings, printing of computerized checks, stationary, envelopes etc.

Insurance

The District's General Liability & Public Officials Liability Insurance policy is with Florida Insurance Alliance. Florida Insurance Alliance specializes in providing insurance coverage to governmental agencies.

Legal Advertising

The District is required to advertise various notices for monthly Board meetings, public hearings, etc. in a newspaper of general circulation.

Other Current Charges

Bank charges and any other miscellaneous expenses that are incurred during the year.

Office Supplies

Miscellaneous office supplies.

Meeting Room Rental

This item includes the cost to rent a boardroom for the Heron Isles Community Development District monthly supervisor meetings. The rental fees are based on the quarterly meetings.

Dues, Licenses & Subscriptions

The District is required to pay an annual fee to the Department of Economic Opportunity for \$175. This is the only expense under this category for the District.

Capital Outlay

Represents any minor capital expenditures the District may need to make during the Fiscal Year such as a file cabinet for District files.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND BUDGET FISCAL YEAR 2019

Utilities:

Electric

This item includes the cost of electricity for Heron Isles CDD that will be provided by FPL.

Location	Account #	Monthly	Yearly
100 Heron Isles Pkwy	55251-34119	\$2,000.00	\$24,000.00
96103 Heron Isles Pkwy	79367-06030	\$15.00	\$180.00
96116 Heron Isles Pkwy	15371-18034	\$16.00	\$192.00
961164 Heron Isles Pkwy #IRR	17007-82129	\$15.00	\$180.00
96139 Heron Isles Pkwy	89411-73059	\$60.00	\$720.00
96148 Heron Isles Pkwy	59739-27030	\$15.50	\$186.00
96443 Heron Isles Pkwy #IRR	62356-51129	\$15.00	\$180.00
96638 Heron Isles Pkwy #IRR	62602-83129	\$15.25	\$183.00
96331 Starfish Dr entwall	39110-92496	\$15.00	\$180.00
Projecting New Accounts		\$500.34	\$6,004.08
	Total	\$2667.09	\$32,005.08

Water & Sewer

This item includes the cost of water and/or sewer from JEA.

Location	Meter #	Monthly	Yearly
96059 Heron Isles PY	82505651	\$876	\$10,508
96059 Heron Isles PY	82505651	\$288	\$3,461
96259 Heron Isles PY	83582184	\$794	\$9,525
96320 Starfish Dr	67059090	\$24	\$294
96416 Heron Isles PY	67133229	\$544	\$6,528
96572 Heron Isles PY	67133293	\$478	\$5,736
	Totals	\$3,004	\$36,051

Contract Services:

Landscape Maintenance

Landscape services are to maintain the common areas within the District. The District has contracted with Martex Services for these services pertaining to entryway maintenance. The contract provides for a 30 day termination.

<u>Vendor</u>	<u>Monthly</u>	<u>Yearly</u>
Landscape Maintenance	\$4,765	\$57,180.00
Landscape Contingency		<u>\$ 7,070.00</u>
Total		\$64,250.00

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND BUDGET

FISCAL YEAR 2019

Irrigation Repairs

Irrigation services are to maintain the common areas within the District. The District has contracted with Martex Services for these services pertaining to entryway maintenance. The contract provides for a 30 day termination.

Lake Maintenance

The District has a contract with The Lake Doctors who provide monthly water management services to all the lakes throughout the District.

Janitorial Services

The District has a contract with All Repairs & Maintenance for Janitorial services for the District.

Pool Maintenance

The District will contract a pool servicing company to maintain the pool.

Pool Chemicals

The District will contract a pool servicing company for the purchase and delivery of pool chemicals.

Pool Permits

Fees related to any county permits needed to keep the pool in service.

Security

The District will contract a security agency for security services for the amenity center.

Trash Removal Service

The District has a contract with All Repairs & Maintenance for Trash Removal Services.

Pest Control

The District has a contract with Kelly Termite for pest control services.

Management Company

Management Fees include managing, supervising and coordinating the management, operation and maintenance. The District has a contract with Leland Management Inc. to provide these services, the monthly charge is \$750.00 and the contract can be terminated by either party within 30 days notice.

Repairs & Maintenance:

Repairs & Maintenance

Unscheduled repairs and maintenance to the District's facilities through the community

Reserves:

Road Maintenance

The District will contract with a company for maintenance to the District's roadways

Capital Improvements

Represents any Capital expenditures the District may need outside of the regular maintenance.

Heron Isles

Community Development District

Debt Service Fund

Series 2017A1-A2

Description	Adopted Budget FY 2018	Actual Thru 6/30/2018	Projected Next 3 Months	Total Projected 9/30/2018	Approved Budget FY 2019
Revenues					
⁽¹⁾ Special Assessments - On Roll	\$233,370	\$234,525	\$875	\$235,399	\$233,370
Interest Income	\$0	\$351	\$0	\$351	\$0
Prepayments	\$0	\$74,676	\$0	\$74,676	\$0
⁽²⁾ Carry Forward Surplus	\$56,419	\$74,160	\$0	\$74,160	\$58,302
TOTAL REVENUES	\$289,788	\$383,711	\$875	\$384,586	\$291,672
Expenditures					
Series 2017A1					
Interest - 11/1	\$21,749	\$21,749	\$0	\$21,749	\$29,863
Special Call - 11/1	\$0	\$10,000	\$0	\$10,000	\$0
Interest - 5/1	\$31,828	\$31,659	\$0	\$31,659	\$29,863
Principal - 5/1	\$95,000	\$95,000	\$0	\$95,000	\$100,000
Special Call - 5/1	\$0	\$75,000	\$0	\$75,000	\$0
Series 2017A2					
Interest - 11/1	\$14,521	\$14,521	\$0	\$14,521	\$20,000
Special Call - 11/1	\$0	\$5,000	\$0	\$5,000	\$0
Interest - 5/1	\$21,250	\$21,125	\$0	\$21,125	\$20,000
Principal - 5/1	\$25,000	\$25,000	\$0	\$25,000	\$30,000
TOTAL EXPENDITURES	\$209,348	\$299,054	\$0	\$299,054	\$229,725
Other Sources/(Uses)					
⁽³⁾ Interfund Transfer In/(Out)	\$0	\$8,646	\$0	\$8,646	\$0
TOTAL OTHER SOURCES/USES	\$0	\$8,646	\$0	\$8,646	\$0
EXCESS REVENUES	\$80,440	\$93,303	\$875	\$94,177	\$61,947

11/1/2019

\$48,113

⁽¹⁾ Maximum Annual Debt Service

⁽²⁾ Carry forward surplus is net of the reserve requirement

	FY 2018
PLUS COLLECTION FEES (7%)	\$17,565
GROSS ASSESSMENTS	\$250,935
NO. OF UNITS	561
PER UNIT ASSESSMENT:	\$447

Heron Isles

Community Development District

Series 2017A-1 Capital Improvement Revenue Refunding Bonds (Senior Bonds)

AMORTIZATION SCHEDULE

DATE	BALANCE	PRINCIPAL	INTEREST	TOTAL
11/01/18	\$ 2,155,000.00	\$ -	\$ 29,862.50	\$ 29,862.50
05/01/19	\$ 2,155,000.00	\$ 100,000.00	\$ 29,862.50	
11/01/19	\$ 2,055,000.00	\$ -	\$ 28,862.50	\$ 158,725.00
05/01/20	\$ 2,055,000.00	\$ 100,000.00	\$ 28,862.50	
11/01/20	\$ 1,955,000.00	\$ -	\$ 27,862.50	\$ 156,725.00
05/01/21	\$ 1,955,000.00	\$ 105,000.00	\$ 27,862.50	
11/01/21	\$ 1,850,000.00	\$ -	\$ 26,812.50	\$ 159,675.00
05/01/22	\$ 1,850,000.00	\$ 105,000.00	\$ 26,812.50	
11/01/22	\$ 1,745,000.00	\$ -	\$ 25,762.50	\$ 157,575.00
05/01/23	\$ 1,745,000.00	\$ 110,000.00	\$ 25,762.50	
11/01/23	\$ 1,635,000.00	\$ -	\$ 24,662.50	\$ 160,425.00
05/01/24	\$ 1,635,000.00	\$ 105,000.00	\$ 24,662.50	
11/01/24	\$ 1,530,000.00	\$ -	\$ 23,481.25	\$ 153,143.75
05/01/25	\$ 1,530,000.00	\$ 115,000.00	\$ 23,481.25	
11/01/25	\$ 1,415,000.00	\$ -	\$ 22,115.63	\$ 160,596.88
05/01/26	\$ 1,415,000.00	\$ 110,000.00	\$ 22,115.63	
11/01/26	\$ 1,305,000.00	\$ -	\$ 20,740.63	\$ 152,856.25
05/01/27	\$ 1,305,000.00	\$ 120,000.00	\$ 20,740.63	
11/01/27	\$ 1,185,000.00	\$ -	\$ 19,165.63	\$ 159,906.25
05/01/28	\$ 1,185,000.00	\$ 120,000.00	\$ 19,165.63	
11/01/28	\$ 1,065,000.00	\$ -	\$ 17,515.63	\$ 156,681.25
05/01/29	\$ 1,065,000.00	\$ 120,000.00	\$ 17,515.63	
11/01/29	\$ 945,000.00	\$ -	\$ 15,640.63	\$ 153,156.25
05/01/30	\$ 945,000.00	\$ 120,000.00	\$ 15,640.63	
11/01/30	\$ 825,000.00	\$ -	\$ 13,765.63	\$ 149,406.25
05/01/31	\$ 825,000.00	\$ 125,000.00	\$ 13,765.63	
11/01/31	\$ 700,000.00	\$ -	\$ 11,812.50	\$ 150,578.13
05/01/32	\$ 700,000.00	\$ 130,000.00	\$ 11,812.50	
11/01/32	\$ 570,000.00	\$ -	\$ 9,618.75	\$ 151,431.25
05/01/33	\$ 570,000.00	\$ 135,000.00	\$ 9,618.75	
11/01/33	\$ 435,000.00	\$ -	\$ 7,340.63	\$ 151,959.38
05/01/34	\$ 435,000.00	\$ 140,000.00	\$ 7,340.63	
11/01/34	\$ 295,000.00	\$ -	\$ 4,978.13	\$ 152,318.75
05/01/35	\$ 295,000.00	\$ 145,000.00	\$ 4,978.13	
11/01/35	\$ 150,000.00	\$ -	\$ 2,531.25	\$ 152,509.38
05/01/36	\$ 150,000.00	\$ 150,000.00	\$ 2,531.25	\$ 152,531.25
		\$ 2,155,000.00	\$ 665,062.50	\$ 2,820,062.50

Heron Isles

Community Development District

Series 2017A-2 Capital Improvement Revenue Refunding Bonds (Subordinate Bonds)

AMORTIZATION SCHEDULE

DATE	BALANCE	RATE	PRINCIPAL	INTEREST	TOTAL
11/01/18	\$ 800,000.00	5.000%	\$ -	\$ 20,000.00	\$ -
05/01/19	\$ 800,000.00	5.000%	\$ 30,000.00	\$ 20,000.00	\$ 70,000.00
11/01/19	\$ 770,000.00	5.000%	\$ -	\$ 19,250.00	\$ -
05/01/20	\$ 770,000.00	5.000%	\$ 30,000.00	\$ 19,250.00	\$ 68,500.00
11/01/20	\$ 740,000.00	5.000%	\$ -	\$ 18,500.00	\$ -
05/01/21	\$ 740,000.00	5.000%	\$ 30,000.00	\$ 18,500.00	\$ 67,000.00
11/01/21	\$ 710,000.00	5.000%	\$ -	\$ 17,750.00	\$ -
05/01/22	\$ 710,000.00	5.000%	\$ 35,000.00	\$ 17,750.00	\$ 70,500.00
11/01/22	\$ 675,000.00	5.000%	\$ -	\$ 16,875.00	\$ -
05/01/23	\$ 675,000.00	5.000%	\$ 35,000.00	\$ 16,875.00	\$ 68,750.00
11/01/23	\$ 640,000.00	5.000%	\$ -	\$ 16,000.00	\$ -
05/01/24	\$ 640,000.00	5.000%	\$ 35,000.00	\$ 16,000.00	\$ 67,000.00
11/01/24	\$ 605,000.00	5.000%	\$ -	\$ 15,125.00	\$ -
05/01/25	\$ 605,000.00	5.000%	\$ 40,000.00	\$ 15,125.00	\$ 70,250.00
11/01/25	\$ 565,000.00	5.000%	\$ -	\$ 14,125.00	\$ -
05/01/26	\$ 565,000.00	5.000%	\$ 40,000.00	\$ 14,125.00	\$ 68,250.00
11/01/26	\$ 525,000.00	5.000%	\$ -	\$ 13,125.00	\$ -
05/01/27	\$ 525,000.00	5.000%	\$ 40,000.00	\$ 13,125.00	\$ 66,250.00
11/01/27	\$ 485,000.00	5.000%	\$ -	\$ 12,125.00	\$ -
05/01/28	\$ 485,000.00	5.000%	\$ 45,000.00	\$ 12,125.00	\$ 69,250.00
11/01/28	\$ 440,000.00	5.000%	\$ -	\$ 11,000.00	\$ -
05/01/29	\$ 440,000.00	5.000%	\$ 45,000.00	\$ 11,000.00	\$ 67,000.00
11/01/29	\$ 395,000.00	5.000%	\$ -	\$ 9,875.00	\$ -
05/01/30	\$ 395,000.00	5.000%	\$ 50,000.00	\$ 9,875.00	\$ 69,750.00
11/01/30	\$ 345,000.00	5.000%	\$ -	\$ 8,625.00	\$ -
05/01/31	\$ 345,000.00	5.000%	\$ 50,000.00	\$ 8,625.00	\$ 67,250.00
11/01/31	\$ 295,000.00	5.000%	\$ -	\$ 7,375.00	\$ -
05/01/32	\$ 295,000.00	5.000%	\$ 55,000.00	\$ 7,375.00	\$ 69,750.00
11/01/32	\$ 240,000.00	5.000%	\$ -	\$ 6,000.00	\$ -
05/01/33	\$ 240,000.00	5.000%	\$ 55,000.00	\$ 6,000.00	\$ 67,000.00
11/01/33	\$ 185,000.00	5.000%	\$ -	\$ 4,625.00	\$ -
05/01/34	\$ 185,000.00	5.000%	\$ 60,000.00	\$ 4,625.00	\$ 69,250.00
11/01/34	\$ 125,000.00	5.000%	\$ -	\$ 3,125.00	\$ -
05/01/35	\$ 125,000.00	5.000%	\$ 60,000.00	\$ 3,125.00	\$ 66,250.00
11/01/35	\$ 65,000.00	5.000%	\$ -	\$ 1,625.00	\$ -
05/01/36	\$ 65,000.00	5.000%	\$ 65,000.00	\$ 1,625.00	\$ 68,250.00
			\$ 800,000.00	\$ 430,250.00	\$ 1,230,250.00

A.

