

*Candler Hills East Community  
Development District*

*Agenda*

*May 21, 2019*

# AGENDA

# ***Candler Hills East***

## ***Community Development District***

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135 W. Central Blvd., Suite 320, Orlando, Florida 32801  
Phone: 407-841-5524 – Fax: 407-839-1526

May 14, 2019

Board of Supervisors  
Candler Hills East Community  
Development District

The Board of Supervisors of the Candler Hills East Community Development District will meet on **Tuesday, May 21, 2019, at 9:00 a.m., or as shortly thereafter as reasonably possible, at the Circle Square Commons, Cultural Center, 8395 SW 80<sup>th</sup> Street, Ocala, Florida 34481.** Following is the advance agenda for the meeting:

### **Board of Supervisors Meeting**

- I. Roll Call
- II. Public Comment Period
- III. Notice for Meeting
- IV. Approval of Minutes of the February 19, 2019 Meeting
- V. Review and Acceptance of Fiscal Year 2018 Audit Report
- VI. Consideration of Resolution 2019-02 Approving the Proposed Fiscal Year 2020 Budget and Setting a Public Hearing
- VII. Ratification of Work Authorization 2019-01 with Dewberry Engineers, Inc.
- VIII. Appointment of Audit Committee and Chairman
- IX. Staff Reports
  - A. Attorney
  - B. District Manager
    1. Approval of Check Register
    2. Balance Sheet and Income Statement
    3. Presentation of Number of Registered Voters - 964
- X. Other Business
- XI. Supervisors Requests
- XII. Adjournment

### **Audit Committee Meeting**

- I. Roll Call
- II. Public Comment Period
- III. Audit Services
  - A. Approval of Request for Proposals and Selection Criteria
  - B. Approval of Notice of Request for Proposals for Audit Services
  - C. Public Announcement of Opportunity to Provide Audit Services
- IV. Adjournment

The second order of business is the Public Comment Period where the public has an opportunity to be heard on propositions coming before the Board as reflected on the agenda, and any other items.

Enclosed under the third order of business is the affidavit of publication associated with the public notice for this meeting.

The fourth order of business is the approval of the minutes from the February 19, 2019 meeting. The minutes are enclosed for your review.

The fifth order of business is review and acceptance of the Fiscal Year 2018 Audit. A copy of the report is being provided under separate cover.

The sixth order of business is the consideration of the Resolution 2019-02 approving the proposed budget for Fiscal Year 2020 and setting a public hearing. Once approved, the proposed budget will be forwarded to the governing authorities at least 60 days prior to the final budget hearing. A copy of the Resolution and proposed budget are enclosed for your review.

The seventh order of business is ratification of work authorization 2019-01 with Dewberry Engineers, Inc. A copy of the work authorization is enclosed for your review.

The eighth order of business is appointment of Audit Committee and Chairman. There is no back-up.

The ninth order of business is Staff Reports. Section 1 of the District Managers Report includes the check register for approval and Section 2 includes the balance sheet and income statement for your review. Section 3 is presentation of the number of registered voters within the boundaries of the District. A copy of the letter from the Marion County Supervisor of Elections is enclosed for your review.

Following the adjournment of the Board of Supervisor's meeting, there will be a meeting of the Audit Committee to approve the Request for Proposals and selection criteria and the notice of RFP for auditing services. Enclosed for your review are copies of the RFP, selection criteria, and RFP notice.

The balance of the agenda will be discussed at the meeting. In the meantime, if you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'George S. Flint', with a stylized, cursive script.

George S. Flint  
District Manager

Cc: Gerald Colen, District Counsel  
Ken Colen, On Top of the World  
Guy Woolbright, On Top of the World  
Lynette Vermillion, On Top of the World  
Darrin Mossing, GMS

## SECTION III

# AFFIDAVIT OF PUBLICATION

**Star-Banner**  
Published – Daily  
Ocala, Marion County, Florida

STATE OF FLORIDA  
COUNTY OF MARION

Before the undersigned, a Notary Public of Said County and State,  
[Signature] who on oath says that they are an authorized  
employee of the Star-Banner, a daily newspaper published at Ocala, in Marion  
County, Florida; that the attached copy of advertisement, being a notice in the  
matter of

**NOTICE OF MEETING CANDLER HILLS EAST COMMUNITY  
DEVELOPMENT DISTRICT Audit Committee The Candler Hills East Community  
Development District Audit Committee will meet on Tuesday, May 21, 2019 at 9:00 AM  
at Circle Square Commons, Cultural Center, 8395 SW 8**

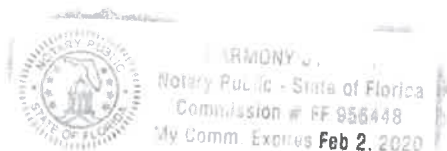
was published in said newspaper in the issues of:

5/10 1x

Affiant further says that the said STAR-BANNER is a daily newspaper  
published at Ocala, in said Marion County, Florida, and that the said newspaper  
has heretofore been continuously published in said Marion County, Florida,  
daily, and has been entered as second class mail matter at the post office in Ocala  
in said Marion County, Florida, for a period of one year next preceding the first  
publication of the attached copy of advertisement; and affiant further says that he  
has neither paid nor promised any person, firm or corporation any discount,  
rebate, commission or refund for the person of securing this advertisement for  
publication in the said newspaper.

Sworn to and subscribed before me this 10 day of May, A.D., 2019

[Signature]  
Notary Public  
**HARMONY STALTER**



(Print, Type or Stamp Name of Notary Public)

## NOTICE OF MEETING CANDLER HILLS EAST COMMUNITY DEVELOPMENT DISTRICT Audit Committee

The Candler Hills East Community Development District Audit Committee will meet on **Tuesday, May 21, 2019 at 9:00 AM** at Circle Square Commons, Cultural Center, 8395 SW 80th Street, Ocala, FL 34481. The meeting is open to the public and will be conducted in accordance with the provisions of Florida Law for Community Development Districts. This meeting may be continued to a date, time, and place to be specified on the record at the meeting.

Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (407) 841-5524 at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service 1-800-955-8770, for aid in contacting the District Office.

Each person who decides to appeal any action taken at these meetings is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

Ad #: A000952567

# AFFIDAVIT OF PUBLICATION

**Star-Banner**  
Published – Daily  
Ocala, Marion County, Florida

STATE OF FLORIDA  
COUNTY OF MARION

Before the undersigned, a Notary Public of Said County and State, who on oath says that they are an authorized employee of the Star-Banner, a daily newspaper published at Ocala, in Marion County, Florida; that the attached copy of advertisement, being a notice in the matter of

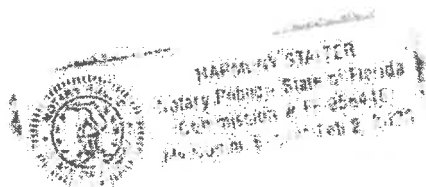
**NOTICE OF MEETING DATES CANDLER HILLS EAST COMMUNITY DEVELOPMENT DISTRICT** The Board of Supervisors of the Candler Hills East Community Development District will hold their regularly scheduled public meetings for the Fiscal Year 2019 at 9:00 AM, or as sh

was published in said newspaper in the issues of:

9/18 1x

Affiant further says that the said STAR-BANNER is a daily newspaper published at Ocala, in said Marion County, Florida, and that the said newspaper has heretofore been continuously published in said Marion County, Florida, daily, and has been entered as second class mail matter at the post office in Ocala in said Marion County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the person of securing this advertisement for publication in the said newspaper.

Sworn to and subscribed before me this 18 day of September, A.D., 2018



Harmony Stalter  
Notary Public  
**HARMONY STALTER**  
(Print, Type or Stamp Name of Notary Public)

Ad #: A000940883

## NOTICE OF MEETING DATES CANDLER HILLS EAST COMMUNITY DEVELOPMENT DISTRICT

The Board of Supervisors of the Candler Hills East Community Development District will hold their regularly scheduled public meetings for the Fiscal Year 2019 at 9:00 AM, or as shortly thereafter as reasonably possible, at the Circle Square Commons, Cultural Center, 6365 SW 80th Street, Ocala, FL 34476 as follows:

November 20, 2018  
February 19, 2019  
May 21, 2019  
August 20, 2019

The meetings are open to the public and will be conducted in accordance with the provisions of Florida Law for Community Development Districts. A copy of the agenda for a particular meeting may be obtained from the District Manager, at 135 W. Central Blvd., Suite 320, Orlando, FL 32801.

The meetings may be continued to a date, time, and place to be specified on the record at the meeting. There may be occasions when one or more Supervisors will participate by telephone.

Any person requiring special accommodations at these meetings because of a disability or physical impairment should contact the District Office at (407) 841-6524 at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service 1-800-855-8770, for aid in contacting the District Office.

Each person who decides to appeal any action taken at these meetings is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

George S. Pitt  
Governmental Management Services—  
Central Florida, LLC  
District Manager

September 18, 2018  
#A000940883

**BOARD OF SUPERVISORS  
MEETING**



# MINUTES

MINUTES OF MEETING  
CANDLER HILLS EAST  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Candler Hills East Community Development District was held on Tuesday, February 19 at 9:00 a.m. at Circle Square Commons, Cultural Center, 8395 SW 80<sup>th</sup> Street, Ocala, Florida.

Present and constituting a quorum were:

|                   |                     |
|-------------------|---------------------|
| Philip J. Moherek | Chairman            |
| Elmer Greene      | Vice Chairman       |
| Robert Scherff    | Assistant Secretary |
| John Bain         | Assistant Secretary |
| Larry Garvin      | Assistant Secretary |

Also present were:

|                |                                 |
|----------------|---------------------------------|
| George Flint   | District Manager                |
| Gerald Colen   | District Counsel                |
| Rachel Wagoner | Colen & Wagoner                 |
| Robert Stepp   | On Top of The World Communities |
| Residents      |                                 |

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the meeting to order and called the roll. A quorum was present.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Mr. Flint: Is there any public comment on the Candler Hills East CDD? If you would step to the microphone and state your name and your address, and try to limit your comments to three minutes.

Brad Purfeerst, 8635 SW 83<sup>rd</sup> Loop: My question is, we put a lot of facts and figures as to the amount of water reductions and so on and so forth. I apologize for not knowing exactly how this is all encompassing, but I'm kind of curious how far the bounds of the water district that is involved with us is and all the future expansion that is planned. How will this impact the water for our area and how much we will have to even reduce our amount of water or how much we will be paying in excess because there is lack of water? How big is this water aquifer? How

sustainable is it over the number of years? Those are just some general questions, but I don't know whether you folks have those answers or where we can be provided with those or are they on a website someplace where we can hear about them?

Mr. Flint: The appropriate meeting for that question was the one that we just concluded. That was the Bay Laurel Center Community Development District and the Bay Laurel Center CDD actually operates the water and sewer system.

Mr. Purfeerst: Ok, I apologize for that.

Mr. Flint: That's okay, this is the Candler Hills East CDD and it really doesn't have anything to do with the water and sewer system. It owns the storm water system within Candler and funded some of the water and sewer improvements when the community was constructed, but then those improvements were conveyed to the Bay Laurel Center CDD. Bryan Schmalz is in the back and also Crystal House and I am sure they would be happy to get with you and answer any questions that you have. They're both in the back row over there.

Mr. Purfeerst: Alright, thank you.

### **THIRD ORDER OF BUSINESS**

#### **Notice for Meeting**

Mr. Flint: The affidavit of publication was included in your agenda package and in the Ocala Star Banner.

### **FOURTH ORDER OF BUSINESS**

#### **Organizational Matters**

##### **A. Administration of Oath of Office to Newly Appointed Supervisor**

Mr. Flint: We need to go ahead and swear in Mr. Garvin before we move any farther in the agenda. Mr. Garvin as a citizen of the state of Florida and of the United States of America and as an Officer of the Candler Hills East Community Development District, and a recipient of public funds as such officer, do you hereby solemnly swear affirm that you will support the Constitution of the United States and the state of Florida?

Mr. Garvin: I do.

Mr. Flint: If you could sign where it says Board Supervisor, I can notarize that for you. I also wanted to point something out that I stated in the minutes from the last meeting. I indicated that Mr. Garvin did not go to the Supervisor of Elections to qualify and I was corrected. He did go to the Supervisor of the Elections, but apparently there was a miscommunication on the

process to qualify. You all reappointed him at the last meeting and so we are swearing him in today.

