

*Heron Isles
Community Development District*

May 7, 2020

Heron Isles

Community Development District

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

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

April 30, 2020

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, May 7, 2020 at 10:30 a.m. using Zoom media communications technology.

- I. Roll Call
- II. Audience Comments
- III. Approval of the Minutes of the February 6, 2020 Meeting
- IV. Landscape Report - Martex
- V. Acceptance of the Fiscal Year 2019 Audit
- VI. Consideration of Homeowner Request to Use a Portion of Common Area for a Community Garden
- VII. Discussion on Community Projects
 - A. Update on Irrigation Well
 - B. Update on Sidewalk Repairs
 - C. Update on Fence Cap Repairs and Pressure Washing
 - D. Discussion on Remaining FY20 Projects
- VIII. Consideration of Resolution 2020-03, Approving the Proposed Budget for Fiscal Year 2021 and Setting a Public Hearing Date for Adoption
- IX. Consideration of Resolution 2020-04, Adopting an Internal Controls Policy
- X. Staff Reports
 - A. District Counsel
 - B. District Engineer
 - C. District Manager
 - D. Property Manager - Report
- XI. Supervisors' Requests and Audience Comments
- XII. Financial Reports
 - A. Balance Sheet & Income Statement
 - B. Assessment Receipt Schedule
 - C. Approval of Check Register
- XIII. Next Scheduled Meeting – August 6, 2020 at 6:00 p.m. at Florida State College at Jacksonville Nassau Center, 76346 William Burgess Boulevard, Yulee, FL 32097
- XIV. Adjournment

Enclosed under the third order of business is a copy of the minutes of the February 6, 2020 meeting.

The fifth order of business is acceptance of the Fiscal Year 2019 audit. A copy of the audit report is enclosed for your review.

The eighth order of consideration of resolution 2020-03, approving the proposed budget for Fiscal Year 2021 and setting a public hearing date for adoption. Copies of the resolution and budget are enclosed for your review and approval.

The ninth order of business is consideration of resolution 2020-04, adopting an internal controls policy. Copies of the resolution and policy are enclosed for your review and approval.

Copies of the financial reports are enclosed for your review and approval.

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,

Ernesto Torres

Ernesto Torres
District Manager

AGENDA

Heron Isles Community Development District *Agenda*

Thursday
May 7, 2020
10:30 a.m.

Meeting Via Zoom
Online: <https://zoom.us/j/94223485882>
Telephone: 1-646-876-9923
Meeting ID: 942 2348 5882
www.HeronIslesCDD.com

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MINUTES

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, February 6, 2020 at 6:00 p.m. at the Residence Inn Amelia Island, 2301 Sadler Road, Fernandina Beach, Florida.

Present and constituting a quorum were:

Ricky Rowell	Chairman
Don Lyons	Vice Chairman
Robert Martyn	Supervisor
Justin Blessing	Supervisor
Kathy Blessing	Supervisor

Also present were:

Ernesto Torres	District Manager
Jason Walters	District Counsel (by phone)
Cheryl Graham	Property Manager
Tom Livingston	Martex

The following is a summary of the discussion and actions taken at the February 6, 2020 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Torres called the meeting to order at 6:00 p.m.

SECOND ORDER OF BUSINESS

Audience Comments

A resident asked are the caps on the fence going to be brought up in this meeting?

Ms. Graham stated yes.

A resident stated I made a suggestion and I thought it would have been done by now, but it's not. I think since they're turning black, we should paint them black if you're going to paint them instead of white again. That way, it doesn't look so dirty in ten years or however long. It looks pretty bad.

THIRD ORDER OF BUSINESS

Approval of Minutes of the November 7, 2019 Meeting

There were no comments on the minutes.

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor the minutes of the November 7, 2019 meeting were approved.

FOURTH ORDER OF BUSINESS

Landscape Report - Martex

Mr. Torres stated we asked Mr. Livingston to attend to address any landscape issues that you may have observed in between meetings.

Mr. Livingston stated we perform your routine landscape maintenance service. There is a certain number of frequencies where we mow ponds, which differs from the frequency in which we do common area landscape maintenance. We have an irrigation tech that checks your irrigation system monthly. This past year there was a nice package of upgrades that were approved. We came in with some new trees, new sod and created some new beds. I've got a team of people who are led by a gentleman named Dale Cochran. He's the site superintendent. There is a four-person crew that comes in every Thursday during the growing season and that same crew comes back in on Friday and completes the pond mowing.

Mr. Blessing stated a recurring issue that comes up at these meetings is that sprinkler heads are being broken and people are thinking it is you guys. Is there any recourse for that, or do we just have to pay for these sprinkler heads over and over again?

Mr. Livingston stated we try to be fair in our approach when we make the repairs. If it's something we think our mowers, edgers, weed trimmers or whatever could've broken then we will make that repair at no charge and if it's an old head that might have even come unscrewed then we will bill for it. You guys are in and out more than we are, so if you see something that is broken, call it in and we can react to it a lot faster.

FIFTH ORDER OF BUSINESS

Discussion on Overdue HOA Reimbursement for Landscape Enhancements

Mr. Torres stated I've been working close with Cheryl on this item and I feel strongly that this has been taken care of. We're just waiting on the reimbursement at this point and it should reach my office by Friday. It's already been verified that it was sent.

SIXTH ORDER OF BUSINESS**Consideration of Renewing Janitorial Services Contract with All Repairs and Maintenance**

Mr. Torres stated this contract came up at the last meeting and after talking with Cheryl further, we certainly will consider additional services if that's what the Board chooses, but I've learned quickly that these guys do more than just janitorial services. They also do debris pickup around the ponds so with that being said, if we're not satisfied with those services we will have to find a company that will do both and that may be difficult to do.

Ms. Graham stated I go by the restroom facility on a weekly basis to make sure trash has been removed, it's been cleaned, and the products are in place. All Repairs and Maintenance provides all the supplies as part of their fee. They also change out the trash bags throughout the parks. Private parties are supposed to remove their debris or take away their trash on their own, but I know recently that did not happen for a party so it was there a little bit longer than need be, so I sent All Repairs and Maintenance an email and they sent a crew to clean it up.

Mr. Torres stated currently, we budget \$7,200 for janitorial services and \$7,440 for debris pick up and trash removal services.

Mr. Blessing asked they're not asking for an increase and they're doing a satisfactory job?

Ms. Graham stated they have not increased anything, and they have been.

On MOTION by Ms. Blessing seconded by Mr. Rowell with all in favor renewal of the contract with All Repairs and Maintenance was approved.

SEVENTH ORDER OF BUSINESS**Consideration of LED Lighting Agreement with FP&L**

Mr. Torres stated at the last meeting the Board approved converting to LED lights, this is just an agreement that needed to be approved and signed.

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor the LED lighting agreement with FP&L was approved.

EIGHTH ORDER OF BUSINESS**Consideration of Resolution 2020-02, Re-Setting the Public Hearing for the Purpose of Adopting Amended and Restated Rules of Procedure**

Mr. Torres stated at the last meeting we had the public hearing to adopt the amended and restated rules of procedure scheduled for today, but we had an issue with the venue so because the notice went out listing the old location, we have to amend the resolution that was approved. We're suggesting holding the public hearing at the same meeting that we adopt the budget, which is the August meeting that will be held at FSCJ in the Nassau Room.

On MOTION by Mr. Lyons seconded by Mr. Martyn with all in favor resolution 2020-02, re-setting a public hearing for August 6, 2020 at 6:00 p.m. for the purpose of adopting amended and restated rules of procedure was approved.

NINTH ORDER OF BUSINESS**Staff Reports****A. District Counsel**

There being nothing to report, the next item followed.

B. District Engineer

There being nothing to report, the next item followed.

C. District Manager

There being nothing to report, the next item followed.

D. Property Manager**1. Report****2. Update on Irrigation Well System and Fence Cap Repair Projects**

Ms. Graham stated all of the landscape enhancements that had been discussed with the owner's association have been put in place. I've gone out and confirmed all plant material was in place, confirmed with the HOA board president and presented her with all of the invoices.

There was a not to exceed amount approved for the fence caps, however there was an increase of \$460 because some additional caps need to be created. Krystal Klean can do that no problem, I just needed approval to move forward with that. They can start right away.

Considering a resident's comment made at the beginning of the meeting, Mr. Blessing stated if we were to consider another paint color, I think that would just delay this whole process.

That might be something to consider going forward, but they've been dirty and broken for so long I'd like to make a motion to approve the revised proposal.

On MOTION by Mr. Blessing seconded by Mr. Rowell with all in favor Krystal Klean's revised proposal for cleaning, repairing and painting damaged fence caps, increased by \$460 to a total of \$13,700, was approved.

Ms. Graham stated I was asked to confirm that Lake Doctors was not treating the pond by Black Rock Road. It is now under Black Rock's contract to have it maintained.

One of the bigger issues we've discussed was to have an irrigation well installed to help reduce the cost of using city water for irrigating the common areas. I have a meeting on Monday with representatives with Water Care to go over the depth that would be needed and the connection on where that would take place. I don't know how long after the review that will take to get a final answer.

Mr. Torres stated the Board approved two major projects for FY20, the fence caps for \$13,700 and the irrigation pump. We're still waiting for the price on the irrigation pump. We started the year by allotting \$57,500 towards capital projects so I think it's wise we wait on the irrigation estimate before you decide on anything else.

TENTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Audience Comments

Ms. Stephanie Lisle, 97543 Albatross, stated I had a question about the sidewalks. Down by Commodore, there is some damage to them and they're uneven. A few kids fell on Halloween. I don't know if you guys had heard about it or where we're at with that if we're thinking of doing something.

Ms. Graham stated at the last meeting it was brought up, so I have already had Alpha Foundation go out and do a review of all of the sidewalks on Commodore Point and I do have a proposal to send to the Board for consideration. They inject through the concrete to lift it up to even it out, but they can also do replacement and grinding where it's needed. I want to get some proposals from some other concrete companies.

Mr. Blessing asked do you have a general estimate on the cost of that?

Ms. Graham stated for Heron Isles Parkway it was roughly \$6,000.

Mr. Blessing asked could we just go ahead and approve you to do that for \$6,000?

Mr. Torres stated our next meeting is May so we could do a not to exceed for the project.

On MOTION by Mr. Blessing seconded by Mr. Rowell with all in favor repairing sidewalks along Commodore Point Drive at an amount not to exceed \$6,000 was approved.

Mr. Lyons stated at the end of Coral Reef right by Chester, there are some rubber pads at the edge of the sidewalks that have dimples. Those things are deteriorating and peeling off so those need to be repaired or replaced.

Ms. Graham noted she would assess the area.

Ms. Tammy Stewart, 85072 Furtherview, stated we have a resident on Swallowtail who is requesting bushes, or some type of variance be installed along the pond on Heron Isles Parkway as a sound barrier. Years ago, I had asked about getting fencing installed and it was rejected. Can we do something as a buffer? It's the only section in Heron Isles that does not have protection from the street to the homes.

Mr. Livingston noted Martex can create a proposal and determine if the area is irrigated.

Mr. Lyons asked Ms. Graham to bring pictures to the Board with recommendations on fencing versus landscaping.

Ms. Tammy Stewart stated I know the sidewalks at Grey Heron and Commodore are stained because those houses have the wells. Is that going to be a problem all through the community if we're having well irrigation installed?

Mr. Lyons stated not if it's a deep well.

Ms. Tammy Stewart stated we had a cost increase for fiscal years 2019 and 2020 to put money in the reserves. Can we expect a decrease in our funding for the next year or will our rates continue to be the same for the CDD fees?

Mr. Blessing stated the increase we implemented last year would fall off for next year.

Mr. Torres stated understand that is what drives the projects. We have to have a way to fund the ideas that come to the Board. If the Board chooses not to have any projects for FY 2021 understand you will have to continue funding your capital reserves.

Ms. Tammy Stewart asked is the CDD aware someone stole the swings from the playground?

