

*Heron Isles
Community Development District*

August 15, 2023

AGENDA

Heron Isles Community Development District

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

August 8, 2023

Board of Supervisors
Heron Isles Community Development District
Staff Call In #: 1-877-304-9269; Passcode: 4935998

Dear Board Members:

The Heron Isles Community Development District Board of Supervisors Meeting is scheduled for **Tuesday, August 15, 2023 at 5:00 p.m. at Florida State College at Jacksonville, Nassau Center, Room T126 (Nassau Room), 76346 William Burgess Boulevard, Yulee, Florida 32097.**

Following is the agenda for the meeting:

- I. Roll Call
- II. Public Comment (limited to three minutes)
- III. Organizational Matters
 - A. Consideration of Appointing a New Supervisor to Fill Vacancy in Seat 2
 - B. Oath of Office for Newly Appointed Supervisors
 - C. Consideration of Resolution Designating Officers
- IV. Approval of Consent Agenda
 - A. Approval of the Minutes of the June 5, 2023 Meeting
 - B. Financial Statements
 - C. Assessment Receipts Schedule
 - D. Check Register
- V. Acceptance of the Fiscal Year 2022 Audit Report
- VI. Public Hearing for the Purpose of Adopting the Fiscal Year 2024 Budget and Imposing Special Assessments

- A. Consideration of Resolution 2023-04, Relating to Annual Appropriations and Adopting a Budget for Fiscal Year 2024
 - B. Consideration of Resolution 2023-05, Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2024
- VII. Staff Reports
 - A. District Counsel
 - B. District Engineer
 - C. District Manager – Consideration of Designating a Regular Meeting Schedule for Fiscal Year 2024
 - D. Field Operations Manager – Report
- VIII. Supervisors’ Requests and Public Comment
- IX. Next Scheduled Meeting – November 14, 2023, at 5:00 p.m. at Florida State College of Jacksonville, Nassau Center, 76346 William Burgess Road, Yulee, Florida
- X. Adjournment

THIRD ORDER OF BUSINESS

C.

RESOLUTION 2023-06

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF
HERON ISLES COMMUNITY DEVELOPMENT DISTRICT
DESIGNATING THE OFFICERS OF THE DISTRICT, AND
PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, 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 the County of Nassau, Florida; and

WHEREAS, the Board of Supervisors of the District desires to designate the Officers of the District.

NOW, THEREFORE, be it resolved by the Board of Supervisors of Heron Isles Community Development District:

SECTION 1. _____ is appointed Chairman.

SECTION 2. _____ is appointed Vice Chairman.

SECTION 3. _____ is appointed Secretary and Treasurer.

_____ is appointed Assistant Secretary.

_____ is appointed Assistant Secretary.

_____ is appointed Assistant Secretary.

_____ is appointed Assistant Treasurer.

_____ is appointed Assistant Secretary.

SECTION 4. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED THIS 15TH DAY OF AUGUST, 2023.

ATTEST

**HERON ISLES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairman/Vice Chairman

FOURTH ORDER OF BUSINESS

A.

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 Monday, June 5, 2023 at 5:00 p.m. at Florida State College at Jacksonville, Nassau Center, 76346 William Burgess Boulevard, Yulee, Florida 32097.

Present and constituting a quorum were:

Greg Watson	Chairman
Robert Martyn	Supervisor
Nicole Reams	Supervisor
Wendy Emanuelson	Supervisor (by phone)

Also present were:

Daniel Laughlin	District Manager
Jennifer Kilinski	District Counsel (by phone)
Mike Yuro	District Engineer
Cheryl Graham	Field Operations Manager

The following is a summary of the discussion and actions taken at the June 5, 2023 meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Laughlin called the meeting to order at 5:31 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Public Comment

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Consideration of Appointing New Supervisor to Fill Vacancy in Seat 2

Mr. Laughlin informed the Board there have been no applications for the Seat 2 vacancy.

B. Oath of Office for Newly Appointed Supervisors

This item was tabled.

C. Consideration of Resolution 2023-02, Designating Officers

This item was tabled.

FOURTH ORDER OF BUSINESS**Approval of Consent Agenda**

- A. Approval of the Minutes of the February 21, 2023 Meeting**
- B. Financial Statements**
- C. Assessment Receipts Schedule**
- D. Check Register**

Copies of the minutes and financial documents were enclosed in the agenda package for the Board's review. Mr. Laughlin noted the check register totals \$79,681.83.

On MOTION by Mr. Watson seconded by Mr. Martyn with all in favor the consent agenda was approved.

FIFTH ORDER OF BUSINESS**Consideration of Resolution 2023-03,
Approving a Proposed Budget for Fiscal
Year 2024 and Setting a Public Hearing Date
for Adoption**

Mr. Laughlin informed the Board the public hearing is scheduled for August 15, 2023, and provided an overview of the Fiscal Year 2024 budget, noting there is no increase in assessments proposed. Due to a decrease in the water and sewer charges, the capital reserve deposit was increased from \$47,000 to \$64,000.

The Board discussed installing a second and third well. Quotes will be brought back to the Board at a future meeting.

On MOTION by Mr. Martyn seconded by Ms. Reams with all in favor Resolution 2023-03, approving a proposed budget for Fiscal Year 2024 and setting a public hearing for August 15, 2023 at 5:00 p.m. was approved.

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

Ms. Kilinski updated the Board on the latest legislative session stating that a bill has been passed that will require CDD board members to complete ethics training.

B. District Engineer

Mr. Yuro informed the Board of some homeowner complaints on Sunny Glen Court regarding the development behind their homes. Upon inspection, he did not see any pumping of the pond at the time, however the pond level was significantly lower than any other in the neighborhood so he recommends putting the development on notice about any potential erosion that may be caused by the low pond levels and informing them they will be expected to perform any necessary repairs. He also stated that erosion is already occurring at the pond in the very front of the community.

Mr. Laughlin added that the County has also inspected the area and a representative of the developer was informed they cannot pump water out of ponds not on their site.

The ponds will continue to be inspected and Ms. Kilinski will draft a letter to be sent to the developer.

Mr. Yuro also informed the Board that the adjacent development's lots are about a foot and a half higher than Heron Isles' lots, which is a concern. A temporary swale appears to have been installed, however he recommends keeping an eye on where the water flows and making the county aware of the concern.

Mr. Laughlin stated that he would contact the county.

C. District Manager – Report on the Number of Registered Voters (1,402)

Mr. Laughlin informed the Board there are 1,402 registered voters reported to be residing within the District's boundaries.

D. Field Operations Manager

1. Report

Ms. Graham gave an overview of her report, a copy of which was included in the agenda package.

2. Proposals for Consideration

a. Landscaping Improvements

Ms. Graham presented proposals from BrightView to remove the old playground mulch and install new mulch for a total of \$2,100 and to remove plant material around the mailboxes at the corner of Swallowtail and Heron Isles Parkway for a total of \$1,372.36. She also added that rubber mulch was quoted at \$38,688 for both parks.

Mr. Watson stated that he felt the proposal for removing plant material around the mailboxes was a bit high as they're only pulling trees out and laying sod.

On MOTION by Mr. Watson seconded by Mr. Martyn with all in favor the proposal from BrightView to remove plant material around the mailbox totaling \$1,372.36 was approved.

On MOTION by Ms. Reams seconded by Mr. Watson with all in favor the proposal from BrightView to remove old mulch at the playgrounds and install new mulch totaling \$3,600.08 was approved.

Ms. Graham also presented a proposal from BrightView to expedite clean-up following severe weather in which their hourly rates were provided, however she noted they could be given a not-to-exceed amount to work within instead.

On MOTION by Mr. Watson seconded by Mr. Martyn with all in favor the proposal from BrightView for storm clean-up was approved.

b. Janitorial Services

Ms. Graham presented a proposal from Magic Touch Commercial Cleaning for bi-weekly cleanings of the restroom facility totaling \$573 per month, which includes trash removal on Mondays and Fridays. If any additional trash pickups are needed, a fee of \$25 per removal would apply. She also noted if the Board prefers automatic trash removal be done every Monday, Wednesday and Friday, the monthly fee will increase to \$613.

On MOTION by Ms. Reams seconded by Mr. Watson with all in favor the proposal from Magic Touch Commercial Cleaning Company including the Wednesday trash removal for a total of \$613 was approved.

SEVENTH ORDER OF BUSINESS Supervisor Requests

Supervisor Requests and Public Comment

Ms. Emanuelson asked who would be responsible for re-painting the lines on the roads.

Ms. Graham responded if it's on Heron Isles Parkway, it would be the county. Anything inside the CDD would be the District's responsibility. She stated that she would review the areas in question to determine who is responsible.

Mr. Watson informed the Board that a resident has expressed concern over speeding. The Board discussed speed bumps. Mr. Laughlin suggested getting feedback from the residents before installation of any speed bumps, and noted requesting patrols by off-duty Sheriff's officers is another option.

The Board also discussed issues with cars parking in the street. Mr. Laughlin stated that he would get with District Counsel on drafting a resolution to designate no parking areas within the community, which would give the HOA authority to enforce the parking policy.

Public Comments

There being none, the next item followed.

EIGHTH ORDER OF BUSINESS

Next Scheduled Meeting – August 15, 2023 at 5:00 p.m. at Florida State College of Jacksonville, Nassau Center, Room T126. 76346 William Burgess Boulevard, Yulee, Florida

NINTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Watson seconded by Ms. Reams with all in favor the meeting was adjourned.
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Secretary/Assistant Secretary

Chairman/Vice Chairman

B.