RESOLUTION 2018-05

THE ANNUAL APPROPRIATION RESOLUTION OF THE HERON ISLES COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGETS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2018, submitted to the Board of Supervisors (“**Board**”) of the Heron Isles Community Development District (“**District**”) proposed budgets (“**Proposed Budget**”) for the fiscal year beginning October 1, 2018 and ending September 30, 2019 (“**Fiscal Year 2018/2019**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, at least sixty (60) days prior to the adoption of the Proposed Budget, the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), *Florida Statutes*; and

WHEREAS, the Board set a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing; and

WHEREAS, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1st of each year, the Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HERON ISLES COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BUDGET

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Local Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.

- b. The Proposed Budget, attached hereto as **Exhibit “A,”** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.
- c. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District’s Local Records Office and identified as “The Budget for the Heron Isles Community Development District for the Fiscal Year Ending September 30, 2019.”
- d. The Adopted Budget shall be posted by the District Manager on the District’s official website within thirty (30) days after adoption, and shall remain on the website for at least 2 years.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the District, for Fiscal Year 2018/2019, the sum of \$_____ to be raised by the levy of assessments and/or otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$ _____
DEBT SERVICE FUND(S)	\$ _____
TOTAL ALL FUNDS	\$ _____

SECTION 3. BUDGET AMENDMENTS

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within Fiscal Year 2018/2019 or within 60 days following the end of the Fiscal Year 2018/2019 may amend its Adopted Budget for that fiscal year as follows:

- a. The Board may authorize an increase or decrease in line item appropriations within a fund by motion recorded in the minutes if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may authorize an increase or decrease in line item appropriations within a fund if the total appropriations of the fund do not increase and if the aggregate change in the original appropriation item does not exceed \$10,000 or 10% of the original appropriation.

- c. By resolution, the Board may increase any appropriation item and/or fund to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.
- d. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must establish administrative procedures to ensure that any budget amendments are in compliance with this Section 3 and Section 189.016, *Florida Statutes*, among other applicable laws. Among other procedures, the District Manager or Treasurer must ensure that any amendments to budget under subparagraphs c. and d. above are posted on the District's website within 5 days after adoption and remain on the website for at least 2 years.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 2ND DAY OF AUGUST, 2018.

ATTEST:

**HERON ISLES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

By:_____

Its:_____

B.

RESOLUTION 2018-06

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERON ISLES COMMUNITY DEVELOPMENT DISTRICT MAKING A DETERMINATION OF BENEFIT AND IMPOSING SPECIAL ASSESSMENTS FOR FISCAL YEAR 2018/2019; PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF SPECIAL ASSESSMENTS; CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENTS TO THE ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Heron Isles Community Development District (“**District**”) is a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

WHEREAS, the District is located in Nassau County, Florida (“**County**”); and

WHEREAS, the District has constructed or acquired various infrastructure improvements and provides certain services in accordance with the District’s adopted capital improvement plan and Chapter 190, *Florida Statutes*; and

WHEREAS, the Board of Supervisors (“**Board**”) of the District hereby determines to undertake various operations and maintenance and other activities described in the District’s budget (“**Adopted Budget**”) for the fiscal year beginning October 1, 2018 and ending September 30, 2019 (“**Fiscal Year 2018/2019**”), attached hereto as **Exhibit “A”** and incorporated by reference herein; and

WHEREAS, the District must obtain sufficient funds to provide for the operation and maintenance of the services and facilities provided by the District as described in the Adopted Budget; and

WHEREAS, the provision of such services, facilities, and operations is a benefit to lands within the District; and

WHEREAS, Chapter 190, *Florida Statutes*, provides that the District may impose special assessments on benefitted lands within the District; and

WHEREAS, it is in the best interests of the District to proceed with the imposition of the special assessments for operations and maintenance in the amount set forth in the Adopted Budget; and

WHEREAS, the District has previously levied an assessment for debt service, which the District desires to collect for Fiscal Year 2018/2019; and

WHEREAS, Chapter 197, *Florida Statutes*, provides a mechanism pursuant to which such special assessments may be placed on the tax roll and collected by the local tax collector (“**Uniform Method**”), and the District has previously authorized the use of the Uniform Method by, among other things, entering into agreements with the Property Appraiser and Tax Collector of the County for that purpose; and

WHEREAS, it is in the best interests of the District to adopt the Assessment Roll of the Heron Isles Community Development District (“**Assessment Roll**”) attached to this Resolution as **Exhibit “B”** and incorporated as a material part of this Resolution by this reference, and to certify the Assessment Roll to the County Tax Collector pursuant to the Uniform Method; and

WHEREAS, it is in the best interests of the District to permit the District Manager to amend the Assessment Roll, certified to the County Tax Collector by this Resolution, as the Property Appraiser updates the property roll for the County, for such time as authorized by Florida law.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD
OF SUPERVISORS OF THE HERON ISLES COMMUNITY
DEVELOPMENT DISTRICT:**

SECTION 1. BENEFIT & ALLOCATION FINDINGS. The Board hereby finds and determines that the provision of the services, facilities, and operations as described in **Exhibit “A”** confers a special and peculiar benefit to the lands within the District, which benefit exceeds or equals the cost of the assessments. The allocation of the assessments to the specially benefitted lands, as shown in **Exhibits “A” and “B,”** is hereby found to be fair and reasonable.

SECTION 2. ASSESSMENT IMPOSITION. Pursuant to Chapters 190 and 197, *Florida Statutes*, and using the procedures authorized by Florida law for the levy and collection of special assessments, a special assessment for operation and maintenance is hereby imposed and levied on benefitted lands within the District, and in accordance with **Exhibits “A” and “B.”** The lien of the special assessments for operations and maintenance imposed and levied by this Resolution shall be effective upon passage of this Resolution. Moreover, pursuant to Section 197.3632(4), *Florida Statutes*, the lien amount shall serve as the “maximum rate” authorized by law for operation and maintenance assessments.

SECTION 3. COLLECTION. The collection of the operation and maintenance special assessments and previously levied debt service assessments shall be at the same time and in the same manner as County taxes in accordance with the Uniform Method, as indicated on **Exhibits “A” and “B.”** The decision to collect special assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

SECTION 4. ASSESSMENT ROLL. The Assessment Roll, attached to this Resolution as **Exhibit “B,”** is hereby certified to the County Tax Collector and shall be collected by the

County Tax Collector in the same manner and time as County taxes. The proceeds therefrom shall be paid to the District.

SECTION 5. ASSESSMENT ROLL AMENDMENT. The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution, and shall amend the Assessment Roll in accordance with any such updates, for such time as authorized by Florida law, to the County property roll. After any amendment of the Assessment Roll, the District Manager shall file the updates in the District records.

SECTION 6. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board.

PASSED AND ADOPTED this 2nd day of August, 2018.

ATTEST:

**HERON ISLES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary / Assistant Secretary

By: _____

Its: _____

Exhibit A: Budget
Exhibit B: Assessment Roll

SEVENTH ORDER OF BUSINESS

A.

MCDIRMIT DAVIS

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

April 2, 2018

Board of Supervisors
Heron Isles Community Development District
475 West Town Place, Suite 114
St. Augustine, Florida 32092

The following represents our understanding of the services we will provide *Heron Isles Community Development District*.

You have requested that we audit the financial statements of the governmental activities and each major fund of *Heron Isles Community Development District*, as of September 30, 2017, and for the year then ended and the related notes to the financial statements, which collectively comprise *Heron Isles Community Development District's* basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit applicable to those basic financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis

Auditor Responsibilities

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing 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 basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic 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, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

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. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

MCDIRMIT DAVIS & COMPANY, LLC

934 N. MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and Government Auditing Standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic 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. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of *Heron Isles Community Development District's* compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- d. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by the entity's auditor;
- e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- f. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole; and
- g. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of the audit, we will assist preparation of your financial statements and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have accepted responsibility for them.

With respect to any nonattest services we perform, the District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities. *Government Auditing Standards* require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of the preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

Reporting

We will issue a written report upon completion of our audit of *Heron Isles Community Development District's* basic financial statements. Our report will be addressed to the governing body of *Heron Isles Community Development District*. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We expect to begin our audit in April 2018 and the audit reports and all corresponding reports will be issued no later than June 30, 2018.

Tammy Campbell is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising McDermitt Davis & Company, LLC's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fee for these services described in this letter will not exceed \$3,700 for the year ended September 30, 2017, inclusive of all costs and out-of-pocket expenses, unless the scope of the engagement is changed, the assistance that Heron Isles Community Development District has agreed to furnish is not provided, or unexpected conditions are encountered, in which case we will discuss the situation with you before proceeding.

Whenever possible, we will attempt to use Heron Isles Community Development District's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Public Records

Auditor shall, pursuant to and in accordance with Section 119.0701, Florida Statutes, comply with the public records laws of the State of Florida, and specifically shall:

- a. Keep and maintain public records required by the District to perform the services or work set forth in this Agreement; and
- b. Upon the request of the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law; and
- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Agreement if the Auditor does not transfer the records to the District; and
- d. Upon completion of the Agreement, transfer, at no cost to the District, all public records in possession of the Auditor or keep and maintain public records required by the District to perform the service or work provided for in this Agreement. If the Auditor transfers all public records to the District upon completion of the Agreement, the Auditor shall destroy any duplicate public records that are exempt or confidential and exempt from public disclosure requirements. If the Auditor keeps and maintains public records upon completion of the Agreement, the Auditor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.

Auditor acknowledges that any requests to inspect or copy public records relating to this Agreement must be made directly to the District pursuant to Section 119.0701(3), Florida Statutes. If notified by the District of a public records request for records not in the possession of the District but in possession of the Auditor, the Auditor shall provide such records to the District or allow the records to be inspected or copied within a reasonable time. Auditor acknowledges that should Auditor fail to provide the public records to the District within a reasonable time, Auditor may be subject to penalties pursuant to Section 119.10, Florida Statutes.

IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT/CONTRACT, THE AUDITOR MAY CONTACT THE CUSTODIAN OF PUBLIC RECORDS FOR THE DISTRICT AT:

GMS
5385 N. Nob Hill Road
Sunrise, Florida 33351
TELEPHONE: 954-721-8681
EMAIL: ppowers@gmssf.com

At the conclusion of our audit engagement, we will communicate to the Board of Supervisors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of McDirmit Davis & Company, LLC and constitutes confidential information. However, we may be requested to make certain audit documentation available to a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities, pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of McDirmit Davis & Company, LLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,



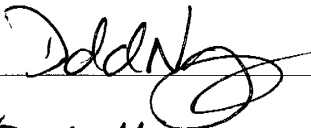
Tamara Campbell, CPA
McDermitt Davis & Company, LLC

RESPONSE:

This letter correctly sets forth our understanding.

Heron Isles Community Development District

Acknowledged and agreed on behalf of Heron Isles Community Development District by:



Title: District Manager

Date: 05/16/18

B.



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

May 16, 2018

David deNagy, District Manager
Governmental Management Services, LLC
475 West Town Place, Suite 114
St. Augustine, FL 32092

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit the financial statements of Heron Isles Community Development District, which comprise governmental activities, each major fund and the budgetary comparison for the General Fund as of and for the years ended September 30, 2018, 2019, and 2020 which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter for the years ending September 30, 2018, 2019, and 2020.

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

The Responsibilities of the Auditor

We will conduct the audit in accordance with auditing standards generally accepted in the United States of America and "Government Auditing 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 of 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. 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.

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Heron Isles Community Development District
May 16, 2018
Page 2

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with generally accepted auditing standards. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements. The determination of abuse is subjective; therefore, Government Auditing Standards do not expect us to provide reasonable assurance of detecting abuse.

In making our risk assessments, we consider internal control relevant to Heron Isles Community Development District'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. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the Board any fraud involving senior management and fraud that causes a material misstatement of the financial statements that becomes known to us during the audit, and any instances of noncompliance with laws and regulations that we become aware of during the audit.

The funds that you have told us are maintained by Heron Isles Community Development District and that are to be included as part of our audit are listed below:

1. General Fund
2. Debt Service Fund
3. Capital Projects Fund



Heron Isles Community Development District
May 16, 2018
Page 3

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that management acknowledges and understands that it has responsibility:

1. For the preparation and fair presentations of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not evaluate subsequent events earlier than the date of the management representation letter referred to below;
3. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
4. For establishing and maintaining effective internal control of financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge; and
5. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit, we will request certain written confirmation concerning representations made to us in connection with the audit including, among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this letter; and
2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.



Heron Isles Community Development District
May 16, 2018
Page 4

Management is responsible for identifying and ensuring that Heron Isles Community Development District complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud or abuse, and for informing us about all known or suspected fraud or abuse affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud or abuse could have a material effect on the financial statements or compliance. Management is also responsible for informing us of its knowledge of any allegations of fraud or abuse or suspected fraud or abuse affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others.

The Board is responsible for informing us of its views about the risks of fraud or abuse within the entity, and its knowledge of any fraud or abuse or suspected fraud or abuse affecting the entity.

Heron Isles Community Development District agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, Heron Isles Community Development District agrees to contact us before it includes our reports or otherwise makes reference to us, in any public or private securities offering.