Ms. Graham stated yes, they will be replaced.

A resident stated I just didn't understand on the janitorial service. I always understood the janitorial service and the pond clean-up was all inclusive, but there are two different fees. So, they're getting how much money just to clean the bathroom?

Mr. Torres stated \$7,200.

A resident stated they go there once a week and they couldn't be there for more than an hour and they're cleaning out to two bathrooms so that comes out to over \$100 a week. Did we send out for proposals?

Mr. Blessing stated we had two janitors before them that did an awful job and they've been doing a satisfactory job for us.

A resident stated I just think we should ask a few more people and same for cleaning around the pond. I see a lot of trash around the pond, especially on Heron Isles Parkway.

Ms. Graham stated they do the pond pick-up once a month and it's generally around the middle of the month.

A resident stated I just think everything should go out for bid once a year. It doesn't mean you have to take the lowest bid if you're happy with whoever is doing the work if there is like a \$200 difference, but if there is a \$10,000 difference then you might want to change and if it doesn't work you can always go back to someone else. I just don't think we're getting the bang for our buck.

Mr. Blessing stated when we hired them, they were probably the lowest quote.

Mr. Torres stated their agreement was signed in 2017 and they haven't gone up in price.

Supervisors' Requests

Ms. Blessing stated someone on the social media community commented on the lighting at the different entrances, so I went around and looked at them. Some of the lights towards the back are not very bright so I don't know if it would help to cut back the landscaping or if it just needs to be moved around.

Ms. Graham stated maybe we can get an extension to make the lights taller to illuminate better.

Mr. Livingston stated we can do a nighttime drive by inspection to see if there's anything we can do to make it better.

Mr. Blessing stated at the last meeting it was mentioned that some of the medians on Heron Isles Parkway need some fresh dirt and sod so I was hoping we could get some quotes on that if it hasn't already been taken care of.

Mr. Livingston stated we did some re-sodding last year. We have recommended and we will continue to give these proposals, because of the quality of the soil that was used to build those medians there is a lot of compaction and poor drainage, so we feel like you need to be aerating certain areas a couple times a year. The first aeration we would propose would be at the beginning of March, fertilize, irrigate, and then assess. If we can generate new growth and that solves the problem, then you don't have to spend any money on sod.

ELEVENTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet & Income Statement

Mr. Torres gave a brief overview of the financial statements included in the agenda package.

B. Assessment Receipt Schedule

Mr. Torres stated you are 95% collected on the county roll.

C. Approval of Check Register

Mr. Torres stated the check register totals \$58,456.60 and your utilities total \$29,047.52.

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor the Check Register was approved.

TWELFTH ORDER OF BUSINESS

**Next Scheduled Meeting – May 7, 2020 at
10:30 a.m. at the offices of Compass Group,
961687 Gateway Blvd, Suite 201K, Amelia
Island, Florida**

Mr. Torres noted at the next meeting the FY21 budget discussions will begin and updates will be given on the irrigation well and fence cap projects. Board members requested the parking lot project and a road study be discussed as well.

THIRTEENTH ORDER OF BUSINESS Adjournment

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor the meeting was adjourned.
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Secretary/Assistant Secretary

Chairman/Vice Chairman

FIFTH ORDER OF BUSINESS

**Heron Isles
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2019

Heron Isles Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2019

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Heron Isles Community Development District
Nassau County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Heron Isles Community Development District as of and for the year ended September 30, 2019, and the related notes to financial statements that collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Fort Pierce / Stuart

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To the Board of Supervisors
Heron Isles Community Development District

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund as of September 30, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Governmental accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *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 in accordance with governmental auditing standards generally accepted in the United States of America, which consisted principally of inquires of management regarding 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 April 14, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

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



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

April 14, 2020

**Heron Isles Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

**Heron Isles Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Financial Highlights

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

- ◆ The District's total liabilities exceeded total assets by \$(1,060,449) (net position). Unrestricted net position for Governmental Activities was \$(347,656). Restricted net position-debt service was \$99,931. Net investment in capital assets was \$(812,724).
- ◆ Governmental activities revenues totaled \$575,062 while governmental activities expenses totaled \$498,560.

**Heron Isles Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2019	2018
Current assets	\$ 106,522	\$ 126,663
Prepaid bond insurance	71,592	75,888
Restricted assets	100,994	130,144
Capital assets	1,450,451	1,516,443
Total Assets	1,729,559	1,849,138
Current liabilities	189,803	243,248
Non-current liabilities	2,600,205	2,742,841
Total Liabilities	2,790,008	2,986,089
Net position - net investment in capital assets	(812,724)	(738,840)
Net position - restricted	99,931	126,605
Net position - unrestricted	(347,656)	(526,716)
Total Net Position	\$ (1,060,449)	\$ (1,138,951)

The decrease in total liabilities is related primarily to the current year principal payments and the decrease in accounts payable in the current year.

The decrease in capital assets is primarily related to current year depreciation.

**Heron Isles Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Financial Activity

	Governmental Activities	
	2019	2018
Program Revenues		
Charges for services	\$ 566,002	\$ 595,246
Grants and contributions	7,892	-
General Revenues		
Miscellaneous revenues	185	-
Investment earnings	983	931
Total Revenues	<u>575,062</u>	<u>596,177</u>
Expenses		
General government	109,323	96,905
Physical environment	285,604	287,317
Interest and other charges	103,633	107,042
Total Expenses	<u>498,560</u>	<u>491,264</u>
Change in Net Position	76,502	104,913
Net Position - Beginning of Year	<u>(1,136,951)</u>	<u>(1,241,864)</u>
Net Position - End of Year	<u><u>\$ (1,060,449)</u></u>	<u><u>\$ (1,136,951)</u></u>

The increase in general government expenses is related to increased insurance and other current charges expenditures in the current year.

The decrease in charges for services is related to a decrease in prepayments in the current year.

The grants and contribution income in the current year is related to a contribution of land in the current year.

**Heron Isles Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets activity as of September 30, 2019 and 2018:

Description	Governmental Activities	
	2019	2018
Land and improvements	\$ 46,653	\$ 38,761
Infrastructure	2,216,522	2,216,522
Accumulated depreciation	(812,724)	(738,840)
Capital assets, net	<u>\$ 1,450,451</u>	<u>\$ 1,516,443</u>

Depreciation was \$73,844 and an addition to land was \$7,892 in the current year.

General Fund Budgetary Highlights

Actual expenditures exceeded budgeted expenditures primarily due to higher legal costs and miscellaneous expenditures than were anticipated.

The September 30, 2019 budget was not amended.

Debt Management

Governmental Activities debt includes the following:

- ◆ In June 2017, the District issued \$2,315,000 Series 2017A-1 Senior Capital Improvement Revenue Refunding Bonds and \$850,000 Series 2017A-2 Subordinate Capital Improvement Revenue Refunding Bonds. These bonds were issued to refund and redeem the Series 2005 Capital Improvement Revenue Bonds. The balance of the Series 2017A-1 and Series 2017A-2 Bonds were \$2,025,000 and \$760,000, respectively.

Economic Factors and Next Year's Budget

Heron Isles Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2020.

**Heron Isles Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Request for Information

The financial report is designed to provide a general overview of Heron Isles Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Heron Isles Community Development District, Governmental Management Services, 475 West Town Place, Suite 114, St. Augustine, Florida 32092.

Heron Isles Community Development District
STATEMENT OF NET POSITION
September 30, 2019

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 55,268
Investment	28,529
Accounts receivable	6,262
Due from other governments	2,493
Prepaid expenses	12,390
Deposits	1,580
Total Current Assets	<u>106,522</u>
Non-current Assets:	
Prepaid bond insurance	71,592
Restricted assets:	
Investments	100,994
Capital assets not being depreciated	
Land and improvements	46,653
Capital assets being depreciated	
Infrastructure	2,216,522
Accumulated depreciation	<u>(812,724)</u>
Total Non-current Assets	<u>1,623,037</u>
Total Assets	<u>1,729,559</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	5,241
Accrued interest payable	39,562
Bonds payable	145,000
Total Current Liabilities	<u>189,803</u>
Non-current Liabilities:	
Bonds payable, net	<u>2,600,205</u>
Total Liabilities	<u>2,790,008</u>
NET POSITION	
Net investment in capital assets	(812,724)
Restricted-debt service	99,931
Unrestricted	<u>(347,656)</u>
Total Net Position	<u><u>\$ (1,060,449)</u></u>

See accompanying notes to financial statements.

**Heron Isles Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Governmental Activities</u>
		<u>Charges for Services</u>	<u>Capital Contributions</u>	
Primary government				
Governmental Activities				
General government	\$ (109,323)	\$ 110,882	\$ -	\$ 1,559
Physical environment	(285,604)	214,739	7,892	(62,973)
Interest and other charges	(103,633)	240,381	-	136,748
Total Governmental Activities	<u>\$ (498,560)</u>	<u>\$ 566,002</u>	<u>\$ 7,892</u>	<u>75,334</u>
 General revenues:				
				185
				983
				<u>1,168</u>
Change in Net Position				76,502
Net Position - October 1, 2018				<u>(1,136,951)</u>
Net Position - September 30, 2019				<u>\$ (1,060,449)</u>

See accompanying notes to financial statements.

Heron Isles Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2019

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 55,268	\$ -	\$ 55,268
Investment	28,529	-	28,529
Accounts receivable	6,262	-	6,262
Due from other governments	1,461	1,032	2,493
Prepaid expenses	12,390	-	12,390
Deposits	1,580	-	1,580
Restricted assets:			
Restricted investments	-	100,994	100,994
Total Assets	<u>\$ 105,490</u>	<u>\$ 102,026</u>	<u>\$ 207,516</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	<u>\$ 5,241</u>	<u>\$ -</u>	<u>\$ 5,241</u>
FUND BALANCES			
Nonspendable-prepays/deposits	13,970	-	13,970
Restricted for:			
Debt Service	-	102,026	102,026
Unassigned	<u>86,279</u>	<u>-</u>	<u>86,279</u>
Total Fund Balances	<u>100,249</u>	<u>102,026</u>	<u>202,275</u>
Total Liabilities and Fund Balances	<u>\$ 105,490</u>	<u>\$ 102,026</u>	<u>\$ 207,516</u>

See accompanying notes to financial statements.

Heron Isles Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2019

Total Governmental Fund Balances	\$ 202,275
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, land and improvements (\$46,653), and infrastructure (\$2,216,522), net of accumulated depreciation (\$812,724)) used in governmental activities are not current financial resources; and therefore, are not reported at the fund level.	1,450,451
Prepaid bond insurance was recognized as an other debt service cost at the fund level in the year the debt was issued, however, at the government-wide level it is recognized as an asset and amortized over the life of the bonds.	71,592
Long-term liabilities, including bonds payable (\$2,785,000)), net of net bond discount (\$39,795) are not due and payable in the current period; therefore, are not reported at the governmental fund level.	(2,745,205)
Accrued interest expense for long-term debt is not a current financial use; therefore, it is not reported at the governmental fund level.	<u>(39,562)</u>
Net Position of Governmental Activities	<u><u>\$ (1,060,449)</u></u>

See accompanying notes to financial statements.

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

	General	Debt Service	Total Governmental Funds
Revenues			
Special assessments	\$ 325,621	\$ 240,381	\$ 566,002
Miscellaneous revenues	185	-	185
Investment earnings	519	464	983
Total Revenues	<u>326,325</u>	<u>240,845</u>	<u>567,170</u>
Expenditures			
Current			
General government	109,323	-	109,323
Physical environment	211,720	-	211,720
Debt service			
Principal	-	170,000	170,000
Interest	-	98,963	98,963
Total Expenditures	<u>321,043</u>	<u>268,963</u>	<u>590,006</u>
Net Change in Fund Balances	5,282	(28,118)	(22,836)
Fund Balances - October 1, 2018	<u>94,967</u>	<u>130,144</u>	<u>225,111</u>
Fund Balances - September 30, 2019	<u><u>\$ 100,249</u></u>	<u><u>\$ 102,026</u></u>	<u><u>\$ 202,275</u></u>

See accompanying notes to financial statements.