Heron Isles

Community Development District

Unaudited Financial Reporting
June 30, 2023

Meeting Date
August 15, 2023



Heron Isles
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
June 30, 2023

	General	Debt Service	Capital Reserve	Total Governmental Funds
ASSETS:				
Cash - Wells Fargo	\$455,972	---	\$72,262	\$528,234
State Board	\$2,189	---	\$2,090	\$4,279
Custody-Reserves	\$768	---	---	\$768
Custody-Excess Funds	\$25,031	---	---	\$25,031
Investments:				
Series 2017A-1				
Revenue	---	\$55,920	---	\$55,920
Prepayment	---	---	---	\$0
Excess Revenue	---	---	---	\$0
Series 2017A-2				
Reserve	---	\$32,500	---	\$32,500
Electric Deposits	\$1,580	---	---	\$1,580
Assessment Receivable	---	---	---	\$0
TOTAL ASSETS	\$485,540	\$88,420	\$74,352	\$648,312
LIABILITIES:				
Accounts Payable	\$4,340	---	---	\$4,340
Accrued Expenses	\$0	---	---	\$0
TOTAL LIABILITIES	\$4,340	\$0	\$0	\$4,340
FUND BALANCES:				
Restricted for Debt Service	---	\$88,420	---	\$88,420
Restricted for Capital Reserve	---	---	\$74,352	\$74,352
Nonspendable	\$1,580	---	---	\$1,580
Unassigned	\$479,619	---	---	\$479,619
TOTAL FUND BALANCES	\$481,199	\$88,420	\$74,352	\$643,972
TOTAL LIABILITIES & FUND EQUITY	\$485,540	\$88,420	\$74,352	\$648,312

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending 06/30/23

	ADOPTED	PRORATED BUDGET	ACTUAL	
	BUDGET	6/30/23	6/30/23	VARIANCE

Revenues

Assessments - On Roll	\$412,343	\$412,343	\$418,005	\$5,662
Interest/Misc Revenue	\$10	\$8	\$4,569	\$4,561
Access Key Cards	\$100	\$75	\$0	(\$75)

Total Revenues	\$412,453	\$412,426	\$422,573	\$10,148
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Expenditures

Administrative

Supervisor Fees	\$4,000	\$3,000	\$1,800	\$1,200
FICA Expense	\$306	\$230	\$138	\$92
Engineering	\$4,000	\$3,000	\$2,700	\$300
Assessment Roll	\$7,500	\$7,500	\$7,500	\$0
Dissemination	\$1,500	\$1,125	\$1,125	\$0
Attorney	\$18,000	\$13,500	\$5,519	\$7,981
Annual Audit	\$3,250	\$0	\$0	\$0
Trustee Fees	\$3,800	\$0	\$0	\$0
Management Fees	\$50,079	\$37,559	\$37,559	(\$0)
Computer Time	\$1,800	\$1,350	\$1,350	\$0
Website Compliance	\$1,200	\$900	\$900	\$0
Telephone	\$200	\$150	\$86	\$64
Postage	\$800	\$600	\$66	\$534
Printing & Binding	\$1,500	\$1,125	\$169	\$956
Rental & Leases	\$0	\$0	\$0	\$0
Meeting Room Rental	\$1,000	\$750	\$120	\$630
Insurance	\$16,543	\$16,543	\$16,017	\$526
Legal Advertising	\$3,200	\$1,925	\$1,925	\$0
Other Current Charges	\$7,400	\$6,755	\$6,755	\$0
Office Supplies	\$100	\$75	\$6	\$69
Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0

Total Administrative Expenditures	\$126,353	\$96,262	\$83,911	\$12,351
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Utilities

Electric	\$32,500	\$24,375	\$22,661	\$1,714
Water & Sewer	\$43,051	\$32,289	\$6,992	\$25,297

Total Utilities	\$75,551	\$56,664	\$29,653	\$27,010
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HERON ISLES
COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending 06/30/23

	ADOPTED	PRORATED BUDGET	ACTUAL	
	BUDGET	6/30/23	6/30/23	VARIANCE
Expenditures				
<u>Contract Services</u>				
Landscape Maintenance	\$87,336	\$65,502	\$65,502	\$0
Landscape Contingency	\$15,000	\$9,583	\$9,583	\$0
Irrigation Maintenance	\$5,800	\$4,350	\$3,791	\$559
Lake Maintenance	\$8,803	\$6,602	\$5,869	\$734
Janitorial Services	\$7,200	\$5,400	\$5,197	\$203
Facility Management	\$12,370	\$9,278	\$9,277	\$0
Pest Control Services	\$250	\$250	\$250	\$0
Holiday Decorations	\$1,500	\$521	\$521	\$0
Total Contract Services	\$138,259	\$101,486	\$99,990	\$1,496
<u>Repairs & Maintenance</u>				
Facility Repairs	\$17,500	\$13,125	\$5,413	\$7,712
Misc Repairs & Maintenance	\$7,500	\$5,625	\$0	\$5,625
Road and Drainage Repairs	\$0	\$0	\$9,650	(\$9,650)
Total Repairs & Maintenance	\$25,000	\$18,750	\$15,063	\$3,687
<u>Reserves</u>				
Capital Reserve - Transfer Out	\$47,289	\$0	\$0	\$0
Total Reserves	\$47,289	\$0	\$0	\$0
TOTAL EXPENDITURES	\$412,453	\$273,161	\$228,616	\$44,545
EXCESS REVENUES (EXPENDITURES)	\$0		\$193,957	
FUND BALANCE - Beginning	\$0		\$287,242	
FUND BALANCE - Ending	\$0		\$481,199	

Heron Isles

COMMUNITY DEVELOPMENT DISTRICT

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
<u>REVENUES:</u>													
Maintenance Assessments	\$1,809	\$29,241	\$366,712	\$2,936	\$3,592	\$4,764	\$5,537	\$1,450	\$1,963	\$0	\$0	\$0	\$418,005
Interest Income	\$253	\$567	\$712	\$1,120	\$1,179	\$536	\$47	\$72	\$83	\$0	\$0	\$0	\$4,569
Access Cards	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$2,062	\$29,808	\$367,424	\$4,056	\$4,771	\$5,301	\$5,584	\$1,522	\$2,046	\$0	\$0	\$0	\$422,573
<u>EXPENDITURES:</u>													
<u>Administrative:</u>													
Supervisors	\$0	\$600	\$0	\$0	\$600	\$0	\$0	\$0	\$600	\$0	\$0	\$0	\$1,800
FICA Expense	\$0	\$46	\$0	\$0	\$46	\$0	\$0	\$0	\$46	\$0	\$0	\$0	\$138
Engineering	\$0	\$0	\$0	\$743	\$405	\$135	\$810	\$135	\$473	\$0	\$0	\$0	\$2,700
Attorney	\$93	\$909	\$63	\$0	\$2,035	\$351	\$504	\$243	\$1,322	\$0	\$0	\$0	\$5,519
Dissemination	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$0	\$0	\$0	\$1,125
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	\$4,173	\$4,173	\$4,173	\$4,173	\$4,173	\$4,173	\$4,173	\$4,173	\$4,173	\$0	\$0	\$0	\$37,559
Computer Time	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$0	\$0	\$0	\$1,350
Website Administration	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$0	\$0	\$0	\$900
Telephone	\$63	\$0	\$0	\$9	\$0	\$0	\$14	\$0	\$0	\$0	\$0	\$0	\$86
Postage	\$3	\$6	\$27	\$0	\$7	\$13	\$2	\$1	\$8	\$0	\$0	\$0	\$66
Printing & Binding	\$7	\$7	\$33	\$3	\$0	\$71	\$4	\$1	\$45	\$0	\$0	\$0	\$169
Rental & Leases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$16,017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,017
Legal Advertising	\$1,839	\$0	\$0	\$0	\$0	\$0	\$0	\$86	\$0	\$0	\$0	\$0	\$1,925
Other Current Charges	\$0	\$6,555	\$0	\$0	\$0	\$0	\$200	\$0	\$0	\$0	\$0	\$0	\$6,755
Meeting Room Rental	\$40	\$0	\$0	\$40	\$0	\$0	\$0	\$40	\$0	\$0	\$0	\$0	\$120
Office Supplies	\$0	\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6
Dues, Licenses, Subscriptions	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
Total Administrative	\$30,285	\$12,675	\$4,671	\$5,343	\$7,641	\$5,119	\$6,082	\$5,054	\$7,041	\$0	\$0	\$0	\$83,911
<u>Maintenance:</u>													
Electric	\$2,293	\$2,307	\$2,322	\$2,249	\$2,681	\$2,679	\$2,696	\$2,732	\$2,702	\$0	\$0	\$0	\$22,661
Water & Sewer	\$1,266	\$680	\$759	\$711	\$737	\$780	\$744	\$645	\$669	\$0	\$0	\$0	\$6,992
Landscape Maintenance	\$7,278	\$7,278	\$7,278	\$7,278	\$7,278	\$7,278	\$7,278	\$7,278	\$7,278	\$0	\$0	\$0	\$65,502
Landscape Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$3,600	\$3,883	\$2,100	\$0	\$0	\$0	\$9,583
Irrigation Repairs	\$3,253	\$0	\$538	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,791
Lake Maintenance	\$734	\$734	\$734	\$734	\$734	\$734	\$734	\$734	\$0	\$0	\$0	\$0	\$5,869
Janitorial	\$573	\$573	\$573	\$573	\$573	\$573	\$573	\$573	\$613	\$0	\$0	\$0	\$5,197
Trash Removal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facility Management	\$1,031	\$1,031	\$1,031	\$1,031	\$1,031	\$1,031	\$1,031	\$1,031	\$1,031	\$0	\$0	\$0	\$9,277
Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250	\$0	\$0	\$0	\$0	\$250
Facility Repairs	\$315	\$90	\$286	\$2,680	\$359	\$717	\$276	\$315	\$374	\$0	\$0	\$0	\$5,413
Misc Repairs & Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Road and Drainage Repairs	\$0	\$0	\$3,180	\$6,470	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,650
Holiday Decorations	\$0	\$521	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$521
Total Maintenance	\$16,743	\$13,213	\$16,699	\$21,726	\$13,393	\$13,792	\$16,932	\$17,440	\$14,767	\$0	\$0	\$0	\$144,705
Total Expenditures	\$47,028	\$25,888	\$21,370	\$27,068	\$21,034	\$18,910	\$23,014	\$22,494	\$21,809	\$0	\$0	\$0	\$228,616
<u>TOTAL OTHER SOURCES AND USES</u>													
Capital Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Sources and Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Excess Revenues (Expenditures)	(\$44,966)	\$3,920	\$346,053	(\$23,012)	(\$16,264)	(\$13,610)	(\$17,430)	(\$20,972)	(\$19,763)	\$0	\$0	\$0	\$193,957