**FIFTH ORDER OF BUSINESS****Approval of Minutes of the November 20, 2018 Meeting**

Mr. Flint: Did the Board have any additions, deletions or corrections to those? If not, is there a motion to approve them?

On MOTION by Mr. Moherek, seconded by Mr. Greene, with all in favor, the minutes of the November 20, 2018 meeting, were approved as presented.

**SIXTH ORDER OF BUSINESS****Consideration of Proposal with VGlobalTech Regarding ADA Website Compliance**

Mr. Flint: Next is a proposal from a company called VGlobalTech. I am not sure if I mentioned this at a previous meeting, but government websites as well as private sector websites have come under scrutiny with in the last year or so with claims that they are not ADA compliant. The ADA laws actually apparently apply to websites as well. There was a plaintiff and an attorney that filed at least 18 lawsuits against community development districts around the state of Florida claiming that their websites were not compliant. As a result of that, it's not just websites of districts that we manage, all 500 or so websites of CDDs were not technically compliant. So, the insurance company Florida Insurance Alliance, which insured all 18 of those districts subject to lawsuits and also insures about 280 other CDDs in Florida, negotiated a settlement with the plaintiff and their attorney. Part of that settlement was a requirement that within 24 months all the districts' websites would be ADA compliant. That entity, Florida Insurance Alliance, there's only a couple of entities out there that insures CDDs. It's the best option for the District based on our review. So, we not only want to make sure that we comply with the terms of the settlement agreement, but we also want to make sure that, if there is an issue with our website, we're addressing it. It wouldn't prevent any other plaintiff for coming forward and filing a lawsuit. So, this company, VGlobalTech, we interviewed a number of companies that provide these services and this is the most cost-effective approach. When I say cost-effective the least cost approach. Some of the options can tend to be very expensive. What

this company will do, they'll go through the existing website, they will evaluate it for compliance and then they will basically make any changes necessary to bring it into compliance. They will provide the District a certification that it is compliant. There are two components to it. The first is a one-time conversion fee and compliance costs and then the other one is an optional ongoing maintenance cost. We would only recommend that the Board consider the one-time website conversion and compliance cost which is \$1,975. Then our hope would be going forward, we would be able to provide the maintenance of the website under our existing contract and not have to pay this company to do that. At this point I would suggest you just approve the one-time and then we can reevaluate going forward whether the other services are necessary.

Mr. Scherff: I just have one question for our attorney, where in the Disability Act does it say that we have to have a website?

Mr. Flint: Well, let me answer part of that. The Act doesn't say we have to have a website. The state of Florida says we have to have a website.

Mr. Scherff: Okay.

Mr. Flint: And what is going on here, the state of Florida requires us to have a website and then they keep adding items that need to be included on the website. To keep everything ADA compliant drives up our cost of ADA compliance because of the volume of documents. So, they're kind of working against each other but we do have a legal obligation to have a website under the Florida statutes. Then we have an obligation for it to be ADA compliant under whatever federal laws.

Mr. Colen: I agree completely with Mr. Flint. It simply adds to our requirements to comply with these Acts. There is no requirement of the ADA that I've ever seen that says website, but if George says the state of Florida says we have to have a website then it's pretty clear we have to deal with Handicapped and Disabled Persons as well as any other person.

Mr. Bain: I have a question on this. This company, VGlobalTech, is going to look through our website and will they make corrections or advise us on the corrections that we need to make?

Mr. Flint: No, in the other Districts we've used them and they basically rewrite the website for us. It has to be written and there's only certain formats and languages that can be

used because they have to be compatible with these 3<sup>rd</sup> party software programs that people who are blind use. It converts the website into in audio where it reads out what's on the website for the blind person.

Mr. Bain: Under their stipulations on page 11, they offer to do all of this work and then it says, "find that you are responsible for verifying the quality of work, provide feedback, verify that compliance has been met as required." Why do they put that in when they are responsible for doing the conversion?

Mr. Flint: Well, that's just to cover themselves.

Mr. Bain: I suppose it is.

Mr. Scherff: I have a question too, of all the things that have to be provided, I assume you can provide all that information. Is that correct?

Mr. Flint: Yes, we've already done many conversions with this company. I would say in excess of 40. So, yes, we are comfortable. We developed the existing website and we maintain the existing website. We have all the information that's necessary to provide for them.

Mr. Scherff: Good.

Mr. Bain: So, voting on the one-time only to name all of the corrections that we need to make?

Mr. Flint: Correct.

Mr. Bain: Then after that, we should know when we make additions to that, we don't need to go back through them. We will know.

Mr. Flint: Correct. Any other questions?

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|---|
| On MOTION by Mr. Scherff, seconded by Mr. Bain, with all in favor, Consideration of Proposal with VGlobalTech for one-time website compliance conversion, was approved. |
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## **SEVENTH ORDER OF BUSINESS**

## **Ratification of Agreement with Candler Hills Neighborhood Association Regarding Mowing for Drainage Retention Areas**

Mr. Flint: The past few meetings we've talked about the adoptive budget for the current year. We dealt with the issue of the Candler Hills Neighborhood Association taking over responsibility for maintenance of the drainage retention areas within the Candler Hills East CDD in an effort to put everyone with in the Neighborhood Association on equal footing as far as storm water maintenance costs. You approved this and you also approved a budget assuming that those expenses would be removed. There were some questions about the scope of work. We verified the scope of work that the Neighborhood Association is the same scope that the CDD had entered into. Everything that was included in the scope when it was under contract with us was also included in the scope of the agreement the Neighborhood Association entered into. In fact, we had attached the scope to the agreement. It is clear that the Neighborhood Association has that obligation to maintain. There are no lingering expenses that were anticipated that we would have to assume. So, this is just a ratification the execution of that agreement, that's already been approved and signed.

Mr. Garvin: Have there been negotiations with the people that are currently doing this? Has all of that been put to bed?

Mr. Flint: Yes, it's now the Neighborhood Association's responsibility. They have an agreement with the landscape contractor.

Mr. Garvin: Good.

Mr. Flint: As of January 1, they took on that responsibility.

Mr. Bain: Does that include the pine straw mulch or do we still own the mulch?

Mr. Flint: Mulch was the only thing that was not. Yes, that was an additional expense. It wasn't in the prior agreement and therefore was not assumed.

Mr. Bain: We have it in the budget anyway.

Mr. Flint: That is correct. So, this would just be a ratification of the agreement with the Neighborhood Association. It has already been executed and signed by the Chairman.

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| On MOTION by Mr. Moherek, seconded by Mr. Scherff, with all in favor, the Agreement with Candler Hills Neighborhood Association Regarding Mowing for Drainage Retention Areas, was ratified. |
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**EIGHTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There being none, the next item followed.

**B. District Manager's Report**

**1. Approval of Check Register**

Mr. Flint: You have the check register in your agenda package for November 13<sup>th</sup> through February 12<sup>th</sup> totaling \$209,961.68 of which a significant portion is transferring the Debt Service Assessment Revenue to the Trustee. It's not an actual expense. Anywhere it says C/O US Bank, those are transfers of debt service revenue. Any questions on the check register?

Mr. Garvin: One question, the Trustee fees for \$2,020.32. What is that? It's every year.

Mr. Flint: Right, the Trustee is US Bank and when the bonds were issued, part of the requirement is that you appoint a Trustee and the Trustee serves as basically the gate keeper between the District and the bond holders. They maintain all the Trust accounts, they perform two debt service payments a year, they account for all of that. They make the payments to the bond holders once a year and handle that. There's an existing agreement that was entered into back when the bonds were issued that would allocate the District to pay those expenses.

Mr. Greene: That's a one-time a year expense?

Mr. Flint: Yes, I believe that was for the Series 2016 bonds. I think it's one time a year. Yes, we budgeted \$2,050 and that's pretty close to what was billed.

Mr. Moherek: And when the bonds are done?

Mr. Flint: That will go away, but that will be awhile. Are there any other questions on the check register? If not, is there a motion to approve it?

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|--|
| On MOTION by Mr. Moherek, seconded by Mr. Greene, with all in favor, the Check Register, was approved. |
|--|

**2. Balance Sheet and Income Statement**

Mr. Flint: You have the unaudited financial statements through January 31<sup>st</sup>. If there are any questions, we can discuss those. If not there's no action required.



**NINTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**TENTH ORDER OF BUSINESS**

**Supervisor's Requests**

There being none, the next item followed.

**ELEVENTH ORDER OF BUSINESS**

**Adjournment**

|   |
|---|
| On MOTION by Mr. Scherff, seconded by Mr. Bain, with all in favor, the meeting adjourned. |
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Secretary/Assistant Secretary

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Chairman/Vice Chairman

## SECTION V

**Candler Hills East Community  
Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2018**

**Candler Hills East Community Development District**

**ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended September 30, 2018**

**TABLE OF CONTENTS**

|  | <u>Page<br/>Number</u> |
|--|------------------------|
| REPORT OF INDEPENDENT AUDITORS   | 1-2                    |
| MANAGEMENT'S DISCUSSION AND ANALYSIS   | 3-8                    |
| BASIC FINANCIAL STATEMENTS:  |                        |
| Government-wide Financial Statements:  |                        |
| Statement of Net Position  | 9                      |
| Statement of Activities  | 10                     |
| Fund Financial Statements:   |                        |
| Balance Sheet – Governmental Funds   | 11                     |
| Reconciliation of Total Governmental Fund Balances to Net<br>Position of Governmental Activities   | 12                     |
| Statement of Revenues, Expenditures and Changes in Fund<br>Balances – Governmental Funds   | 13                     |
| Reconciliation of the Statement of Revenues, Expenditures and<br>Changes in Fund Balances of Governmental Funds to the<br>Statement of Activities  | 14                     |
| Statement of Revenues, Expenditures and Changes in Fund<br>Balances – Budget and Actual – General Fund   | 15                     |
| Notes to Financial Statements  | 16-30                  |
| INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL<br>REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN<br>AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH<br><i>GOVERNMENT AUDITING STANDARDS</i> | 31-32                  |
| MANAGEMENT LETTER  | 33-34                  |
| INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE<br>WITH SECTION 218.415, FLORIDA STATUTES   | 35                     |



Berger, Toombs, Elam,  
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

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

## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
Candler Hills East Community Development District  
Marion County, Florida

### Report on the Financial Statements

We have audited the accompanying basic financial statements of Candler Hills East Community Development District as of and for the year ended September 30, 2018, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

Fort Pierce / Stuart

- 1 -

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Berger, Toombs, Elam,  
Gaines & Frank  
Certified Public Accountants PL

To the Board of Supervisors  
Candler Hills East Community Development District

## **Opinion**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and each major fund of Candler Hills East Community Development District as of September 30, 2018, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Management's Discussion and Analysis*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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, economical 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 principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with the 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 February 25, 2019 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 Candler Hills East Community Development District's internal control over financial reporting and compliance.

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

February 25, 2019

**Candler Hills East Community Development District**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended September 30, 2018**

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

**Candler Hills East Community Development District**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended September 30, 2018**

**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 land, buildings and improvements, and infrastructure are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, 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 financial activity for the year ended September 30, 2018.

- ◆ The District's total assets exceeded total liabilities by \$1,396,944 (net position). Unrestricted net position for Governmental Activities was \$47,748. Net Investment in Capital Assets was \$1,020,298. Restricted net position was \$328,898.
- ◆ Governmental activities revenues totaled \$376,978 while governmental activities expenses totaled \$388,755.



**Candler Hills East Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018**

**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**

|                                  | <b>Governmental Activities</b> |                     |
|----------------------------------|--------------------------------|---------------------|
|                                  | <b>2018</b>                    | <b>2017</b>         |
| Current assets                   | \$ 47,874                      | \$ 45,777           |
| Restricted assets                | 491,608                        | 522,085             |
| Capital assets                   | 3,957,537                      | 4,135,508           |
| <b>Total Assets</b>              | <b>4,497,019</b>               | <b>4,703,370</b>    |
| Deferred Outflows of Resources   | 24,379                         | 25,691              |
| Current liabilities              | 149,730                        | 230,631             |
| Non-current liabilities          | 2,974,724                      | 3,089,709           |
| <b>Total Liabilities</b>         | <b>3,124,454</b>               | <b>3,320,340</b>    |
| Net investment in capital assets | 1,020,298                      | 1,009,597           |
| Restricted debt service          | 165,362                        | 197,180             |
| Restricted capital projects      | 163,536                        | 160,459             |
| Net position - unrestricted      | 47,748                         | 41,485              |
| <b>Total Net Position</b>        | <b>\$ 1,396,944</b>            | <b>\$ 1,408,721</b> |

The decrease in capital assets is mainly due to current year depreciation.