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
For the Year Ended September 30, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ (22,836)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, at the government-wide level, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current year.	(73,884)
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The contribution of land by the developer does not affect current resources, and therefore, it is not reported at the fund level.	7,892
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Payment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce long-term liabilities in the Statement of Net Position.	170,000
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Prepaid bond insurance was recognized as an expenditure at the fund level the year the bond was issued, at the government-wide level it was recorded as an asset and is amortized over the life of the bond. This is the current year amortization.	(4,296)
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Amortization expense of bond discounts does not require the use of current resources and therefore is not reported at the governmental funds level. This governmental funds level. This is the amount of amortization in the current period.	(2,364)
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In the Statement of Activities, interest is accrued on outstanding bonds; whereas at governmental funds level, interest expenditures are reported when due. This is the change in accrued interest from the prior year.	1,990
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Change in Net Position of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 10px;">\$ 76,502</div>
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See accompanying notes to financial statements.

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 320,237	\$ 320,237	\$ 325,621	\$ 5,384
Miscellaneous revenues	-	-	185	185
Interest earnings	400	400	519	119
Total Revenues	<u>320,637</u>	<u>320,637</u>	<u>326,325</u>	<u>5,688</u>
Expenditures				
Current				
General government	100,304	100,304	109,323	(9,019)
Physical environment	214,333	214,333	211,720	2,613
Capital outlay	6,000	6,000	-	6,000
Total Expenditures	<u>320,637</u>	<u>320,637</u>	<u>321,043</u>	<u>(406)</u>
Net Change in Fund Balances	-	-	5,282	5,282
Fund Balances - October 1, 2018	<u>-</u>	<u>-</u>	<u>94,967</u>	<u>94,967</u>
Fund Balances - September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,249</u>	<u>\$ 100,249</u>

See accompanying notes to financial statements.

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established on September 1, 2004, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes and Nassau County, Florida Ordinance 2004-41. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or without the boundaries of the Heron Isles Community Development District. The District is governed by a five-member Board of Supervisors who are elected on an at-large basis by landowners within the District. The District operates within the criteria established by Chapter 190.

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

Based upon the application of the above-mentioned criteria as set forth by the Governmental Accounting Standards Board, the District has identified no component units.

2. Measurement Focus and Basis of Accounting

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

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

Governmental activities are supported by special assessments. Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

b. Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

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

The District has various policies governing the fund balance classifications.

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

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

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

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

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

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

Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

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

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

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds, be reported in the governmental activities column in the government-wide Statement of Net position.

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

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

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

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

b. Restricted Assets

Certain net position of the District will be classified as restricted assets on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

c. Capital Assets

Capital assets, which include land improvements and infrastructure are reported in governmental activities.

The District defines capital assets as assets with an initial, individual cost of \$750 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method over the assets' estimated useful lives ranging from 3 to 39 years.

d. Bond Discounts

Bond discounts are amortized over the life of the bonds.

e. Prepaid Bond Insurance

Prepaid bond insurance associated with the issuance of refunding bonds are presented on the financial statements as a non-current asset and amortized over the life of the bonds using the straight-line method.

f. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. Formal budgets are adopted for the general fund. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

g. Net Position

Net position represents the difference between assets and liabilities and is reported in three categories. Net investment in capital assets, represents capital assets, net of accumulated depreciation and any outstanding debt related to those assets. Net position is reported as restricted when there are legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. Unrestricted net position is assets that do not meet definitions of the classifications previously described.

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

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

“Total fund balances” of the District’s governmental funds, \$202,275, differs from “net position” of governmental activities, \$(1,060,449), reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net position versus the current financial resources focus of the Governmental Fund Balance Sheet. The effect of the differences is illustrated below.

Capital related items

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

Land and improvements	\$ 46,653
Infrastructure	2,216,522
Accumulated depreciation	<u>(812,724)</u>
Net Capital Assets	<u><u>\$ 1,450,451</u></u>

Prepaid bond insurance

Prepaid bond insurance is recognized as an asset at the government-wide level and amortized over the life of the long-term debt.

Prepaid bond insurance	<u><u>\$ 71,592</u></u>
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Long-term debt transactions

Long-term liabilities and the deferred amount on refunding applicable to the District’s governmental activities are not current uses or resources and accordingly are not reported at the fund level. All uses and resources (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2019 were:

Bonds payable	\$ (2,785,000)
Bond discount, net	<u>39,795</u>
Total	<u><u>\$ (2,745,205)</u></u>

Accrued interest

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

Accrued interest	<u><u>\$ (39,562)</u></u>
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Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

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

The “net change in fund balances” for government funds, \$(22,836), differs from the “change in net position” for governmental activities, \$76,502, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation. The loss on disposal of capital assets is recognized at the government-wide level. The following is the amount of depreciation in the current year.

Depreciation	\$ <u>(73,884)</u>
Contribution of land	\$ <u>7,892</u>

Long-term debt transactions

Repayment of long-term liabilities are reported as expenditures at the fund level but such repayments reduce liabilities at the government-wide level.

Debt principal payments	\$ <u>170,000</u>
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Amortization of the bond discount and prepaid bond insurance does not require the use of current resources and therefore is not reported at the fund level.

Bond discount	\$ <u>(2,364)</u>
Prepaid bond insurance	\$ <u>(4,296)</u>

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

Change in accrued interest payable	\$ <u>1,990</u>
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Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE C – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District follows the provisions of Chapter 280, Florida Statutes regarding deposits and investments to manage custodial credit risk. The District maintains all deposits in a qualified public depository, so that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes. As of September 30, 2019, the District's bank balance was \$77,754 and the carrying value was \$55,268.

As of September 30, 2019, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Local Government Surplus Funds, Florida PRIME	37 Days*	\$ 210
U S Bank Money Market	N/A	129,313
Total		<u>\$ 129,523</u>

* Weighted Average Maturity

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

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that use the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, the District has no investments subject to the fair value hierarchy.

Investments

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. Among other investments, the policy allows the District to invest in the State Board of Administration Local Government Surplus Trust Funds.

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Cash placed with the State Board of Administration represents the District's participation in the Local Government Surplus Trust Funds Investment Pool and is reported at fair value. As a pool participant the District invests in pools of investments in which shares are owned in the pool rather than the underlying investments.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investments in treasury funds, commercial paper, and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2019, the District's investment in SBA Local Government Surplus Fund was rated AAAm by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest. The investments in U S Bank Money Market represent 99% and the investments in Local Government Surplus Fund, Florida PRIME represents 1% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2019 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

NOTE D – SPECIAL ASSESSMENT REVENUES

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted general fund budget and levied annually. Debt Service Assessments are levied when bonds are issued and collected annually. The District may collect assessments directly or utilize the uniform method of collection (Chapter 197.3632, Florida Statutes). Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by the Nassau County Tax Collector on November 1 and due on or before March 31 of each year.

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 government.

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE E – CAPITAL ASSETS

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

	Balance October 1, 2018	Additions	Deletions	Balance September 30, 2019
<u>Governmental Activities:</u>				
Capital assets, not being depreciated				
Land and improvements	\$ 38,761	\$ 7,892	\$ -	\$ 46,653
Capital assets, being depreciated:				
Infrastructure	2,216,522	-	-	2,216,522
Less accumulated depreciation for:				
Infrastructure	(738,840)	(73,884)	-	(812,724)
Total Capital Assets Depreciated, Net	1,477,682	(73,884)	-	1,403,798
Governmental Activities, Capital Assets	<u>\$ 1,516,443</u>	<u>\$ (65,992)</u>	<u>\$ -</u>	<u>\$ 1,450,451</u>

Depreciation of \$73,844 was charged to physical environment.

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE F – LONG-TERM DEBT

The following is a summary of debt activity for the District for the year ended September 30, 2019:

Long-term debt at October 1, 2018	\$ 2,955,000
Principal payments	<u>(170,000)</u>
Long-term debt at September 30, 2019	\$ 2,785,000
Less: bond discount, net	<u>(39,795)</u>
Total long-term debt, September 30, 2019	<u><u>\$ 2,745,205</u></u>

Long-term debt for Governmental Activities is comprised of the following:

Capital Improvement Revenue Refunding Bonds

\$2,315,000 Series 2017A-1 Senior Capital Improvement Revenue Refunding Bonds due in annual principal installments maturing May 2036. Interest is due semi-annually on May 1 and November 1, at various rates between 2% and 3.375%. Current portion is \$110,000.

	\$ 2,025,000
--	--------------

\$850,000 Series 2017A-2 Subordinate Capital Improvement Revenue Refunding Bonds due in annual principal installments maturing May 2036. Interest is due semi-annually on May 1 and November 1 with a fixed interest rate of 5%. Current portion is \$35,000.

	<u>760,000</u>
Bond payable	2,785,000
Bond Discount, net	<u>(39,795)</u>
Bonds Payable, Net	<u><u>\$ 2,745,205</u></u>

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE F – LONG-TERM DEBT (CONTINUED)

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

Year Ending September 30,	Principal	Interest	Total
2020	\$ 145,000	\$ 94,706	\$ 239,706
2021	130,000	90,963	220,963
2022	130,000	87,463	217,463
2023	140,000	83,963	223,963
2024	140,000	80,113	220,113
2025-2029	770,000	332,851	1,102,851
2030-2034	915,000	187,764	1,102,764
2035-2036	415,000	24,351	439,351
Totals	<u>\$ 2,785,000</u>	<u>\$ 982,174</u>	<u>\$ 3,767,174</u>

Summary of Significant Bond Resolution Terms and Covenants

Capital Improvement Revenue Refunding Bonds

Significant Bond Provisions

The Series 2017 Senior and Subordinate Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2027 at a redemption price equal to the principal amount of the Series 2017 Senior and Subordinate Bonds to be redeemed, together with accrued interest to the date of redemption. The Series 2017 Senior and Subordinate Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

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

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE F – LONG-TERM DEBT (CONTINUED)

Depository Funds

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

Reserve Fund – The Series 2017A-1 and Series 2017A-2 Reserve Account requirements are equal to 50 percent of the maximum annual debt outstanding for Series 2017A-1 and Series 2017A-2 Bonds. The Series 2017A-1 Bonds Reserves are satisfied by the Reserve Insurance Policy which will terminate on the final maturity date or upon earlier, in full, payment of the Series 2017A-1 Bonds. The Series 2017A-2 Bonds were funded from the proceeds of the Series 2017A-2 Bonds in amounts. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

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

<u>Capital Improvement Revenue Refunding</u>	<u>Balance</u>	<u>Requirement</u>
Senior Series 2017A-1	\$ 81,258	\$ 81,258
Subordinate Series 2017A-2	\$ 34,813	\$ 34,125

NOTE G – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no claims or settled claims from these risks that exceeded commercial insurance coverage in the last three years.



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Gaines & Frank

Certified Public Accountants PL

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Heron Isles Community Development District
Nassau County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Heron Isles Community Development District, as of and for the year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated April 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Heron Isles Community Development District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Heron Isles Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Heron Isles Community Development District's internal control over financial reporting.

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

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

To the Board of Supervisors
Heron Isles Community Development District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Heron Isles Community Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

April 14, 2020



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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MANAGEMENT LETTER

To the Board of Supervisors
Heron Isles Community Development District
Nassau County, Florida

Report on the Financial Statements

We have audited the financial statements of the Heron Isles Community Development District as of and for the year ended September 30, 2019, and have issued our report thereon dated April 14, 2020.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 14, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding audit.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Heron Isles Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that Heron Isles Community Development District did not meet any of the conditions described in Section 218.503(1) Florida Statutes.

To the Board of Supervisors
Heron Isles Community Development District

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Heron Isles Community Development District. It is management's responsibility to monitor the Heron Isles Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2019.