Because Berger, Toombs, Elam, Gaines & Frank will rely on Heron Isles Community Development District and its management and Board of Supervisors to discharge the foregoing responsibilities, Heron Isles Community Development District holds harmless and releases Berger, Toombs, Elam, Gaines & Frank, its partners, and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a known misrepresentation by a member of Heron Isles Community Development District's management, which has caused, in any respect, Berger, Toombs, Elam, Gaines & Frank's breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

Heron Isles Community Development District's Records and Assistance

If circumstances arise relating to the condition of the Heron Isles Community Development District's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, issuing a report, or withdrawing from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Heron Isles Community Development District books and records. The District will determine that all such data, if necessary, will be so reflected. Accordingly, the District will not expect us to maintain copies of such records in our possession.



Heron Isles Community Development District
May 16, 2018
Page 5

Other Relevant Information

In accordance with Government Auditing Standards, a copy of our most recent peer review report has been provided to you, for your information.

Fees, Costs and Access to Workpapers

Our fees for the audit and accounting services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses. Invoices for fees will be submitted in sufficient detail to demonstrate compliance with the terms of this engagement. Billings are due upon submission. Our fee for the services described in this letter for the years ending September 30, 2018, 2019, and 2020 will not exceed \$3,250, unless the scope of the engagement is changed, the assistance which Heron Isles Community Development District has agreed to furnish is not provided, or unexpected conditions are encountered, in which case we will discuss the situation with you before proceeding. All other provisions of this letter will survive any fee adjustment. The two annual renewals must be mutually agreed and approved by the Board of Supervisors.

In the event we are requested or authorized by Heron Isles Community Development District or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for Heron Isles Community Development District, Heron Isles Community Development District will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

The documentation for this engagement is the property of Berger, Toombs, Elam, Gaines, & Frank. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of Berger, Toombs, Elam, Gaines, & Frank audit personnel and at a location designated by our Firm.

Reporting

We will issue a written report upon completion of our audit of Heron Isles Community Development District's financial statements. Our report will be addressed to the Board of Heron Isles Community Development District. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.



Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants P.C.

Heron Isles Community Development District
May 16, 2018
Page 6

In addition to our report on Heron Isles Community Development District's financial statements, we will also issue the following types of reports:

- Reports on internal control and compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any internal control findings and/or noncompliance which could have a material effect on the financial statements.

This letter constitutes the complete and exclusive statement of agreement between Berger, Toombs, Elam, Gaines, & Frank and Heron Isles Community Development District, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Sincerely,

*Berger Toombs Elam
Gaines & Frank*

BERGER, TOOMBS, ELAM, GAINES & FRANK
J. W. Gaines, CPA

Confirmed on behalf of the addressee:

Ddd Nj
May 23, 2018

**ADDENDUM TO ENGAGEMENT LETTER BETWEEN BERGER, TOOMBS,
ELAM, GAINES AND FRANK AND POINCIANA COMMUNITY
DEVELOPMENT DISTRICT
(DATED May 16, 2018)**

Public Records. Auditor shall, pursuant to and in accordance with Section 119.0701, Florida Statutes, comply with the public records laws of the State of Florida, and specifically shall:

- a. Keep and maintain public records required by the District to perform the services or work set forth in this Agreement; and
- b. Upon the request of the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law; and
- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Agreement if the Auditor does not transfer the records to the District; and
- d. Upon completion of the Agreement, transfer, at no cost to the District, all public records in possession of the Auditor or keep and maintain public records required by the District to perform the service or work provided for in this Agreement. If the Auditor transfers all public records to the District upon completion of the Agreement, the Auditor shall destroy any duplicate public records that are exempt or confidential and exempt from public disclosure requirements. If the Auditor keeps and maintains public records upon completion of the Agreement, the Auditor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.

Auditor acknowledges that any requests to inspect or copy public records relating to this Agreement must be made directly to the District pursuant to Section 119.0701(3), Florida Statutes. If notified by the District of a public records request for records not in the possession of the District but in possession of the Auditor, the Auditor shall provide such records to the District or allow the records to be inspected or copied within a reasonable time. Auditor acknowledges that should Auditor fail to provide the public records to the District within a reasonable time, Auditor may be subject to penalties pursuant to Section 119.10, Florida Statutes.

IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT/CONTRACT, THE AUDITOR MAY CONTACT THE CUSTODIAN OF PUBLIC RECORDS FOR THE DISTRICT AT:

GMS-NF, LLC
475 WEST TOWN PLACE, SUITE 114
ST. AUGUSTINE, FL 32092
TELEPHONE: 407-841-5524
EMAIL: GFLINT@GMSCFL.COM

Auditor: J.W. Gaines

By: 

Title: Director

Date: May 16, 2018

District: Heron Isles CDD

By: 

Title: District Mgr

Date: 05/23/18

EIGHTH ORDER OF BUSINESS



HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

FINANCIAL REPORT
Year Ended September 30, 2017

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

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Year Ended September 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Heron Isles Community Development District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the *Heron Isles Community Development District* (the "District"), as of and for the year ended September 30, 2017, and the related notes to the 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

The District's 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 Auditing 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 of 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 principles 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 opinions.

MCDIRMIT DAVIS & COMPANY, LLC

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Opinions

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 the District as of September 30, 2017, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance 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's discussion and analysis starting on page 3, 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 June 22, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 the District's internal control over financial reporting and compliance.

McDiarmid Davis & Company, LLC

Orlando, Florida
June 22, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the *Heron Isles Community Development District* (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2017. Please read it in conjunction with the District's Independent Auditor's Report, financial statements and accompanying notes.

This information is being presented to provide additional information regarding the activities of the District and to meet the disclosure requirements of Government Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999.

Financial Highlights

- The liabilities of the District exceeded its assets at September 30, 2017 by \$1,322,048, a decrease of \$237,508 in comparison with the prior year.
- At September 30, 2017, the District's governmental funds reported a combined fund balance of \$238,327, a decrease of \$228,151 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the *Heron Isles Community Development District's* financial statements. The District's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include general government and maintenance and operations related functions.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: Governmental Funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

Statement of Net Position - The District's net position was \$(1,322,048) at September 30, 2017. The following analysis focuses on the net position of the District's governmental activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-Wide Financial Analysis (Continued):

Heron Isles Community Development District Statement of Net Position

	September 30, 2017	September 30, 2016
Assets, excluding capital assets	\$ 252,121	\$ 479,940
Capital Assets, net of depreciation	1,590,327	1,664,211
Total assets	1,842,448	2,144,151
Liabilities, excluding long-term liabilities	44,019	88,691
Long-term Liabilities	3,120,477	3,140,000
Total liabilities	3,164,496	3,228,691
Net Position:		
Net investment in capital assets	(1,521,506)	(1,475,720)
Restricted for debt service	79,811	220,867
Unrestricted	119,647	170,313
Total net position	<u>\$ (1,322,048)</u>	<u>\$ (1,084,540)</u>

The following is a summary of the District's governmental activities for the fiscal years ended September 30, 2017 and 2016.

Changes in Net Position Year ended September 30,

	2017	2016
Revenues:		
Program revenues	\$ 610,557	\$ 627,849
General revenues	341	463
Total revenues	610,898	628,312
Expenses:		
General government	408,023	82,421
Maintenance and operations	263,608	248,021
Interest on long-term debt	176,775	186,731
Total expenses	848,406	517,173
Change in net position	(237,508)	111,139
Net position - beginning of year	(1,084,540)	(1,195,679)
Net position - ending	<u>\$ (1,322,048)</u>	<u>\$ (1,084,540)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2017 was \$848,406. The majority of these costs are comprised of general government expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2017, the District's governmental funds reported combined ending fund balances of \$238,327. Of this total, \$8,550 is nonspendable, \$6,711 is assigned and \$104,386 is unassigned and available for spending at the District's discretion. The remainder of the fund balance \$118,680 is restricted to indicate it has already been committed to pay debt service and capital project costs.

The fund balance of the general fund decreased \$32,686. The debt service fund balance decreased \$204,040 due to increased debt service payments. The capital projects fund increased \$8,575.

General Fund Budgetary Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. There was one amendment to the September 30, 2017 general fund budget. The legal level of budgetary control is at the fund level.

Capital Asset and Debt Administration

Capital Assets - At September 30, 2017, the District had \$1,590,327 invested in infrastructure, net of accumulated depreciation. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Capital Debt - At September 30, 2017, the District had \$3,165,000 in bonds outstanding. More detailed information about the District's capital debt is presented in the notes to the financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact the *Heron Isles Community Development District's* Finance Department at 475 West Town Place, Suite 114, St. Augustine, Florida 32092.

FINANCIAL STATEMENTS

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF NET POSITION

September 30, 2017

	Governmental Activities
Assets:	
Cash	\$ 16,386
Investments	108,049
Assessments receivable	905
Prepaid costs	7,500
Deposits	1,050
Restricted assets:	
Temporarily restricted investments	118,231
Capital assets:	
Capital assets not being depreciated	38,761
Capital assets being depreciated, net	1,551,566
Total assets	<u>1,842,448</u>
Liabilities:	
Accounts payable and accrued expenses	13,794
Accrued interest payable	30,225
Noncurrent liabilities:	
Due within one year	120,000
Due in more than one year	3,000,477
Total liabilities	<u>3,164,496</u>
Net Position:	
Net investment in capital assets	(1,521,506)
Restricted for debt service	79,811
Unrestricted	119,647
Total net position	<u>\$ (1,322,048)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF ACTIVITIES

Year Ended September 30, 2017

<u>Functions/Programs</u>	Program Revenue				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 408,023	\$ 161,419	\$ -	\$ -	\$ (246,604)
Maintenance and operations	263,608	104,287	-	-	(159,321)
Interest on long-term debt	176,775	344,390	458	3	168,076
Total governmental activities	<u>\$ 848,406</u>	<u>\$ 610,096</u>	<u>\$ 458</u>	<u>\$ 3</u>	<u>(237,849)</u>
General Revenues:					
Investment income					<u>341</u>
Change in net position					(237,508)
Net Position - beginning					<u>(1,084,540)</u>
Net Position - ending					<u>\$ (1,322,048)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets:				
Cash	\$ 16,386	\$ -	\$ -	\$ 16,386
Investments	108,049	109,587	8,644	226,280
Assessments receivable	457	448	-	905
Prepaid costs	7,500	-	-	7,500
Due from other funds	-	1	-	1
Deposits	1,050	-	-	1,050
Total assets	<u>\$ 133,442</u>	<u>\$ 110,036</u>	<u>\$ 8,644</u>	<u>\$ 252,122</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	\$ 13,794	\$ -	\$ -	\$ 13,794
Due to other funds	1	-	-	1
Total liabilities	<u>13,795</u>	<u>-</u>	<u>-</u>	<u>13,795</u>
Fund Balances:				
Nonspendable	8,550	-	-	8,550
Restricted for:				
Debt service	-	110,036	-	110,036
Capital projects	-	-	8,644	8,644
Assigned:				
Subsequent years' expenditures	6,711	-	-	6,711
Unassigned	104,386	-	-	104,386
Total fund balances	<u>119,647</u>	<u>110,036</u>	<u>8,644</u>	<u>238,327</u>
Total liabilities and fund balances	<u>\$ 133,442</u>	<u>\$ 110,036</u>	<u>\$ 8,644</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 1,590,327

Liabilities not due and payable from current available resources are not reported in governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.

Accrued interest payable	(30,225)	
Bonds payable	<u>(3,120,477)</u>	<u>(3,150,702)</u>
Net Position of Governmental Activities		<u><u>\$ (1,322,048)</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended September 30, 2017

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Special assessments	\$ 265,706	\$ 267,862	\$ -	\$ 533,568
Assessments-Prepayments	-	76,528	-	76,528
Investment income	341	458	3	802
Total revenues	266,047	344,848	3	610,898
Expenditures:				
Current:				
General government	111,579	-	296,444	408,023
Maintenance and operations	189,724	-	-	189,724
Debt service:				
Interest	-	221,385	-	221,385
Principal	-	3,140,000	-	3,140,000
Total expenditures	301,303	3,361,385	296,444	3,959,132
Excess (Deficit) of Revenues Over Expenditures	(35,256)	(3,016,537)	(296,441)	(3,348,234)
Other Financing Sources (Uses):				
Refunding Bonds issued	-	2,814,998	350,002	3,165,000
Discount on Refunding bonds issued	-	-	(44,917)	(44,917)
Transfers in	2,570	69	-	2,639
Transfers out	-	(2,570)	(69)	(2,639)
Total other financing sources (uses)	2,570	2,812,497	305,016	3,120,083
Net change in fund balances	(32,686)	(204,040)	8,575	(228,151)
Fund Balances - beginning of year	152,333	314,076	69	466,478
Fund Balances - end of year	\$ 119,647	\$ 110,036	\$ 8,644	\$ 238,327

The accompanying Notes to Financial Statements are an integral part of this statement.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

Year Ended September 30, 2017

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

Net Change in Fund Balances - total governmental funds (page 10)	\$ (228,151)
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Depreciation on Capital Assets is not recognized in the Governmental Fund Statement; however, it is reported as an expense in the Statement of Activities.	(73,884)
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Repayments of long-term liabilities are reported as expenditures in Governmental Funds, while repayments reduce long-term liabilities in the Statement of Net Position.	3,140,000
---	-----------

The issuance of bonds provide current financial resources to Governmental Funds, but does not have any effect on government wide activities.