HERON ISLES
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND - SERIES 2017
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending 06/30/23

	ADOPTED BUDGET	PRORATED BUDGET 6/30/23	ACTUAL 6/30/23	VARIANCE
Revenues				
Special Assessments - On Roll	\$221,947	\$221,947	\$224,574	\$2,627
Prepayments	\$0	\$0	\$4,137	\$4,137
Interest Income	\$0	\$0	\$3,311	\$3,311
Total Revenues	\$221,947	\$221,947	\$232,022	\$10,075
Expenditures				
Series 2017A1				
Interest - 11/1	\$24,975	\$24,975	\$24,975	\$0
Special Call - 11/1	\$0	\$0	\$5,000	(\$5,000)
Interest - 5/1	\$24,975	\$24,975	\$24,891	\$84
Principal - 5/1	\$100,000	\$100,000	\$100,000	\$0
Special Call - 5/1	\$0	\$0	\$5,000	(\$5,000)
Series 2017A2				
Interest - 11/1	\$15,875	\$15,875	\$15,875	\$0
Special Call - 11/1	\$0	\$0	\$5,000	(\$5,000)
Interest - 5/1	\$15,875	\$15,875	\$15,750	\$125
Principal - 5/1	\$30,000	\$0	\$30,000	(\$30,000)
Special Call - 5/1	\$0	\$0	\$5,000	(\$5,000)
Total Expenditures	\$211,700	\$181,700	\$231,491	(\$49,791)
EXCESS REVENUES (EXPENDITURES)	\$10,247		\$532	
FUND BALANCE - Beginning	\$48,550		\$87,889	
FUND BALANCE - Ending	\$58,797		\$88,420	

HERON ISLES
COMMUNITY DEVELOPMENT DISTRICT

CAPITAL RESERVE

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending 06/30/23

	ADOPTED	PRORATED BUDGET	ACTUAL	
	BUDGET	6/30/23	6/30/23	VARIANCE
Revenues				
Capital Reserve Transfer In	\$47,289	\$0	\$0	\$0
Interest Income	\$0	\$0	\$70	\$70
Total Revenues	\$47,289	\$0	\$70	\$70
Expenditures				
Capital Outlay	\$20,000	\$15,000	\$0	\$15,000
Repair & Maintenance	\$0	\$0	\$19,870	(\$19,870)
Other Current Charges	\$500	\$375	\$0	\$375
Total Expenditures	\$20,500	\$15,375	\$19,870	(\$4,495)
EXCESS REVENUES (EXPENDITURES)	\$26,789		(\$19,800)	
FUND BALANCE - Beginning	\$94,111		\$94,152	
FUND BALANCE - Ending	\$120,900		\$74,352	

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:	\$81,257.82
Reserve Balance: (1)	\$81,257.82
 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)
Less: May 1, 2020	(\$100,000)
Less: May 1, 2020 (Prepayment)	(\$10,000)
Less: November 1, 2020 (Prepayment)	(\$15,000)
Less: May 1, 2021	(\$95,000)
Less: May 1, 2021 (Prepayment)	(\$5,000)
Less: November 1, 2021 (Prepayment)	(\$5,000)
Less: May 1, 2022	(\$100,000)
Less: November 1, 2022 (Prepayment)	(\$5,000)
Less: May 1, 2023	(\$100,000)
Less: May 1, 2023 (Prepayment)	(\$5,000)

(1) Covered by Assured Guaranty Municipal Corp Bond Insurance

Current Bonds Outstanding	\$1,575,000
---------------------------	-------------

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:	\$34,125.00
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)
Less: May 1, 2020	(\$30,000)
Less: May 1, 2020 (Prepayment)	(\$5,000)
Less: November 1, 2020 (Prepayment)	(\$5,000)
Less: May 1, 2021	(\$30,000)
Less: May 1, 2021 (Prepayment)	(\$5,000)
Less: November 1, 2021 (Prepayment)	(\$5,000)
Less: May 1, 2022	(\$30,000)
Less: May 1, 2022 (Prepayment)	(\$10,000)
Less: November 1, 2022 (Prepayment)	(\$5,000)
Less: May 1, 2023	(\$30,000)
Less: May 1, 2023 (Prepayment)	(\$5,000)

Current Bonds Outstanding	\$595,000
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C.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT
FISCAL YEAR 2023 ASSESSMENT RECEIPTS SUMMARY

ASSESSED	#UNITS ASSESSED	SERIES 2017A-2 DEBT SERVICE ASSESSED	O&M ASSESSED	TOTAL ASSESSED
NET ASSESSMENTS TAX ROLL	748	221,531.38	412,340.61	633,871.99
TOTAL NET ASSESSMENTS		221,531.38	412,340.61	633,871.99

SUMMARY OF TAX ROLL RECEIPTS				
NASSAU COUNTY DISTRIBUTION	DATE RECEIVED	TOTAL RECEIVED	DEBT SERVICE RECEIPTS	O&M RECEIPTS

1	10/28/22	2,781.54	972.12	1,809.42
2	11/21/22	44,951.19	15,709.95	29,241.24
3	12/8/22	542,753.33	189,686.40	353,066.93
4	12/28/22	20,975.65	7,330.76	13,644.89
5	1/9/23	4,514.00	1,577.59	2,936.41
6	2/8/23	5,521.05	1,929.55	3,591.50
7	3/10/23	7,323.82	2,559.60	4,764.22
8	4/7/23	8,511.64	2,974.73	5,536.91
9	5/8/23	2,229.11	779.05	1,450.06
10	6/7/23	-	-	-
TAX CERTIFICATES	6/8/23	2,753.03	962.15	1,790.88
INTEREST	6/15/23	264.49	92.44	172.05
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-

TOTAL TAX ROLL RECEIPTS	\$	642,578.85	\$	224,574.32	\$	418,004.53
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TOTAL DUE TAX ROLL RECEIPTS	\$	(8,706.86)	\$	(3,042.94)	\$	(5,663.92)
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PERCENT COLLECTED	TOTAL	DEBT	O&M
% COLLECTED TAX ROLL	101.37%	101.37%	101.37%

D.

HERON ISLES
Community Development District

Check Register Summary

4/01/2023 - 6/30/2023

<i>Check Date</i>	<i>Check #'s</i>	<i>Total</i>	<i>Total Amount</i>
General Fund			
4/1/23 - 4/30/23	546	\$65.00	
5/1/23 - 5/31/23	547-563	\$39,748.87	
6/1/23 - 6/30/23	564-574	\$23,490.51	
Total			\$63,304.38

Autopayments			
4/5/23	JEA Online Payment	\$744.49	
4/6/23	FPL Online Payment	\$2,696.05	
5/4/23	JEA Online Payment	\$644.73	
5/8/23	FPL Online Payment	\$2,732.27	
6/2/23	JEA Online Payment	\$669.48	
6/6/23	FPL Online Payment	\$2,702.22	
6/12/23	IRS Tax Payment	\$91.80	
Total			\$10,281.04

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
4/04/23	00133	3/22/23 322236	202303 320-57200-49700	REPLACE TODDLER SWING	*	65.00	
				TRI STATE HANDY HELP			65.00 000546
5/05/23	00136	12/20/22 152968	202212 320-57200-61000	7/20 RPR NEED EXCA INVEST	*	1,490.00	
		1/06/23 153903	202212 320-57200-61000	DEMO/INVESTIGATION	*	1,690.00	
		1/31/23 154947	202301 320-57200-61000	REPAIR NEEDED	*	6,470.00	
				ALL WEATHER CONTRACTORS			9,650.00 000547
5/05/23	00139	4/01/23 8343083	202304 320-57200-46200	APR EXTERIOR MAINTENANCE	*	7,278.00	
		4/27/23 8403457	202304 320-57200-46200	MULCH INSTALL LAND BEDS	*	3,600.08	
				BRIGHTVIEW LANDSCAPE SERVICES, INC.			10,878.08 000548
5/05/23	00093	4/10/23 14	202304 310-51300-49000	AMORT SE2017A PREPAY \$5K	*	100.00	
		4/10/23 14	202304 310-51300-49000	AMORT SE2017B PREPAY \$5K	*	100.00	
				DISCLOSURE SERVICES, LLC			200.00 000549
5/05/23	00115	5/16/23 05162023	202305 310-51300-44500	5/16/23 MEETING ROOM	*	40.00	
				FLORIDA STATE COLLEGE			40.00 000550
5/05/23	00130	3/31/23 77800	202303 320-57200-46500	MAR LAKE MANAGEMENT	*	733.60	
				FUTURE HORIZONS, INC			733.60 000551
5/05/23	00014	4/01/23 542	202304 320-57200-34000	APR MANAGEMENT FEES	*	4,173.25	
		4/01/23 542	202304 310-51300-35110	APR WEBSITE ADMIN	*	100.00	
		4/01/23 542	202304 310-51300-35100	APR INFO TECH	*	150.00	
		4/01/23 542	202304 310-51300-31300	APR DISSEM AGENT SRVCS	*	125.00	
		4/01/23 542	202304 310-51300-51000	OFFICE SUPPLIES	*	.12	
		4/01/23 542	202304 310-51300-42000	POSTAGE	*	2.40	
		4/01/23 542	202304 310-51300-42500	COPIES	*	3.60	