The reduction in restricted assets and the reduction in restricted debt service net position is related to prepayments on the bonds in the current year.

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

**Candler Hills East Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018**

**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**

|                                  | <b>Governmental Activities</b> |                     |
|----------------------------------|--------------------------------|---------------------|
|                                  | <b>2018</b>                    | <b>2017</b>         |
| Program Revenues                 |                                |                     |
| Charges for services             | \$ 373,051                     | \$ 509,260          |
| General Revenues                 |                                |                     |
| Investment earnings              | 3,927                          | 2,330               |
| Total Revenues                   | <u>376,978</u>                 | <u>511,590</u>      |
| Expenses                         |                                |                     |
| General government               | 41,665                         | 50,615              |
| Physical environment             | 235,583                        | 230,372             |
| Interest on long-term debt       | 111,507                        | 246,011             |
| Total Expenses                   | <u>388,755</u>                 | <u>526,998</u>      |
| Change in Net Position           | (11,777)                       | (15,408)            |
| Net Position - Beginning of Year | <u>1,408,721</u>               | <u>1,424,129</u>    |
| Net Position - End of Year       | <u>\$ 1,396,944</u>            | <u>\$ 1,408,721</u> |

The decrease in charges for services is related reduced debt service requirements related to the bond refunding in the prior year.

The reduction in interest expense is related to the reduction in the outstanding bonds in the prior year.

**Candler Hills East Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Capital Assets Activity**

The following schedule provides a summary of the District's capital assets as of September 30, 2018 and 2017.

| <b>Description</b>         | <b>Governmental Activities</b> |                     |
|----------------------------|--------------------------------|---------------------|
|                            | <b>2018</b>                    | <b>2017</b>         |
| Land                       | \$ 1,373,401                   | \$ 1,373,401        |
| Improvements               | 3,986,633                      | 3,986,633           |
| Infrastructure             | 555,184                        | 555,184             |
| Accumulated depreciation   | (1,957,681)                    | (1,779,710)         |
| Total Capital Assets (Net) | <u>\$ 3,957,537</u>            | <u>\$ 4,135,508</u> |

The activity for the year consisted of \$177,971 in depreciation.

**General Fund Budgetary Highlights**

Actual governmental expenditures were less than final budgeted amounts primarily due to lower operating costs and contingency expenditures than were anticipated in the approved budget.

There were no amendments to the 2018 budget.

**Debt Management**

Governmental Activities debt includes the following:

- ◆ In November 2016, Bay Laurel Community Development District issued conduit debt of \$3,380,000 Series 2016 Special Assessment Revenue Refunding Bonds for Candler Hills East Community Development District. These bonds were issued to refund the Series 2006 Special Assessment Bonds. The Bonds are special limited obligations of Bay Laurel, payable solely from and secured by pledge revenues to be collected by Candler Hills East Community Development District. The balance outstanding at September 30, 2017 was \$3,080,000.

**Candler Hills East Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Economic Factors and Next Year's Budget**

The District is not aware of any circumstances that would have a significant effect on the financial position or results of operations of the District in fiscal year 2019.

**Request for Information**

The financial report is designed to provide a general overview of Candler Hills East Community Development District 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 Candler Hills East Community Development District, Governmental Management Services, 9145 Narcoossee Road, Suite A206, Orlando, FL 32827.

**Candler Hills East Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2018**

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| <b>ASSETS</b>                                   |                                    |
| Current Assets                                  |                                    |
| Cash  | \$ 36,832                          |
| Prepaid items                                   | 11,042                             |
| Total Current Assets                            | <u>47,874</u>                      |
| Non-current Assets                              |                                    |
| Restricted assets                               |                                    |
| Investments                                     | 491,608                            |
| Capital assets, not being depreciated           |                                    |
| Land  | 1,373,401                          |
| Capital assets, being depreciated               |                                    |
| Infrastructure                                  | 555,184                            |
| Improvements                                    | 3,986,633                          |
| Less: accumulated depreciation                  | <u>(1,957,681)</u>                 |
| Total Non-current Assets                        | <u>4,449,145</u>                   |
| Total Assets                                    | <u>4,497,019</u>                   |
| <b>Deferred Outflows of Resources</b>           |                                    |
| Deferred amount on refunding, net               | 24,379                             |
| Total Assets and Deferred Outflows of Resources | <u>4,521,398</u>                   |
| <b>LIABILITIES</b>                              |                                    |
| Current Liabilities                             |                                    |
| Accounts payable and accrued expenses           | 126                                |
| Accrued interest                                | 44,604                             |
| Bonds payable - current portion                 | 105,000                            |
| Total Current Liabilities                       | <u>149,730</u>                     |
| Non-current Liabilities                         |                                    |
| Bonds payable                                   | 2,974,724                          |
| Total Liabilities                               | <u>3,124,454</u>                   |
| <b>NET POSITION</b>                             |                                    |
| Net investment in capital assets                | 1,020,298                          |
| Restricted debt service                         | 165,362                            |
| Restricted capital projects                     | 163,536                            |
| Unrestricted                                    | 47,748                             |
| Total Net Position                              | <u>\$ 1,396,944</u>                |

*See accompanying notes.*

**Candler Hills East Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2018**

| <b><u>Functions/Programs</u></b>  | <b><u>Expenses</u></b> | <b><u>Program<br/>Revenues<br/>Charges for<br/>Services</u></b> | <b><u>Net (Expense)<br/>Revenues and<br/>Changes in<br/>Net Position<br/>Governmental<br/>Activities</u></b> |
|-----------------------------------|------------------------|---|--|
| Governmental Activities           |                        |   |  |
| General government                | \$ (41,665)            | \$ 15,826   | \$ (25,839)  |
| Physical environment              | (235,583)              | 89,681  | (145,902)  |
| Interest on long-term debt        | (111,507)              | 267,544   | 156,037  |
| Total Governmental Activities     | <u>\$ (388,755)</u>    | <u>\$ 373,051</u>   | <u>(15,704)</u>  |
| <b>General revenues:</b>          |                        |   |  |
| Investment earnings               |                        |   | <u>3,927</u>   |
| Change in Net Position            |                        |   | (11,777)   |
| Net Position - October 1, 2017    |                        |   | <u>1,408,721</u>   |
| Net Position - September 30, 2018 |                        |   | <u>\$ 1,396,944</u>  |

See accompanying notes.

**Candler Hills East Community Development District**  
**BALANCE SHEET -**  
**GOVERNMENTAL FUNDS**  
**September 30, 2018**

|                                       | General          | Debt<br>Service   | Capital<br>Projects | Total<br>Governmental<br>Funds |
|---------------------------------------|------------------|-------------------|---------------------|--------------------------------|
| <b>ASSETS</b>                         |                  |                   |                     |                                |
| Cash                                  | \$ 36,832        | \$ -              | \$ -                | \$ 36,832                      |
| Prepaid items                         | 11,042           | -                 | -                   | 11,042                         |
| Restricted assets                     |                  |                   |                     |                                |
| Investments, at fair value            | -                | 328,072           | 163,536             | 491,608                        |
| Total Assets                          | <u>\$ 47,874</u> | <u>\$ 328,072</u> | <u>\$ 163,536</u>   | <u>\$ 539,482</u>              |
| <b>LIABILITIES AND FUND BALANCES</b>  |                  |                   |                     |                                |
| <b>LIABILITIES</b>                    |                  |                   |                     |                                |
| Accounts payable and accrued expenses | <u>\$ 126</u>    | <u>\$ -</u>       | <u>\$ -</u>         | <u>\$ 126</u>                  |
| <b>FUND BALANCES</b>                  |                  |                   |                     |                                |
| Nonspendable                          |                  |                   |                     |                                |
| Prepaid items                         | 11,042           | -                 | -                   | 11,042                         |
| Restricted                            |                  |                   |                     |                                |
| Debt service                          | -                | 328,072           | -                   | 328,072                        |
| Capital projects                      | -                | -                 | 163,536             | 163,536                        |
| Unassigned                            | <u>36,706</u>    | <u>-</u>          | <u>-</u>            | <u>36,706</u>                  |
| Total Fund Balances                   | <u>47,748</u>    | <u>328,072</u>    | <u>163,536</u>      | <u>539,356</u>                 |
| Total Liabilities and Fund Balances   | <u>\$ 47,874</u> | <u>\$ 328,072</u> | <u>\$ 163,536</u>   | <u>\$ 539,482</u>              |

*See accompanying notes.*

**Candler Hills East Community Development District**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**September 30, 2018**

|   |                            |
|---|----------------------------|
| Total Governmental Fund Balances  | \$ 539,356                 |
| Amounts reported for governmental activities in the Statement of Net Position are different because:  |                            |
| Capital assets consisting of land, \$1,373,401, improvements, \$3,986,633, and infrastructure, \$555,184, net of accumulated depreciation, \$(1,957,681), used in governmental activities are not current financial resources and, therefore, are not reported at the fund level. | 3,957,537                  |
| Long-term liabilities, \$(3,080,000) net of bond discount, net, \$276, are not due and payable in the current period and, therefore, are not reported at the fund level.  | (3,079,724)                |
| Deferred amounts on refunding are recognized as other debt service costs in the funds, however, at the government-wide level these costs are amortized over the life of the loan. This is the net deferred amount on refunding.   | 24,379                     |
| Accrued interest expense for long-term debt is not a current financial use and, therefore, is not reported at the fund level.   | <u>(44,604)</u>            |
| Net Position of Governmental Activities   | <u><u>\$ 1,396,944</u></u> |

*See accompanying notes.*



**Candler Hills East Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2018**

|                                    | <u>General</u>          | <u>Debt<br/>Service</u>  | <u>Capital<br/>Projects</u> | <u>Totals<br/>Governmental<br/>Funds</u> |
|------------------------------------|-------------------------|--------------------------|-----------------------------|--|
| Revenues                           |                         |                          |                             |  |
| Special assessments                | \$ 105,507              | \$ 267,544               | \$ -                        | \$ 373,051                               |
| Investment earnings                | 33                      | 817                      | 3,077                       | 3,927                                    |
| Total Revenues                     | <u>105,540</u>          | <u>268,361</u>           | <u>3,077</u>                | <u>376,978</u>                           |
| Expenditures                       |                         |                          |                             |  |
| Current                            |                         |                          |                             |  |
| General government                 | 41,665                  | -                        | -                           | 41,665                                   |
| Physical environment               | 57,612                  | -                        | -                           | 57,612                                   |
| Debt service                       |                         |                          |                             |  |
| Principal                          | -                       | 190,000                  | -                           | 190,000                                  |
| Interest                           | -                       | 110,775                  | -                           | 110,775                                  |
| Other debt service                 | -                       | 1,140                    | -                           | 1,140                                    |
| Total Expenditures                 | <u>99,277</u>           | <u>301,915</u>           | <u>-</u>                    | <u>401,192</u>                           |
| Net change in fund balances        | 6,263                   | (33,554)                 | 3,077                       | (24,214)                                 |
| Fund Balances - October 1, 2017    | <u>41,485</u>           | <u>361,626</u>           | <u>160,459</u>              | <u>563,570</u>                           |
| Fund Balances - September 30, 2018 | <u><u>\$ 47,748</u></u> | <u><u>\$ 328,072</u></u> | <u><u>\$ 163,536</u></u>    | <u><u>\$ 539,356</u></u>                 |

See accompanying notes.

**Candler Hills East 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, 2018**

|  |                           |
|--|---------------------------|
| Net Change in Fund Balances - Total Governmental Funds   | \$ (24,214)               |
| Amounts reported for governmental activities in the Statement of Activities are different because:   |                           |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period. | (177,971)                 |
| Bond discount and the deferred amount on refunding are amortized over the life of the loan at the government-wide level. This is the amount of current-year amortization.  | (1,327)                   |
| In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net amount between the prior year and the current year accruals.                     | 1,735                     |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.   | <u>190,000</u>            |
| Change in Net Position of Governmental Activities  | <u><u>\$ (11,777)</u></u> |

See accompanying notes.