Bonds payable issued	(3,165,000)	
Discount on bonds payable	44,917	
	<hr/>	(3,120,083)

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

Change in accrued interest	45,004	
Amortization of Bond discount	(394)	
	<hr/>	\$ 44,610

Change in Net Position of Governmental Activities (page 8)	<hr/> <hr/>	\$ (237,508)
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The accompanying Notes to Financial Statements are an integral part of this statement.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 259,163	\$ 265,250	\$ 265,706	\$ 456
Investment Income	-	341	341	-
Total revenues	259,163	265,591	266,047	456
Expenditures:				
Current:				
General government	94,164	112,043	111,579	464
Operation and maintenance	175,421	193,951	189,724	4,227
Total expenditures	269,585	305,994	301,303	4,691
Excess (Deficit) of Revenues Over Expenditures	(10,422)	(40,403)	(35,256)	5,147
Other Financing Sources (Uses):				
Transfers In	3,055	2,570	2,570	-
Net change in fund balance	(7,367)	(37,833)	(32,686)	5,147
Fund Balance - beginning	152,333	152,333	152,333	-
Fund Balance - ending	<u>\$ 144,966</u>	<u>\$ 114,500</u>	<u>\$ 119,647</u>	<u>\$ 5,147</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2017

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

The *Heron Isles Community Development District*, (the "District") was established by Nassau County Ordinance 2004-41 enacted on September 1, 2004 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and the power to levy and collect non-ad valorem assessments for the financing and delivery of capital infrastructure. The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors (the "Board"), which is composed of five members. At present, the Supervisors are elected on an at large basis by the owners of the property within the District. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. Heron Isles Joint Venture, LLP (the "Developer") owns a significant portion of the land within the District. At September 30, 2017, one Board of Supervisor was associated with the Developer. The District is economically dependent on the Developer.

The Board has the final responsibility for, among other things:

1. Allocating and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement 14, 39 and 61. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued):

Government-Wide and Fund Financial Statements

The financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants, contributions and investment income that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) operating-type special assessments that are treated as charges for services (including assessments for maintenance and debt service). Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified *accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough 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 are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures are recorded only when payment is due.

Assessments, including debt service assessments and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. Operation and maintenance assessments are levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. These assessments are imposed upon all benefited lands located in the District. Debt service special assessments are imposed upon certain lots and lands as described in each resolution imposing the special assessment for each series of bonds issued by the District. Certain debt service assessments are collected upon the closing of those lots subject to short term debt and are used to prepay a portion of the bonds outstanding.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued):

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued):

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

Debt Service Fund - accounts for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund - accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Restricted Assets - These assets represent cash and investments set aside pursuant to bond covenants.

Deposits and Investments - The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

Investments of the District are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The District's investments consist of investments authorized in accordance with Section 218.415, Florida Statutes.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued):

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued):

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., utilities system, stormwater system, landscaping and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Stormwater System	30
Roadways and Other	30

Long Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued):

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued):

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2017.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2017.

Net Position Flow Assumption - Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted- net position and unrestricted- net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions - Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies - Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes fund balance amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the government that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken to remove or revise the limitation.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued):

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued):

Fund Balance Policies (Continued):

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has authorized the District Manager to assign amounts for specific purposes. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above and additional action is essential to either remove or revise a commitment.

Other Disclosures

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Stewardship, Compliance and Accountability:

Budgetary Information

The District is required to establish a budgetary system and an approved annual budget for the General Fund. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at the fiscal year end. The legal level of budgetary control is at the fund level. Any budget amendments that increase the aggregate budgeted appropriations, at the fund level, must be approved by the Board of Supervisors.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Each year the District Manager submits to the District Board proposed budgets for the fiscal year commencing the following October 1.
2. A public hearing is conducted to obtain public comments.
3. Prior to October 1, the budget is legally adopted by the District Board.
4. Subject to certain limited exceptions set forth in the District's appropriation resolutions adopted each year, all budget changes must be approved by the District Board.
5. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 3 - Deposits and Investments:

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The District categorizes its fair value measurements within the fair value hierarchy 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.

Under GASB 72, assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted prices 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 uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

The District has the following recurring fair value measurements as of September 30, 2017:

- Money market mutual funds of \$266,079 are valued using Level 2 inputs.

The District's investment policy is governed by State Statutes and the District Trust Indenture. This policy allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the Florida Statutes. Authorized investments are:

1. The State Board of Administration Local Government Investment Pool (SBA);
2. Securities and Exchange Commission Registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency;
3. Interest-bearing savings accounts and certificates of deposit in state-certified qualified public depositories;
4. Direct obligations of the U.S. Treasury.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 3 - Deposits and Investments (Continued):

Investments (Continued):

The SBA is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7-like fund for the Florida Prime Fund. Therefore, the pool account balance can be used as fair value for financial reporting.

Investments made by the District at September 30, 2017 are summarized below.

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
U.S. Bank Money Market Funds	\$ 266,079	AAAm	N/A
Local Government Investment Pool:			
Florida Prime	201	AAAm	51 days
	<u>\$ 266,280</u>		

Credit Risk:

The District's investment policy limits credit risk by restricting authorized investments to those described. Investments in U.S. Government securities and agencies must be backed by the full faith and credit of the United States Government. Short term bond funds shall be rated by a nationally recognized ratings agency and shall maintain the highest credit quality rating.

Custodial Credit Risk:

In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2017, all of the District's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2017, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

The District's investment policy does not specify limits on the amount the District may invest in any one issuer.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 3 - Deposits and Investments (Continued):

Investments (Continued):

Interest Rate Risk:

The District's investment policy does not specifically address interest rate risk; however, the general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of less than three months.

Note 4 - Interfund Transfers:

During 2017, \$2,570 was transferred from the debt service fund into the general fund, as per the bond indenture. \$69 was transferred from the capital projects fund to the debt service fund.

Note 5 - Capital Assets:

Capital asset activity for the year ended September 30, 2017 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land and land improvements	\$ 38,761	\$ -	\$ -	\$ 38,761
Total capital assets, not being depreciated	38,761	-	-	38,761
Capital Assets Being Depreciated:				
Infrastructure-Stormwater management	585,036	-	-	585,036
Infrastructure-roadways and other	1,631,486	-	-	1,631,486
Total capital assets, being depreciated	2,216,522	-	-	2,216,522
Less Accumulated Depreciation for:				
Infrastructure-stormwater management	(156,008)	(19,501)	-	(175,509)
Infrastructure-roadways and other	(435,064)	(54,383)	-	(489,447)
Total accumulated depreciation	(591,072)	(73,884)	-	(664,956)
Total capital assets being depreciated, net	1,625,450	(73,884)	-	1,551,566
Governmental activities capital assets, net	<u>\$ 1,664,211</u>	<u>\$ (73,884)</u>	<u>\$ -</u>	<u>\$ 1,590,327</u>

Depreciation expense for 2017 in the amount of \$73,884 was charged to maintenance and operations. District improvements are complete.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 6 - Long-Term Liabilities:

Capital Improvement Revenue Bonds Series 2005

On January, 2005, the District issued \$4,935,000 of Capital Improvement Revenue Bonds, Series 2005 due on May 1, 2036 with a fixed interest rate of 5.75%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the property within the District. Interest is paid semiannually on each May 1 and November 1. Principal is payable annually commencing May 1, 2007 through May 1, 2036.

The Series 2005 Bonds are subject to redemption at the option of the District, in whole or in part at a redemption price set forth in the Bond Indenture. The Series 2005 Bonds are subject to optional and extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirement as defined in the Indenture. This requirement has been met at September 30, 2017.

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 agreed to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. Payment of principal and interest on the 2005 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is in compliance with the requirements of the Bond Indenture.

The Series 2005 Capital Improvement Revenue Bonds were refunded during 2017 with the issuance of Capital Improvement Revenue Refunding Bonds, Series 2017A-1 and Series 2017A-2. For the year ended September 30, 2017 principal and interest paid was \$3,361,385. Total special assessment revenue pledged for the year was \$326,725.

Refunding of Bonds Payable

The District issued Capital Improvement Refunding Revenue Bonds, Series 2017 to refund the Series 2005 Bonds, provide additional funding for capital improvements, and finance certain issuance costs. The refunding was undertaken to reduce total future debt service payments. This transaction resulted in an economic gain of \$ 212,106 and a reduction of \$589,458 in future debt service payments.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 6 - Long-Term Liabilities (Continued):

Capital Improvement Revenue Refunding Bonds Series 2017

In June 2017, the District issued \$3,165,000 of Capital Improvement Revenue Refunding Bonds Series 2017, consisting of \$1,195,000 Series 2017A-1 Serial Bonds due on May 1, 2028 with interest rates of 2.00% to 2.75%; \$390,000 Series 2017A-1 Term Bonds due May 1, 2036 with interest of 3.125%; \$730,000 Series 2017A-1 Term Bonds due May 1, 2036 with interest of 3.375% and \$850,000 Series 2017A-2 Bonds due on May 1, 2036 with interest rates of 5.00%. The Bonds were issued to refund the Series 2005 Capital Improvement Revenue Bonds.

Interest is to be paid semiannually on each May 1 and November 1. Principal on the Series 2017 Bonds is to be paid annually commencing November 1, 2017 through May 1, 2036.

The Series 2017 Bond is subject to redemption at the option of the District, in whole or in part at any time on or after May 1, 2036 at a redemption price as set forth in the Bond Indenture. The Series 2017 Bond is subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occur as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other 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. The District is in compliance with those requirements of the Bond Indenture at September 30, 2017. In addition, the District has purchased bond insurance to meet the reserve requirement.

Total principal and interest remaining on the Series 2017 Bonds as of September 30, 2017 is \$4,392,980. There was no principal or interest paid for the year ended September 30, 2017. Total special assessment revenue pledged for the year was \$17,665.

Long-term debt activity for the year ended September 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds Payable:					
Series 2005	\$ 3,140,000	\$ -	\$ (3,140,000)	\$ -	\$ -
Series 2017	-	3,165,000	-	3,165,000	120,000
less discount	-	(44,917)	394	(44,523)	-
Governmental activity long-term liabilities	<u>\$ 3,140,000</u>	<u>\$ 3,120,083</u>	<u>\$ (3,139,606)</u>	<u>\$ 3,120,477</u>	<u>\$ 120,000</u>

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 6 - Long-Term Liabilities (Continued):

At September 30, 2017, the scheduled debt service requirements on the bonds payable were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 120,000	\$ 89,348
2019	130,000	103,006
2020	130,000	99,506
2021	135,000	96,006
2022	140,000	92,406
2023 - 2027	765,000	399,969
2028 - 2032	905,000	265,364
2033 - 2036	840,000	82,375
	<u>\$ 3,165,000</u>	<u>\$ 1,227,980</u>

Note 7 - Related Party Transaction:

Assessments from Developer

The Developer owns a portion of land within the District; therefore, assessment revenue in the general and debt service funds include the assessments levied on those lots owned by the Developer. The Developer's portion of special assessment revenue for the year ended September 30, 2017 totaled \$151,895 which is 25% of total special assessment revenue.

Concentrations

A significant portion of the District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

Note 8 - Management Company:

The District has contracted with a management company to perform management advisory services, which include financial advisory and accounting services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting and other administrative costs.

Note 9 - 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. These risks are covered by commercial insurance from independent third parties. The District has not filed any claims under this commercial coverage during the last three years.

COMPLIANCE SECTION

**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
Heron Isles Community Development District

We have audited, in accordance with 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 the governmental activities and each major fund of the *Heron Isles Community Development District* (the "District") as of and for the year ended September 30, 2017, which collectively comprise the District's financial statements and have issued our report thereon dated June 22, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MCDIRMIT DAVIS & COMPANY, LLC
934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McDiarmid Davis & Company, LLC

Orlando, Florida
June 22, 2018

MANAGEMENT COMMENTS

Board of Supervisors
Heron Isles Community Development District

Report on the Financial Statements

We have audited the financial statements of the *Heron Isles Community Development District* (the "District"), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated June 22, 2018.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated June 22, 2018, 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 annual financial audit report. There were no such findings in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

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Financial Condition and Management

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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 the District. It is management's responsibility to monitor the *District's* financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

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 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.

McDiarmitt Davis & Company, LLC

Orlando, Florida
June 22, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Heron Isles Community Development District

We have examined *Heron Isles Community Development District's* (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2017. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on 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 the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States*, and, accordingly, included examining, on a test basis, evidence about the 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 the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

McDirmit Davis & Company, LLC

Orlando, Florida
June 22, 2018

MCDIRMIT DAVIS & COMPANY, LLC
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To the Board of Supervisors
Heron Isles Community Development District

We have audited the financial statements of Heron Isles Community Development District (the "District") as of and for the year ended September 30, 2017, and have issued our report thereon dated June 22, 2018. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 2, 2018, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year ended September 30, 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of depreciation is based on the estimated useful lives of the capital assets. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that were identified as a result of our audit procedures were brought to the attention of and corrected by management: An adjustment in the amount of \$81,258 to remove financial guarantee of bond insurance from miscellaneous income and investment asset accounts.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated June 22, 2018.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report is intended solely for the information and use of the Board and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

McDiarmid Davis & Company, LLC

Orlando, Florida
June 22, 2018.

Heron Isles

Community Development District

5385 N Nob Hill Road, Sunrise, Florida 33351 ~ Phone: (954) 721-8681 ~ Fax: (954) 721-9202

June 22, 2018

McDermitt Davis & Company, LLC
934 North Magnolia Ave., Suite 100
Orlando, FL 32803

This representation letter is provided in connection with your audit of the governmental activities and each major fund of Heron Isles Community Development District as of September 30, 2017 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, and results of operations of the various opinion units of Heron Isles Community Development District in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of June 22, 2018.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated April 2, 2018 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- We have reviewed capital assets and infrastructure for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment, if necessary.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.

- There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Heron Isles Community Development District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Heron Isles Community Development District is contingently liable.
- WE have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70. *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the District will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year.

Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Heron Isles Community Development District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Signed: _____

Title: _____

[Signature]

Asst. Treasurer

Signed: _____

Title: _____

[Signature]

*Secr. Tang
Dane de Nagy*

NINTH ORDER OF BUSINESS

MINUTES OF MEETING
HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Heron Isles Community Development District was held on Thursday, May 3, 2018 at 10:30 a.m. at the Compass Group Conference Room, 961687 Gateway Blvd., Suite 201M, Amelia Island, Florida.

Present and constituting a quorum were:

Ricky Rowell	Chairman
Don Lyons	Vice Chairman
Kathleen Blessing	Supervisor
Robert Martyn	Supervisor

Also present were:

Dave deNagy	District Manager
Jason Walters	District Counsel
Cheryl Graham	LeLand Management
Ernesto Torres	GMS
Sete Zare	MBS Capital Markets

FIRST ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 10:36 a.m.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

**Presentation from MBS Capital Markets,
LLC on Funding Options**

Mr. deNagy stated we are still in the process of working through our amenity improvements and funding. Ms. Sete Zare provided the board with an update regarding the bond funding.