HIC -HERON ISLES - BPEREGRINO

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
		4/01/23 542	202304 310-51300-41000		*	13.66	
		TELEPHONE					
		4/12/23 248	202303 320-57200-49700		*	108.49	
		MAINTENANCE SUPPLIES					
				GOVERNMENTAL MANAGEMENT SERVICES			4,676.52 000552
5/05/23 00141		4/11/23 6312	202303 310-51300-31500		*	350.50	
		MAR GENERAL COUNSEL					
				KILINSKI VAN WYK PLLC			350.50 000553
5/05/23 00132		4/15/23 19	202304 320-57200-46600		*	573.00	
		BIWEEKLY ROUTINE CLEANING					
				MAGIC TOUCH COMMERCIAL CLEANING CO			573.00 000554
5/05/23 00084		4/16/23 12023	202304 320-57200-49700		*	275.99	
		FOAM CAP REPAIRS					
				MASONRY PLUS PROPERTY SERVICES,LLC			275.99 000555
5/05/23 00065		4/01/23 29	202304 320-57200-34100		*	1,030.83	
		APR FACILITY MANAGEMENT					
				RIVERSIDE MANAGEMENT SERVICES, INC.			1,030.83 000556
5/05/23 00133		3/23/23 223238	202303 320-57200-49700		*	120.00	
		REPAIR DAMAGE GATED FENCE					
				TRI STATE HANDY HELP			120.00 000557
5/05/23 00110		4/10/23 3267	202303 310-51300-31100		*	135.00	
		MAR ENG EFFORTS-CDD MTG					
				YURO AND ASSOCIATES, LLC.			135.00 000558
5/19/23 00139		5/11/23 8414673	202305 320-57200-46200		*	3,882.74	
		IRRIG PLANTS AT ENTRANCES					
				BRIGHTVIEW LANDSCAPE SERVICES, INC.			3,882.74 000559
5/19/23 00130		4/30/23 78198	202304 320-57200-46500		*	733.60	
		APR LAKE MANAGEMENT					
				FUTURE HORIZONS, INC			733.60 000560
5/19/23 00014		5/01/23 249	202305 310-51300-34000		*	4,173.25	
		MAY MANAGEMENT FEES					
		5/01/23 249	202305 310-51300-35110		*	100.00	
		MAY WEBSITE ADMIN					
		5/01/23 249	202305 310-51300-35100		*	150.00	
		MAY INFO TECH					
		5/01/23 249	202305 310-51300-31300		*	125.00	
		MAY DISSEM AGENT SRVCS					

HIC -HERON ISLES - BPEREGRINO

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
		5/01/23 249	202305 310-51300-51000		*	.03	
		OFFICE SUPPLIES					
		5/01/23 249	202305 310-51300-42000		*	.60	
		POSTAGE					
		5/01/23 249	202305 310-51300-42500		*	1.05	
		COPIES					
		5/11/23 250	202305 320-57200-49700		*	315.25	
		MAINTENANCE SUPPLIES					
				GOVERNMENTAL MANAGEMENT SERVICES			4,865.18 000561
5/19/23 00132		5/15/23 20	202305 320-57200-46600		*	573.00	
		BIWEEKLY ROUTINE CLEANING					
				MAGIC TOUCH COMMERCIAL CLEANING CO			573.00 000562
5/19/23 00065		5/01/23 30	202305 320-57200-34100		*	1,030.83	
		MAY FACILITY MANAGEMENT					
				RIVERSIDE MANAGEMENT SERVICES, INC.			1,030.83 000563
6/05/23 00139		5/01/23 8384790	202305 320-57200-46200		*	7,278.00	
		MAY LANDSCAPE MAINTENANCE					
		6/01/23 8429003	202306 320-57200-46200		*	7,278.00	
		JUN LANDSCAPE MAINTENANCE					
				BRIGHTVIEW LANDSCAPE SERVICES, INC.			14,556.00 000564
6/05/23 00142		5/18/23 23-00088	202305 310-51300-48000		*	86.00	
		NTC OF MEET BOARD SUPVSRs					
				JACKSONVILLE DAILY RECORD C/O			86.00 000565
6/05/23 00141		5/15/23 6619	202304 310-51300-31500		*	504.00	
		APR GENERAL COUNSEL					
				KILINSKI VAN WYK PLLC			504.00 000566
6/05/23 00110		5/26/23 3304	202304 310-51300-31100		*	810.00	
		APR ENGINEERING EFFORTS					
				YURO AND ASSOCIATES, LLC.			810.00 000567
6/16/23 00130		5/31/23 78683	202305 320-57200-46500		*	733.60	
		MAY LAKE MANAGEMENT					
				FUTURE HORIZONS, INC			733.60 000568
6/16/23 00014		6/01/23 251	202306 310-51300-34000		*	4,173.25	
		JUN MANAGEMENT FEES					
		6/01/23 251	202306 310-51300-35110		*	100.00	
		JUN WEBSITE ADMIN					
		6/01/23 251	202306 310-51300-35100		*	150.00	
		JUN INFO TECH					

HIC -HERON ISLES - BPEREGRINO

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
		6/01/23 251	202306 310-51300-31300		*	125.00	
			JUN DISSEM AGENT SRVCS				
		6/01/23 251	202306 310-51300-51000		*	.39	
			OFFICE SUPPLIES				
		6/01/23 251	202306 310-51300-42000		*	7.80	
			POSTAGE				
		6/01/23 251	202306 310-51300-42500		*	44.55	
			COPIES				
				GOVERNMENTAL MANAGEMENT SERVICES			4,600.99 000569
6/16/23 00065		6/01/23 31	202306 320-57200-34100		*	1,030.83	
			JUN FACILITY MANAGEMENT				
				RIVERSIDE MANAGEMENT SERVICES, INC.			1,030.83 000570
6/29/23 00014		6/20/23 252	202306 320-57200-49700		*	178.09	
			MAINTENANCE SUPPLIES				
				GOVERNMENTAL MANAGEMENT SERVICES			178.09 000571
6/29/23 00141		6/14/23 6772	202305 310-51300-31500		*	243.00	
			MAY GENEREL COUNSEL				
				KILINSKI VAN WYK PLLC			243.00 000572
6/29/23 00132		6/15/23 21	202306 320-57200-46600		*	613.00	
			BIWEEKLY ROUTINE CLEANING				
				MAGIC TOUCH COMMERCIAL CLEANING CO			613.00 000573
6/29/23 00110		6/21/23 3325	202305 310-51300-31100		*	135.00	
			MAY ENG EFFORTS-CDD MTG				
				YURO AND ASSOCIATES, LLC.			135.00 000574
				TOTAL FOR BANK B		63,304.38	
				TOTAL FOR REGISTER		63,304.38	

FIFTH ORDER OF BUSINESS

**Heron Isles
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2022

Heron Isles Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2022

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Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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REPORT OF INDEPENDENT AUDITORS

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

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of Heron Isles Community Development District (the "District"), as of and for the year ended September 30, 2022, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Heron Isles Community Development District as of September 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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



To the Board of Supervisors
Heron Isles Community Development District

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including currently known information that may raise substantial doubt thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



To the Board of Supervisors
Heron Isles Community Development District

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 17, 2023 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 Heron Isles Community Development District's internal control over financial reporting and compliance.

*Berger Toombs Elam
Gaines & Frank*

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

July 17, 2023

**Heron Isles Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

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, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including capital assets are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as 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, 2022.

- ◆ The District's total liabilities exceeded total assets by \$(506,446) (net position). Unrestricted net position for Governmental Activities was \$380,063. Net investment in capital assets was \$(886,509).
- ◆ Governmental activities revenues totaled \$649,958 while governmental activities expenses totaled \$449,629.

**Heron Isles Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

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	
	<u>2022</u>	<u>2021</u>
Current assets	\$ 396,070	\$ 270,741
Prepaid bond insurance	58,704	63,000
Restricted assets	87,222	91,915
Capital assets	<u>1,286,905</u>	<u>1,358,037</u>
 Total Assets	 <u>1,828,901</u>	 <u>1,783,693</u>
 Current liabilities	 178,050	 185,535
Non-current liabilities	<u>2,157,297</u>	<u>2,304,933</u>
 Total Liabilities	 <u>2,335,347</u>	 <u>2,490,468</u>
 Net position - net investment in capital assets	 (886,509)	 (962,325)
Net position - restricted	-	5,398
Net position - unrestricted	<u>380,063</u>	<u>250,152</u>
 Total Net Position	 <u><u>\$ (506,446)</u></u>	 <u><u>\$ (706,775)</u></u>

The increase in current assets is primarily related to revenues exceeding expenditures in the General Fund in the current year.

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

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

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

**Heron Isles Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change in Net Position

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Program Revenues		
Charges for services	\$ 649,726	\$ 658,171
General Revenues		
Investment earnings	232	22
Total Revenues	<u>649,958</u>	<u>658,193</u>
Expenses		
General government	119,504	109,307
Physical environment	239,400	313,228
Interest and other charges	90,725	94,991
Total Expenses	<u>449,629</u>	<u>517,526</u>
Change in Net Position	200,329	140,667
Net Position - Beginning of Year	<u>(706,775)</u>	<u>(847,442)</u>
Net Position - End of Year	<u>\$ (506,446)</u>	<u>\$ (706,775)</u>

The decrease in physical environment is related to decreased repairs and maintenance expenses in the current year.

**Heron Isles Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

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, 2022 and 2021:

Description	Governmental Activities	
	2022	2021
Land and improvements	\$ 46,653	\$ 46,653
Infrastructure	2,273,975	2,273,975
Equipment	6,784	-
Accumulated depreciation	(1,040,507)	(962,591)
Capital assets, net	<u>\$ 1,286,905</u>	<u>\$ 1,358,037</u>

Depreciation was \$77,916 in the current year and additions to equipment was \$6,784.

General Fund Budgetary Highlights

Budgeted expenditures exceeded actual expenditures primarily due to lower capital outlay and water/sewer expenditures than were anticipated.