**Candler Hills East Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**GENERAL FUND**  
**For the Year Ended September 30, 2018**

|                                    | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>    | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|------------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues                           |                            |                         |                  |   |
| Special assessments                | \$ 105,046                 | \$ 105,046              | \$105,507        | \$ 461  |
| Investment earnings                | 50                         | 50                      | 33               | (17)  |
| Total Revenues                     | <u>105,096</u>             | <u>105,096</u>          | <u>105,540</u>   | <u>444</u>                                      |
| Expenditures                       |                            |                         |                  |   |
| Current                            |                            |                         |                  |   |
| General government                 | 45,101                     | 45,101                  | 41,665           | 3,436   |
| Physical environment               | <u>59,995</u>              | <u>59,995</u>           | <u>57,612</u>    | <u>2,383</u>                                    |
| Total Expenditures                 | <u>105,096</u>             | <u>105,096</u>          | <u>99,277</u>    | <u>5,819</u>                                    |
| Net change in fund balances        | <u>-</u>                   | <u>-</u>                | <u>6,263</u>     | <u>6,263</u>                                    |
| Fund Balances - October 1, 2017    | <u>-</u>                   | <u>-</u>                | <u>41,485</u>    | <u>41,485</u>                                   |
| Fund Balances - September 30, 2018 | <u>\$ -</u>                | <u>\$ -</u>             | <u>\$ 47,748</u> | <u>\$ 47,748</u>                                |

See accompanying notes.

**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Candler Hills East Community Development District (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 November 19, 2002 by an ordinance of Marion County, Florida, under the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is governed by a five-member Board of Supervisors, who are elected for terms of four years. The District operates within the criteria established by Chapter 190. The Board has the responsibility for assessing and levying assessments, approving budgets, exercising control over facilities and properties, controlling the use of funds generated by the District, approving the hiring and firing of key personnel, and financing improvements.

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

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

**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**a. Government-wide Financial Statements**

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include 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, miscellaneous revenues and interest. 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.

**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**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 has 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 the state constitution, external resource providers, or through enabling legislation.

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

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

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

**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

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

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

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

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

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were 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.

**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Basis of Presentation (Continued)**

**a. Governmental Major Funds (Continued)**

Debt Service Fund – Accounts for debt service requirements to retire certain capital improvement revenue bonds which were used to finance the construction of District infrastructure improvements and finance certain additional improvements. The bond series is secured by a pledge of debt service special assessment revenues in any fiscal year related to the improvements. A lien is placed on all benefited land in relationship to the debt outstanding.

Capital Projects Fund – The Capital Project Fund accounts for construction of infrastructure improvements within the boundaries of the district.

**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 special assessment 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.



**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**a. Cash and Investments (Continued)**

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.

Cash equivalents include time deposits and certificates of deposit with original maturities of three months or less and held in a qualified public depository as defined by Florida Statute 280.02.

**b. Restricted Net Position**

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

**c. Capital Assets**

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

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

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

**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**c. Capital Assets (Continued)**

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

|                 |          |
|-----------------|----------|
| Improvements:   | 25 years |
| Infrastructure: | 30 years |

**d. Budgets**

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

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

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

"Total fund balances" of the District's governmental funds (\$539,356) differs from "net position" of governmental activities (\$1,396,944) 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.

**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

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

**Capital related items**

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

|                          |                     |
|--------------------------|---------------------|
| Land                     | \$ 1,373,401        |
| Improvements             | 3,986,633           |
| Infrastructure           | 555,184             |
| Accumulated depreciation | <u>(1,957,681)</u>  |
| Total                    | <u>\$ 3,957,537</u> |

**Deferred outflows of resources**

Deferred amounts on refunding deferred outflows of resources that are amortized over the life of the loan.

|                                   |                  |
|-----------------------------------|------------------|
| Deferred amount on refunding, net | \$ <u>24,379</u> |
|-----------------------------------|------------------|

**Long-term debt transactions**

Long-term liabilities and bond discount applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position.

|                    |                       |
|--------------------|-----------------------|
| Bonds payable      | \$ (3,080,000)        |
| Bond discount, net | <u>276</u>            |
| Bonds payable, net | <u>\$ (3,079,724)</u> |

**Accrued interest**

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

|                                   |                    |
|-----------------------------------|--------------------|
| Accrued interest on bonds payable | \$ <u>(44,604)</u> |
|-----------------------------------|--------------------|

**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**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 (\$(24,214)) differs from the “change in net position” for governmental activities (\$(11,777)) 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 cost of those assets is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the year.

|              |                     |
|--------------|---------------------|
| Depreciation | \$ <u>(177,971)</u> |
|--------------|---------------------|

**Long-term debt transactions**

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

|                         |                   |
|-------------------------|-------------------|
| Debt principal payments | \$ <u>190,000</u> |
|-------------------------|-------------------|

**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

**2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities (Continued)**

**Long-term debt transactions (Continued)**

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

|  |                   |
|--|-------------------|
| Net change in accrued interest payable                         | <u>\$ 1,735</u>   |
| Amortization of bond discount and deferred amount on refunding | <u>\$ (1,327)</u> |

**NOTE C – CASH AND INVESTMENTS**

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

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2018, the District's bank balance was \$43,376 and the carrying value was \$36,832. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2018, the District had the following investments and maturities:

| <u>Investment</u>                              | <u>Maturities</u> | <u>Fair Value</u> |
|--|-------------------|-------------------|
| Local Government Surplus Trust Fund - FL Prime | 33 days*          | \$ 163,536        |
| Managed Money Market                           | N/A               | <u>328,072</u>    |
| Total  |                   | <u>\$ 491,608</u> |
| * Weighted Average Maturity                    |                   |                   |

**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE C – CASH AND INVESTMENTS (CONTINUED)**

Custodial Credit Risk – Deposits (Continued)

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. 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 realizable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtained quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, the investment in Managed Money Market is a Level 1 asset.

Investments

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

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

Interest Rate Risk

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

Credit Risk

The District's investments 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, 2018, the District's investment in Local Government Surplus Trust Fund is rated AAAM by Standards & Poors.

**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE C – CASH AND INVESTMENTS (CONTINUED)**

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in Managed Money Market is 67% and the investments in the Local Government Surplus Fund is 33% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2018 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 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 County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the Debt Service Assessments on their property subject to various provisions in the bond documents.

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.

**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE E – CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2018 was as follows:

|  | Beginning<br>Balance | Additions           | Deletions   | Ending<br>Balance   |
|--|----------------------|---------------------|-------------|---------------------|
| <u>Governmental Activities:</u>        |                      |                     |             |                     |
| Capital assets, not being depreciated: |                      |                     |             |                     |
| Land                                   | \$ 1,373,401         | \$ -                | \$ -        | \$ 1,373,401        |
| Capital assets, being depreciated:     |                      |                     |             |                     |
| Improvements                           | 3,986,633            | -                   | -           | 3,986,633           |
| Infrastructure                         | 555,184              | -                   | -           | 555,184             |
| Total Capital Assets Depreciated       | 4,541,817            | -                   | -           | 4,541,817           |
| Less accumulated depreciation          | (1,779,710)          | (177,971)           | -           | (1,957,681)         |
| Total Capital Assets Depreciated, Net  | 2,762,107            | (177,971)           | -           | 2,584,136           |
| Governmental Activities Capital Assets | <u>\$ 4,135,508</u>  | <u>\$ (177,971)</u> | <u>\$ -</u> | <u>\$ 3,957,537</u> |

Depreciation in the amount of \$177,971 was charged to physical environment.

**NOTE F – LONG-TERM DEBT**

In November 2016, Bay Laurel Community Development District issued conduit debt of \$3,380,000 of Special Assessment Revenue Refunding Bonds, Series 2016 ("Series 2016 Bonds"). In connection with the issuance of the Series Bonds, an agreement was established whereby Bay Laurel Community Development District loaned the Series 2016 Bonds funds to the District. The Series 2016 Bonds were issued to refund the Series 2006 Bonds. The Series 2016 Bonds are special limited obligation of Bay Laurel Community Development District, payable solely from and secured by pledge revenues to be collected by the District.

The following is a summary of activity for long-term debt of the District for the year ended September 30, 2018:

|                                      |                     |
|--------------------------------------|---------------------|
| Long-term debt at October 1, 2017    | \$ 3,270,000        |
| Principal payments                   | (190,000)           |
| Long-term debt at September 30, 2018 | 3,080,000           |
| Bond discount, net                   | (276)               |
| Bonds Payable, Net                   | <u>\$ 3,079,724</u> |



**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE F – LONG-TERM DEBT (CONTINUED)**

**Special Assessment Revenue Refunding Bonds**

Long-term debt is comprised of the following:

|  |  |                     |
|--|--|---------------------|
| \$3,380,000 Series 2016 Special Assessment Revenue Refunding Bonds due in annual installments beginning May 2017 and maturing May 2037. Interest at various interest rates between 2% and 4% due in May and November and starting in May 2017. Current portion is \$105,000. |  | \$ 3,080,000        |
| Bond discount, net   |  | <u>(276)</u>        |
| Bonds Payable, Net   |  | <u>\$ 3,079,724</u> |

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2018 are as follows:

| Year Ending<br>September 30, | Principal           | Interest            | Total               |
|------------------------------|---------------------|---------------------|---------------------|
| 2019                         | \$ 105,000          | \$ 107,050          | \$ 212,050          |
| 2020                         | 130,000             | 104,950             | 234,950             |
| 2021                         | 130,000             | 102,025             | 232,025             |
| 2022                         | 135,000             | 99,100              | 234,100             |
| 2023                         | 135,000             | 96,062              | 231,062             |
| 2024-2028                    | 695,000             | 422,875             | 1,117,875           |
| 2029-2033                    | 900,000             | 278,163             | 1,178,163           |
| 2034-2037                    | <u>850,000</u>      | <u>86,600</u>       | <u>936,600</u>      |
| Totals                       | <u>\$ 3,080,000</u> | <u>\$ 1,296,825</u> | <u>\$ 4,376,825</u> |

**Candler Hills East Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE F – LONG-TERM DEBT (CONTINUED)**

Summary of Significant Bonds Resolution Terms and Covenants

**Special Assessment Revenue Refunding Bonds, Series 2016**

The District levies special assessments pursuant to Section 190.022, Florida Statutes and the assessment rolls are approved by resolutions of the District Board. The collections are to be strictly accounted for and applied to the debt service of the bond series for which they were levied. The District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds. Payment of principal and interest is dependent on the money available in the debt service fund and the District's ability to collect special assessments levied.

The Bonds are subject to redemption at the option of the District and are also subject to extraordinary mandatory redemption prior to maturity as outlined in the Trust Indenture.

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:

1. Reserve Fund – The Series 2016 Reserve Account is funded from the proceeds of the Bonds in an amount equal to fifty percent of the Maximum Annual Debt Service Requirement for all Outstanding Series 2016 Bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

|             | Reserve<br>Balance | Reserve<br>Requirement |
|-------------|--------------------|------------------------|
| Series 2016 | <u>\$ 118,106</u>  | <u>\$ 118,756</u>      |

The government 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.

**NOTE H – SUBSEQUENT EVENT**

On November 1, 2018 the district prepaid \$25,000 of the Series 2016 Special Assessment Revenue Refunding Bonds.



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

To the Board of Supervisors  
Candler Hills East Community Development District  
Marion County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Candler Hills East Community Development District, as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2019.

**Internal Control Over Financial Reporting**

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

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

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



Berger, Toombs, Elam,  
Gaines & Frank  
Certified Public Accountants PL

Board of Supervisors  
Candler Hills East Community Development District

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

February 25, 2019



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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## MANAGEMENT LETTER

To the Board of Supervisors  
Candler Hills East Community Development District  
Marion County, FL

### Report on the Financial Statements

We have audited the financial statements of the Candler Hills East Community Development District as of and for the year ended September 30, 2018, and have issued our report thereon dated February 25, 2019.

### 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 that report, which is dated February 25, 2019, 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 made to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the preceding financial audit report.