Ms. Zare stated AGM in the bond insurer for the Series 2017 bonds that we closed on last year. This vision limited us to issue no more than \$1 million. We have since had conversations

with AGM, and they are comfortable extending that threshold to \$3 million, and they have offered to insure the proposed Series 2018 bonds. It is overall a win-win for the District.

Mr. deNagy stated we had talked about financing and how much this may cost. The estimate was \$1,750,000 with approximately \$1.5 or \$1.6 of that being actual construction funds for the building at the Amenity Center plus the pool. We have not gotten anything yet from Jim Lucas (District Engineer) other than his ideas on those costs. At the last meeting the board approved moving forward with architectural services to get a conceptual idea of what the building will look like. There is a cost involved with those services, which we don't have in place yet. Joe with Genesis Architectural has submitted proposals, but we have not moved forward on that until we are certain we are going to move forward with our funding. If we want him to move forward, and we don't issue bonds, the funds will have to come out of the General Fund from the District. We have asked Joe to sit on the sidelines until we talk some more about financing the improvements. He provided two estimates. One was \$19,500, which would have provided some 3D graphics showing what the Amenity Center would look like. There is a lesser bid of \$12,500 that would provide sketches but nothing elaborate. He was already put some work into these drawings.

Mr. Lyons asked if another company was bidding on this besides Genesis?

Mr. deNagy responded no, we are done looking for bids from architectural services. We only got the one bid from Genesis. The Engineer needs to give us a cost estimate that we can use to support issuing bonds. Part of that cost would be the architect. Once we have all those in place, we move forward working with both the Engineer and the Architect.

Mr. Lyons stated so if we say we want the \$12,000 version, then we are going to have to talk to Sete about how to get that out without taking up the rest of it right now, is that correct?

Mr. Walters responded the \$12,000 would essentially give us that concept we can look at and say okay, this is approximately what we will be looking at in terms of the facility. The rub is in normal financing, a lot of times the Amenity Center is included in initial costs of roads, water, sewer, etc. In this case, we are doing it as a second issuance, so the rub is all these costs will be paid out of bond proceeds, but that assumes we move forward. We didn't want to put the District in the position of having to pay \$20,000 to \$40,000 for all the design before we were at least comfortable enough that we wanted to proceed. If you spend \$20,000 for all the renderings and decide you don't want to move forward with it, the cost will be paid out of the District's funds.

The process moving forward would be if the board is comfortable, we would authorize that work to be done knowing that if we don't move forward, we are going to have to pay for that. It at least gets us to that point of seeing the concept.

Mr. Lyons stated I see this as a Catch 22 because we wanted to go to the residents and find out what they thought once we had a bid. We can't get that without spending \$12,000 basically obligating us at least for that before going to the residents. I'm not too happy about that.

Ms. Blessing stated I think we should go to the residents and give them an estimate. They will have to understand it could be a little more or a little less. We let them voice their opinion and not spend \$20,000 until we know what we are going to do.

Mr. Rowell stated the residents are going to want to see what they are getting. So if we get the consensus that yes, this is something they want to do, then that is something we can look at. Are we dealing with time restraints here?

Mr. Walters responded I don't think we are looking at time restraints. The reality is we have operated several years without a facility, and the board can take as much time as it likes. I don't know how long AGM is limiting their commitment to increase the threshold and to insure to a certain time period.

Ms. Zare responded I don't think there is a limit on the consent for the \$3 million. There might be timing for AGM on the premiums they are providing for the Series 2018 bonds.

Mr. Rowell stated I think our next step at this time is to poll a vote from the residents.

Mr. Lyons stated I agree, and I think we should tell them that we are looking in the neighborhood of \$2 million, and that should include the fees we are going to be paying to get the architectural designs and give them a ballpark figure based on that on how it is going to affect their yearly payments and see what they think. Unfortunately we are not going to have a design to give them to see what they think about that.

Mr. Walters stated I think we can give cost estimates. We know if we issue "X" amount, that will be "X" amount per year. We could estimate Operations on changes based on service levels. It would be up to the board to decide level of service. Based on the information we have gotten from the Engineer and the Architect to date that generally we are looking at these types of facilities. For example, a pool of approximately "X" size, a building of approximately "X" size with restroom facilities and parking – the basics of what we are thinking about.

Mr. Lyons stated the county controls the minimum size of that pool based on the number of residents we have, so we can put that in there. We can describe what amenities we are looking at along with additional parking that we are planning on.

Mr. deNagy stated it is also good for the residents when we add an amenity like this, it does help the values of the homes in the neighborhoods.

Ms. Blessing stated maybe you could call a pool service and get an idea of how much a yearly contract would be.

Mr. deNagy stated when we get into the budget, I have it already in the budget, so I will talk about that. They are just estimates, but I wanted to build in some operating costs for the pool in anticipation of that maybe being online in FY19. If we don't do it, we can pull it out of the budget.

Mr. Rowell asked do we need a motion to move forward?

Mr. Walters responded I guess the thought is we want to put together a survey with as much accurate and detailed information that we can. The question is how do we frame this. The survey will get feedback. You are never going to get 100% of the people that say do anything. In the past what we have done that has been valuable is to get as much information and as detailed information as possible to solicit feedback. It would be informational – not a vote. Encourage the residents to reach out to the supervisors and attend the next meeting.

Mr. Lyons stated we can put in an envelope with a return letter with the residents checking off what they want and have them send that back to us.

Mr. deNagy stated we can do that. The last set of notices we went out cost \$2,000 and will be higher if we have them return the survey postage paid. That cost can be covered if you want to. What I would recommend at this point, Jason, is to draft up a survey. We need to authorize one of the board members to sign off on it before it is sent out. We would look for a pretty quick turn-around on it. I would expect we would want to meet sometime before our next meeting, which is August 2. I would like to get the survey out and results back in about a month or six weeks. We can then talk about having another meeting to see how we want to move forward.

Ms. Blessing asked is there some way we can do it online plus? In that letter, you can either go online or mail back.

Mr. deNagy stated the CDD doesn't have the capability right now. We would have to set that up. I don't know if the HOA has that capability to do surveys. I would prefer just the mail myself.

Mr. Walters stated we might could at least put the document of the survey on the website.

Mr. deNagy stated we could do that.

Mr. Walters stated it is one of those things where we could put it out in as many ways possible. Government doesn't tend to fall in people's laps. You are going to have to be involved and make that effort. The people that make the effort are the ones that are most concerned in the first place.

Mr. Martyn asked this will go to the property owner and not the resident?

Mr. deNagy responded correct, the property owner. Whoever we have on the tax roll. If you are okay with that, I need a motion to assign one of the board members to sign off on the survey.

On MOTION by Mr. Lyons seconded by Mr. Rowell with all in favor to have Chairman Rowell review and approve draft survey was approved.

Mr. deNagy stated in the agenda package is an updated engagement letter with MBS Capital Markets. I believe it is updating the year in the agreement.

Ms. Zare confirmed the updates of changing dates to 2018 from 2017.

Mr. deNagy stated the engagement with MBS is contingent upon issuing bonds. Nothing is owed to MBS until bonds are issued. It is updating the year of the bond issuance from 2017 to 2018.

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor the MBS Capital Market engagement letter to acquire and/or construct Series 2018 Bonds was approved.

Chairman Rowell opened up the meeting for audience questions.

A resident stated the biggest concern I have is that based on location, it is different from every other community where you have to drive into the community to get to a pool. Heron Isles is a major cut-through for everybody going from Blackrock and Chester both ways, therefore, the

pool is going to be easily visible and tempting to people who are not residents of the community. Besides the liability of non-residents being there, it is a menace. I have a lot of concern about how it is going to be set up with enough security provisions and restricted access to the facility to make sure to the greatest extent possible that we are not going to be exposed. What are we going to do? Personally, if we are going to have one, I am not opposed to it totally, but I am not in favor at this point because of the liability issues. I would want to see at a minimum at least a two-tier system where you have to have around the parking area restricted access and a second restricted access to get into the building. Will it be staffed on a regular basis? There are lifeguards, which is a cost factor. My main concern is limiting access to the facility to the people who should be there.

Mr. Lyons stated when we talked to the representative for the Genesis Group about the pool, we stated the same concerns. We are very concerned about security. I would rather have that pool placed somewhere else deep inside our complex, but we just don't have a place for it. That is where we are stuck. If we could clear some of that wetland and make a place for it, that would be great, but I don't think we can do that. We talked about expanding the parking lot all the way down the road from the first park to the second park plus cutting in to the pool for added parking in there. We are trying to maximize the parking that would be available. For security, we have talked about adding cameras, and we have asked that company to come up with some ideas for security for us to consider. Right now, that is all we can do.

Mr. Walters stated as a local government, we have sovereign immunity from tort lawsuits, which limits the damage. We also have our liability insurance. The exposure is going to be limited by those two factors. I can think of one other District that I work with around the state that doesn't have a pool. All the large communities, they all have these amenity facilities, and some of them are on major thoroughfares. We do want to limit those access things, and by State code, you have to have a lot of security around a facility like this. Whatever they design is going to have a lot of security built in. When you open a facility, you are going to assume some risk, but it is not a risk that has not been taken on by a lot of communities before you. In 12 years of doing this at several facilities around the state, I have not personally experienced a drowning at any facility. There have been accidents, and there have been lawsuits for sure, but we are covered by insurance.

Mr. Daemon Barnes stated it seems like you are putting the cart before the horse considering you can't even maintain the amenities that you already have in place. I have been in this community for three months, and I see a pavilion at the first playground that is literally falling down on itself. That concerns me by itself. You also have the bathroom issue that is completely destroyed by people that are probably just sitting up there in the parking lot. It doesn't seem like you have quite thought it through concerning you can't maintain what is already in place.

Mr. deNagy responded one of the things to address that, and we have talked about this, Cheryl and I, we have had continued problems at the bathroom facilities there. The security measures that we are going to build into this pool I will recommend to the board that we expand and include for those facilities. We need to lock down better what security we have up there, which at this point is a couple of cameras and a DVR. There are other measures we can take that are a lot more effective.

Mr. Lyons stated Genesis Group suggested modifying that Pavilion by either tearing it down or using that as a gateway. Something has to be done with it. That is taken into consideration. Exactly how we are going to handle that I don't know.

Mr. Barnes stated I think you would want to address your current problems before moving onto other very bigger endeavors.

Mr. Lyons stated our HOA has been talking with contractors to evaluate that building, and there has been work done on it, so it is not something that we are ignoring.

Mr. Sedrick Rivers stated he is retired from the Aviation Authority as Chief of Public Safety and Security. I am a resident of Heron Isles, and I have my own consulting company, but this is not a pitch. I want to make my community safer, so I have walked around and seen some things that put not only the board but also some residents at risk. I will be willing to sit on whatever panel you have to help you with the security component. Ms. Graham and I have had a couple of conversations about this and what needs to be done as far as access control. He provided some statistics and information about technology available.

Mr. deNagy encouraged Mr. Rivers to reach out to the board members regarding ideas he might have.

Mr. Greg Watson stated this area that did not have a pool was the draw for me. If we had wanted a pool, we should have had a pool put in at the very beginning, not 15 years down the line. If you want to be a pool community, you should have thought about it back then.

Ms. Jennifer O'Dell asked is there any way to restrict access on Heron Isles Parkway? Maybe it is gated at each end, and you can only get to the pool complex through Heron Isles Parkway rather than from the main Chester Road.

Mr. Walters responded you couldn't put a gate in on a major thoroughfare like that. The County wouldn't permit it. The road has to remain a public and open road. I also want to comment that if you move forward with the financing, the repairs and/or replacement of the pavilion could be included.

FOURTH ORDER OF BUSINESS

Update of Design Options for Construction Project and Discussion of Community Workshop

This agenda item was not addressed.

FIFTH ORDER OF BUSINESS

Consideration of Proposals for FY19

A. Landscape Maintenance

Ms. Graham stated Martex Landscape has been the contractor for landscape for the past two years. They are a big contractor here in the area, but there has been a lot of disappointment. We thought it was necessary to bid it out and get some other proposals from other landscape contractors. Proposals were received from Brightview Landscape Services, TrimAll Lawn Service, and Yellowstone Landscaping Services. I also put in Martex, and the comparison work sheet gives you the cost of each at a glance. Brightview is a total of \$90,000, and they have incorporated the pine straw automatically. Ms. Graham reviewed the items they would include in their price. TrimAll Lawn Services is at \$79,317. Yellowstone's price is \$72,820. Martex's price is \$64,233.

Mr. Rowell stated in my opinion, going from \$65,000 to \$90,000 is a big jump. The board holds the power to cancel our contract at any time, so I think we hold their feet to the fire and they do the job or we fire them and then deal with it at that time.

Ms. Graham responded that's fine. I just didn't want you to think we weren't noticing the issues and wanted to give you those options to consider.

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor the landscape proposal from Martex in the amount of \$64,233.45 was approved.

B. Lake Maintenance

Ms. Graham stated Lake Doctors has been providing your aquatic maintenance for the ponds. They have done a really good job for the past several years. They submitted their agreement for the next fiscal year for \$1,075 per month, which is no increase.

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor the proposal from Lake Doctors in the amount of \$12,900 for FY19 was approved.

C. Janitorial

Ms. Graham stated All Repairs and Maintenance have provided the janitorial services in the restroom plus monthly cleaning of the debris in all the ponds. Total cost is \$1,220 per month. No price increase for this year.

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor the proposal from All Repairs and Maintenance for janitorial services in the amount of \$14,400 for FY19 was approved.

Mr. deNagy asked Ms. Graham if she had anything else.

Ms. Graham responded I have an estimate provided by Shorebreak to repair restrooms and storage. The last time restroom facilities were repairs, two weeks later it was torn up again. It continues on. At the last meeting it was requested being able to lock the doors so we control the activity. Shorebreak's price to repair the men's restroom is \$2,891.97.

Mr. deNagy asked if the doors were locked at night.

Ms. Graham responded they are not. I had spoken with a contractor, and we would have to change out the doorways because the men's door doesn't even close all the way completely. It

can be under an electronic system where it can be programmed to close at a specific time and opened at a specific time.