The September 30, 2022 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 \$1,685,000 and \$635,000, 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 2023.

**Heron Isles Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

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, 2022

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 186,388
Investment	206,195
Assessments receivable	1,907
Deposits	1,580
Total Current Assets	<u>396,070</u>
Non-current Assets:	
Prepaid bond insurance	58,704
Restricted assets:	
Investments	87,222
Capital assets not being depreciated	
Land and improvements	46,653
Capital assets being depreciated	
Infrastructure	2,273,975
Equipment	6,784
Accumulated depreciation	<u>(1,040,507)</u>
Total Non-current Assets	<u>1,432,831</u>
Total Assets	<u>1,828,901</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	14,008
Accrued interest payable	34,042
Bonds payable	130,000
Total Current Liabilities	<u>178,050</u>
Non-current Liabilities:	
Bonds payable, net	<u>2,157,297</u>
Total Liabilities	<u>2,335,347</u>
NET POSITION	
Net investment in capital assets	(886,509)
Unrestricted	380,063
Total Net Position	<u>\$ (506,446)</u>

See accompanying notes to financial statements.

Heron Isles Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Primary government			
Governmental Activities			
General government	\$ (119,504)	\$ 178,136	\$ 58,632
Physical environment	(239,400)	240,712	1,312
Interest and other charges	(90,725)	230,878	140,153
Total Governmental Activities	<u>\$ (449,629)</u>	<u>\$ 649,726</u>	<u>200,097</u>
General revenues:			
Investment earnings			<u>232</u>
Change in Net Position			200,329
Net Position - October 1, 2021			(706,775)
Net Position - September 30, 2022			<u>\$ (506,446)</u>

See accompanying notes to financial statements.

Heron Isles Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2022

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 186,388	\$ -	\$ 186,388
Investment	206,195	-	206,195
Assessments receivable	1,240	667	1,907
Deposits	1,580	-	1,580
Restricted assets:			
Restricted investments	-	87,222	87,222
Total Assets	<u>\$ 395,403</u>	<u>\$ 87,889</u>	<u>\$ 483,292</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	<u>\$ 14,008</u>	<u>\$ -</u>	<u>\$ 14,008</u>
FUND BALANCES			
Nonspendable-deposits	1,580	-	1,580
Restricted for:			
Debt service	-	87,889	87,889
Assigned for capital reserves	94,152	-	94,152
Unassigned	<u>285,663</u>	<u>-</u>	<u>285,663</u>
Total Fund Balances	<u>381,395</u>	<u>87,889</u>	<u>469,284</u>
Total Liabilities and Fund Balances	<u>\$ 395,403</u>	<u>\$ 87,889</u>	<u>\$ 483,292</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, 2022

Total Governmental Fund Balances	\$ 469,284
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, land and improvements, \$46,653, infrastructure, \$2,273,975, and equipment, \$6,784, net of accumulated depreciation, \$(1,040,507) used in governmental activities are not current financial resources; and therefore, are not reported at the fund level.	1,286,905
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.	58,704
Long-term liabilities, including bonds payable, \$(2,320,000), net of net bond discount, \$32,703, are not due and payable in the current period; therefore, are not reported at the governmental fund level.	(2,287,297)
Accrued interest expense for long-term debt is not a current financial use; therefore, it is not reported at the governmental fund level.	<u>(34,042)</u>
Net Position of Governmental Activities	<u><u>\$ (506,446)</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, 2022

	General	Debt Service	Total Governmental Funds
Revenues			
Special assessments	\$ 418,848	\$ 230,878	\$ 649,726
Investment earnings	167	65	232
Total Revenues	<u>419,015</u>	<u>230,943</u>	<u>649,958</u>
Expenditures			
Current			
General government	119,504	-	119,504
Physical environment	161,484	-	161,484
Capital outlay	6,784	-	6,784
Debt service			
Principal	-	150,000	150,000
Interest	-	85,891	85,891
Total Expenditures	<u>287,772</u>	<u>235,891</u>	<u>523,663</u>
Net Change in Fund Balances	131,243	(4,948)	126,295
Fund Balances - October 1, 2021	<u>250,152</u>	<u>92,837</u>	<u>342,989</u>
Fund Balances - September 30, 2022	<u><u>\$ 381,395</u></u>	<u><u>\$ 87,889</u></u>	<u><u>\$ 469,284</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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 126,295
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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 that depreciation, \$(77,916) exceeded capital outlay, \$6,784, in the current year.	(71,132)
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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.	150,000
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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 fund 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 the fund level, interest expenditures are reported when due. This is the change in accrued interest from the prior year.	<div style="border-top: 1px solid black; border-bottom: 3px double black;">1,826</div>
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Change in Net Position of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 200,329</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 412,343	\$ 412,343	\$ 418,848	\$ 6,505
Miscellaneous revenues	100	100	-	(100)
Interest earnings	10	10	167	157
Total Revenues	<u>412,453</u>	<u>412,453</u>	<u>419,015</u>	<u>6,562</u>
Expenditures				
Current				
General government	126,301	126,301	119,504	6,797
Physical environment	231,163	231,163	161,484	69,679
Capital outlay	40,000	40,000	6,784	33,216
Total Expenditures	<u>397,464</u>	<u>397,464</u>	<u>287,772</u>	<u>109,692</u>
Net Change in Fund Balances	14,989	14,989	131,243	116,254
Fund Balances - October 1, 2021	<u>45,815</u>	<u>45,815</u>	<u>250,152</u>	<u>204,337</u>
Fund Balances - September 30, 2022	<u>\$ 60,804</u>	<u>\$ 60,804</u>	<u>\$ 381,395</u>	<u>\$ 320,591</u>

See accompanying notes to financial statements.

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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 registered voters within the District. The District operates within the criteria established by Chapter 190, Florida Statutes.

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, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

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

Governmental activities are supported by special assessments. 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, 2022

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.

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

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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, 2022

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, 2022

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, infrastructure and equipment are reported in governmental activities.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method over the infrastructure assets' estimated useful lives ranging from 10 to 30 years and equipment 5 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, 2022

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, \$469,284, differs from “net position” of governmental activities, \$(506,446), 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	2,273,975
Equipment	6,784
Accumulated depreciation	<u>(1,040,507)</u>
Net Capital Assets	<u><u>\$ 1,286,905</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>\$ 58,704</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, 2022 were:

Bonds payable	\$ (2,320,000)
Bond discount, net	<u>32,703</u>
Total	<u><u>\$ (2,287,297)</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>\$ (34,042)</u></u>
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Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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, \$126,295, differs from the “change in net position” for governmental activities, \$200,329, 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. As a result, fund balances decrease by the financial resources expended, whereas, net position decreases by depreciation charged.

Depreciation	\$ (77,916)
Capital outlay	<u>6,784</u>
Total	<u>\$ (71,132)</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>\$ 150,000</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>\$ 1,826</u>
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Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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, 2022, the District's bank balance was \$194,490, and the carrying value was \$186,388.

Investments

As of September 30, 2022, the District had the following investments and maturities:

Investment	Maturities	Fair Value
Florida PRIME	21 Days*	\$ 2,235
U S Bank Money Market	N/A	291,182
Total		<u>\$ 293,417</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 the investment in the U S Bank Money Market is a level one asset.

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. The investment in Florida PRIME is measured at amortized cost. Florida PRIME has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2022, there were no redemption fees, maximum transaction amounts, or any other requirement that would limit daily access to 100 percent of the account value.

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE C – CASH AND INVESTMENTS (CONTINUED)

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, 2022, the District's investment in Florida PRIME was rated AAAM by Standard & Poor's. The District's investment in U S Bank Money Market is not rated.

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 Florida PRIME represent 1% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2022 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, 2022

NOTE E – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2022 was as follows:

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
<u>Governmental Activities:</u>				
Capital assets, not depreciated				
Land and improvements	\$ 46,653	\$ -	\$ -	\$ 46,653
Capital assets, being depreciated:				
Infrastructure	2,273,975	-	-	2,273,975
Equipment	-	6,784	-	6,784
Less accumulated depreciation	(962,591)	(77,916)	-	(1,040,507)
Total Capital Assets Depreciated, Net	<u>1,311,384</u>	<u>(71,132)</u>	<u>-</u>	<u>1,240,252</u>
Governmental Activities, Capital Assets	<u>\$ 1,358,037</u>	<u>\$ (71,132)</u>	<u>\$ -</u>	<u>\$ 1,286,905</u>

Depreciation of \$77,916 was charged to physical environment.

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE F – LONG-TERM DEBT

The following is a summary of debt activity for the District for the year ended September 30, 2022:

Long-term debt at October 1, 2021	\$ 2,470,000
Principal payments	<u>(150,000)</u>
Long-term debt at September 30, 2022	\$ 2,320,000
Less: bond discount, net	<u>(32,703)</u>
Total long-term debt, September 30, 2022	<u><u>\$ 2,287,297</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 \$100,000.

	\$ 1,685,000
--	--------------

\$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 \$30,000.

	<u>635,000</u>
Bond payable	2,320,000
Bond discount, net	<u>(32,703)</u>
Bonds Payable, Net	<u><u>\$ 2,287,297</u></u>

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE F – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2022 are as follows:

Year Ending September 30,	Principal	Interest	Total
2023	\$ 130,000	\$ 81,700	\$ 211,700
2024	135,000	78,200	213,200
2025	140,000	74,200	214,200
2026	145,000	69,956	214,956
2027	145,000	65,456	210,456
2028-2032	835,000	246,914	1,081,914
2033-2036	790,000	77,007	867,007
Totals	<u>\$ 2,320,000</u>	<u>\$ 693,433</u>	<u>\$ 3,013,433</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, 2022

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, 2022:

<u>Capital Improvement Revenue Refunding Bonds</u>	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Senior Series 2017A-1	\$ 81,258	\$ 81,258
Subordinate Series 2017A-2	\$ 33,188	\$ 32,625

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.