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

Additional Matters

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

Purpose of this Letter

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



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

April 14, 2020



Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

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

To the Board of Supervisors
Heron Isles Community Development District
Nassau County, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Heron Isles Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Heron Isles Community Development District's compliance with the specified requirements.

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

*Berger Toombs Elam
Gaines & Frank*

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

April 14, 2020

EIGHTH ORDER OF BUSINESS

RESOLUTION 2020-03

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERON ISLES COMMUNITY DEVELOPMENT DISTRICT APPROVING PROPOSED BUDGETS FOR FISCAL YEAR 2020/2021 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; ADDRESSING TRANSMITTAL, POSTING AND PUBLICATION REQUIREMENTS; ADDRESSING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has heretofore prepared and submitted to the Board of Supervisors (**“Board”**) of the Heron Isles Community Development District (**“District”**) prior to June 15, 2020, proposed budgets (**“Proposed Budget”**) for the fiscal year beginning October 1, 2020 and ending September 30, 2021 (**“Fiscal Year 2020/2021”**); and

WHEREAS, the Board has considered the Proposed Budget and desires to set the required public hearing thereon.

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

1. **PROPOSED BUDGET APPROVED.** The Proposed Budget prepared by the District Manager for Fiscal Year 2020/2021 attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said Proposed Budget.

2. **SETTING A PUBLIC HEARING.** A public hearing on said approved Proposed Budget is hereby declared and set for **August 6, 2020 at 6:00 p.m.** The hearing may be conducted remotely, pursuant to Zoom media technology and/or by telephone pursuant to Executive Orders 20-52 and 20-69 issued by Governor DeSantis on March 9, 2020, and March 20, 2020, as such orders may be extended, respectively, and pursuant to Section 120.54(5)(b)2., *Florida Statutes*. In the event that conditions allow the meeting to be held in person, it will be held at the following location:

LOCATION: Florida State College at Jacksonville Nassau Center
76346 William Burgess Blvd
Yulee, FL 32097

3. **TRANSMITTAL OF PROPOSED BUDGET TO LOCAL GENERAL PURPOSE GOVERNMENT.** The District Manager is hereby directed to submit a copy of the Proposed Budget to Nassau County at least 60 days prior to the hearing set above.

4. **POSTING OF PROPOSED BUDGET.** In accordance with Section 189.016, *Florida Statutes*, the District’s Secretary is further directed to post the approved Proposed Budget on the District’s website at least two days before the budget hearing date as set forth in Section 2, and shall remain on the website for at least 45 days.

5. **PUBLICATION OF NOTICE.** Notice of this public hearing shall be published in the manner prescribed in Florida law.

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.

7. **EFFECTIVE DATE.** This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 7TH DAY OF MAY, 2020.

ATTEST:

**HERON ISLES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary

By: _____
Its: _____

***Proposed Budget
Fiscal Year 2021***

***Heron Isles Community
Development District***

May 7, 2020



**Heron Isles
Community Development District**

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Heron Isles

Community Development District

General Fund

Description	Adopted Budget FY 2020	Actual Thru 3/31/20	Projected Next 6 Months	Total Projected 9/30/20	Proposed Budget FY 2021
Revenues					
Assessments - On Roll	\$412,343	\$408,752	\$3,591	\$412,343	\$412,343
Interest IncomeMiscellaneous Income	\$400	\$35,839	\$180	\$36,019	\$400
Access Key Cards	\$0	\$0	\$0	\$0	\$0
Carryforward Surplus	\$750	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$413,494	\$444,591	\$3,771	\$448,363	\$412,743
Expenditures					
<u>Administrative</u>					
Supervisor Fees	\$6,000	\$2,000	\$2,000	\$4,000	\$6,000
FICA Expense	\$459	\$153	\$153	\$306	\$459
Engineering	\$5,000	\$0	\$2,500	\$2,500	\$4,000
Assessment Roll	\$7,500	\$7,500	\$0	\$7,500	\$7,500
Dissemination	\$1,500	\$750	\$750	\$1,500	\$1,500
Attorney	\$15,000	\$3,848	\$8,153	\$12,000	\$15,000
Annual Audit	\$3,250	\$0	\$3,250	\$3,250	\$3,250
Trustee Fees	\$3,800	\$0	\$3,717	\$3,717	\$3,800
Management Fees	\$45,423	\$22,712	\$22,712	\$45,423	\$45,423
Computer Time	\$1,000	\$500	\$500	\$1,000	\$1,000
Website Compliance	\$1,700	\$250	\$1,450	\$1,700	\$1,700
Telephone	\$200	\$38	\$163	\$200	\$200
Postage	\$800	\$199	\$601	\$800	\$800
Printing & Binding	\$1,500	\$355	\$1,145	\$1,500	\$1,500
Rental & Leases	\$120	\$0	\$120	\$120	\$120
Meeting Room Rental	\$1,000	\$639	\$40	\$679	\$1,000
Insurance	\$11,196	\$12,390	\$0	\$12,390	\$13,629
Legal Advertising	\$5,350	\$1,343	\$4,007	\$5,350	\$5,350
Other Current Charges	\$7,000	\$6,313	\$2,016	\$8,329	\$8,400
Property Tax	\$0	\$3,601	\$0	\$3,601	\$0
Office Supplies	\$100	\$33	\$43	\$76	\$100
Dues, Licenses & Subscriptions	\$175	\$175	\$0	\$175	\$175
TOTAL ADMINISTRATIVE EXPENDITURES	\$118,073	\$62,798	\$53,319	\$116,117	\$120,906
UTILITIES:					
Electric	\$31,740	\$12,312	\$13,360	\$25,672	\$31,740
Water & Sewer	\$44,064	\$35,091	\$18,594	\$53,685	\$60,500
SUBTOTAL UTILITIES	\$75,804	\$47,404	\$31,954	\$79,357	\$92,240
CONTRACT SERVICES					
Landscape Maintenance	\$60,852	\$30,426	\$30,426	\$60,852	\$60,852
Landscape Contingency	\$15,000	\$648	\$1,353	\$2,000	\$15,000
Irrigation Maintenance	\$3,000	\$1,527	\$1,473	\$3,000	\$3,000
Lake Maintenance	\$12,900	\$6,450	\$6,450	\$12,900	\$12,900
Janitorial Services	\$7,200	\$3,450	\$3,750	\$7,200	\$7,200
Trash Removal Services	\$7,440	\$3,000	\$3,000	\$6,000	\$7,440
Management Company	\$9,000	\$4,500	\$4,500	\$9,000	\$11,220
Pest Control Services	\$225	\$0	\$225	\$225	\$225
Holiday Decorations	\$1,500	\$0	\$1,500	\$1,500	\$1,500
SUBTOTAL CONTRACT SERVICES	\$117,117	\$50,001	\$52,676	\$102,677	\$119,337
REPAIRS & MAINTENANCE					
Facility Repairs	\$15,000	\$7,983	\$7,017	\$15,000	\$15,000
SUBTOTAL REPAIRS & MAINTENANCE	\$15,000	\$7,983	\$7,017	\$15,000	\$15,000
RESERVES					
Capital Reserve - Transfer Out	\$30,000	\$35,707	\$0	\$35,707	\$45,261
Capital Project Improvements	\$57,500	\$13,700	\$43,800	\$57,500	\$20,000
SUBTOTAL RESERVES	\$87,500	\$49,407	\$43,800	\$93,207	\$65,261
TOTAL FIELD EXPENDITURES	\$295,421	\$154,795	\$135,447	\$290,242	\$291,838
TOTAL EXPENDITURES	\$413,494	\$217,592	\$188,766	\$406,358	\$412,743
Excess Revenues	\$0	\$226,999	(\$184,994)	\$42,004	\$0

FY 2019

FY 2020

FY 2021

NET ASSESSMENTS	\$320,236	\$412,343	\$412,343
PLUS COLLECTION FEES (7%)	\$24,104	\$31,037	\$31,037
GROSS ASSESSMENTS	\$344,340	\$443,380	\$443,380
NO. OF UNITS	749	748	748
PER UNIT ASSESSMENT	\$460	\$593	\$593

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND BUDGET FISCAL YEAR 2021

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.

Interest Income

The District will have all excess funds invested with U.S. Bank. The amount is based upon the estimated average balance of funds available during the fiscal year.

Access Key Card

The District will collect fees for replacement of access cards at \$10 each.

EXPENDITURES:

Administrative:

Supervisor Fees

The Florida Statutes allows each board member to receive \$200 per meeting not to exceed \$4,000 in one year. The amount for the fiscal year is based upon all five supervisors attending the estimated 4 annual meetings.

FICA Expense

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 provided by Governmental Management Services.

Attorney

The District's legal counsel, Hopping Green & Sams, will be contracted to provide 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.

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND BUDGET FISCAL YEAR 2021

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.

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. ADA Human audit fee will be included in this line.

<u>Vendor</u>	<u>Monthly</u>	<u>Annual</u>
GMS	\$42	\$500
Vglobal Tech		\$1,200

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.

Rental & Leases

Record storage fees to maintain district files by McCranie & Associates Inc at \$10/month.

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.

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.

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND BUDGET FISCAL YEAR 2021

Other Current Charges

Bank charges, Property appraisal fees, 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.

Utilities:

Electric

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

Location	Account #	Monthly	Annual
100 Heron Isles Pkwy	55251-34119	\$2,000	\$24,000
96103 Heron Isles Pkwy	79367-06030	\$20	\$240
96116 Heron Isles Pkwy	15371-18034	\$25	\$300
961164 Heron Isles Pkwy #IRR	17007-82129	\$20	\$240
96139 Heron Isles Pkwy	89411-73059	\$38	\$456
96148 Heron Isles Pkwy	59739-27030	\$25	\$300
96443 Heron Isles Pkwy #IRR	62356-51129	\$25	\$300
96638 Heron Isles Pkwy #IRR	62602-83129	\$25	\$300
96331 Starfish Dr entwall	39110-92496	\$25	\$300
928 Chester Rd # Entrance	62761-04061	\$20	\$240
		\$422	\$5,064
Total Electric		\$2,645.00	\$31,740.00

Water & Sewer

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

Location	Account #	Monthly	Annual
928 Chester Rd Apt IR01	83714954	\$99	\$1,188
96059 Heron Isles PY-Sewer	82505651	\$1,500	\$18,000
96059 Heron Isles PY-Water	82505651	\$475	\$5,700
96259 Heron Isles PY	83582184	\$1,180	\$14,160
96320 Starfish Dr	67059090	\$78	\$936
96416 Heron Isles PY	67133229	\$820	\$9,840
96572 Heron Isles PY	67133293	\$847	\$10,164
Contingency		\$43	\$512
Total Water & Sewer		\$5,042	\$60,500

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND BUDGET FISCAL YEAR 2021

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>Annual</u>
Martex	\$5,071	\$60,852

Landscape Contingency

Other Landscape service cost such as tree trimmings, tree and plant disposal and replacements.

<u>Vendor</u>	<u>Monthly</u>	<u>Annual</u>
Martex	\$1,250	\$15,000

Irrigation Maintenance

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.

<u>Vendor</u>	<u>Monthly</u>	<u>Annual</u>
The Lake Doctors	\$1,075	\$12,900

Janitorial Services

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

Trash Removal Service

The District has a contract with All Repairs & Maintenance for Trash Removal 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 \$935.00 and the contract can be terminated by either party within 30 days notice.

Pest Control

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

Holiday Decorations:

Represents estimated costs for the District to decorate the amenity center throughout the Fiscal Year.

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND BUDGET
FISCAL YEAR 2021

REPAIRS & MAINTENANCE:

Repairs & Maintenance

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

Facility Repairs

Repairs and maintenance for the District's amenity center.

RESERVES:

Capital Reserve:

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

Capital Project Improvements:

Used to fund minor construction or improvements to District property. This includes renovations, repairs, parking lot expansion, or road repairs.