### Financial Condition and Management

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



Berger, Toombs, Elam,  
Gaines & Frank  
Certified Public Accountants PL

To the Board of Supervisors  
Candler Hills East Community Development District

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2018 for the Candler Hills East Community Development District. It is management's responsibility to monitor the Candler Hills East 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.

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

#### **Additional Matters**

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

February 25, 2019



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

To the Board of Supervisors  
Candler Hills East Community Development District  
Marion County, Florida

We have examined Candler Hills East Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2018. Management is responsible for Candler Hills East Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Candler Hills East 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 Candler Hills East 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 Candler Hills East Community Development District's compliance with the specified requirements.

In our opinion, Candler Hills East Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2018.

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

February 25, 2019

## SECTION VI



## RESOLUTION 2019-02

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CANDLER HILLS EAST COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2019/2020 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; ADDRESSING TRANSMITTAL, POSTING AND PUBLICATION REQUIREMENTS; ADDRESSING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the District Manager has heretofore prepared and submitted to the Board of Supervisors ("**Board**") of the Candler Hills East Community Development District ("**District**") prior to June 15, 2019, a proposed budget ("**Proposed Budget**") for the fiscal year beginning October 1, 2019 and ending September 30, 2020 ("**Fiscal Year 2019/2020**"); and

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

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE CANDLER HILLS EAST COMMUNITY DEVELOPMENT DISTRICT:**

1. **PROPOSED BUDGET APPROVED.** The Proposed Budget prepared by the District Manager for Fiscal Year 2019/2020 attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said Proposed Budget.

2. **SETTING A PUBLIC HEARING.** A public hearing on said approved Proposed Budget is hereby declared and set for the following date, hour and location:

DATE: August 20, 2019

HOUR: 9:00 a.m.

LOCATION: Circle Square Commons, Cultural Center  
8395 SW 80<sup>th</sup> Street  
Ocala, FL 34481

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

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

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

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

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

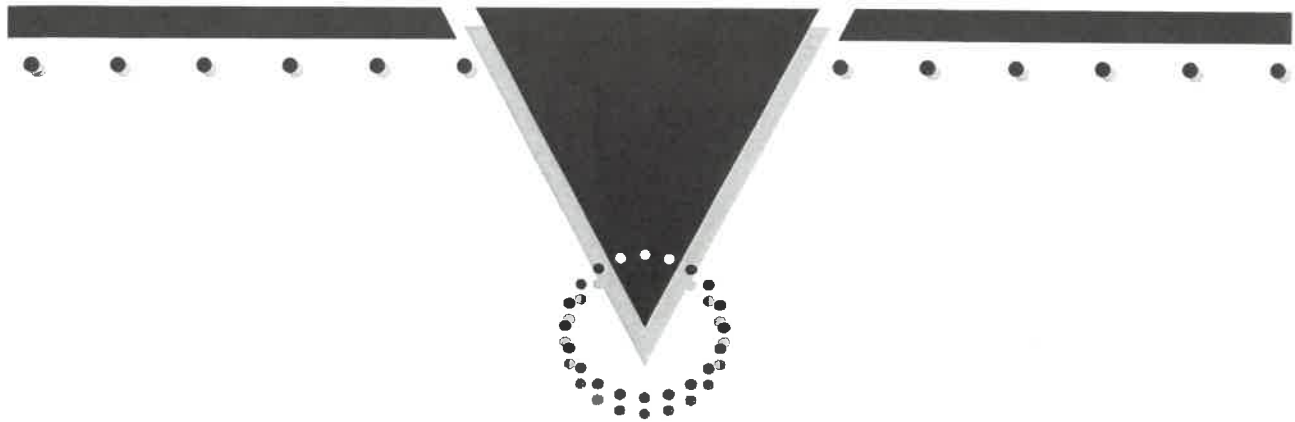
**PASSED AND ADOPTED THIS 21<sup>st</sup> DAY OF MAY, 2019.**

ATTEST:

**CANDLER HILLS EAST COMMUNITY  
DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Its: \_\_\_\_\_



# **Candler Hills East Community Development District**

**Proposed Budget  
FY 2020**



# Table of Contents

|            |   |
|------------|---|
| <b>1</b>   | <b><u>General Fund</u></b>                          |
| <b>2-4</b> | <b><u>General Fund Narrative</u></b>                |
| <b>5</b>   | <b><u>Capital Reserves Fund</u></b>                 |
| <b>6</b>   | <b><u>Debt Service Fund - Series 2006A/2016</u></b> |
| <b>7</b>   | <b><u>Amortization Schedule - Series 2016</u></b>   |

**Candler Hills East**  
**COMMUNITY DEVELOPMENT DISTRICT**

**GENERAL FUND**

| DESCRIPTION | ADOPTED<br>BUDGET<br>FY2019 | ACTUAL<br>THRU<br>4/30/19 | PROJECTED<br>NEXT<br>5 MONTHS | TOTAL<br>AS OF<br>9/30/19 | PROPOSED<br>BUDGET<br>FY2020 |
|-------------|-----------------------------|---------------------------|-------------------------------|---------------------------|------------------------------|
|-------------|-----------------------------|---------------------------|-------------------------------|---------------------------|------------------------------|

**REVENUES:**

|                         |          |          |       |          |          |
|-------------------------|----------|----------|-------|----------|----------|
| MAINTENANCE ASSESSMENTS | \$55,051 | \$54,874 | \$177 | \$55,051 | \$55,051 |
| INTEREST                | \$35     | \$18     | \$10  | \$28     | \$25     |
| CARRY FORWARD           | \$12,499 | \$7,199  | \$0   | \$7,199  | \$0      |

|                       |                 |                 |              |                 |                 |
|-----------------------|-----------------|-----------------|--------------|-----------------|-----------------|
| <b>TOTAL REVENUES</b> | <b>\$67,585</b> | <b>\$62,090</b> | <b>\$187</b> | <b>\$62,278</b> | <b>\$55,076</b> |
|-----------------------|-----------------|-----------------|--------------|-----------------|-----------------|

**EXPENDITURES:**

**ADMINISTRATIVE:**

|                                |         |         |         |         |         |
|--------------------------------|---------|---------|---------|---------|---------|
| SUPERVISOR FEES                | \$4,000 | \$1,800 | \$2,000 | \$3,800 | \$4,000 |
| FICA EXPENSE                   | \$306   | \$92    | \$92    | \$184   | \$306   |
| ENGINEERING                    | \$2,200 | \$0     | \$1,200 | \$1,200 | \$2,200 |
| TRUSTEE FEES                   | \$2,050 | \$2,020 | \$0     | \$2,020 | \$2,050 |
| DISSEMINATION                  | \$3,500 | \$2,392 | \$1,458 | \$3,850 | \$3,500 |
| ARBITRAGE                      | \$600   | \$0     | \$600   | \$600   | \$600   |
| ASSESSMENT ROLL                | \$5,000 | \$5,000 | \$0     | \$5,000 | \$5,000 |
| ATTORNEY                       | \$6,000 | \$3,000 | \$3,000 | \$6,000 | \$6,000 |
| ANNUAL AUDIT                   | \$3,500 | \$3,510 | \$0     | \$3,510 | \$3,510 |
| MANAGEMENT FEES                | \$7,461 | \$4,352 | \$3,109 | \$7,461 | \$7,461 |
| INFORMATION TECHNOLOGY         | \$1,000 | \$583   | \$2,392 | \$2,975 | \$1,000 |
| TELEPHONE                      | \$50    | \$0     | \$25    | \$25    | \$50    |
| POSTAGE                        | \$800   | \$463   | \$437   | \$900   | \$1,000 |
| PRINTING & BINDING             | \$800   | \$120   | \$180   | \$300   | \$600   |
| INSURANCE                      | \$6,646 | \$6,042 | \$0     | \$6,042 | \$6,646 |
| LEGAL ADVERTISING              | \$700   | \$0     | \$700   | \$700   | \$700   |
| OTHER CURRENT CHARGES          | \$475   | \$188   | \$162   | \$350   | \$475   |
| OFFICE SUPPLIES                | \$150   | \$56    | \$64    | \$120   | \$150   |
| DUES, LICENSES & SUBSCRIPTIONS | \$175   | \$175   | \$0     | \$175   | \$175   |

|                             |                 |                 |                 |                 |                 |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>TOTAL ADMINISTRATIVE</b> | <b>\$45,413</b> | <b>\$29,794</b> | <b>\$15,419</b> | <b>\$45,212</b> | <b>\$45,423</b> |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|

**MAINTENANCE:**

|                                  |          |          |         |          |         |
|----------------------------------|----------|----------|---------|----------|---------|
| RETENTION PONDS/OWL PRESERVE DRA | \$12,499 | \$12,499 | \$0     | \$12,499 | \$0     |
| CONTINGENCIES                    | \$9,673  | \$2,283  | \$2,283 | \$4,566  | \$9,653 |

|                          |                 |                 |                |                 |                |
|--------------------------|-----------------|-----------------|----------------|-----------------|----------------|
| <b>TOTAL MAINTENANCE</b> | <b>\$22,172</b> | <b>\$14,782</b> | <b>\$2,283</b> | <b>\$17,065</b> | <b>\$9,653</b> |
|--------------------------|-----------------|-----------------|----------------|-----------------|----------------|

|                           |                 |                 |                 |                 |                 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>TOTAL EXPENDITURES</b> | <b>\$67,585</b> | <b>\$44,576</b> | <b>\$17,702</b> | <b>\$62,278</b> | <b>\$55,076</b> |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|

|                                       |              |                 |                   |              |            |
|---------------------------------------|--------------|-----------------|-------------------|--------------|------------|
| <b>EXCESS REVENUES (EXPENDITURES)</b> | <b>(\$0)</b> | <b>\$17,514</b> | <b>(\$17,514)</b> | <b>(\$0)</b> | <b>\$0</b> |
|---------------------------------------|--------------|-----------------|-------------------|--------------|------------|

|                              | FY2017    | FY2018    | FY2019   | FY2020   |
|------------------------------|-----------|-----------|----------|----------|
| Net Assessments              | \$105,046 | \$105,046 | \$55,051 | \$55,051 |
| Discounts & Collections (6%) | \$6,705   | \$6,705   | \$3,514  | \$3,514  |
| Gross Assessments            | \$111,751 | \$111,751 | \$58,565 | \$58,565 |
| Total Units                  | 628       | 628       | 628      | 628      |
| Assessments per Unit         | \$178     | \$178     | \$93     | \$93     |

**Candler Hills East**  
**Community Development District**  
General Fund Budget  
Fiscal Year 2020

**REVENUES:**

**Maintenance Assessments**

The District will levy a non-ad valorem special assessment on all taxable property within the District, to fund all General Operating and Maintenance Expenditures for the Fiscal Year.

**Interest**

The District receives interest earnings from its cash balance in the SunTrust operating account.

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**EXPENDITURES:**

**Administrative:**

**Supervisor Fees**

The Florida Statutes allows each board member to receive \$200 per meeting not to exceed \$4,800 in one year. This amount is based on 5 Supervisors attending 4 monthly meetings.

**FICA Expense**

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

**Engineering**

The District's engineer will be providing general engineering services to the District, e.g., attendance and preparation for monthly meetings, reviewing invoices, and various projects assigned as directed by the Board of Supervisors. The District currently has an agreement with Dewberry Engineers, Inc.

**Trustee Fees**

The District issued Series 2016 Special Assessment Refunding Bonds that are administered by a Trustee at US Bank.

**Dissemination**

The District is required by the Security and Exchange Commission to comply with Rule 15c2-12(b) (5) which relates to additional reporting requirements for unrated bond issues. Governmental Management Services – CF, LLC is contracted for this service.

**Candler Hills East**  
**Community Development District**  
General Fund Budget  
Fiscal Year 2020

**Arbitrage**

The District has contracted with an independent certified public accountant to annually calculate the District's Arbitrage Rebate Liability on the Series 2016 Special Assessment Refunding Bonds. The District has an agreement with Grau & Associates for this service.

**Assessment Roll**

Governmental Management Services – Central Florida, LLC serves as the District's collection agent and certifies the District's non-ad valorem assessments with the Marion County Tax Collector's Office.

**Attorney**

The District's legal counsel will be providing general legal services to the District, i.e., attendance and preparation for monthly meetings, review operating and maintenance contracts, etc. The District currently has an agreement with Gerald R. Colen, P.A.