NOTE H – SUBSEQUENT EVENT

In November 2022, the District made prepayments on the Series 2017A-1 and 2017A-2 Capital Improvement Revenue Refunding Bonds of \$5,000 and \$5,000, respectively. In May 2023, the District made prepayments on the Series 2017A-1 and Series 2017A-2 Capital Improvement Revenue Refunding Bonds of \$5,000 and \$5,000 respectively.



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

To the Board of Supervisors
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, as listed in the table of contents, of Heron Isles Community Development District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated July 17, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Heron Isles Community Development District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

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

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



To the Board of Supervisors
Heron Isles Community Development District

Report on 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*

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

July 17, 2023



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, 2022, and have issued our report thereon dated July 17, 2023.

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 July 17, 2023, 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.b. 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, 2022.

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

Specific Information

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Heron Isles Community Development District reported:

- 1) The total number of district employees compensated for the purposes of the auditing disclosure requirements of employees and independent contractors, Board members that receive statutory compensation are reported herein in the last pay period of the District's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 8
- 3) All compensation earned by or awarded to employees, for the purposes of the auditing disclosure requirements of employees and independent contractors, Board members that receive statutory compensation are reported herein, whether paid or accrued, regardless of contingency: \$2,771
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$219,844
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2021, together with the total expenditures for such project: The District had no construction projects during the year.
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Heron Isles Community Development District reported:

- 1) The rate or rates of non-ad valorem special assessments imposed by the District: General Fund, \$592.75, Debt Service, \$447.30.
- 2) The amount of special assessments collected by or on behalf of the District: Total special assessments collected was \$649,726.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds: Series 2017A-1 Bonds, \$1,685,000 maturing November 2036 and Series 2017A-2 Bonds, \$635,000 maturing November 2036.



To the Board of Supervisors
Heron Isles Community Development District

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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

July 17, 2023



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

Certified Public Accountants PL

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**INDEPENDENT ACCOUNTANTS' 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, 2022. 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, 2022.

*Berger Toombs Elam
Gaines + Frank*

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

July 17, 2023

SIXTH ORDER OF BUSINESS

*Approved Budget
Fiscal Year 2024*



*Heron Isles Community
Development District*

August 15, 2023



Heron Isles
Community Development District

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Capital Reserves

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Heron Isles

Community Development District

General Fund

Description	Adopted Budget FY 2023	Actual Thru 6/30/23	Projected Next 3 Months	Total Projected 9/30/23	Approved Budget FY 2024
Revenues					
Assessments - On Roll	\$412,343	\$418,005	\$0	\$418,005	\$412,343
Interest IncomeMiscellaneous Income	\$10	\$4,569	\$262	\$4,831	\$2,800
Access Key Cards	\$100	\$0	\$50	\$50	\$100
TOTAL REVENUES	\$412,453	\$422,573	\$312	\$422,886	\$415,243
Expenditures					
Administrative					
Supervisor Fees	\$4,000	\$1,800	\$800	\$2,600	\$4,000
FICA Expense	\$306	\$138	\$61	\$199	\$306
Engineering	\$4,000	\$2,700	\$1,300	\$4,000	\$4,000
Assessment Roll	\$7,500	\$7,500	\$0	\$7,500	\$7,950
Dissemination	\$1,500	\$1,125	\$375	\$1,500	\$1,590
Attorney	\$18,000	\$5,519	\$10,675	\$16,194	\$18,000
Annual Audit	\$3,250	\$0	\$3,250	\$3,250	\$3,460
Trustee Fees	\$3,800	\$0	\$3,717	\$3,717	\$3,800
Management Fees	\$50,079	\$37,559	\$12,520	\$50,079	\$53,084
Computer Time	\$1,800	\$1,350	\$450	\$1,800	\$1,908
Website Compliance	\$1,200	\$900	\$300	\$1,200	\$1,272
Telephone	\$200	\$86	\$100	\$186	\$200
Postage	\$800	\$66	\$45	\$111	\$800
Printing & Binding	\$1,500	\$169	\$144	\$313	\$600
Meeting Room Rental	\$1,000	\$120	\$40	\$160	\$200
Insurance	\$16,543	\$16,017	\$0	\$16,017	\$21,131
Legal Advertising	\$3,200	\$1,925	\$650	\$2,575	\$3,200
Other Current Charges	\$7,400	\$6,755	\$0	\$6,755	\$7,400
Office Supplies	\$100	\$6	\$15	\$21	\$100
Dues, Licenses & Subscriptions	\$175	\$175	\$0	\$175	\$175
TOTAL ADMINISTRATIVE EXPENDITURES	\$126,353	\$83,911	\$34,443	\$118,354	\$133,176
UTILITIES:					
Electric	\$32,500	\$22,661	\$8,160	\$30,822	\$35,750
Water & Sewer	\$43,051	\$6,992	\$1,845	\$8,836	\$14,000
SUBTOTAL UTILITIES	\$75,551	\$29,653	\$10,005	\$39,658	\$49,750
CONTRACT SERVICES					
Landscape Maintenance (Brightview Landscaping)	\$87,336	\$65,502	\$21,834	\$87,336	\$87,336
Landscape Contingency	\$15,000	\$9,583	\$3,600	\$13,183	\$15,000
Irrigation Maintenance	\$5,800	\$3,791	\$2,009	\$5,800	\$5,800
Lake Maintenance (The Lake Doctors)	\$8,803	\$5,869	\$2,934	\$8,803	\$9,243
Janitorial Services (Magic Touch)	\$7,200	\$5,197	\$1,839	\$7,036	\$7,200
Facility Management	\$12,370	\$9,277	\$3,092	\$12,370	\$13,112
Pest Control Services (Sentricon Pest Control)	\$250	\$250	\$0	\$250	\$350
Holiday Decorations	\$1,500	\$521	\$979	\$1,500	\$1,500
SUBTOTAL CONTRACT SERVICES	\$138,259	\$99,990	\$36,288	\$136,278	\$139,542
REPAIRS & MAINTENANCE					
Facility Repairs	\$17,500	\$5,413	\$12,087	\$17,500	\$17,500
Miscellaneous Repairs & Maintenance	\$7,500	\$0	\$3,750	\$3,750	\$7,500
Road and Drainage Repairs	\$0	\$9,650	\$0	\$9,650	\$10,000
SUBTOTAL REPAIRS & MAINTENANCE	\$25,000	\$15,063	\$15,837	\$30,900	\$35,000
RESERVES					
Capital Reserve - Transfer Out	\$47,289	\$0	\$47,289	\$47,289	\$57,776
SUBTOTAL RESERVES	\$47,289	\$0	\$47,289	\$47,289	\$57,776
TOTAL FIELD EXPENDITURES	\$286,100	\$144,705	\$109,420	\$254,125	\$282,067
TOTAL EXPENDITURES	\$412,453	\$228,616	\$143,863	\$372,479	\$415,243
Excess Revenues	\$0	\$193,957	(\$143,551)	\$50,407	\$0

	FY 2022	FY 2023	FY 2024
NET ASSESSMENTS	\$412,343	\$412,343	\$412,343
PLUS COLLECTION FEES (7%)	\$31,037	\$31,037	\$31,037
GROSS ASSESSMENTS	\$443,380	\$443,380	\$443,380
NO. OF UNITS	748	748	748
PER UNIT ASSESSMENT	\$593	\$593	\$593

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND BUDGET

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. District is contracted with Yuro and Associates LLC.

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, Kelinski Van Wyk PLLC, 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, Berger, Toombs, Elam, Gaines, & Frank.

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND BUDGET

Trustee Fees

The District issued Series 2017 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

Represents various cost of information technology for the District such as video conferencing, cloud storage and servers, positive pay implementation and programming for fraud protection, accounting software, tablets for meetings, Adobe, Microsoft Office, etc.

Website Compliance

Represents the costs associated with monitoring and maintaining the District's website created in accordance with Chapter 189, Florida Statutes. These services include site performance assessments, security and firewall maintenance, updates, document uploads, hosting and domain renewals, website backups, etc. provided by Governmental Management Services LLC.

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.

Other Current Charges

Bank charges, Property appraisal fees, and any other miscellaneous expenses that are incurred during the year.

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND BUDGET

Office Supplies

Miscellaneous office supplies.

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	\$2,300	\$27,600
96139 Heron Isles Pkwy	89411-73059	\$70	\$840
96116 Heron Isles Pkwy	15371-18034	\$40	\$480
96103 Heron Isles Pkwy	79367-06030	\$30	\$360
96443 Heron Isles Pkwy #RR	62356-51129	\$30	\$360
96638 Heron Isles Pkwy #RR	62602-83129	\$30	\$360
96148 Heron Isles Pkwy	59739-27030	\$30	\$360
96331 Starfish Dr entwall	39110-92496	\$30	\$360
961164 Heron Isles Pkwy #RR	17007-82129	\$30	\$360
928 Chester Rd # Entrance	62761-04061	\$30	\$360
Contingency		\$359	\$4,310
Total Electric		\$2,979.17	\$35,750.00

Water & Sewer

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

Location	Account #	Monthly	Annual
928 Chester Rd Apt IR01	83714954	\$130	\$1,560
96059 Heron Isles PY-Sewer	82505651	\$120	\$1,440
96059 Heron Isles PY-Water	82505651	\$70	\$840
96259 Heron Isles PY	83582184	\$70	\$840
96320 Starfish Dr	67059090	\$170	\$2,040
96416 Heron Isles PY	67133229	\$135	\$1,620
96572 Heron Isles PY	67133293	\$70	\$840
Contingency		\$402	\$4,820
Total Water & Sewer		\$1,167	\$14,000

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND BUDGET

Contract Services:

Landscape Maintenance

Landscape services are to maintain the common areas within the District. The District will be contracted with Brightview for these services. The contract provides for a 30-day termination.