Heron Isles

Community Development District

Debt Service Fund

Series 2017A1-A2

Description	Adopted Budget FY 2020	Actual Thru 3/31/20	Projected Next 6 Months	Total Projected 9/30/20	Proposed Budget FY 2021
Revenues					
(1) Special Assessments - On Roll	\$233,370	\$223,091	\$10,278	\$233,370	\$233,370
Prepayments	\$0	\$9,744	\$0	\$9,744	\$0
Interest Income	\$0	\$132	\$189	\$321	\$0
(2) Carry Forward Surplus	\$65,405	\$66,744	\$0	\$66,744	\$55,354
TOTAL REVENUES	\$298,775	\$299,712	\$10,467	\$310,179	\$288,724
Expenditures					
Series 2017A1					
Interest - 11/1	\$28,475	\$28,475	\$0	\$28,475	\$27,247
Special Call - 11/1	\$0	\$10,000	\$0	\$10,000	\$0
Interest - 5/1	\$28,475	\$0	\$28,475	\$28,475	\$27,247
Principal - 5/1	\$100,000	\$0	\$100,000	\$100,000	\$100,000
Special Call - 5/1	\$0	\$0	\$10,000	\$10,000	\$0
Series 2017A2					
Interest - 11/1	\$19,000	\$19,000	\$0	\$19,000	\$18,000
Special Call - 11/1	\$5,000	\$5,000	\$0	\$5,000	\$0
Interest - 5/1	\$19,000	\$0	\$18,875	\$18,875	\$18,000
Principal - 5/1	\$30,000	\$0	\$30,000	\$30,000	\$30,000
Special Call - 5/1	\$0	\$0	\$5,000	\$5,000	\$0
TOTAL EXPENDITURES	\$229,950	\$62,475	\$192,350	\$254,825	\$220,494
EXCESS REVENUES	\$68,825	\$237,237	(\$181,883)	\$55,354	\$68,230

11/1/2021 Debt Service \$ 43,496.88

(1) Maximum Annual Debt Service

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

(3) Represents excess funds in DS after Nov. 1 payments

	FY 2021
NET ASSESSMENTS	\$233,370
PLUS COLLECTION FEES (7%)	\$17,565
GROSS ASSESSMENTS	\$250,935
NO. OF UNITS	543
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
11/01/20	\$ 1,905,000.00	\$ -	\$ 27,246.88	\$ 27,356.25
05/01/21	\$ 1,905,000.00	\$ 100,000.00	\$ 27,246.88	
11/01/21	\$ 1,805,000.00	\$ -	\$ 26,246.88	\$ 153,493.76
05/01/22	\$ 1,805,000.00	\$ 100,000.00	\$ 26,246.88	
11/01/22	\$ 1,705,000.00	\$ -	\$ 25,246.88	\$ 151,493.76
05/01/23	\$ 1,705,000.00	\$ 100,000.00	\$ 25,246.88	
11/01/23	\$ 1,605,000.00	\$ -	\$ 24,246.88	\$ 149,493.76
05/01/24	\$ 1,605,000.00	\$ 105,000.00	\$ 24,246.88	
11/01/24	\$ 1,500,000.00	\$ -	\$ 23,065.63	\$ 152,312.51
05/01/25	\$ 1,500,000.00	\$ 105,000.00	\$ 23,065.63	
11/01/25	\$ 1,395,000.00	\$ -	\$ 21,818.75	\$ 149,884.38
05/01/26	\$ 1,395,000.00	\$ 110,000.00	\$ 21,818.75	
11/01/26	\$ 1,285,000.00	\$ -	\$ 20,443.75	\$ 152,262.50
05/01/27	\$ 1,285,000.00	\$ 115,000.00	\$ 20,443.75	
11/01/27	\$ 1,170,000.00	\$ -	\$ 18,934.38	\$ 154,378.13
05/01/28	\$ 1,170,000.00	\$ 115,000.00	\$ 18,934.38	
11/01/28	\$ 1,055,000.00	\$ -	\$ 17,353.13	\$ 151,287.51
05/01/29	\$ 1,055,000.00	\$ 115,000.00	\$ 17,353.13	
11/01/29	\$ 940,000.00	\$ -	\$ 15,556.25	\$ 147,909.38
05/01/30	\$ 940,000.00	\$ 120,000.00	\$ 15,556.25	
11/01/30	\$ 820,000.00	\$ -	\$ 13,681.25	\$ 149,237.50
05/01/31	\$ 820,000.00	\$ 125,000.00	\$ 13,681.25	
11/01/31	\$ 695,000.00	\$ -	\$ 11,728.13	\$ 150,409.38
05/01/32	\$ 695,000.00	\$ 130,000.00	\$ 11,728.13	
11/01/32	\$ 565,000.00	\$ -	\$ 9,534.38	\$ 151,262.51
05/01/33	\$ 565,000.00	\$ 135,000.00	\$ 9,534.38	
11/01/33	\$ 430,000.00	\$ -	\$ 7,256.25	\$ 151,790.63
05/01/34	\$ 430,000.00	\$ 140,000.00	\$ 7,256.25	
11/01/34	\$ 290,000.00	\$ -	\$ 4,893.75	\$ 152,150.00
05/01/35	\$ 290,000.00	\$ 140,000.00	\$ 4,893.75	
11/01/35	\$ 150,000.00	\$ -	\$ 2,531.25	\$ 147,425.00
05/01/36	\$ 150,000.00	\$ 150,000.00	\$ 2,531.25	\$ 152,531.25
		\$ 1,905,000.00	\$ 539,568.84	\$ 2,444,678.21

Heron Isles

Community Development District

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

AMORTIZATION SCHEDULE

DATE	BALANCE	RATE	PRINCIPAL	INTEREST	TOTAL
11/01/20	\$ 720,000.00	5.000%	\$ -	\$ 18,000.00	\$ -
05/01/21	\$ 720,000.00	5.000%	\$ 30,000.00	\$ 18,000.00	\$ 66,000.00
11/01/21	\$ 690,000.00	5.000%	\$ -	\$ 17,250.00	\$ -
05/01/22	\$ 690,000.00	5.000%	\$ 30,000.00	\$ 17,250.00	\$ 64,500.00
11/01/22	\$ 660,000.00	5.000%	\$ -	\$ 16,500.00	\$ -
05/01/23	\$ 660,000.00	5.000%	\$ 35,000.00	\$ 16,500.00	\$ 68,000.00
11/01/23	\$ 625,000.00	5.000%	\$ -	\$ 15,625.00	\$ -
05/01/24	\$ 625,000.00	5.000%	\$ 35,000.00	\$ 15,625.00	\$ 66,250.00
11/01/24	\$ 590,000.00	5.000%	\$ -	\$ 14,750.00	\$ -
05/01/25	\$ 590,000.00	5.000%	\$ 35,000.00	\$ 14,750.00	\$ 64,500.00
11/01/25	\$ 555,000.00	5.000%	\$ -	\$ 13,875.00	\$ -
05/01/26	\$ 555,000.00	5.000%	\$ 40,000.00	\$ 13,875.00	\$ 67,750.00
11/01/26	\$ 515,000.00	5.000%	\$ -	\$ 12,875.00	\$ -
05/01/27	\$ 515,000.00	5.000%	\$ 40,000.00	\$ 12,875.00	\$ 65,750.00
11/01/27	\$ 475,000.00	5.000%	\$ -	\$ 11,875.00	\$ -
05/01/28	\$ 475,000.00	5.000%	\$ 45,000.00	\$ 11,875.00	\$ 68,750.00
11/01/28	\$ 430,000.00	5.000%	\$ -	\$ 10,750.00	\$ -
05/01/29	\$ 430,000.00	5.000%	\$ 45,000.00	\$ 10,750.00	\$ 66,500.00
11/01/29	\$ 385,000.00	5.000%	\$ -	\$ 9,625.00	\$ -
05/01/30	\$ 385,000.00	5.000%	\$ 45,000.00	\$ 9,625.00	\$ 64,250.00
11/01/30	\$ 340,000.00	5.000%	\$ -	\$ 8,500.00	\$ -
05/01/31	\$ 340,000.00	5.000%	\$ 50,000.00	\$ 8,500.00	\$ 67,000.00
11/01/31	\$ 290,000.00	5.000%	\$ -	\$ 7,250.00	\$ -
05/01/32	\$ 290,000.00	5.000%	\$ 50,000.00	\$ 7,250.00	\$ 64,500.00
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
			\$ 720,000.00	\$ 344,500.00	\$ 1,064,500.00

Heron Isles

Community Development District

Capital Reserve Fund

Description	Adopted Budget FY 2020	Actual Thru 3/31/20	Projected Next 6 Months	Total Projected 9/30/20	Proposed Budget FY 2021
Revenues					
Capital Reserve Transfer In	\$30,000	\$35,707	\$43,800	\$79,507	\$45,261
Interest Income	\$250	\$0	\$50	\$50	\$251
Carry Forward Surplus	\$0	\$0	\$0	\$0	\$79,557
TOTAL REVENUES	\$30,250	\$35,707	\$43,850	\$79,557	\$125,069
Expenditures					
Capital Outlay	\$0	\$0	\$0	\$0	\$20,000
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0	\$20,000
EXCESS REVENUES	\$30,250	\$35,707	\$43,850	\$79,557	\$105,069

NINTH ORDER OF BUSINESS

RESOLUTION 2020-04

**A RESOLUTION BY THE BOARD OF SUPERVISORS OF THE
HERON ISLES COMMUNITY DEVELOPMENT DISTRICT
ADOPTING AN INTERNAL CONTROLS POLICY CONSISTENT
WITH SECTION 218.33, FLORIDA STATUTES; PROVIDING AN
EFFECTIVE DATE.**

WHEREAS, the Heron Isles Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within Nassau County, Florida; and

WHEREAS, consistent with Section 218.33, *Florida Statutes*, the District is statutorily required to establish and maintain internal controls designed to prevent and detect fraud, waste, and abuse as defined in Section 11.45(1), *Florida Statutes*; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets; and

WHEREAS, to demonstrate compliance with Section 218.33, *Florida Statutes*, the District desires to adopt by resolution the Internal Controls Policy attached hereto as **Exhibit A**.

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

SECTION 1. The attached Internal Controls Policy attached hereto as **Exhibit A** is hereby adopted pursuant to this Resolution.

SECTION 2. If any provision of this Resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

SECTION 3. This Resolution shall become effective upon its passage and shall remain in effect unless rescinded or repealed.

PASSED AND ADOPTED THIS 7TH DAY OF MAY, 2020.

ATTEST:

**HERON ISLES
COMMUNITY DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

EXHIBIT “A”

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT INTERNAL CONTROLS POLICY

1. Purpose.

- 1.1. The purpose of this internal controls policy is to establish and maintain internal controls for the Heron Isles Community Development District.
- 1.2. Consistent with Section 218.33(3), *Florida Statutes*, the internal controls adopted herein are designed to:
 - 1.2.1. Prevent and detect Fraud, Waste, and Abuse (as hereinafter defined).
 - 1.2.2. Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
 - 1.2.3. Support economical and efficient operations.
 - 1.2.4. Ensure reliability of financial records and reports.
 - 1.2.5. Safeguard Assets (as hereinafter defined).

2. Definitions.

- 2.1. “Abuse” means behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary operational practice given the facts and circumstances. The term includes the misuse of authority or position for personal gain.
- 2.2. “Assets” means District assets such as cash or other financial resources, supplies, inventories, equipment and other fixed assets, real property, intellectual property, or data.
- 2.3. “Auditor” means the independent auditor (and its employees) retained by the District to perform the annual audit required by state law.
- 2.4. “Board” means the Board of Supervisors for the District.
- 2.5. “District Management” means (i) the independent contractor (and its employees) retained by the District to provide professional district management services to the District and (ii) any other independent contractor (and its employees) separately retained by the District to provide amenity management services, provided said services include a responsibility to safeguard and protect Assets.