Ms. Blessing asked that after the work is completed that locks are put on the door.

Ms. Graham stated she will get quotes on an electronic locking system and get them out.

Mr. deNagy stated we can have the board authorize one of the board members to move forward on this so we don't have to wait until the next meeting.

On MOTION by Mr. Lyons seconded by Mr. Rowell with all in favor for Shorebreak to perform repairs to bathroom and storage area in the amount of \$2,891.97 was approved.

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor to authorize Supervisor Kathy Blessing to review and approve a proposal for door improvement and lock system on the bathrooms was approved.

Mr. deNagy asked Ms. Graham to send proposals to him and Supervisor Blessing.

Ms. Graham provided an update on the big pavilion. Caution tape was put on it, and it is torn down. The columns are sound, but everything above the columns especially the wooden beams, are bad. I have met with roofers to confirm the problem is with the beams up. Contractors have said they will get proposals to her. They will keep the open beam design and change out the metal roofing. Instead of having the opening at the top, just make it a hip roof where it stays closed. I will get the information to you. I have been in meetings with six different contractors so far. They are interested, but I can't seem to get them in writing. Regarding the mailbox kiosk, I am speaking with Mr. Vickers trying to come up with the right look around the mailboxes. I thought if we had a small little pavilion in the same design as what we have in the current pavilion with little four columns and a little metal roof lower and smaller in scale, it would look good because it would go with the theme of the community. I wanted to put this before the board for consideration. If it is something you might be interested in, Mr. Vickers could design it and engineer it. His proposal for drafting that is \$2,400, and that is for the design and engineering of it. You can do something more basic and just put the same kind of metal roof on it.

Mr. Lyons stated it is going to be low to the ground. It has to cover the mailboxes, so teenagers are going to get up there. If you put shingles, they will tear them up. Metal will give them more of a problem at least.

Mr. deNagy stated to Ms. Graham if there is not an immediate need for this, that is something we can ask the Engineer to build into the amenity improvements we are talking about. Right now, I have to tell the board we don't have the money for that.

Mr. Rowell stated we actually already voted for that didn't we?

Mr. deNagy responded we voted for \$2,000.

Ms. Graham gave an update on message boards. They are in place and in the new section off of Chester Road, one by the mailbox kiosk, and one by the restrooms. We are putting a new door on the one by the restroom. Ms. Graham continued. In speaking with owners and comments I get from homeowners, Commodore Point continues to be a fairway for vehicles speeding through the community. Owners are asking for speed bumps or consideration of that to slow the vehicles down.

Mr. Lyons stated we have talked about those before, and there was quite a bit of cost on those. I have seen some in other neighborhoods that are made of plastic and have stakes going through them to nail them down. They look to be very effective. I don't know if they would be cheaper than building the asphalt ones, but I think it is something we should look at.

Mr. Walters stated we don't have the authority by statute to regulate traffic, and speed bumps are a traffic control, so the County would have to be involved with that. Each county does it different. With St. John's county, they required a survey asking all the residents if they want speed bumps, and it has to meet a certain threshold. I think it got defeated by like 90%. Nobody likes speed bumps. They like people to slow down, but they hate speed bumps. We can talk to the County and see what is involved with that before we start going down that road.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2018-03 Approving the Proposed Budget for Fiscal Year 2019 and Setting a Public Hearing Date for Adoption

Mr. deNagy stated the budget we are looking at now is for approval only. This does not levy assessments on property owners. That will come when we meet on August 2, which is

the date we are going to propose to have our Public Hearing. We will meet at the Resident's Inn on Sadler Road. The budget in the agenda package has had to be tweaked a little as we talked. This is a proposed budget only. We do ask the board to approve on the high end. The reason for that is if we do have an assessment increase, which we are proposing, notice is mailed out to all the property owners to let them know there is an assessment increase, and we also try to identify in that letter to the best of our ability the reasons for that increase. Once we get to our budget adoption meeting, if we decide the assessment is too high, we can always bring it down. We cannot at our adoption meeting raise it above what we have approved. It is important today that we set our assessments levels and our approved budget at a level that we think we are going to adopt, but it can always be lowered. Some items have been changed from what is in your agenda package. I changed the landscape maintenance. We approved the Martex proposal, and I changed that to \$64,250. I also changed Lake Maintenance to \$12,900. The administrative costs are going up slightly. We are at \$97,000, and we are proposing \$100,000. The more significant increases we see in utilities. We are moving from \$77,500 to \$78,000. This has to do with estimates with the pool. We increased the budget for our electric costs as well as our water and sewer costs. These are estimates. I have already talked about landscape and lake maintenance. We added line items for pool maintenance, pool chemicals, pool permits, and security. Those costs are based on other District costs we have close to here. One in particular is the Amelia Concourse community where they have a pool and Amenity Center. We added \$14,000 for pool maintenance, \$6,500 for pool chemicals, \$625 for permits, and \$6,000 for security. That does not include on the security the capital investment we would make in the hardware, which is the cameras that we would need. Our contract services currently are just under \$97,000, and we are moving it up to just under \$133,000. Regarding repairs and maintenance, given the discussions we have had, this is a combination of capital outlay and repairs. We are at \$16,408 right now. You have \$20,000 in front of you. I am going to recommend \$30,000. It seems like we have repairs often. We might want to consider increasing our budget for repairs, so another \$10,000 was added to that budget. The total field expenditures currently are \$190,745, and it is being moved up to \$241,000. Overall, expenditures were at \$288,000, and we are moving that up to \$342,000. Assessments we are currently at \$403.58. This is one component of the CDD assessment. The other component is the debt portion. That is the money that goes to pay back the bond for the infrastructure improvements at Heron Isles. If we issue a bond for the pool, we

would need to have all that in place prior to September 15 in order to get it on our assessments for FY19. I suspect we are not going to get it on this year's bill, so the debt portion will probably not impact this District until FY20, which is November 2019. So the debt service assessment based on that would stay the same. O&M is the other piece of the CDD assessment. We are at \$403.58. With the changes that I just went over, it would jump to \$490.06. That is an \$86 a year increase, which is \$7.00+ per month. Are there questions on the budget for FY19. With the pool, we can keep those estimates in there that I talked about regarding the pool – the increase in electric and water, pool maintenance, permits, and security. If you don't think we are going to have the pool installed within the period of October 1, 2018 and September 30, 2019, we can take out or reduce those line items for expenses. I wanted you to have an idea of what the annual cost might be for a pool.

Ms. Blessing stated on the water and sewer, you actually have a lower proposed budget.

Mr. deNagy stated yes I do, and the reason for that is if you look at our projection for this year, we only coming in at \$37,000. I am basing it on our projection. So it is lower than what we currently have. We can leave this in our budget for now. We are going to talking about the pool and whether we are going to move forward with that over the next couple of months. What I would recommend is leave the cost in the O&M budget, and then if we find out we are not going to do the pool, we can take them out.

Mr. Rowell stated so the \$490,000 could possibly go down if we don't do the pool before the tax goes out.

Mr. deNagy responded let's say we move forward with the pool but we find the timing of the construction is much later in FY 19. It may have a very little impact on FY 19, so we can lower these numbers. If you think we are going to move forward with the pool and construct it fairly soon in the fiscal year, then we are probably going to have those costs. The other line items in your budget are fairly static. We are still planning on having four meetings. Another thing to think about is if Martex doesn't end up doing their job and we go to one of the other firms, their cost is going to be higher. That could impact our FY19 budget. If you want we could put \$73,000 in our landscape maintenance, and if everything is okay with Martex, we can lower that number. I say that because we are in the approval process now.

Mr. Rowell stated he wants to keep the budget with the changes noted.

Mr. deNagy stated the Landscaping will be at \$64,250, and Net Assessment would move to \$490,006 from approximately \$404,000.

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor to accept the budget with changes noted and set a Public Hearing for adoption on August 2, 2018 at 6:00 p.m. was approved.

Mr. deNagy stated there will be a mailed notice sent to all the residents to let them know the O&M portion of the assessments is going up. We will have an opportunity in the public hearing the revisit the budget and change it. It can't go up from what we approved today.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2018-04 Changing the Designated Registered Agent

Mr. deNagy stated the Registered Agent is another attorney at the firm of Hopping Green and Sams. This would change the designated agent to Jason Walters.

Mr. Walters stated this is a clean-up item for purposes of when you receive notices and so-forth. It was going to another attorney, so we want to clean that up, and you have to do that by resolution.

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor Resolution 2018-04 changing the Registered Agent for Heron Isles CDD to Jason Walters was approved.

EIGHTH ORDER OF BUSINESS

Acceptance of the Audit Committee's Recommendation

Mr. deNagy stated this is the board's acceptance of the Audit Committee's recommendation for the ranking. The ranking has Berger Toombs #2, Grau & Associates #2, and McDirmit Davis #3.

On MOTION by Mr. Lyons seconded by Mr. Martyn with all in favor to accept the Audit Committee recommendation of Berger Toombs Gaines Elam & Frank for audit services was approved.

NINTH ORDER OF BUSINESS

Approval of Minutes

A. February 1, 2018 Meeting

Mr. deNagy stated unless there are revisions, I need a motion to approve the minutes.

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor the minutes of the February 1, 2018 meeting were approved.

B. March 29, 2018 Special Meeting

Mr. deNagy stated unless there are revisions, I need a motion to approve the minutes.

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor the minutes of the March 29, 2018 special meeting were approved.

TENTH ORDER OF BUSINESS

Acceptance of the Minutes of the February 1, 2018 Audit Committee Meeting

Mr. deNagy stated unless there are revisions, I need a motion to accept the minutes.

On MOTION by Mr. Rowell seconded by Mr. Martyn with all in favor the minutes of the February 1, 2018 Audit Committee meeting were accepted.

ELEVENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Walters stated I don't have any action items for the board today. I handed out the end of session *Capitol Conversations* for you review. Not a lot went through, and we came out unscathed.

B. District Engineer

Mr. deNagy stated I reached out to Jim Lucas to try to get his Engineering cost estimates. We said earlier for the pool we were looking at about \$1.75 million in total, and about \$1.5 or \$1.6 million will be in construction costs. I will continue to reach to Jim on that and follow-up with anything.

C. District Manager

Mr. deNagy stated as of April 15, 2018, Heron Isles as 1,076 registered voters. We have the general elections later this year, and anyone interested in serving on the board is encouraged to reach out to the Nassau County Supervisor of Elections for information on how to put your name on the ballot. Two seats will be expiring this year – Seat #2 and Seat #4. Those are Kathy Blessing and Justin Blessing. The period of registering is coming up in June, and it is a small window.

Mr. deNagy stated the other item I want to talk about and ask the board for some help is regarding meetings that have to be cancelled. That has happened in the past, and we don't have a very effective way or means of notifying residents when we cancel meetings. Sometimes they are cancelled at the last minute. We have residents that show up and wonder why we are not having a meeting. I have talked to Cheryl. The HOA has eblast capabilities, that limits whoever is notified to whoever has provided an email address. We can post notices on the bulletin board, but if it is a last-minute thing, most will not see that. We have a CDD website, and it could be posted there, but I don't know how many residents go on the CDD website on a routine basis. We can't always guarantee that we can get a quorum, so that is the reason sometimes of why we don't have a meeting. We have a 5-member board, and 3 must be in attendance in order to have the meeting.

Ms. Graham stated we generally know a day ahead of time when a meeting is going to be cancelled. We can post some signs out at stop signs at each end of Heron Isles Parkway.

Mr. deNagy stated that's fine if you are willing to do that. We can also notify the Compass Group, and they can post a sign on the door.

D. Property Manager - Report

Ms. Graham stated fence columns on Heron Isles Parkway were damaged because of an automobile accident. I contacted Kathy Williford with Matovina and Company for her assistance with the contractor to do the columns. He said he would take care of them, but he has been so busy he has not been proactive. As soon as they have the home done, they will be able

to get the columns up. Creative Service & Fence has been on standby waiting for the columns to be in place. It has been a long process trying to get this contractor back on board. A lot of the crown caps on the fence columns are cracked or chipped or need to be refinished. I would like permission to get the quotes for the cost to have those refurbished. I will have those at the next meeting.

THIRTEENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

Supervisor Requests

There were no supervisor requests.

Audience Comments

An audience member stated the mailbox kiosk should be taken care of quickly as possible because when they deliver the mail, whether it is storming or blowing wind, I have had a lot of stuff ruined. It is an ongoing problem, and if it could be taken care of quickly, it would be appreciated.

Another audience member stated there is a part of fence from Heron Isles going onto Coral Reef on the right, it was damaged by the hurricane and has not been fixed yet.

Ms. Graham stated I will get Mark to come out sooner because there are other sections along the Parkway as well.

FOURTEENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet & Income Statement

These are as of March 31, 2018 and are located in the agenda package.

B. Assessment Receipt Schedule

This item is located in the agenda package.

C. Approval of Check Register

Mr. deNagy stated the total of the check register is \$38,316.19.

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor the Check Register in the amount of \$38,316.19 was approved.

FIFTEENTH ORDER OF BUSINESS

Next Scheduled Meeting

Mr. deNagy stated our next scheduled meeting will be August 2, 2018 at 6:00 p.m. at the Residence Inn Amelia Island, 2013 Sadler Road, Fernandina Beach, Florida.

SIXTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Rowell seconded by Mr. Martyn with all in favor the Meeting was adjourned.

Secretary/Assistant Secretary

Chairman/Vice Chairman

TENTH ORDER OF BUSINESS

MINUTES OF MEETING
HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

The Audit Committee meeting of the Board of Supervisors of the Heron Isles Community Development District was held on Thursday, May 3, 2018 at 10:30 a.m. at the Compass Group Conference Room, 961687 Gateway Blvd., Suite 201M, Amelia Island, Florida.

Present and constituting a quorum were:

Ricky Rowell	Chairman
Don Lyons	Vice Chairman
Kathleen Blessing	Supervisor
Robert Martyn	Supervisor

Also present were:

Dave deNagy	District Manager
Jason Walters	District Counsel

FIRST ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 10:30 a.m.