<u>Vendor</u>	<u>Monthly</u>	<u>Annual</u>
Brightview	\$7,278	\$87,336

Landscape Contingency

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

Irrigation Maintenance

Irrigation services are to maintain the common areas within the District. The District has contracted with Brightview Landscape for these services. 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	\$734	\$8,803
Contingency	\$37	\$440
	\$770	\$9,243

Janitorial Services

The District has a contract with Magic Touch Commercial Cleaning Co for the District janitorial services and for trash removal services.

<u>Vendor</u>	<u>Monthly</u>	<u>Annual</u>
Magic Touch Commercial Cleaning	\$573	\$6,876
Contingency	\$27	\$324
		\$7,200

Facility Management

Management Fees include managing, supervising, and coordinating the management, operation and maintenance. The District has a contract with Riverside Management Service to provide these services.

<u>Vendor</u>	<u>Monthly</u>	<u>Annual</u>
Riverside Management Services	\$1,093	\$13,112

Pest Control

The District has a contract with Bug out Services for termite warranty.

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

REPAIRS & MAINTENANCE:

Facility Repairs

Repairs and maintenance for the District's common areas.

Miscellaneous Repairs and Maintenance

Repairs and maintenance for the District's common ground areas.

Road and Drainage Repairs

Estimate for repairs and maintenance of the roadway and drainage system.

RESERVES:

Capital Reserve:

Represents any Capital expenditures the District may need outside of the regular maintenance. Funds transferred to Capital Reserve Account. 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 2023	Actual Thru 6/30/23	Projected Next 3 Months	Total Projected 9/30/23	Approved Budget FY 2024
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Revenues

(1)	Special Assessments - On Roll	\$221,947	\$224,574	\$0	\$224,574	\$221,531
	Prepayments	\$0	\$4,137	\$0	\$4,137	\$0
	Interest Income	\$0	\$3,311	\$824	\$4,135	\$1,700
(2)	Carry Forward Surplus	\$48,550	\$55,389	\$0	\$55,389	\$56,744

TOTAL REVENUES	\$270,497	\$287,411	\$824	\$288,235	\$279,975
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Expenditures

Series 2017A1					
Interest - 11/1	\$24,975	\$24,975	\$0	\$24,975	\$23,828
Special Call - 11/1	\$0	\$5,000	\$0	\$5,000	\$0
Interest - 5/1	\$24,975	\$24,891	\$0	\$24,891	\$23,828
Principal - 5/1	\$100,000	\$100,000	\$0	\$100,000	\$100,000

Series 2017A2					
Interest - 11/1	\$15,875	\$15,875	\$0	\$15,875	\$14,875
Special Call - 11/1	\$0	\$5,000	\$0	\$5,000	\$0
Interest - 5/1	\$15,875	\$15,750	\$0	\$15,750	\$14,875
Principal - 5/1	\$30,000	\$30,000	\$0	\$30,000	\$35,000
Special Call - 5/1	\$0	\$5,000	\$0	\$5,000	\$0

TOTAL EXPENDITURES	\$211,700	\$231,491	\$0	\$231,491	\$212,406
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(3)	EXCESS REVENUES	\$58,797	\$55,920	\$824	\$56,744	\$67,569
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11/1/2024 Debt Service A1	\$	22,703.13
11/1/2024 Debt Service A2	\$	14,000.00
	\$	36,703.13

- (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 2024
NET ASSESSMENTS	\$221,947
PLUS COLLECTION FEES (7%)	\$16,706
GROSS ASSESSMENTS	\$238,653
NO. OF UNITS	533
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
11/01/23	\$ 1,575,000.00	\$ -	\$ 23,828.13	\$ 23,828.13
05/01/24	\$ 1,575,000.00	\$ 100,000.00	\$ 23,828.13	
11/01/24	\$ 1,475,000.00	\$ -	\$ 22,703.13	\$ 146,531.26
05/01/25	\$ 1,475,000.00	\$ 105,000.00	\$ 22,703.13	
11/01/25	\$ 1,370,000.00	\$ -	\$ 21,456.25	\$ 149,159.38
05/01/26	\$ 1,370,000.00	\$ 105,000.00	\$ 21,456.25	
11/01/26	\$ 1,265,000.00	\$ -	\$ 20,143.75	\$ 146,600.00
05/01/27	\$ 1,265,000.00	\$ 105,000.00	\$ 20,143.75	
11/01/27	\$ 1,160,000.00	\$ -	\$ 18,765.63	\$ 143,909.38
05/01/28	\$ 1,160,000.00	\$ 115,000.00	\$ 18,765.63	
11/01/28	\$ 1,045,000.00	\$ -	\$ 17,184.38	\$ 150,950.01
05/01/29	\$ 1,045,000.00	\$ 115,000.00	\$ 17,184.38	
11/01/29	\$ 930,000.00	\$ -	\$ 15,387.50	\$ 147,571.88
05/01/30	\$ 930,000.00	\$ 120,000.00	\$ 15,387.50	
11/01/30	\$ 810,000.00	\$ -	\$ 13,512.50	\$ 148,900.00
05/01/31	\$ 810,000.00	\$ 125,000.00	\$ 13,512.50	
11/01/31	\$ 685,000.00	\$ -	\$ 11,559.38	\$ 150,071.88
05/01/32	\$ 685,000.00	\$ 130,000.00	\$ 11,559.38	
11/01/32	\$ 555,000.00	\$ -	\$ 9,365.63	\$ 150,925.01
05/01/33	\$ 555,000.00	\$ 135,000.00	\$ 9,365.63	
11/01/33	\$ 420,000.00	\$ -	\$ 7,087.50	\$ 151,453.13
05/01/34	\$ 420,000.00	\$ 135,000.00	\$ 7,087.50	
11/01/34	\$ 285,000.00	\$ -	\$ 4,809.38	\$ 146,896.88
05/01/35	\$ 285,000.00	\$ 140,000.00	\$ 4,809.38	
11/01/35	\$ 145,000.00	\$ -	\$ 2,446.88	\$ 147,256.26
05/01/36	\$ 145,000.00	\$ 145,000.00	\$ 2,446.88	\$ 147,446.88
		\$ 1,575,000.00	\$ 376,500.08	\$ 1,951,500.08

Heron Isles

Community Development District

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

AMORTIZATION SCHEDULE

DATE	BALANCE	RATE	PRINCIPAL	INTEREST	TOTAL
11/01/23	\$ 595,000.00	5.000%	\$ -	\$ 14,875.00	\$ -
05/01/24	\$ 595,000.00	5.000%	\$ 35,000.00	\$ 14,875.00	\$ 64,750.00
11/01/24	\$ 560,000.00	5.000%	\$ -	\$ 14,000.00	\$ -
05/01/25	\$ 560,000.00	5.000%	\$ 35,000.00	\$ 14,000.00	\$ 63,000.00
11/01/25	\$ 525,000.00	5.000%	\$ -	\$ 13,125.00	\$ -
05/01/26	\$ 525,000.00	5.000%	\$ 35,000.00	\$ 13,125.00	\$ 61,250.00
11/01/26	\$ 490,000.00	5.000%	\$ -	\$ 12,250.00	\$ -
05/01/27	\$ 490,000.00	5.000%	\$ 40,000.00	\$ 12,250.00	\$ 64,500.00
11/01/27	\$ 450,000.00	5.000%	\$ -	\$ 11,250.00	\$ -
05/01/28	\$ 450,000.00	5.000%	\$ 40,000.00	\$ 11,250.00	\$ 62,500.00
11/01/28	\$ 410,000.00	5.000%	\$ -	\$ 10,250.00	\$ -
05/01/29	\$ 410,000.00	5.000%	\$ 45,000.00	\$ 10,250.00	\$ 65,500.00
11/01/29	\$ 365,000.00	5.000%	\$ -	\$ 9,125.00	\$ -
05/01/30	\$ 365,000.00	5.000%	\$ 45,000.00	\$ 9,125.00	\$ 63,250.00
11/01/30	\$ 320,000.00	5.000%	\$ -	\$ 8,000.00	\$ -
05/01/31	\$ 320,000.00	5.000%	\$ 45,000.00	\$ 8,000.00	\$ 61,000.00
11/01/31	\$ 275,000.00	5.000%	\$ -	\$ 6,875.00	\$ -
05/01/32	\$ 275,000.00	5.000%	\$ 50,000.00	\$ 6,875.00	\$ 63,750.00
11/01/32	\$ 225,000.00	5.000%	\$ -	\$ 5,625.00	\$ -
05/01/33	\$ 225,000.00	5.000%	\$ 50,000.00	\$ 5,625.00	\$ 61,250.00
11/01/33	\$ 175,000.00	5.000%	\$ -	\$ 4,375.00	\$ -
05/01/34	\$ 175,000.00	5.000%	\$ 55,000.00	\$ 4,375.00	\$ 63,750.00
11/01/34	\$ 120,000.00	5.000%	\$ -	\$ 3,000.00	\$ -
05/01/35	\$ 120,000.00	5.000%	\$ 60,000.00	\$ 3,000.00	\$ 66,000.00
11/01/35	\$ 60,000.00	5.000%	\$ -	\$ 1,500.00	\$ -
05/01/36	\$ 60,000.00	5.000%	\$ 60,000.00	\$ 1,500.00	\$ 63,000.00
			\$ 595,000.00	\$ 228,500.00	\$ 823,500.00

Heron Isles

Community Development District

Capital Reserve Fund

Description	Adopted Budget FY 2023	Actual Thru 6/30/23	Projected Next 3 Months	Total Projected 9/30/23	Approved Budget FY 2024
Revenues					
Capital Reserve Transfer In	\$47,289	\$0	\$47,289	\$47,289	\$57,776
Interest Income	\$0	\$70	\$27	\$97	\$50
Carry Forward Surplus	\$94,111	\$94,152	\$0	\$94,152	\$121,668
TOTAL REVENUES	\$141,400	\$94,222	\$47,316	\$141,538	\$179,494
Expenditures					
Capital Outlay	\$20,000	\$0	\$0	\$0	\$20,000
Repair & Maintenance	\$0	\$19,870	\$0	\$19,870	\$0
Other Current Charges	\$500	\$0	\$0	\$0	\$500
TOTAL EXPENDITURES	\$20,500	\$19,870	\$0	\$19,870	\$20,500
EXCESS REVENUES	\$120,900	\$74,352	\$47,316	\$121,668	\$158,994

A.