- 2.6. “Fraud” means obtaining something of value through willful misrepresentation, including, but not limited to, intentional misstatements or intentional omissions of amounts or disclosures in financial statements to deceive users of financial statements, theft of an entity’s assets, bribery, or the use of one’s position for personal enrichment through the deliberate misuse or misapplication of an organization’s resources.
- 2.7. “Internal Controls” means systems and procedures designed to prevent and detect fraud, waste, and abuse; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets.
- 2.8. “Risk” means anything that could negatively impact the District’s ability to meet its goals and objectives. The term includes strategic, financial, regulatory, reputational, and operational risks.
- 2.9. “Waste” means the act of using or expending resources unreasonably, carelessly, extravagantly, or for no useful purpose.

3. Control Environment.

3.1. Ethical and Honest Behavior.

- 3.1.1. District Management is responsible for maintaining a work environment that promotes ethical and honest behavior on the part of all employees, contractors, vendors and others.
- 3.1.2. Managers at all levels must behave ethically and communicate to employees and others that they are expected to behave ethically.
- 3.1.3. Managers must demonstrate through words and actions that unethical behavior will not be tolerated.

4. Risk Assessment.

- 4.1. Risk Assessment. District Management is responsible for assessing Risk to the District. District Management’s Risk assessments shall include, but not be limited to:
 - 4.1.1. Identifying potential hazards.
 - 4.1.2. Evaluating the likelihood and extent of harm.
 - 4.1.3. Identifying cost-justified precautions and implementing those precautions.

5. Control Activities.

5.1. Minimum Internal Controls. The District hereby establishes the following minimum Internal Controls to prevent and detect Fraud, Waste, and Abuse:

5.1.1. Preventive controls designed to forestall errors or irregularities and thereby avoid the cost of corrections. Preventive control activities shall include, but not be limited to, the following:

5.1.1.1. Identifying and segregating incompatible duties and/or implementing mitigating controls.

5.1.1.2. Performing accounting functions in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.

5.1.1.3. Requiring proper authorizations to access and/or modify accounting software.

5.1.1.4. Implementing computerized accounting techniques (e.g. to help identify coding errors, avoid duplicate invoices, etc.).

5.1.1.5. Maintaining a schedule of the District's material fixed Assets.

5.1.1.6. Maintaining physical control over the District's material and vulnerable Assets (e.g. lock and key, computer passwords, network firewalls, etc.).

5.1.1.7. Retaining and restricting access to sensitive documents.

5.1.1.8. Performing regular electronic data backups.

5.1.2. Detective controls designed to measure the effectiveness of preventive controls and to detect errors or irregularities when they occur. Detective control activities shall include, but not be limited to, the following:

5.1.2.1. Preparing financial reports in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.

5.1.2.2. Reviewing financial statements and investigating any material variances between budgeted expenses and actual expenses.

5.1.2.3. Establishing and implementing periodic reconciliations of bank, trust, and petty cash accounts.

5.1.2.4. Establishing an internal protocol for reporting and investigating known or suspected acts of Fraud, Waste, or Abuse.

5.1.2.5. Engaging in periodic physical inventory counts and comparisons with inventory records.

5.1.2.6. Monitoring all ACH (electronic) transactions and the sequencing of checks.

5.2. Implementation. District Management shall implement the minimum Internal Controls described herein. District Management may also implement additional Internal Controls that it deems advisable or appropriate for the District. The specific ways District Management implements these minimum Internal Controls shall be consistent with Generally Accepted Accounting Principles (GAAP) and otherwise conform to Governmental Accounting Standards Board (GASB) and American Institute of Certified Public Accountants (AICPA) standards and norms.

6. Information and Communication.

6.1. Information and Communication. District Management shall communicate to its employees (needing to know) information relevant to the Internal Controls, including but not limited to any changes to the Internal Controls and/or changes to laws, rules, contracts, grant agreements, and best practices.

6.2. Training. District Management shall regularly train its employees (needing the training) in connection with the Internal Controls described herein and promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.

7. Monitoring Activities.

7.1. Internal Reviews. District Management shall internally review the District's Internal Controls at least once per year. In connection with this internal review, District Management shall:

7.1.1.1. Review its operational processes.

7.1.1.2. Consider the potential risk of Fraud, Waste, or Abuse inherent in each process.

7.1.1.3. Identify the controls included in the process, or controls that could be included, that would result in a reduction in the inherent risk.

7.1.1.4. Assess whether there are Internal Controls that need to be improved or added to the process under consideration.

7.1.1.5. Implement new controls or improve existing controls that are determined to be the most efficient and effective for decreasing the risk of Fraud, Waste or Abuse.

7.1.1.6. Train its employees on implemented new controls or improvements to existing controls.

7.2. External Audits and Other Reviews. Audits and other reviews may be performed on various components of the District's Internal Controls by the Auditor consistent with Government Auditing Standards (GAS). Audits may identify material deficiencies in the Internal Controls and make recommendations to improve them. District Management shall communicate and cooperate with the Board and the Auditor regarding the potential implementation of Auditor recommendations.

Specific Authority: §§ 190.011(5)], 218.33(3), *Florida Statutes*

Effective date: May 7, 2020

TENTH ORDER OF BUSINESS

D.

Heron Isles Community Development District

Community Report – April 2020

Community Maintenance

Landscaping:

Martex has been grooming the property accordingly. Occasional reports from owners are received regarding missed areas. Martex is then immediately notified and they send out a technician to take care of the area.

Now that spring is here, the crews are mowing on a weekly basis.

Martex did a preliminary review of the irrigation system to determine where the well(s) should be placed and the location of the connections. The irrigation "zone" map that has been provided; this will help in determining where the connections will be.

Follow up meeting with Martex and their well consultant is scheduled to take place on Wednesday, May 6th to further discuss the number of wells, well locations and connection to the existing irrigation lines.

Proposal from Martex:

During the February CDD meeting the Board was asked to consider the installation of a barrier/shrubs to buffer the view to the rear yards and homes on Swallowtail Drive. Martex was asked to provide a quote for viburnum shrubs for this area. **Proposal for preparation and installation of 167 Sweet Viburnum and mulch had been provided for the amount of \$3,429.09.**

Janitorial Services:

All Repairs and Maintenance Service has been providing janitorial services and picking up debris around the ponds in an acceptable manner. During the Covid-19 pandemic the restroom facility has been closed to protect the community members from unwanted germs and bacteria.

Fence Columns:

Krystal Klean was approved to repair and replace fence caps. The work was complete on March 12th and the caps look great.

Restroom Repairs:

The magnetic locks have been working well and there are 142 access control cards that have been programmed for owners that submitted their application.

Mailboxes:

The post office has agreed to allow the mailboxes to be separated and placed closer to the homes that they service. Boxes would need to be placed between the curb and sidewalk on the property lines. This would require 4' x 4' concrete bases for sixteen (16) mailboxes to be strategically placed and mounted in the right-of-way on lot lines between the curb and the sidewalk. Masonry Plus Services has been asked to provide a quote for the concrete pads.



April 28, 2020
Heron Isles CDD

Contract No. - 8560

Plant a viburnum hedge between the sidewalk and the pond to provide a screen buffer for the back of the Swallowtail Drive homes.

Proposal includes creating a 3' wide planting bed by removing the existing turf grass with a sod cutter and disposing of the debris.

167 Viburnum odorotism (3 gallon) will be installed. Bed will be mulched.

If area is not irrigated, we can not be responsible for hand watering or for the survival rate of the plants.

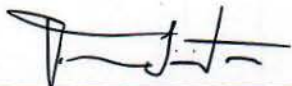
ITEM	QTY	UNIT PRICE	TOTAL PRICE
Sodcutter	1.00	\$142.67	\$142.67
Landscaping Labor	26.00	\$35.00	\$910.00
Viburnum Odoratissimum 3# (Sweet Viburnum)	167.00	\$11.11	\$1,854.84
#332 Pine Bark Mulch	100.00	\$5.22	\$521.58
			\$3,429.09

WORK ORDER SUMMARY

SERVICES	SALES TAX	TOTAL PRICE
Landscape Work	\$0.00	\$3,429.09
		\$0.00
		\$3,429.09

Sale	\$3,429.09
Sales Tax	\$0.00
Total	\$3,429.09

By



Tom Livingston

Date 4/28/2020

Martex

By

Date

Heron Isles CDD

TWELFTH ORDER OF BUSINESS

A.

HERON ISLES
Community Development District
Unaudited Financial Statements
as of
March 31, 2020

Meeting Date
May 7, 2020

Heron Isles
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
March 31, 2020

	General	Debt Service	Capital Reserve	Total Governmental Funds
ASSETS:				
Cash - Wells Fargo	\$110,333	---	\$35,707	\$146,040
State Board	\$212	---	---	\$212
Custody-Reserves	\$753	---	---	\$753
Custody-Excess Funds	\$213,941	---	---	\$213,941
Investments:				
Series 2017A-1				
Revenue	---	\$222,278	---	\$222,278
Excess Revenue	---	\$4,196	---	\$4,196
Series 2017A-2				
Reserve	---	\$34,250	---	\$34,250
Prepayment	---	\$10,763	---	\$10,763
Prepaid Expenses	\$40	---	---	\$40
Electric Deposits	\$1,580	---	---	\$1,580
Due from Other	\$6,262	---	---	\$6,262
TOTAL ASSETS	\$333,120	\$271,487	\$35,707	\$640,314
LIABILITIES:				
Accounts Payable	\$3,767	---	---	\$3,767
Accrued Expenses	\$1,075	---	---	\$1,075
FUND BALANCES:				
Restricted for Debt Service	---	\$271,487	---	\$271,487
Restricted for Capital Reserve	---	---	\$35,707	\$35,707
Nonspendable	\$1,620	---	---	\$1,620
Assigned	\$650	---	---	\$650
Unassigned	\$326,009	---	---	\$326,009
TOTAL LIABILITIES & FUND EQUITY & OTHER CREDITS	\$333,120	\$271,487	\$35,707	\$640,314

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending 03/31/20

	ADOPTED BUDGET	PRORATED BUDGET Thru 03/31/20	ACTUAL Thru 03/31/20	VARIANCE
<u>Revenues</u>				
Assessments - On Roll	\$412,343	\$408,752	\$408,752	\$0
Interest/Misc Revenue	\$400	\$200	\$35,839	\$35,639
Access Key Cards	\$100	\$50	\$0	(\$50)
<i>Total Revenues</i>	\$412,844	\$409,002	\$444,591	\$35,589
<u>Expenditures</u>				
<u>Administrative</u>				
Supervisor Fees	\$6,000	\$3,000	\$2,000	\$1,000
FICA Expense	\$459	\$230	\$153	\$77
Engineering	\$5,000	\$2,500	\$0	\$2,500
Assessment Roll	\$7,500	\$7,500	\$7,500	\$0
Dissemination	\$1,500	\$750	\$750	\$0
Attorney	\$15,000	\$7,500	\$3,848	\$3,653
Annual Audit	\$3,250	\$0	\$0	\$0
Trustee Fees	\$3,800	\$0	\$0	\$0
Management Fees	\$45,423	\$22,712	\$22,712	\$0
Computer Time	\$1,000	\$500	\$500	\$0
Website Compliance	\$1,700	\$850	\$250	\$600
Telephone	\$200	\$100	\$38	\$63
Postage	\$800	\$400	\$199	\$201
Printing & Binding	\$1,500	\$750	\$355	\$395
Rental & Leases	\$120	\$60	\$0	\$60
Meeting Room Rental	\$1,000	\$500	\$639	(\$139)
Insurance	\$11,196	\$11,196	\$12,390	(\$1,194)
Legal Advertising	\$5,350	\$2,675	\$1,343	\$1,332
Other Current Charges	\$7,000	\$6,313	\$6,313	\$0
Property Tax	\$0	\$0	\$3,601	(\$3,601)
Office Supplies	\$100	\$50	\$33	\$17
Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0
<i>Total Administrative Expenditures</i>	\$118,073	\$67,760	\$62,798	\$4,962
<u>Utilities</u>				
Electric	\$31,740	\$15,870	\$12,312	\$3,558
Water & Sewer	\$44,064	\$22,032	\$35,091	(\$13,059)
<i>Total Utilities</i>	\$75,804	\$37,902	\$47,404	(\$9,502)