**Annual Audit**

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

**Management Fees**

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Governmental Management Services – Central Florida, LLC. The services include, but are not limited to, recording and transcription of board meetings, administrative services, budget preparation, all financial reporting, annual audits, etc.

**Information Technology**

The District incurs costs related to the District's accounting and information systems, District's website creation and maintenance, electronic compliance with Florida Statutes and other electronic data requirements.

**Telephone**

Telephone and fax machine.

**Postage**

Mailing of Board Meeting agenda packages, overnight deliveries, checks for vendors and any other required correspondence.

**Candler Hills East**  
**Community Development District**  
General Fund Budget  
Fiscal Year 2020

**Printing & Binding**

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

**Insurance**

The District's general liability & public officials liability insurance policy is with Florida Insurance Alliance. The 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. The District does most of its legal advertising with Ocala Star-Banner.

**Other Current Charges**

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

**Office Supplies**

The District incurs charges for supplies that need to be purchased during the fiscal year, including copier and printer toner cartridges, paper, file folders, binders, pens, paper clips, and other such 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.

**MAINTENANCE:**

**Contingencies**

To record the cost of any maintenance expenses not properly classified in any of the other accounts.



**Candler Hills East**  
COMMUNITY DEVELOPMENT DISTRICT

**CAPITAL RESERVES FUND**

| DESCRIPTION | ADOPTED<br>BUDGET<br>FY2019 | ACTUAL<br>THRU<br>4/30/19 | PROJECTED<br>NEXT<br>5 MONTHS | TOTAL<br>THRU<br>9/30/19 | PROPOSED<br>BUDGET<br>FY2020 |
|-------------|-----------------------------|---------------------------|-------------------------------|--------------------------|------------------------------|
|-------------|-----------------------------|---------------------------|-------------------------------|--------------------------|------------------------------|

**REVENUES**

|                       |           |           |         |           |           |
|-----------------------|-----------|-----------|---------|-----------|-----------|
| INTEREST              | \$2,500   | \$2,454   | \$2,046 | \$4,500   | \$3,000   |
| CARRY FORWARD SURPLUS | \$163,447 | \$163,536 | \$0     | \$163,536 | \$168,036 |

|                       |                  |                  |                |                  |                  |
|-----------------------|------------------|------------------|----------------|------------------|------------------|
| <b>TOTAL REVENUES</b> | <b>\$165,947</b> | <b>\$165,990</b> | <b>\$2,046</b> | <b>\$168,036</b> | <b>\$171,036</b> |
|-----------------------|------------------|------------------|----------------|------------------|------------------|

**EXPENDITURES**

|                |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|
| CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 |
|----------------|-----|-----|-----|-----|-----|

|                           |            |            |            |            |            |
|---------------------------|------------|------------|------------|------------|------------|
| <b>TOTAL EXPENDITURES</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
|---------------------------|------------|------------|------------|------------|------------|

|                        |                  |                  |                |                  |                  |
|------------------------|------------------|------------------|----------------|------------------|------------------|
| <b>EXCESS REVENUES</b> | <b>\$165,947</b> | <b>\$165,990</b> | <b>\$2,046</b> | <b>\$168,036</b> | <b>\$171,036</b> |
|------------------------|------------------|------------------|----------------|------------------|------------------|

**Candler Hills East**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**DEBT SERVICE FUND - SERIES 2016**

| DESCRIPTION | ADOPTED<br>BUDGET<br>FY2019 | ACTUAL<br>THRU<br>4/30/19 | PROJECTED<br>NEXT<br>5 MONTHS | TOTAL<br>THRU<br>9/30/19 | PROPOSED<br>BUDGET<br>FY2020 |
|-------------|-----------------------------|---------------------------|-------------------------------|--------------------------|------------------------------|
|-------------|-----------------------------|---------------------------|-------------------------------|--------------------------|------------------------------|

**REVENUES**

|                           |           |           |         |           |           |
|---------------------------|-----------|-----------|---------|-----------|-----------|
| ASSESSMENTS - TAX ROLL    | \$229,936 | \$228,677 | \$1,259 | \$229,936 | \$229,936 |
| ASSESSMENTS - PREPAYMENTS | \$0       | \$13,233  | \$0     | \$13,233  | \$0       |
| INTEREST INCOME           | \$500     | \$635     | \$165   | \$800     | \$500     |
| CARRY FORWARD SURPLUS     | \$204,176 | \$209,966 | \$0     | \$209,966 | \$227,323 |

|                       |                  |                  |                |                  |                  |
|-----------------------|------------------|------------------|----------------|------------------|------------------|
| <b>TOTAL REVENUES</b> | <b>\$434,612</b> | <b>\$452,512</b> | <b>\$1,424</b> | <b>\$453,936</b> | <b>\$457,759</b> |
|-----------------------|------------------|------------------|----------------|------------------|------------------|

**EXPENDITURES**

|                     |           |          |           |           |           |
|---------------------|-----------|----------|-----------|-----------|-----------|
| SPECIAL CALL - 11/1 | \$20,000  | \$25,000 | \$0       | \$25,000  | \$0       |
| INTEREST - 11/1     | \$53,525  | \$53,525 | \$0       | \$53,525  | \$51,750  |
| PRINCIPAL - 5/1     | \$105,000 | \$0      | \$105,000 | \$105,000 | \$125,000 |
| INTEREST - 5/1      | \$53,525  | \$0      | \$53,088  | \$53,088  | \$51,750  |
| SPECIAL CALL - 5/1  | \$0       | \$0      | \$15,000  | \$15,000  | \$0       |

|                           |                  |                 |                  |                  |                  |
|---------------------------|------------------|-----------------|------------------|------------------|------------------|
| <b>TOTAL EXPENDITURES</b> | <b>\$212,050</b> | <b>\$53,525</b> | <b>\$173,088</b> | <b>\$226,613</b> | <b>\$228,500</b> |
|---------------------------|------------------|-----------------|------------------|------------------|------------------|

|                        |                  |                  |                    |                  |                  |
|------------------------|------------------|------------------|--------------------|------------------|------------------|
| <b>EXCESS REVENUES</b> | <b>\$222,562</b> | <b>\$398,987</b> | <b>(\$171,664)</b> | <b>\$227,323</b> | <b>\$229,259</b> |
|------------------------|------------------|------------------|--------------------|------------------|------------------|

Nov 1, 2020 \$50,344

|                              |           |
|------------------------------|-----------|
| Net Assessments              | \$229,936 |
| Discounts & Collections (6%) | \$14,677  |
| Gross Assessments            | \$244,613 |

|                      |        |
|----------------------|--------|
| Total Units          | 444.75 |
| Assessments per Unit | \$550  |

# Candler Hills East

## Community Development District

Series 2016 Special Assessment Revenue Refunding Bonds

### AMORTIZATION SCHEDULE

(Term Bonds Due Combined)

| Date          | Balance      | Principal           | Interest            | Annual              |
|---------------|--------------|---------------------|---------------------|---------------------|
| 11/1/19       | \$ 2,935,000 | \$ -                | \$ 51,750.00        | \$ -                |
| 5/1/20        | \$ 2,935,000 | \$ 125,000          | \$ 51,750.00        | \$ 228,500          |
| 11/1/20       | \$ 2,810,000 | \$ -                | \$ 50,343.75        | \$ -                |
| 5/1/21        | \$ 2,810,000 | \$ 130,000          | \$ 50,343.75        | \$ 230,688          |
| 11/1/21       | \$ 2,680,000 | \$ -                | \$ 48,881.25        | \$ -                |
| 5/1/22        | \$ 2,680,000 | \$ 135,000          | \$ 48,881.25        | \$ 232,763          |
| 11/1/22       | \$ 2,545,000 | \$ -                | \$ 47,362.50        | \$ -                |
| 5/1/23        | \$ 2,545,000 | \$ 135,000          | \$ 47,362.50        | \$ 229,725          |
| 11/1/23       | \$ 2,410,000 | \$ -                | \$ 45,675.00        | \$ -                |
| 5/1/24        | \$ 2,410,000 | \$ 140,000          | \$ 45,675.00        | \$ 231,350          |
| 11/1/24       | \$ 2,270,000 | \$ -                | \$ 43,750.00        | \$ -                |
| 5/1/25        | \$ 2,270,000 | \$ 90,000           | \$ 43,750.00        | \$ 177,500          |
| 11/1/25       | \$ 2,180,000 | \$ -                | \$ 42,400.00        | \$ -                |
| 5/1/26        | \$ 2,180,000 | \$ 145,000          | \$ 42,400.00        | \$ 229,800          |
| 11/1/26       | \$ 2,035,000 | \$ -                | \$ 39,681.25        | \$ -                |
| 5/1/27        | \$ 2,035,000 | \$ 150,000          | \$ 39,681.25        | \$ 229,363          |
| 11/1/27       | \$ 1,885,000 | \$ -                | \$ 36,868.75        | \$ -                |
| 5/1/28        | \$ 1,885,000 | \$ 155,000          | \$ 36,868.75        | \$ 228,738          |
| 11/1/28       | \$ 1,730,000 | \$ -                | \$ 33,962.50        | \$ -                |
| 5/1/29        | \$ 1,730,000 | \$ 165,000          | \$ 33,962.50        | \$ 232,925          |
| 11/1/29       | \$ 1,565,000 | \$ -                | \$ 30,868.75        | \$ -                |
| 5/1/30        | \$ 1,565,000 | \$ 170,000          | \$ 30,868.75        | \$ 231,738          |
| 11/1/30       | \$ 1,395,000 | \$ -                | \$ 27,681.25        | \$ -                |
| 5/1/31        | \$ 1,395,000 | \$ 175,000          | \$ 27,681.25        | \$ 230,363          |
| 11/1/31       | \$ 1,220,000 | \$ -                | \$ 24,400.00        | \$ -                |
| 5/1/32        | \$ 1,220,000 | \$ 185,000          | \$ 24,400.00        | \$ 233,800          |
| 11/1/32       | \$ 1,035,000 | \$ -                | \$ 20,700.00        | \$ -                |
| 5/1/33        | \$ 1,035,000 | \$ 190,000          | \$ 20,700.00        | \$ 231,400          |
| 11/1/33       | \$ 845,000   | \$ -                | \$ 16,900.00        | \$ -                |
| 5/1/34        | \$ 845,000   | \$ 200,000          | \$ 16,900.00        | \$ 233,800          |
| 11/1/34       | \$ 645,000   | \$ -                | \$ 12,900.00        | \$ -                |
| 5/1/35        | \$ 645,000   | \$ 205,000          | \$ 12,900.00        | \$ 230,800          |
| 11/1/35       | \$ 440,000   | \$ -                | \$ 8,800.00         | \$ -                |
| 5/1/36        | \$ 440,000   | \$ 215,000          | \$ 8,800.00         | \$ 232,600          |
| 11/1/36       | \$ 225,000   | \$ -                | \$ 4,500.00         | \$ -                |
| 5/1/37        | \$ 225,000   | \$ 225,000          | \$ 4,500.00         | \$ 234,000          |
| <b>Totals</b> |              | <b>\$ 2,935,000</b> | <b>\$ 1,174,850</b> | <b>\$ 4,109,850</b> |

## SECTION VII



Dewberry Engineers Inc. | 407.843.5120  
800 N. Magnolia Ave, Suite 1000 | 407.649.8664 fax  
Orlando, FL 32803 | www.dewberry.com

**Work Authorization Number 2019-1**

April 3, 2019

Mr. George Flint  
Candler Hills East Community Development District  
135 West Central Boulevard  
Suite 320  
Orlando, Florida 32801

Subject: **Work Authorization Number 2019-1  
Candler Hills East Community Development District  
Annual Engineer's Report 2019**

Dear Chairman, Board of Supervisors:

Dewberry Engineers Inc. ("Dewberry"), is pleased to submit this Work Authorization to provide professional consulting engineering services for the Candler Hills East Community Development District (CDD). We will provide these services pursuant to our current agreement ("District Engineering Agreement") as follows:

**I. Scope of Work**

We will provide the Annual Engineer's Report for the CDD as required by the Trust Indenture for this fiscal year. The report will address the requirements as detailed in Section 9.21 of the Trust.