RESOLUTION 2023-04

THE ANNUAL APPROPRIATION RESOLUTION OF THE HERON ISLES COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGETS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2023, submitted to the Board of Supervisors (“**Board**”) of the Heron Isles Community Development District (“**District**”) proposed budgets (“**Proposed Budget**”) for the fiscal year beginning October 1, 2023 and ending September 30, 2024 (“**Fiscal Year 2023/2024**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

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

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

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

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

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

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

SECTION 1. BUDGET

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

- b. The Proposed Budget, attached hereto as **Exhibit “A,”** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.
- c. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District’s Local Records Office and identified as “The Budget for the Heron Isles Community Development District for the Fiscal Year Ending September 30, 2024.”
- d. The Adopted Budget shall be posted by the District Manager on the District’s official website within thirty (30) days after adoption, and shall remain on the website for at least 2 years.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the District, for Fiscal Year 2023/2024, the sum of \$_____ to be raised by the levy of assessments and/or otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$ _____
DEBT SERVICE FUND (Series 2017-A1/A2)	\$ _____
CAPITAL RESERVE FUND	\$ _____
TOTAL ALL FUNDS	\$ _____

SECTION 3. BUDGET AMENDMENTS

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within Fiscal Year 2023/2024 or within 60 days following the end of the Fiscal Year 2023/2024 may amend its Adopted Budget for that fiscal year as follows:

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

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

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

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

PASSED AND ADOPTED THIS 15TH DAY OF AUGUST, 2023.

ATTEST:

**HERON ISLES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

By:_____

Its:_____

Exhibit A: Budget Fiscal Year 2023/2024

B.

RESOLUTION 2023-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERON ISLES COMMUNITY DEVELOPMENT DISTRICT MAKING A DETERMINATION OF BENEFIT AND IMPOSING SPECIAL ASSESSMENTS FOR FISCAL YEAR 2023/2024; PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF SPECIAL ASSESSMENTS; CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENTS TO THE ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

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

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

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

WHEREAS, the Board of Supervisors (“**Board**”) of the District hereby determines to undertake various operations and maintenance and other activities described in the District’s budget (“**Adopted Budget**”) for the fiscal year beginning October 1, 2023 and ending September 30, 2024 (“**Fiscal Year 2023/2024**”), attached hereto as **Exhibit “A”** and incorporated by reference herein; and

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

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

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

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

WHEREAS, the District has previously levied an assessment for debt service, which the District desires to collect for Fiscal Year 2023/2024; and

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

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

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

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

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

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

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

SECTION 4. ASSESSMENT ROLL. The Assessment Roll, attached to this Resolution as **Exhibit “B,”** is hereby certified to the County Tax Collector and shall be collected by the County Tax Collector in the same manner and time as County taxes. The proceeds therefrom shall be paid

to the District.

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

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

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

PASSED AND ADOPTED this 15th day of August, 2023.

ATTEST:

**HERON ISLES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary / Assistant Secretary

By: _____

Its: _____

Exhibit A: Budget

Exhibit B: Assessment Roll

SEVENTH ORDER OF BUSINESS

C.

Notice of Meetings
Heron Isles
Community Development District

The Board of Supervisors of the Heron Isles Community Development District will hold their regularly scheduled public meetings for Fiscal Year 2024 at 5:00 p.m. at Florida State College at Jacksonville, Nassau Center, 76346 William Burgess Boulevard, Yulee, Florida 32097 on the third Tuesday of the following months (*unless otherwise noted):

November 14, 2023 (*Second Tuesday)

February 20, 2024

May 21, 2024

August 20, 2024

D.

Heron Isles Community Development District
Operations Report
August 2023

Community issues:

It has been noticed that a few street signs have been removed. These have been Albatross Drive, Aqua Vista Ct., Starfish Drive and a couple of Stop signs. Also street sign posts are being twisted and some are/were leaning.

Landscaping:

BrightView Landscape Services has been the provider for Heron Isles since September 2022. They have not been mowing common areas and pond banks very well. Greg and I met with George Rugen and Chris Charbonnet (Account managers) of BrightView to review and discuss some of the issues. We were informed that Jesse Knaust is no longer with BrightView and convinced a couple of the mowing crews to join him at another company. Richard Craig is temporarily overseeing the work done at Heron Isles. A new project supervisor, Chip, recently met with Greg.

There are 22 ponds in Heron Isles, an agreement was made to perform bi-weekly mowing of pond banks. This means that half of the ponds are mowed one week and the remaining half are mowed on the next. This provides mowing twice per month for each pond and appears to be working well. This mowing schedule remains in place.

Ponds:

Future Horizons continues with servicing the ponds. A new service technician has been working in the community and had missed treating a few ponds, Information was provided regarding the ponds missed, current issues and the access points to these ponds. Recent service to these ponds has been noticed. Monthly service reports are provided and are regularly monitored.

Restroom Facility /Janitorial Service:

Magic Touch Cleaning Service began debris removal and janitorial service for the playgrounds and restroom facility on October 1, 2021. The appearance of the facility is good and they have been responsible to address any unexpected issues that arise.

Surveillance Equipment

The contractor that had been used for the upgrades and repairs to the surveillance system as well as the access controls to the restrooms is no longer in Florida, he now resides in Illinois.

Ray Nesmith with Southeastern Surveillance has been asked to provide a quote on adding two additional cameras to the park/playground area. They currently provide the service to the access control system for the CDD/HOA. There has not been much success with getting a response from Ray regarding the addition of cameras.

Note: There had been issues with the surveillance viewing and the access control programming to be interrupted due to internet issues. Due to the frequency, Ray suggested to use “the cloud” for sharing the information. The cost is \$8.95 per month and it was agreed upon to expedite the viewing and programming abilities. We are hopeful that this will make it possible to have additional cameras added to the system.

New Development – Blackrock Cove

Below are photos of the decline and improvement of Pond 8 – with the rainfall we have experienced lately, the water level has improved and some of the ducks have returned.

Before



As of May 15, 2023



As of July 6, 2023



Sidewalks

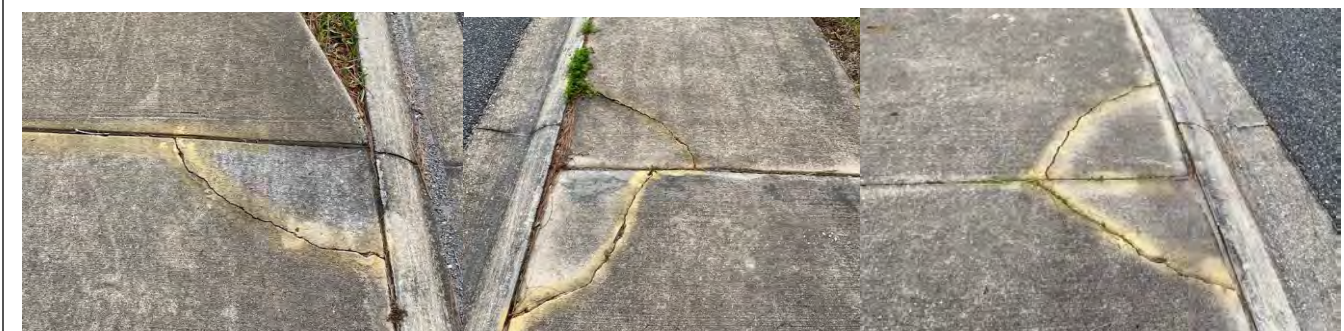
Shortly after the concrete was poured, some children chose to write their names or add a design to the concrete. All Weather Concrete was contacted about these issues as well as a few areas near the end of Commodore Pointe that were missed. They have been asked to grind the surfaces of the sidewalk that now displays the artwork of the children and will repair the sidewalk area that was missed.

Sink Holes

New Sidewalk that was Damaged



Sidewalk area missed – will be repaired



All Weather Contracting will be performing concrete work in another community nearby and will repair these areas during that time.

Action Items Report

Heron Isles CDD				
Action Items Reported on by:	8/8/2023		Cheryl Graham	
Action Items	Date Completed	Initials	Comments	Notes:
Small Towers (2) on Heron Isles Pkwy. - Replace missing stones		CG	Need to obtain stones to fill sections where the stones are missing. Reached out to M&E Masonry to purchase.	No response from M & E Need another source
Add two (2) surveillance cameras to main playground/park area		CG	Met with Ray of Southeast Business Products. No pricing provided yet.	Another call to Ray with Southeastern Business Products for cameras.
Update verbiage on playground sign.		CG	Appropriate verbiage and in layout in progress.	
Enlarge hole for lock on storage room door.		CG	Will be done by TriState Handy Help	
Sign post and signs at the corner of Aqua Vista Ct. and Starfish Dr. Was knocked down. Signs and post are gone.		CG	Sign post and stop sign have been obtained and installed 7/24. Street signs are on order with FastSigns and will be installed as soon as they are ready.	Per message from Tambre Anticipate signs to be ready for pickup by Friday afternoon 8/11
Stop sign at corner of Sunfish Dr. and Coral Reef Rd. was taken.	7/24/2023	CG	New stop sign has been obtained and installed.	
Sign post with signs on corner of Tiday Bay Ct. is leaning	7/24/2023	CG	Sign has been straightened and stabilized.	
Street name sign "Albatross Dr. removed at corner of Albatross Dr. & Graylon Dr.	7/24/2023	CG	New street sign for Albatross Dr was made and installed.	