HERON ISLES
COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending 03/31/20

	ADOPTED BUDGET	PRORATED BUDGET Thru 03/31/20	ACTUAL Thru 03/31/20	VARIANCE
Expenditures				
<u>Contract Services</u>				
Landscape Maintenance	\$60,852	\$30,426	\$30,426	\$0
Landscape Contingency	\$15,000	\$7,500	\$648	\$6,853
Irrigation Maintenance	\$3,000	\$1,500	\$1,527	(\$27)
Lake Maintenance	\$12,900	\$6,450	\$6,450	\$0
Janitorial Services	\$7,200	\$3,600	\$3,450	\$150
Trash Removal Services	\$7,440	\$3,720	\$3,000	\$720
Management Company	\$9,000	\$4,500	\$4,500	\$0
Pest Control Services	\$225	\$113	\$0	\$113
Holiday Decorations	\$1,500	\$0	\$0	\$0
Total Contract Services	\$117,117	\$57,809	\$50,001	\$7,808
<u>Repairs & Maintenance</u>				
Facility Repairs	\$15,000	\$7,500	\$7,983	(\$483)
Total Repairs & Maintenance	\$15,000	\$7,500	\$7,983	(\$483)
<u>Reserves</u>				
Capital Reserve	\$30,000	\$30,000	\$35,707	(\$5,707)
Capital Project Improvements	\$57,500	\$28,750	\$13,700	\$15,050
Total Reserves	\$87,500	\$58,750	\$49,407	\$9,343
TOTAL EXPENDITURES	\$413,494	\$229,721	\$217,592	\$12,128
EXCESS REVENUES (EXPENDITURES)	(\$650)		\$226,999	
FUND BALANCE - Beginning	\$650		\$101,280	
FUND BALANCE - Ending	\$0		\$328,279	

Heron Isles COMMUNITY DEVELOPMENT DISTRICT

	October	November	December	January	February	March	April	May	June	July	August	September	Total
<u>REVENUES:</u>													
Maintenance Assessments	\$1,513	\$321,505	\$71,965	\$2,835	\$4,517	\$6,418	\$0	\$0	\$0	\$0	\$0	\$0	\$408,752
Interest Income	\$9	\$4	\$13	\$35	\$39	\$35,740	\$0	\$0	\$0	\$0	\$0	\$0	\$35,839
Access Cards	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$1,521	\$321,509	\$71,978	\$2,870	\$4,555	\$42,158	\$0	\$0	\$0	\$0	\$0	\$0	\$444,591
<u>EXPENDITURES:</u>													
<u>Administrative:</u>													
Supervisors	\$0	\$1,000	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000
FICA Expense	\$0	\$77	\$0	\$0	\$77	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$153
Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Attorney	\$211	\$851	\$372	\$788	\$1,626	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,848
Dissemination	\$125	\$125	\$125	\$125	\$125	\$125	\$0	\$0	\$0	\$0	\$0	\$0	\$750
Trustee Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Audit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Assessment Roll Services	\$7,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500
Management Fees	\$3,785	\$3,785	\$3,785	\$3,785	\$3,785	\$3,785	\$0	\$0	\$0	\$0	\$0	\$0	\$22,712
Computer Time	\$83	\$83	\$83	\$83	\$83	\$83	\$0	\$0	\$0	\$0	\$0	\$0	\$500
Website Administration	\$42	\$42	\$42	\$42	\$42	\$42	\$0	\$0	\$0	\$0	\$0	\$0	\$250
Telephone	\$0	\$0	\$0	\$38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$38
Postage	\$5	\$91	\$9	\$77	\$7	\$10	\$0	\$0	\$0	\$0	\$0	\$0	\$199
Printing & Binding	\$7	\$169	\$11	\$21	\$116	\$31	\$0	\$0	\$0	\$0	\$0	\$0	\$355
Rental & Leases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$12,390	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,390
Legal Advertising	\$250	\$0	\$832	\$262	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,343
Other Current Charges	\$337	\$5,818	\$152	\$140	\$146	(\$279)	\$0	\$0	\$0	\$0	\$0	\$0	\$6,313
Meeting Room Rental	\$0	\$100	\$0	\$0	\$539	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$639
Property Tax	\$0	\$3,601	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,601
Office Supplies	\$0	\$15	\$1	\$1	\$15	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$33
Dues, Licenses, Subscriptions	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
Total Administrative	\$24,911	\$15,757	\$5,412	\$5,361	\$7,561	\$3,797	\$0	\$0	\$0	\$0	\$0	\$0	\$62,798
<u>Maintenance:</u>													
Electric	\$2,064	\$2,064	\$2,020	\$2,070	\$2,048	\$2,046	\$0	\$0	\$0	\$0	\$0	\$0	\$12,312
Water & Sewer	\$5,514	\$6,887	\$10,499	\$6,291	\$3,060	\$2,841	\$0	\$0	\$0	\$0	\$0	\$0	\$35,091
Landscape Maintenance	\$5,071	\$5,071	\$5,071	\$5,071	\$5,071	\$5,071	\$0	\$0	\$0	\$0	\$0	\$0	\$30,426
Landscape Contingency	\$0	\$0	\$648	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$648
Irrigation Repairs	\$343	\$216	0	\$0	\$847	\$121	\$0	\$0	\$0	\$0	\$0	\$0	\$1,527
Lake Maintenance	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$0	\$0	\$0	\$0	\$0	\$0	\$6,450
Janitorial	\$600	\$600	\$600	\$600	\$600	\$450	\$0	\$0	\$0	\$0	\$0	\$0	\$3,450
Trash Removal Services	\$500	\$500	\$500	\$500	\$500	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000
Management Company	\$750	\$750	\$750	\$750	\$750	\$750	\$0	\$0	\$0	\$0	\$0	\$0	\$4,500
Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facility Repairs	\$6,920	\$120	\$120	\$238	\$120	\$465	\$0	\$0	\$0	\$0	\$0	\$0	\$7,983
Holiday Decorations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Maintenance	\$22,837	\$17,282	\$21,282	\$16,595	\$14,072	\$13,319	\$0	\$0	\$0	\$0	\$0	\$0	\$105,387
Total Expenditures	\$47,747	\$33,039	\$26,694	\$21,956	\$21,632	\$17,117	\$0	\$0	\$0	\$0	\$0	\$0	\$168,185
<u>TOTAL OTHER SOURCES AND USES</u>													
Capital Reserve	\$0	\$0	\$0	\$0	\$0	\$35,707	\$0	\$0	\$0	\$0	\$0	\$0	\$35,707
Capital Project Improvements	\$0	\$0	\$0	\$0	\$13,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,700
Total Other Sources and Uses	\$0	\$0	\$0	\$0	\$13,700	\$35,707	\$0	\$0	\$0	\$0	\$0	\$0	\$49,407
Excess Revenues (Expenditures)	(\$46,226)	\$288,470	\$45,284	(\$19,086)	(\$3,377)	\$60,748	\$0	\$0	\$0	\$0	\$0	\$0	\$226,999

HERON ISLES
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND - SERIES 2017
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending 03/31/20

	ADOPTED BUDGET	PRORATED BUDGET Thru 03/31/20	ACTUAL Thru 03/31/20	VARIANCE
<u>Revenues</u>				
Special Assessments - On Roll	\$233,370	\$223,091	\$223,091	\$0
Prepayments	\$0	\$0	\$9,744	\$9,744
Interest Income	\$0	\$0	\$132	\$132
<i>Total Revenues</i>	\$233,370	\$223,091	\$232,968	\$9,876
<u>Expenditures</u>				
<u>Series 2017A1</u>				
Interest - 11/1	\$28,475	\$28,475	\$28,475	\$0
Special Call - 11/1	\$0	\$0	\$10,000	(\$10,000)
Interest - 5/1	\$28,475	\$0	\$0	\$0
Principal - 5/1	\$100,000	\$0	\$0	\$0
<u>Series 2017A2</u>				
Interest - 11/1	\$19,000	\$19,000	\$19,000	\$0
Special Call - 11/1	\$5,000	\$5,000	\$5,000	\$0
Interest - 5/1	\$19,000	\$0	\$0	\$0
Principal - 5/1	\$30,000	\$0	\$0	\$0
<i>Total Expenditures</i>	\$229,950	\$52,475	\$62,475	(\$10,000)
<u>Other Sources/(Uses)</u>				
Interfund Transfer In(Out)	\$0	\$0	\$0	\$0
<i>Total Other Sources/(Uses)</i>	\$0	\$0	\$0	\$0
EXCESS REVENUES (EXPENDITURES)	\$3,420		\$170,493	
FUND BALANCE - Beginning	\$65,405		\$100,994	
FUND BALANCE - Ending	<u>\$68,825</u>		<u>\$271,487</u>	

HERON ISLES
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL RESERVE

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending 03/31/20

	ADOPTED BUDGET	PRORATED BUDGET Thru 03/31/20	ACTUAL Thru 03/31/20	VARIANCE
<u>Revenues</u>				
Capital Reserve Transfer In	\$30,000	\$30,000	\$35,707	\$5,707
Interest Income	\$250	\$125	\$0	(\$125)
<i>Total Revenues</i>	<u>\$30,250</u>	<u>\$30,125</u>	<u>\$35,707</u>	<u>\$5,582</u>
<u>Total Revenues</u>				
Capital Outlay	\$0	\$0	\$0	\$0
<i>Total Expenditures</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
EXCESS REVENUES (EXPENDITURES)	<u>\$30,250</u>		<u>\$35,707</u>	
FUND BALANCE - Beginning	\$5,500		\$0	
FUND BALANCE - Ending	<u><u>\$35,750</u></u>		<u><u>\$35,707</u></u>	

Heron Isles
Community Development District
Long Term Debt Report

Series 2017A-1 Capital Improvement Revenue Bonds

Interest Rate:	2.0%-3.375%
Maturity Date:	11/1/36
Reserve Fund Definition:	50% of Max Annual Debt Service
Reserve Fund Requirement:	\$78,975.00
Reserve Balance:	---
Bonds outstanding - 9/30/2018	\$2,155,000
Less: November 1, 2018	(\$30,000)
Less: May 1, 2019	(\$100,000)
Less: November 1, 2019	(\$10,000)

Current Bonds Outstanding	\$2,015,000
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Series 2017A-2 Capital Improvement Revenue Bonds

Interest Rate:	5.00%
Maturity Date:	11/1/36
Reserve Fund Definition:	50% of Max Annual Debt Service
Reserve Fund Requirement:	\$34,250.00
Reserve Balance:	\$34,250.00
Bonds outstanding - 9/30/2018	\$800,000
Less: November 1, 2018	(\$15,000)
Less: May 1, 2019	(\$25,000)
Less: November 1, 2019	(\$5,000)

Current Bonds Outstanding	\$755,000
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B.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT
FISCAL YEAR 2020 ASSESSMENT RECEIPTS SUMMARY

ASSESSED	# UNITS ASSESSED	SERIES 2017A1-2 DEBT SERVICE ASSESSED	O&M ASSESSED	TOTAL ASSESSED
NET REVENUE TAX ROLL	748	225,050.05	412,340.61	637,390.66
TOTAL NET ASSESSMENTS		225,050.05	412,340.61	637,390.66

SUMMARY OF TAX ROLL RECEIPTS				
NASSAU COUNTY DISTRIBUTION	DATE RECEIVED	TOTAL RECEIVED	DEBT SERVICE RECEIPTS	O&M RECEIPTS
1	10/29/19	2,338.40	825.64	1,512.76
2	11/21/19	496,978.31	175,473.22	321,505.09
3	12/06/19	76,280.27	26,933.06	49,347.21
4	12/20/19	34,961.69	12,344.28	22,617.41
5	01/10/20	4,381.99	1,547.19	2,834.80
6	02/07/20	6,981.86	2,465.16	4,516.70
7	03/09/20	9,920.87	3,502.86	6,418.01
8	04/07/20	3,801.61	1,342.27	2,459.34
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
TOTAL TAX ROLL RECEIPTS		635,645.00	224,433.68	411,211.32

TOTAL DUE TAX ROLL RECEIPTS	1,745.66	616.37	1,129.29
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PERCENT COLLECTED	TOTAL	DEBT	O&M
% COLLECTED TAX ROLL	99.73%	99.73%	99.73%

C.