Our fee for this task will be a fixed fee of \$900, plus other direct costs.

This Work Authorization, together with the **Professional Consulting Engineering Agreement**, represents the entire understanding between the Candler Hills East Community Development District and Dewberry with regard to the referenced project. If you wish to accept this Work Authorization, please sign where indicated and return one complete copy to our office. Upon receipt, we will promptly schedule our services.

Thank you for considering Dewberry. We look forward to helping you create a quality project.

Sincerely,

Rey Malavé, P.E.  
Dewberry Engineers Inc.  
Associate Vice President

April 3, 2019  
Date

APPROVED AND ACCEPTED

By:   
Authorized Representative of  
Candler Hills East  
Community Development District

4/4/19  
Date

## SECTION IX

## SECTION B

# SECTION 1



# Candler Hills East Community Development District

## Summary of Invoices

February 12, 2019 to May 14, 2019

| Fund         | Date                 | Check No.'s | Amount       |
|--------------|----------------------|-------------|--------------|
| General Fund | 2/19/19              | 940         | \$ 8,363.25  |
|              | 2/28/19              | 941-942     | \$ 1,689.15  |
|              | 3/8/19               | 943         | \$ 1,087.70  |
|              | 3/13/19              | 944-945     | \$ 5,793.30  |
|              | 3/20/19              | 946         | \$ 14,678.85 |
|              | 3/21/19              | 947         | \$ 1,999.34  |
|              | 4/4/19               | 948-949     | \$ 12,598.84 |
|              | 4/11/19              | 950         | \$ 1,020.31  |
|              | 5/10/19              | 951         | \$ 1,005.52  |
|              |                      |             | \$ 48,236.26 |
| Payroll      | <u>February 2019</u> |             |              |
|              | Elmer Greene         | 50198       | \$ 184.70    |
|              | John Bain            | 50199       | \$ 184.70    |
|              | Larry Garvin         | 50200       | \$ 200.00    |
|              | Philip Moherrek      | 50201       | \$ 200.00    |
|              | Robert Scherff       | 50202       | \$ 184.70    |
|              |                      |             | \$ 954.10    |
|              |                      |             | \$ 49,190.36 |

| CHECK DATE | VEND# | INVOICE DATE | INVOICE YRMO | DPT ACCT# | SUB | SUBCLASS        | VENDOR NAME               | STATUS | AMOUNT    | ...CHECK...<br>AMOUNT # |
|------------|-------|--------------|--------------|-----------|-----|-----------------|---------------------------|--------|-----------|-------------------------|
| 2/19/19    | 00033 | 2/19/19      | 0219         | 2019      | 02  | 300-20700-10200 | FY19 DEBT SERVICE SER2016 | *      | 8,363.25  | 8,363.25 000940         |
| 2/28/19    | 00005 | 2/20/19      | 0220         | 2019      | 02  | 310-51300-31500 | PREP/ATTEND CDD MEETING   | *      | 1,500.00  | 1,500.00 000941         |
| 2/28/19    | 00004 | 2/19/19      | 06-466-14    | 2019      | 02  | 310-51300-42000 | COLEN & WAGONER P.A.      | *      | 189.15    | 189.15 000942           |
| 3/08/19    | 00019 | 3/01/19      | 188          | 2019      | 03  | 310-51300-34000 | FEDEX                     | *      | 621.75    | 621.75 000943           |
| 3/01/19    | 188   | 3/01/19      | 188          | 2019      | 03  | 310-51300-35100 | MANAGEMENT FEES-MAR19     | *      | 83.33     | 83.33 000944            |
| 3/01/19    | 188   | 3/01/19      | 188          | 2019      | 03  | 310-51300-31300 | INFORMATION TECH-MAR19    | *      | 291.67    | 291.67 000945           |
| 3/01/19    | 188   | 3/01/19      | 188          | 2019      | 03  | 310-51300-51000 | DISSEMINATION-MAR19       | *      | 27.65     | 27.65 000946            |
| 3/01/19    | 188   | 3/01/19      | 188          | 2019      | 03  | 310-51300-42000 | OFFICE SUPPLIES           | *      | 18.75     | 18.75 000947            |
| 3/01/19    | 188   | 3/01/19      | 188          | 2019      | 03  | 310-51300-42500 | POSTAGE COPIES            | *      | 44.55     | 44.55 000948            |
| 3/13/19    | 00046 | 3/03/19      | 344005       | 2019      | 03  | 310-51300-32200 | FY18 AUDIT                | *      | 3,510.00  | 3,510.00 000944         |
| 3/13/19    | 00043 | 3/06/19      | 13145        | 2019      | 03  | 320-53800-49000 | 590 BALE OF PINESTRW/INST | *      | 2,283.30  | 2,283.30 000945         |
| 3/20/19    | 00033 | 3/20/19      | 0320         | 2019      | 03  | 300-20700-10200 | FY19 DEBT SERVICE SER2016 | *      | 14,678.85 | 14,678.85 000946        |
| 3/21/19    | 00033 | 3/21/19      | 0321         | 2019      | 03  | 300-20700-10200 | FY19 DEBT SERVICE SER2016 | *      | 1,999.34  | 1,999.34 000947         |
| 4/04/19    | 00047 | 3/28/19      | 3            | 2019      | 03  | 310-51300-31300 | AMORT DS 2016 \$15,000    | *      | 100.00    | 100.00 000948           |

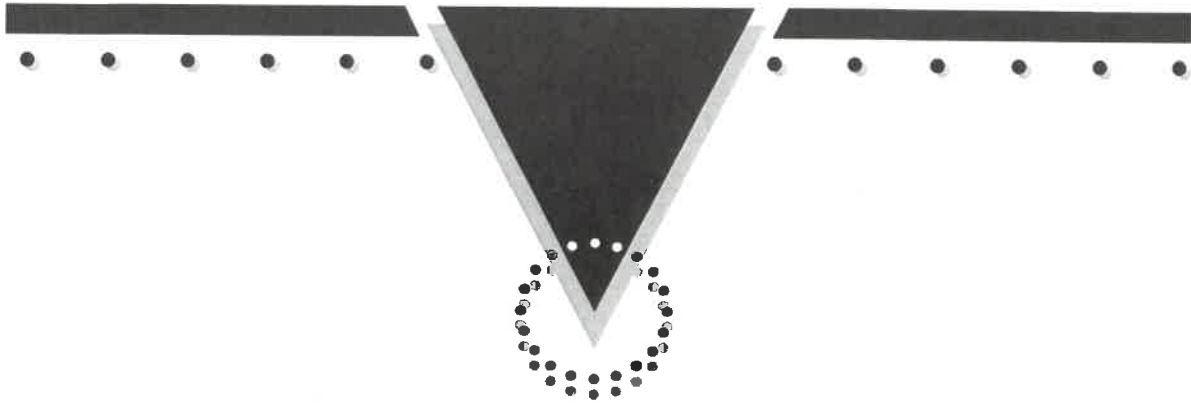
CAND CANDLE HILLS TVISCARRA

CANDLER HILLS-GENERAL FUND  
 BANK A CANDLER HILLS CDD

| CHECK DATE                       | VEND# | INVOICE DATE | INVOICE | EXPENSED TO...         | YRMO   | DPT | ACCT# | SUB   | SUBCLASS | VENDOR NAME | STATUS | AMOUNT    | ....CHECK.....<br>AMOUNT # |
|----------------------------------|-------|--------------|---------|------------------------|--------|-----|-------|-------|----------|-------------|--------|-----------|----------------------------|
| 4/04/19                          | 00041 | 1/30/19      | 4096    | POND MOWING-JAN19      | 201901 | 320 | 53800 | 47000 |          |             | *      | 4,166.28  |                            |
|                                  |       | 2/18/19      | 4138    | POND MOWING-FEB19      | 201902 | 320 | 53800 | 47000 |          |             | *      | 4,166.28  |                            |
|                                  |       | 4/03/19      | 4189    | POND MOWING-MAR19      | 201903 | 320 | 53800 | 47000 |          |             | *      | 4,166.28  |                            |
| SHARP SITE SERVICES, LLC         |       |              |         |                        |        |     |       |       |          |             |        |           |                            |
| 4/11/19                          | 00019 | 4/01/19      | 189     | MANAGEMENT FEES-APR19  | 201904 | 310 | 51300 | 34000 |          |             | *      | 621.75    | 12,498.84 000949           |
|                                  |       | 4/01/19      | 189     | INFORMATION TECH-APR19 | 201904 | 310 | 51300 | 35100 |          |             | *      | 83.33     |                            |
|                                  |       | 4/01/19      | 189     | DISSEMINATION-APR19    | 201904 | 310 | 51300 | 31300 |          |             | *      | 291.67    |                            |
|                                  |       | 4/01/19      | 189     | OFFICE SUPPLIES        | 201904 | 310 | 51300 | 51000 |          |             | *      | .12       |                            |
|                                  |       | 4/01/19      | 189     | POSTAGE                | 201904 | 310 | 51300 | 42000 |          |             | *      | 22.24     |                            |
|                                  |       | 4/01/19      | 189     | COPIES                 | 201904 | 310 | 51300 | 42500 |          |             | *      | 1.20      |                            |
| GOVERNMENTAL MANAGEMENT SERVICES |       |              |         |                        |        |     |       |       |          |             |        |           |                            |
| 5/10/19                          | 00019 | 5/01/19      | 190     | MANAGEMENT FEES-MAY19  | 201905 | 310 | 51300 | 34000 |          |             | *      | 621.75    | 1,020.31 000950            |
|                                  |       | 5/01/19      | 190     | INFORMATION TECH-MAY19 | 201905 | 310 | 51300 | 35100 |          |             | *      | 83.33     |                            |
|                                  |       | 5/01/19      | 190     | DISSEMINATION-MAY19    | 201905 | 310 | 51300 | 31300 |          |             | *      | 291.67    |                            |
|                                  |       | 5/01/19      | 190     | OFFICE SUPPLIES        | 201905 | 310 | 51300 | 51000 |          |             | *      | .06       |                            |
|                                  |       | 5/01/19      | 190     | POSTAGE                | 201905 | 310 | 51300 | 42000 |          |             | *      | 7.21      |                            |
|                                  |       | 5/01/19      | 190     | COPIES                 | 201905 | 310 | 51300 | 42500 |          |             | *      | 1.50      |                            |
| GOVERNMENTAL MANAGEMENT SERVICES |       |              |         |                        |        |     |       |       |          |             |        |           |                            |
| TOTAL FOR BANK A                 |       |              |         |                        |        |     |       |       |          |             |        | 48,236.26 |                            |
| TOTAL FOR REGISTER               |       |              |         |                        |        |     |       |       |          |             |        | 48,236.26 |                            |

CAND CANDLER HILLS TVISCARRA

## SECTION 2



# Candler Hills East Community Development District

Unaudited Financial Reporting  
April 30, 2019



# Table of Contents

|          |   |
|----------|---|
| <b>1</b> | <b><u>Balance Sheet</u></b>               |
| <b>2</b> | <b><u>General Fund</u></b>                |
| <b>3</b> | <b><u>Debt Service Fund</u></b>           |
| <b>4</b> | <b><u>Capital Reserve Fund</u></b>        |
| <b>5</b> | <b><u>Month to Month</u></b>              |
| <b>6</b> | <b><u>Long-Term Debt</u></b>              |
| <b>7</b> | <b><u>Assessment Receipt Schedule</u></b> |