SECOND ORDER OF BUSINESS

Review and Ranking of the FY18 Audit Proposals

Mr. deNagy stated you were made aware that the audit services for the current fiscal year, 2018, was not covered under the terms of the agreement with our audit firm, McDirmit Davis. We went out for bid for proposals to continue audit services as we do to audit our records. We received three bids from the firms of Grau & Associates, McDirmit Davis (who is the incumbent), and Berger Toombs Elam Gaines & Frank. The proposals are evaluated on five criteria with each weighted at 20 points for a total of 100 points. The five categories include Ability of Personnel, Proposer's Experience, Understanding Scope of Work, Ability to Furnish Required Services, and Price. We can rank the proposals by the board if you like. Staff has taken the liberty of going ahead and reviewing these proposals and scoring.

Mr. Rowell stated I would like to hear what staff has put together.

Mr. deNagy stated we deal with all three firms and are very familiar with them. They are competent and have the personnel and experience. I gave all three firms 20 points each on the first four categories. The break point was in price. We are seeing lower prices than we are currently paying. The incumbent is charging \$3,700. We have received bids as low as \$3,200 for the next fiscal year. What I did was evaluate the bids submitted by the firms over the three-year period. For all three years, Grau & Associates totals \$9,900; McDirmit Davis was \$12,000; and Berger Toombs came in at \$9,750. I have ranked Berger Toombs #1 with 100 points. Grau & Associates was #2 with 99.7 points, and McDirmit Davis #3. There was only a \$150 spread between 1 and 2. If it is okay with the board, we can issue an award letter ranking Berger Toombs #1. We will also notify the other two firms of that ranking.

On MOTION by Mr. Lyons seconded by Mr. Rowell with all in favor to award Berger Toombs Elam Gaines & Frank audit services for three years was approved.

THIRD ORDER OF BUSINESS**Other Business**

There was no other business.

FOURTH ORDER OF BUSINESS**Adjournment**

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor the Audit Committee Meeting was adjourned.

TWELFTH ORDER OF BUSINESS

C.

**Notice of Meetings
Heron Isles
Community Development District**

The Board of Supervisors of the **Heron Isles Community Development District** will hold their regularly scheduled public meetings for **Fiscal Year 2019 at the Compass Group Conference Room, 961687 Gateway Blvd., Suite 201M, Amelia Island, Florida at 10:30 A.M.** on the first Thursday of the following months (*exceptions noted):

November 1, 2018

February 7, 2019

May 2, 2019

August 1, 2019 (*to be held at 6:00 p.m. at the Residence Inn Amelia Island, 2301 Sadler Road, Fernandina Beach, Florida)

D.

Heron Isles Community Development District

Community Report - August 2018

Community Maintenance

Landscaping:

There were some problems with Martex Landscaping failing to groom certain areas of the community on a regular basis but after a discussion with the owner of the company, the service has improved.

Landscape contractors were issued an invitation to bid on services for the fiscal year 2018-2019.

Attached is a comparison worksheet and the proposals from Trim All Lawn Service, Yellowstone Landscape and Martex Services.

Janitorial Services:

All Repairs and Maintenance Service has been providing janitorial services and picking up debris around the ponds in an acceptable manner. They have been notified of the construction taking place at the restroom facility and the pavilion. Waste removal from both parks is to continue on the regular schedule. Vladimir will be notified when construction is completed so they can clean the restrooms before used by the owners.

Fence Columns – Vehicle Damage:

One of the two (2) columns that were damaged during the automobile accident have yet to be reconstructed. The original contractor referred by Kathy Williford of Matovina & Company was non-responsive to requests to do the work. Other contractors had been contacted for quotes however the construction plans were needed in order to construct in the same manner as originally built. With assistance from Kathy Williford of Matovina & Company, the contractor has completed repairs to one column, the second will be completed as soon as possible. Creative Service & Fence will install the panels once the column has been constructed.

Restroom Repairs:

After authorization by the board to proceed, Shorebreak, Inc. began removing the remaining sheetrock from the walls in the men's restroom. It was then discovered that the termite damage was so extensive that the support studs needed to be replaced and the overhead support had to be rebuilt so that the roof had something to attach to. When removal of the restroom doors began, it was discovered that the support studs in the first 5' of the wall was not stable. The contractor was instructed to remove the 5' and install new studs. This will strengthen the wall and aid in the alignment of the new doors.

Signage:

The Stop sign at the corner of Yellowtail Drive and Commodore Pointe Drive has been replaced. The original sign had been used for target practice. A Caution - Special Needs Children in Area has been placed on Graylon Drive. The owner at 96188 Graylon has two children young children that drivers needs to be aware of.

Pavilion at Playground:

Shorebreak, Inc. will be replacing the roof and support beams in the pavilion. Work will immediately follow the repairs to the restrooms and expected to commence during the week of August 6, 2018.

Annual Maintenance:

On-Target Renovations has been asked to submit a quote to clean, repair and paint each stucco top on the masonry columns excluding those recently installed at the entrance of Phase 3C off of Chester Road – north of Heron Isles Pkwy. Quote has not come in yet.

The sidewalk along Heron Isles Parkway and Chester Road needs to be cleaned/pressure washed. The sidewalks in common areas on Coral Reef and Commodore Pointe also need to be cleaned.

A quote from SG Maintenance Services has been provided for this work.

FOURTEENTH ORDER OF BUSINESS

A.

Heron Isles
Community Development District
Unaudited Financial Statements
thru June 30, 2018

Meeting Date
August 2, 2018

Heron Isles
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
June 30, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<u>ASSETS:</u>			
Cash	\$10,294	---	\$10,294
State Board	\$203	---	\$203
Custody-Reserves	\$750	---	\$750
Custody-Excess Funds	\$195,606	---	\$195,606
Investments:			
Series 2017A-1			
Revenue	---	\$57,925	\$57,925
Excess Revenue	---	\$29,950	\$29,950
Series 2017A-2			
Reserve	---	\$35,875	\$35,875
Prepayment	---	\$5,428	\$5,428
Prepaid Expenses	\$0	---	\$0
Electric Deposits	\$1,050	---	\$1,050
TOTAL ASSETS	<u><u>\$207,903</u></u>	<u><u>\$129,178</u></u>	<u><u>\$337,081</u></u>
<u>LIABILITIES:</u>			
Accounts Payable	\$28,827	---	\$28,827
<u>FUND BALANCES:</u>			
Restricted for Debt Service	---	\$129,178	\$129,178
Restricted for Capital Projects	---	---	\$0
Nonspendable	\$1,050	---	\$1,050
Assigned	\$37,395	---	\$37,395
Unassigned	\$140,632	---	\$140,632
TOTAL LIABILITIES & FUND EQUITY & OTHER CREDITS	<u><u>\$207,903</u></u>	<u><u>\$129,178</u></u>	<u><u>\$337,081</u></u>

HERON ISLES
COMMUNITY DEVELOPMENT DISTRICT

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending June 30, 2018

	ADOPTED BUDGET	PRORATED THRU 6/30/2018	ACTUAL THRU 6/30/2018	VARIANCE
<u>Revenues</u>				
Assessments - On Roll	\$281,122	\$281,122	\$282,980	\$1,858
Interest Income	\$0	\$0	\$349	\$349
TOTAL REVENUES	\$281,122	\$281,122	\$283,329	\$2,207
<u>Expenditures</u>				
<u>Administrative</u>				
Supervisors	\$4,000	\$3,000	\$4,400	(\$1,400)
FICA Expense	\$306	\$230	\$337	(\$107)
Engineering	\$5,000	\$3,750	\$2,220	\$1,530
Dissemination	\$1,500	\$1,125	\$1,125	\$0
Assessment Roll	\$7,500	\$7,500	\$7,500	\$0
Attorney	\$15,000	\$11,250	\$7,637	\$3,613
Auditing	\$3,700	\$3,700	\$3,700	\$0
Trustee Fees	\$2,200	\$0	\$0	\$0
Management Fees	\$43,260	\$32,445	\$32,445	\$0
Computer Time	\$1,000	\$750	\$750	\$0
Website Compliance	\$500	\$375	\$375	(\$0)
Telephone	\$100	\$75	\$150	(\$75)
Postage	\$500	\$375	\$983	(\$608)
Printing & Binding	\$1,250	\$938	\$1,127	(\$190)
Meeting Room Rental	\$1,300	\$975	\$400	\$575
Insurance	\$6,646	\$6,646	\$6,042	\$604
Legal Advertising	\$1,800	\$1,350	\$2,611	(\$1,261)
Other Current Charges	\$1,000	\$750	\$965	(\$215)
Office Supplies	\$100	\$75	\$63	\$12
Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0
Capital Outlay	\$250	\$188	\$0	\$188
Total Administrative Expenditures	\$97,087	\$75,670	\$73,005	\$2,666
<u>Utilities</u>				
Electric	\$21,000	\$15,750	\$18,997	(\$3,247)
Water & Sewer	\$56,500	\$42,375	\$32,437	\$9,938
Total Utilities	\$77,500	\$58,125	\$51,433	\$6,692
<u>Contract Services</u>				
Landscape Maintenance	\$57,072	\$47,931	\$47,931	\$0
Irrigation Maintenance	\$3,000	\$2,250	\$1,669	\$581
Lake Maintenance	\$12,900	\$9,675	\$9,675	\$0
Janitorial Services	\$7,200	\$5,400	\$5,400	\$0
Trash Removal Services	\$7,440	\$5,580	\$4,500	\$1,080
Management Company	\$9,000	\$6,750	\$6,750	\$0
Pest Control Services	\$225	\$169	\$0	\$169
Holiday Decorations	\$0	\$0	\$1,161	(\$1,161)
Total Contract Services	\$96,837	\$77,755	\$77,086	\$669

HERON ISLES
COMMUNITY DEVELOPMENT DISTRICT

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending June 30, 2018

	<u>ADOPTED BUDGET</u>	<u>PRORATED THRU 6/30/2018</u>	<u>ACTUAL THRU 6/30/2018</u>	<u>VARIANCE</u>
<u>Repairs & Maintenance</u>				
Repairs & Maintenance	\$16,408	\$12,306	\$22,374	(\$10,068)
Total Repairs & Maintenance	<u>\$16,408</u>	<u>\$12,306</u>	<u>\$22,374</u>	<u>(\$10,068)</u>
TOTAL EXPENDITURES	<u>\$287,832</u>	<u>\$223,857</u>	<u>\$223,898</u>	<u>(\$42)</u>
EXCESS REVENUES (EXPENDITURES)	<u>(\$6,710)</u>		<u>\$59,431</u>	
FUND BALANCE - Beginning	\$6,711		\$119,647	
FUND BALANCE - Ending	<u><u>\$0</u></u>		<u><u>\$179,077</u></u>	

Heron Isles

COMMUNITY DEVELOPMENT DISTRICT

	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>
REVENUES:													
Maintenance Assessments	\$0	\$20,157	\$227,185	\$3,702	\$5,584	\$4,675	\$8,093	\$4,249	\$9,333				\$282,980
Interest Income	\$22	\$22	\$17	\$40	\$49	\$46	\$46	\$56	\$51				\$349
TOTAL REVENUES	\$22	\$20,179	\$227,202	\$3,742	\$5,633	\$4,721	\$8,139	\$4,305	\$9,385	\$0	\$0	\$0	\$283,329
EXPENDITURES:													
<u>Administrative:</u>													
Supervisors	\$0	\$1,000	\$1,000	\$0	\$1,000	\$0	\$600	\$800	\$0				\$4,400
FICA Expense	\$0	\$77	\$77	\$0	\$77	\$0	\$46	\$61	\$0				\$337
Engineering	\$0	\$0	\$0	\$1,665	\$555	\$0	\$0	\$0	\$0				\$2,220
Attorney	\$161	\$1,150	\$1,173	\$519	\$1,173	\$1,560	\$479	\$1,423	\$0				\$7,637
Dissemination	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125				\$1,125
Trustee Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0
Annual Audit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,700				\$3,700
Assessment Roll Services	\$7,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$7,500
Management Fees	\$3,605	\$3,605	\$3,605	\$3,605	\$3,605	\$3,605	\$3,605	\$3,605	\$3,605				\$32,445
Computer Time	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83				\$750
Website Administration	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42				\$375
Telephone	\$0	\$0	\$30	\$0	\$36	\$22	\$0	\$32	\$31				\$150
Postage	\$55	\$20	\$81	\$55	\$12	\$13	\$132	\$1	\$615				\$983
Printing & Binding	\$9	\$92	\$97	\$41	\$68	\$0	\$6	\$110	\$703				\$1,127
Insurance	\$6,042	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$6,042
Legal Advertising	\$248	\$393	\$0	\$295	\$614	\$614	\$248	\$200	\$0				\$2,611
Other Current Charges	\$41	\$0	\$190	\$25	\$70	\$37	\$538	\$37	\$27				\$965
Meeting Room Rental	\$0	\$100	\$0	\$100	\$100	\$0	\$100	\$0	\$0				\$400
Office Supplies	\$0	\$15	\$0	\$15	\$15	\$0	\$0	\$18	\$0				\$63
Dues, Licenses, Subscriptions	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$175
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0
Total Administrative	\$18,086	\$6,701	\$6,502	\$6,571	\$7,574	\$6,101	\$6,002	\$6,538	\$8,931	\$0	\$0	\$0	\$73,005
<u>Maintenance:</u>													
Electric	\$2,149	\$2,149	\$2,150	\$2,154	\$2,146	\$2,053	\$2,072	\$2,082	\$2,040				\$18,997
Water & Sewer	\$4,873	\$4,999	\$3,030	\$2,049	\$1,804	\$1,971	\$2,944	\$4,535	\$6,232				\$32,437
Landscape Maintenance	\$4,765	\$4,932	\$4,765	\$7,165	\$4,765	\$4,765	\$4,765	\$4,765	\$7,245				\$47,931
Irrigation Repairs	\$256	\$0	\$62	\$0	\$22	\$194	\$129	\$186	\$819				\$1,669
Lake Maintenance	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075				\$9,675
Janitorial	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$0	\$1,200				\$5,400
Trash Removal Services	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$0	\$1,000				\$4,500
Management Company	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750				\$6,750
Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0
Repairs & Maintenance	\$4,436	\$835	\$120	\$1,595	\$620	\$240	\$120	\$11,183	\$3,224				\$22,374
Holiday Decorations	\$1,161	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$1,161
Total Maintenance	\$20,565	\$15,839	\$13,053	\$15,888	\$12,283	\$12,148	\$12,956	\$24,577	\$23,586	\$0	\$0	\$0	\$150,894
Total Expenditures	\$38,651	\$22,540	\$19,555	\$22,458	\$19,857	\$18,249	\$18,958	\$31,114	\$32,517	\$0	\$0	\$0	\$223,898
TOTAL OTHER SOURCES AND USES													
Interfund Transfer In / (Out)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0
Total Other Sources and Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Excess Revenues (Expenditures)	(\$38,628)	(\$2,361)	\$207,647	(\$18,716)	(\$14,224)	(\$13,528)	(\$10,818)	(\$26,809)	(\$23,132)	\$0	\$0	\$0	\$59,430