HERON ISLES
Community Development District

Check Register Summary- General Fund

1/01/2020 - 03/31/2020

<i>Check Date</i>	<i>Check #'s</i>	<i>Total Amount</i>
1/1/20 - 1/31/20	127-137	\$17,350.12
2/1/20 - 2/29/20	138-150	\$15,308.28
3/1/20-3/31/20	151-164	\$29,093.01

Total

\$61,751.41

1/2/20	JEA Online Payment	\$6,290.79
1/6/20	FPL Online Payment	\$2,070.09
2/4/20	JEA Online Payment	\$3,060.00
2/6/20	FPL Online Payment	\$2,048.12
3/4/20	JEA Online Payment	\$2,840.92
3/6/20	FPL Online Payment	\$2,046.28

Total

\$18,356.20

CHECK DATE	VEND#	.....INVOICE.....	EXPENSED TO...						VENDOR NAME	STATUS	AMOUNT	....CHECK....	
		DATE	INVOICE	YRMO	DPT	ACCT#	SUB	SUBCLASS				AMOUNT	#
1/09/20	00045	10/31/19	1723	201910	320-57200-46700					*	500.00		
			OCT TRASH PICK UP										
		10/31/19	1723	201910	320-57200-46600					*	600.00		
			OCT JANITORIAL SUPPLIES										
		10/31/19	1723	201910	320-57200-46000					*	120.00		
			OCT DEBRIS CLEANUP										
								ALL REPAIRS & MAINTENANCE				1,220.00	000127
1/09/20	00045	12/31/19	1860	201912	320-57200-46600					*	600.00		
			DEC JANITORIAL SERVICES										
		12/31/19	1860	201912	320-57200-46700					*	500.00		
			DEC TRASH PICK UP										
		12/31/19	1860	201912	320-57200-46000					*	120.00		
			DEC DEBRIS CLEANUP										
								ALL REPAIRS & MAINTENANCE				1,220.00	000128
1/09/20	00014	1/01/20	190	202001	310-51300-34000					*	3,785.25		
			JAN MANAGEMENT FEES										
		1/01/20	190	202001	310-51300-35110					*	41.67		
			JAN WEBSITE ADMIN										
		1/01/20	190	202001	310-51300-35100					*	83.33		
			JAN INFORM TECHNOLOGY										
		1/01/20	190	202001	310-51300-31300					*	125.00		
			JAN DISSEMINATION SERVICE										
		1/01/20	190	202001	310-51300-51000					*	.51		
			OFFICE SUPPLIES										
		1/01/20	190	202001	310-51300-42000					*	14.01		
			POSTAGE										
		1/01/20	190	202001	310-51300-42500					*	21.45		
			COPIES										
		1/01/20	190	202001	310-51300-41000					*	37.50		
			TELEPHONE										
								GOVERNMENTAL MANAGEMENT SERVICES				4,108.72	000129
1/09/20	00006	12/31/19	111990	201911	310-51300-31500					*	851.00		
			NOV GENERAL COUNSEL										
								HOPPING GREEN & SAMS				851.00	000130
1/16/20	00081	1/09/20	01092020	202001	300-15500-10000					*	539.40		
			MEETING 2/6/20	ROOMRENTAL									
								RESIDENCE INN AMELIA ISLAND				539.40	000131
1/16/20	00015	10/21/19	463392	201910	320-57200-46500					*	1,075.00		
			OCT LAKE MAINTENANCE										
								THE LAKE DOCTORS, INC.				1,075.00	000132
								HIC -HERON ISLES - BPEREGRINO					

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
1/16/20	00015	11/01/19 465004	201911 320-57200-46500	NOV LAKE MAINTENANCE	*	1,075.00	
				THE LAKE DOCTORS, INC.			1,075.00 000133
1/16/20	00015	1/01/20 476331	202001 320-57200-46500	JAN LAKE MAINTENANCE	*	1,075.00	
				THE LAKE DOCTORS, INC.			1,075.00 000134
1/16/20	00015	12/01/19 470763	201912 320-57200-46500	DEC LAKE MAINTENANCE	*	1,075.00	
				THE LAKE DOCTORS, INC.			1,075.00 000135
1/23/20	00082	1/01/20 9172	202001 320-57200-46200	JAN LANDSCAPE MAINTENANCE	*	5,071.00	
				MARTEX SERVICES			5,071.00 000136
1/31/20	00115	1/15/20 01152020	202001 300-15500-10000	ROOM RENTAL PREPAY 8/6/20	*	40.00	
				FLORIDA STATE COLLEGE			40.00 000137
2/13/20	00003	2/04/20 69173424	202001 310-51300-42000	JAN FEDEX SHIPPING	*	62.61	
				FEDEX			62.61 000138
2/13/20	00014	2/01/20 191	202002 310-51300-34000	FEB MANAGEMENT FEES	*	3,785.25	
		2/01/20 191	202002 310-51300-35110	FEB WEBSITE ADMIN	*	41.67	
		2/01/20 191	202002 310-51300-35100	FEB INFORM TECHNOLOGY	*	83.33	
		2/01/20 191	202002 310-51300-31300	FEB DISSEMINATION SERVICE	*	125.00	
		2/01/20 191	202002 310-51300-51000	OFFICE SUPPLIES	*	15.42	
		2/01/20 191	202002 310-51300-42000	POSTAGE	*	7.00	
		2/01/20 191	202002 310-51300-42500	COPIES	*	115.50	
				GOVERNMENTAL MANAGEMENT SERVICES			4,173.17 000139
2/13/20	00102	1/10/20 42866647	202001 320-57200-46000	ALUM STREET SIGN REF 12X6	*	118.00	
				GREAT AMERICAN BUSINESS PRODUCTS			118.00 000140
2/13/20	00006	1/31/20 112528	201912 310-51300-31500	DEC GENERAL COUNSEL	*	372.00	
				HOPPING GREEN & SAMS			372.00 000141

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
2/13/20	00062	10/26/19 10262019	201910 320-57200-34000	OCT MANAGEMENT FEE	*	750.00	
				LELAND MANAGEMENT INC			750.00 000142
2/13/20	00062	11/07/19 11072019	201911 320-57200-34000	NOV MANAGEMENT FEE	*	750.00	
				LELAND MANAGEMENT INC			750.00 000143
2/13/20	00062	1/29/20 01292020	202001 320-57200-34000	JAN MANAGEMENT FEE	*	750.00	
				LELAND MANAGEMENT INC			750.00 000144
2/13/20	00062	12/20/19 12202019	201912 320-57200-34000	DEC MANAGEMENT FEE	*	750.00	
				LELAND MANAGEMENT INC			750.00 000145
2/13/20	00062	7/31/19 07312019	201907 320-57200-34000	JUL MANAGEMENT FEE	*	750.00	
				LELAND MANAGEMENT INC			750.00 000146
2/13/20	00062	8/25/19 08252019	201908 320-57200-34000	AUG MANAGEMENT FEE	*	750.00	
				LELAND MANAGEMENT INC			750.00 000147
2/13/20	00062	9/10/19 09102019	201909 320-57200-34000	SEP MANAGEMENT FEE	*	750.00	
				LELAND MANAGEMENT INC			750.00 000148
2/13/20	00082	2/01/20 9521	202002 320-57200-46200	FEB LANDSCAPE MAINTENANCE	*	5,071.00	
				MARTEX SERVICES			5,071.00 000149
2/13/20	00058	2/05/20 558866	202001 310-51300-48000	NOTICE OF MEETING 1/24/20	*	261.50	
				NEWS LEADER			261.50 000150
3/05/20	00014	3/01/20 433	202003 310-51300-34000	MAR MANAGEMENT FEES	*	3,785.25	
		3/01/20 433	202003 310-51300-35110	MAR WEBSITE ADMIN	*	41.67	
		3/01/20 433	202003 310-51300-35100	MAR INFORM TECHNOLOGY	*	83.33	
		3/01/20 433	202003 310-51300-31300	MAR DISSEMINATION SERVICE	*	125.00	
		3/01/20 433	202003 310-51300-51000	OFFICE SUPPLIES	*	.60	

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
		3/01/20 433	202003 310-51300-42000		*	10.00	
		POSTAGE					
		3/01/20 433	202003 310-51300-42500		*	30.75	
		COPIES					
				GOVERNMENTAL MANAGEMENT SERVICES			4,076.60 000151
3/05/20 00015		3/01/20 487645	202003 320-57200-46500		*	1,075.00	
		MAR LAKE MAINTENANCE					
				THE LAKE DOCTORS, INC.			1,075.00 000152
3/19/20 00045		1/31/20 1875	202001 320-57200-46600		*	600.00	
		JAN JANITORIAL SERVICES					
		1/31/20 1875	202001 320-57200-46700		*	500.00	
		JAN TARSH PICKUP					
		1/31/20 1875	202001 320-57200-46000		*	120.00	
		JAN DEBRIS CLEANUP					
				ALL REPAIRS & MAINTENANCE			1,220.00 000153
3/19/20 00045		2/29/20 1935	202002 320-57200-46600		*	600.00	
		FEB JANITORIAL SERVICES					
		2/29/20 1935	202002 320-57200-46700		*	500.00	
		FEB TRASH PICKUP					
		2/29/20 1935	202002 320-57200-46000		*	120.00	
		FEB DEBRIS CLEANUP					
				ALL REPAIRS & MAINTENANCE			1,220.00 000154
3/19/20 00006		2/28/20 113201	202001 310-51300-31500		*	788.00	
		JAN GENERAL COUNSEL					
				HOPPING GREEN & SAMS			788.00 000155
3/19/20 00116		2/14/20 7008098	202002 320-57200-60000		*	2,790.00	
		SOFT WASH COLUMN CAPS					
				KRYSTAL KLEAN			2,790.00 000156
3/19/20 00116		2/28/20 7008557	202002 320-57200-60000		*	10,910.00	
		INSTALL/PAINT COLUMN CAPS					
				KRYSTAL KLEAN			10,910.00 000157
3/19/20 00062		2/29/20 02292020	202002 320-57200-34000		*	750.00	
		FEB MANAGEMENT FEE					
				LELAND MANAGEMENT INC			750.00 000158
3/19/20 00082		2/13/20 7759	202002 320-57200-46250		*	468.00	
		IRRIGATION SUB					
				MARTEX SERVICES			468.00 000159
				HIC -HERON ISLES - BPEREGRINO			

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
3/19/20	00091	3/12/20 9628	202003 320-57200-46000	TRIP CHARGE/DELIVERY	*	95.00	
				SOUTHERN RECREATION, INC.			95.00 000160
3/19/20	00091	3/12/20 9630	202003 320-57200-46000	SWING REPAIR	*	250.00	
				SOUTHERN RECREATION, INC.			250.00 000161
3/26/20	00082	2/29/20 9773	202002 320-57200-46250	IRRIGATION REPAIR	*	136.31	
				MARTEX SERVICES			136.31 000162
3/26/20	00082	2/29/20 9774	202002 320-57200-46250	IRRIGATION REPAIR	*	243.10	
				MARTEX SERVICES			243.10 000163
3/26/20	00082	3/01/20 9842	202003 320-57200-46200	MAR LANDSCAPE MAINTENANCE	*	5,071.00	
				MARTEX SERVICES			5,071.00 000164
TOTAL FOR BANK B						61,751.41	
TOTAL FOR REGISTER						61,751.41	