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND - SERIES 2017

Statement of Revenues, Expenditures and Changes in Fund Balance

For The Period Ending June 30, 2018

	ADOPTED BUDGET	PRORATED THRU 6/30/2018	ACTUAL THRU 6/30/2018	VARIANCE
<u>REVENUES:</u>				
Special Assessments - On Roll	\$232,954	\$232,954	\$234,525	\$1,571
Prepayments	\$0	\$0	\$74,676	\$74,676
Interest Income	\$0	\$0	\$351	\$351
TOTAL REVENUES	\$232,954	\$232,954	\$309,552	\$76,598
<u>EXPENDITURES:</u>				
<u>Series 2017A1</u>				
Interest - 11/1	\$21,749	\$21,749	\$21,749	\$0
Special Call - 11/1	\$0	\$0	\$10,000	(\$10,000)
Interest - 5/1	\$31,828	\$31,828	\$31,659	\$169
Principal - 5/1	\$95,000	\$95,000	\$95,000	\$0
Special Call - 5/1	\$0	\$0	\$75,000	(\$75,000)
<u>Series 2017A2</u>				
Interest - 11/1	\$14,521	\$14,521	\$14,521	\$0
Special Call - 11/1	\$0	\$0	\$5,000	(\$5,000)
Interest - 5/1	\$21,250	\$21,250	\$21,125	\$125
Principal - 5/1	\$25,000	\$25,000	\$25,000	\$0
TOTAL EXPENDITURES	\$209,348	\$209,348	\$299,054	(\$89,706)
<u>OTHER SOURCES/(USES):</u>				
Interfund Transfer In (Out)	\$0	\$0	\$8,646	\$8,646
TOTAL OTHER	\$0	\$0	\$8,646	\$8,646
EXCESS REVENUES (EXPENDITURES)	\$23,606		\$19,143	
FUND BALANCE - Beginning	\$56,419		\$110,035	
FUND BALANCE - Ending	\$80,024		\$129,178	

Heron Isles
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL PROJECTS FUND - SERIES 2017
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending June 30, 2018

	<u>ADOPTED BUDGET</u>	<u>PRORATED THRU 6/30/2018</u>	<u>ACTUAL THRU 6/30/2018</u>	<u>VARIANCE</u>
<u>REVENUES:</u>				
Interest Income	\$0	\$0	\$2	\$2
TOTAL REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$2</u>	<u>\$2</u>
<u>EXPENDITURES:</u>				
Cost of Issuance	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>OTHER SOURCES/(USES):</u>				
Interfund Tranfer In/(Out)	\$0	\$0	(\$8,646)	(\$8,646)
TOTAL OTHER	<u>\$0</u>	<u>\$0</u>	<u>(\$8,646)</u>	<u>(\$8,646)</u>
EXCESS REVENUES (EXPENDITURES)	<u>\$0</u>		<u>(\$8,644)</u>	
FUND BALANCE - Beginning	\$0		\$8,644	
FUND BALANCE - Ending	<u><u>\$0</u></u>		<u><u>\$0</u></u>	

B.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2018 ASSESSMENT RECEIPTS SUMMARY

ASSESSED	# UNITS ASSESSED	SERIES 2017A1-2 DEBT SERVICE ASSESSED	FY18 O&M ASSESSED	TOTAL ASSESSED
NET REVENUE TAX ROLL	749	232,953.84	281,121.72	514,075.56
TOTAL NET ASSESSMENTS		232,953.84	281,121.72	514,075.56

SUMMARY OF TAX ROLL RECEIPTS				
NASSAU COUNTY DISTRIBUTION	DATE RECEIVED	TOTAL RECEIVED	DEBT SERVICE RECEIPTS	O&M RECEIPTS
1	11/06/17	2,539.21	1,150.65	1,388.56
2	11/22/17	39,102.88	17,719.51	21,383.37
3	12/08/17	353,356.75	160,123.95	193,232.80
4	01/02/18	62,087.63	28,135.07	33,952.56
5	01/11/18	6,770.06	932.61	5,837.45
6	02/06/18	10,210.45	4,626.88	5,583.57
7	03/09/18	8,549.64	3,874.28	4,675.36
8	04/10/18	14,799.86	6,706.57	8,093.29
9	04/12/18	-	-	-
10	05/11/18	7,770.03	3,521.00	4,249.03
11	06/08/18	-	-	-
TAX CERTIFICATES	06/13/18	17,067.48	7,734.15	9,333.33
13	07/16/18	1,930.20	874.67	1,055.53
			-	-
			-	-
			-	-
TOTAL TAX ROLL RECEIPTS		524,184.19	235,399.33	288,784.86

TOTAL DUE TAX ROLL RECEIPTS	(10,108.63)	(2,445.49)	(7,663.14)
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PERCENT COLLECTED	TOTAL	DEBT	O&M
% COLLECTED TAX ROLL	101.97%	101.05%	102.73%

C.

Heron Isles Community Development District

Check Register Summary- General Fund

4/27/2018 - 6/30/2018

<i>Check Date</i>	<i>Check #'s</i>	<i>Total Amount</i>
<i>5/18/2018</i>	<i>1685-1695</i>	<i>\$18,285.69</i>
<i>6/7/2018</i>	<i>1696-1705</i>	<i>\$29,210.78</i>
<i>6/18/2018</i>	<i>1706-1709</i>	<i>\$6,882.19</i>
<i>6/26/2018</i>	<i>1710</i>	<i>\$465.00</i>
<i>Total</i>		<i>\$54,843.66</i>

CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
5/18/18	00045	5/07/18 1119	201804 320-57200-46600	JANITORIAL SVC-APRIL 2018	*	600.00	
		5/07/18 1119	201804 320-57200-46700	TRASH PICKUP-APRIL 2018	*	500.00	
		5/07/18 1119	201804 320-57200-46000	DEBIRS CLEANUP-APRIL 2018	*	120.00	
ALL REPAIRS & MAINTENANCE							1,220.00 001685
5/18/18	00003	5/08/18 6-175-64	201804 310-51300-42000	DELIVERIES THRU 04/27/18	*	130.02	
FEDEX							130.02 001686
5/18/18	00013	4/16/18 APR-18	201804 320-57200-43000	ELECTRIC-APRIL 2018	*	2,072.36	
FPL							2,072.36 001687
5/18/18	00014	5/01/18 168	201805 310-51300-34000	MGMT FEES-MAY 2018	*	3,605.00	
		5/01/18 168	201805 310-51300-35110	WEBSITE ADMIN-MAY 2018	*	83.33	
		5/01/18 168	201805 310-51300-35100	INFO TECH-MAY 2018	*	41.67	
		5/01/18 168	201805 310-51300-31300	DISSEMINATION-MAY 2018	*	125.00	
		5/01/18 168	201805 310-51300-51000	OFFICE SUPPLIES-MAY 2018	*	17.50	
		5/01/18 168	201805 310-51300-42000	POSTAGE-MAY 2018	*	1.41	
		5/01/18 168	201805 310-51300-42500	COPIES-MAY 2018	*	110.40	
		5/01/18 168	201805 310-51300-41000	TELEPHONE-MAY 2018	*	31.52	
GOVERNMENTAL MANAGEMENT SERVICES							4,015.83 001688
5/18/18	00006	2/28/18 99579	201802 310-51300-31500	GENERAL COUNSEL-FEB 2018	*	1,173.00	
HOPPING GREEN & SAMS							1,173.00 001689
5/18/18	00019	3/29/18 4178	201802 310-51300-31100	ENGINEERING SVC-FEB 2018	*	555.00	
J. LUCAS & ASSOCIATES, INC							555.00 001690
5/18/18	00011	4/25/18 7883-042	201804 320-57200-43100	IRRIGATION-APRIL 2018	*	1,909.40	
		4/25/18 7883-042	201804 320-57200-43100	SEWER-APRIL 2018	*	776.70	

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
		4/25/18 7883-042	201804 320-57200-43100		*	258.30	
		WATER-APRIL 2018					
			JEA				2,944.40 001691
5/18/18 00062		5/01/18 637-0501	201805 320-57200-34000		*	750.00	
		MGMT FEE-MAY 2018					
			LELAND MANAGEMENT INC				750.00 001692
5/18/18 00082		4/02/18 895	201804 320-57200-46200		*	4,765.00	
		MAINT CONTRACT-APRIL 2018					
			MARTEX SERVICES				4,765.00 001693
5/18/18 00058		5/07/18 426824	201805 310-51300-48000		*	200.08	
		NOTICE OF PUBLIC HEARING					
			NEWS LEADER				200.08 001694
5/18/18 00087		5/11/18 18428	201805 320-57200-46000		*	460.00	
		MESSAGE BOARDS					
			SG MAINTENANCE SERVICES INC				460.00 001695
6/07/18 00045		6/04/18 1131	201806 320-57200-46600		*	600.00	
		JANITORIAL SVC-05/31/18					
		6/04/18 1131	201806 320-57200-46700		*	500.00	
		TRASH PICKUP-05/31/18					
		6/04/18 1131	201806 320-57200-46000		*	120.00	
		DEBRIS CLEANIP-05/31/18					
			ALL REPAIRS & MAINTENANCE				1,220.00 001696
6/07/18 00013		5/16/18 04061-05	201805 320-57200-43000		*	28.82	
		ELECTRIC-MAY 2018					
			FPL				28.82 001697
6/07/18 00014		6/01/18 169	201806 310-51300-34000		*	3,605.00	
		MGMT FEES-JUNE 2018					
		6/01/18 169	201806 310-51300-35110		*	83.33	
		WEBSITE ADMIN-JUNE 2018					
		6/01/18 169	201806 310-51300-35100		*	41.67	
		INFO TECH-JUNE 2018					
		6/01/18 169	201806 310-51300-31300		*	125.00	
		DISSEMINATION-JUNE 2018					
		6/01/18 169	201806 310-51300-51000		*	.09	
		SUPPLIES-JUNE 2018					
		6/01/18 169	201806 310-51300-42000		*	13.85	
		POSTAGE-JUNE 2018					
		6/01/18 169	201806 310-51300-42500		*	18.90	
		COPIES-JUNE 2018					

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
		6/01/18 169	201806 310-51300-41000		*	31.07	
		TELEPHONE-JUNE 2018					
				GOVERNMENTAL MANAGEMENT SERVICES			3,918.91 001698
6/07/18 00006		3/31/18 100116	201803 310-51300-31500		*	1,559.50	
		GENERAL COUNSEL-MAR 2018					
				HOPPING GREEN & SAMS			1,559.50 001699
6/07/18 00011		5/25/18 7883-052	201805 320-57200-43100		*	4,535.06	
		WATER SVC THRU 5/24/18					
				JEA			4,535.06 001700
6/07/18 00082		4/30/18 1561	201804 320-57200-46250		*	128.85	
		IRRIGATION REPAIR-APR 18					
		5/01/18 1381	201805 320-57200-46200		*	4,765.00	
		MAINT CONTRACT-MAY 2018					
				MARTEX SERVICES			4,893.85 001701
6/07/18 00084		5/22/18 54718	201805 320-57200-46000		*	285.00	
		BLACKTOP/INFILL POT HOLE					
				MASONRY PLUS PROPERTY SERVICES,LLC			285.00 001702
6/07/18 00103		5/02/18 1326	201805 320-57200-46000		*	1,445.99	
		50% DEPOSIT-MENS ROOM					
		5/10/18 1334	201805 320-57200-46000		*	8,204.73	
		50% DEPOSIT-GAZEBO ROOF					
		5/18/18 1343	201805 320-57200-46000		*	787.50	
		50% DEPOSIT-RESTROOM DOOR					
				SHOREBREAK INC			10,438.22 001703
6/07/18 00015		5/01/18 358235	201805 320-57200-46500		*	1,075.00	
		WATER MGMT-MAY 2018					
				THE LAKE DOCTORS, INC.			1,075.00 001704
6/07/18 00070		6/07/18 142363	201806 310-51300-42500		*	684.44	
		NOTICES					
		6/07/18 142363	201806 310-51300-42000		*	571.98	
		POSTAGE					
				ADVANCED DIRECT MARKETING SERVICES			1,256.42 001705
6/18/18 00013		5/16/18 MAY-18	201805 320-57200-43000		*	2,053.43	
		ELECTRIC-MAY 2018					
				FPL			2,053.43 001706
6/18/18 00062		6/12/18 637-0612	201806 320-57200-34000		*	750.00	
		MGMT FEE-06/11/18					
				LELAND MANAGEMENT INC			750.00 001707
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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
6/18/18	00058	6/15/18 436425	201807 310-51300-48000	NOTICE OF PUBLIC HEARING	*	3,003.76	
				NEWS LEADER			3,003.76 001708
6/18/18	00015	6/01/18 711057	201806 320-57200-46500	WATER MGMT-JUNE 2018	*	1,075.00	
				THE LAKE DOCTORS, INC.			1,075.00 001709
6/26/18	00081	8/02/18 08022018	201808 310-51300-44500	8/2/18 MTNG ROOM RENTAL	*	465.00	
				RESIDENCE INN AMELIA ISLAND			465.00 001710
TOTAL FOR BANK A						54,843.66	
TOTAL FOR REGISTER						54,843.66	

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