# Candler Hills East

Community Development District

Combined Balance Sheet

For the Period Ended April 30, 2019

|  | <u>Governmental Fund Types</u> |                  |                  | Totals                 |
|--|--------------------------------|------------------|------------------|------------------------|
|  | General Fund                   | Debt Service     | Capital Reserves | (Memorandum Only) 2019 |
| <b><u>ASSETS:</u></b>                      |                                |                  |                  |                        |
| CASH                                       | \$62,762                       | ---              | ---              | \$62,762               |
| SERIES 2016                                |                                |                  |                  |                        |
| RESERVE                                    | ---                            | \$118,756        | ---              | \$118,756              |
| REVENUE                                    | ---                            | \$352,769        | ---              | \$352,769              |
| PREPAYMENTS                                | ---                            | \$15,869         | ---              | \$15,869               |
| <b><u>INVESTMENTS - OPERATIONS</u></b>     |                                |                  |                  |                        |
| SBA ACCOUNT                                | ---                            | ---              | \$165,990        | \$165,990              |
| DUE FROM GENERAL FUND                      | ---                            | \$4,699          | ---              | \$4,699                |
| <b>TOTAL ASSETS</b>                        | <b>\$62,762</b>                | <b>\$492,093</b> | <b>\$165,990</b> | <b>\$720,845</b>       |
| <b><u>LIABILITIES:</u></b>                 |                                |                  |                  |                        |
| ACCOUNTS PAYABLE                           | ---                            | ---              | ---              | \$0                    |
| DUE TO DEBT SERVICE                        | \$4,699                        | ---              | ---              | \$4,699                |
| <b><u>FUND BALANCES:</u></b>               |                                |                  |                  |                        |
| RESTRICTED FOR DEBT SERVICE                | ---                            | \$492,093        | ---              | \$492,093              |
| ASSIGNED                                   | ---                            | ---              | \$165,990        | \$165,990              |
| UNASSIGNED                                 | \$58,063                       | ---              | ---              | \$58,063               |
| <b>TOTAL LIABILITIES &amp; FUND EQUITY</b> | <b>\$62,762</b>                | <b>\$492,093</b> | <b>\$165,990</b> | <b>\$720,845</b>       |

# Candler Hills East

## COMMUNITY DEVELOPMENT DISTRICT

### General Fund

#### Statement of Revenues & Expenditures

For the Period Ended April 30, 2019

#### REVENUES:

|                         | ADOPTED<br>BUDGET | PRORATED BUDGET<br>THRU 4/30/19 | ACTUAL<br>THRU 4/30/19 | VARIANCE       |
|-------------------------|-------------------|---------------------------------|------------------------|----------------|
| MAINTENANCE ASSESSMENTS | \$55,051          | \$55,051                        | \$54,874               | (\$177)        |
| INTEREST                | \$35              | \$20                            | \$18                   | (\$3)          |
| <b>TOTAL REVENUES</b>   | <b>\$55,086</b>   | <b>\$55,071</b>                 | <b>\$54,891</b>        | <b>(\$180)</b> |

#### EXPENDITURES:

##### ADMINISTRATIVE:

|                                |                 |                 |                 |                |
|--------------------------------|-----------------|-----------------|-----------------|----------------|
| SUPERVISOR FEES                | \$4,000         | \$2,333         | \$1,800         | \$533          |
| FICA EXPENSE                   | \$306           | \$179           | \$92            | \$87           |
| ENGINEERING                    | \$2,200         | \$1,283         | \$0             | \$1,283        |
| TRUSTEE FEES                   | \$2,050         | \$2,050         | \$2,020         | \$30           |
| DISSEMINATION                  | \$3,500         | \$2,042         | \$2,392         | (\$350)        |
| ARBITRAGE                      | \$600           | \$0             | \$0             | \$0            |
| ASSESSMENT ROLL                | \$5,000         | \$5,000         | \$5,000         | \$0            |
| ATTORNEY                       | \$6,000         | \$3,500         | \$3,000         | \$500          |
| ANNUAL AUDIT                   | \$3,500         | \$3,500         | \$3,510         | (\$10)         |
| MANAGEMENT FEES                | \$7,461         | \$4,352         | \$4,352         | \$0            |
| INFORMATION TECHNOLOGY         | \$1,000         | \$583           | \$583           | \$0            |
| TELEPHONE                      | \$50            | \$29            | \$0             | \$29           |
| POSTAGE                        | \$800           | \$467           | \$463           | \$3            |
| PRINTING & BINDING             | \$800           | \$467           | \$120           | \$347          |
| INSURANCE                      | \$6,646         | \$6,646         | \$6,042         | \$604          |
| LEGAL ADVERTISING              | \$700           | \$408           | \$0             | \$408          |
| OTHER CURRENT CHARGES          | \$475           | \$277           | \$188           | \$89           |
| OFFICE SUPPLIES                | \$150           | \$88            | \$56            | \$31           |
| DUES, LICENSES & SUBSCRIPTIONS | \$175           | \$175           | \$175           | \$0            |
| <b>TOTAL ADMINISTRATIVE</b>    | <b>\$45,413</b> | <b>\$33,379</b> | <b>\$29,794</b> | <b>\$3,585</b> |

##### MAINTENANCE:

|                                  |                 |                 |                 |                |
|----------------------------------|-----------------|-----------------|-----------------|----------------|
| RETENTION PONDS/OWL PRESERVE DRA | \$12,499        | \$12,499        | \$12,499        | \$0            |
| CONTINGENCIES                    | \$10,000        | \$5,833         | \$2,283         | \$3,550        |
| <b>TOTAL MAINTENANCE</b>         | <b>\$22,499</b> | <b>\$18,332</b> | <b>\$14,782</b> | <b>\$3,550</b> |
| <b>TOTAL EXPENDITURES</b>        | <b>\$67,912</b> | <b>\$51,711</b> | <b>\$44,576</b> | <b>\$7,135</b> |

|                                |            |          |
|--------------------------------|------------|----------|
| EXCESS REVENUES (EXPENDITURES) | (\$12,826) | \$10,315 |
| FUND BALANCE - BEGINNING       | \$12,499   | \$47,748 |
| FUND BALANCE - ENDING          | (\$327)    | \$58,063 |



**Candler Hills East**  
**Community Development District**  
**Debt Service Fund Series 2016**  
For the Period Ended April 30, 2019

| ADOPTED<br>BUDGET | PRORATED<br>THRU 4/30/19 | ACTUAL<br>THRU 4/30/19 | VARIANCE |
|-------------------|--------------------------|------------------------|----------|
|-------------------|--------------------------|------------------------|----------|

**REVENUES:**

|                           |                  |                  |                  |                 |
|---------------------------|------------------|------------------|------------------|-----------------|
| ASSESSMENTS - TAX ROLL    | \$229,936        | \$229,936        | \$228,677        | (\$1,259)       |
| ASSESSMENTS - PREPAYMENTS | \$0              | \$0              | \$13,233         | \$13,233        |
| INTEREST                  | \$500            | \$292            | \$635            | \$344           |
| <b>TOTAL REVENUES</b>     | <b>\$230,436</b> | <b>\$230,228</b> | <b>\$242,545</b> | <b>\$12,318</b> |

**EXPENDITURES:**

**SERIES 2016**

|                                       |                  |                 |                  |                  |
|---------------------------------------|------------------|-----------------|------------------|------------------|
| INTEREST - 11/1                       | \$53,525         | \$53,525        | \$53,525         | \$0              |
| SPECIAL CALL - 11/1                   | \$20,000         | \$20,000        | \$25,000         | (\$5,000)        |
| PRINCIPAL - 5/1                       | \$105,000        | \$0             | \$0              | \$0              |
| INTEREST - 5/1                        | \$53,525         | \$0             | \$0              | \$0              |
| <b>TOTAL EXPENDITURES</b>             | <b>\$232,050</b> | <b>\$73,525</b> | <b>\$78,525</b>  | <b>(\$5,000)</b> |
| <b>EXCESS REVENUES (EXPENDITURES)</b> | <b>(\$1,614)</b> |                 | <b>\$164,020</b> |                  |
| <b>FUND BALANCE - BEGINNING</b>       | <b>\$204,176</b> |                 | <b>\$328,073</b> |                  |
| <b>FUND BALANCE - ENDING</b>          | <b>\$202,562</b> |                 | <b>\$492,093</b> |                  |

**Candler Hills East**  
**Community Development District**  
**Capital Reserves Fund**  
For the Period Ended April 30, 2019

|                                | ADOPTED<br>BUDGET | PRORATED<br>THRU 4/30/19 | ACTUAL<br>THRU 4/30/19 | VARIANCE     |
|--------------------------------|-------------------|--------------------------|------------------------|--------------|
| <b><u>REVENUES:</u></b>        |                   |                          |                        |              |
| INTEREST                       | \$2,500           | \$1,458                  | \$2,454                | \$995        |
| <b>TOTAL REVENUES</b>          | <b>\$2,500</b>    | <b>\$1,458</b>           | <b>\$2,454</b>         | <b>\$995</b> |
| <b><u>EXPENDITURES:</u></b>    |                   |                          |                        |              |
| CAPITAL OUTLAY                 | \$0               | \$0                      | \$0                    | \$0          |
| <b>TOTAL EXPENDITURES</b>      | <b>\$0</b>        | <b>\$0</b>               | <b>\$0</b>             | <b>\$0</b>   |
| EXCESS REVENUES (EXPENDITURES) | \$2,500           |                          | \$2,454                |              |
| FUND BALANCE - BEGINNING       | \$163,447         |                          | \$163,536              |              |
| FUND BALANCE - ENDING          | \$165,947         |                          | \$165,990              |              |

# Candler Hills East

## COMMUNITY DEVELOPMENT DISTRICT

### GENERAL FUND

#### Month to Month Detail

|                                       | Oct               | Nov             | Dec             | Jan            | Feb              | Mar              | Apr            | May        | Jun        | Jul        | Aug        | Sep        | Total           |
|---------------------------------------|-------------------|-----------------|-----------------|----------------|------------------|------------------|----------------|------------|------------|------------|------------|------------|-----------------|
| <b>REVENUES:</b>                      |                   |                 |                 |                |                  |                  |                |            |            |            |            |            |                 |
| MAINTENANCE ASSESSMENTS               | \$1,336           | \$15,003        | \$27,462        | \$6,592        | \$1,570          | \$1,930          | \$980          | \$0        | \$0        | \$0        | \$0        | \$0        | \$54,874        |
| INTEREST                              | \$1               | \$2             | \$4             | \$4            | \$2              | \$3              | \$2            | \$0        | \$0        | \$0        | \$0        | \$0        | \$18            |
| <b>TOTAL REVENUES</b>                 | <b>\$1,337</b>    | <b>\$15,005</b> | <b>\$27,466</b> | <b>\$6,596</b> | <b>\$1,572</b>   | <b>\$1,933</b>   | <b>\$982</b>   | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$54,891</b> |
| <b>EXPENDITURES:</b>                  |                   |                 |                 |                |                  |                  |                |            |            |            |            |            |                 |
| <b>ADMINISTRATIVE:</b>                |                   |                 |                 |                |                  |                  |                |            |            |            |            |            |                 |
| SUPERVISOR FEE                        | \$0               | \$800           | \$0             | \$0            | \$1,000          | \$0              | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$1,800         |
| FICA                                  | \$0               | \$46            | \$0             | \$0            | \$46             | \$0              | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$92            |
| ENGINEERING                           | \$0               | \$0             | \$0             | \$0            | \$0              | \$0              | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$0             |
| TRUSTEE FEES                          | \$0               | \$0             | \$2,020         | \$0            | \$0              | \$0              | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$2,020         |
| DISSEMINATION                         | \$542             | \$292           | \$292           | \$292          | \$292            | \$392            | \$292          | \$0        | \$0        | \$0        | \$0        | \$0        | \$2,392         |
| ARBITRAGE                             | \$0               | \$0             | \$0             | \$0            | \$0              | \$0              | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$0             |
| ASSESSMENT ROLL                       | \$5,000           | \$0             | \$0             | \$0            | \$0              | \$0              | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$5,000         |
| ATTORNEY                              | \$0               | \$1,500         | \$0             | \$0            | \$1,500          | \$0              | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$3,000         |
| ANNUAL AUDIT                          | \$0               | \$0             | \$0             | \$0            | \$0              | \$3,510          | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$3,510         |
| MANAGEMENT FEES                       | \$622             | \$622           | \$622           | \$622          | \$622            | \$622            | \$622          | \$0        | \$0        | \$0        | \$0        | \$0        | \$4,352         |
| INFORMATION TECHNOLOGY                | \$83              | \$83            | \$83            | \$83           | \$83             | \$83             | \$83           | \$0        | \$0        | \$0        | \$0        | \$0        | \$583           |
| TELEPHONE                             | \$0               | \$0             | \$0             | \$0            | \$0              | \$0              | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$0             |
| POSTAGE                               | \$6               | \$210           | \$2             | \$12           | \$191            | \$19             | \$22           | \$0        | \$0        | \$0        | \$0        | \$0        | \$463           |
| PRINTING & BINDING                    | \$11              | \$0             | \$60            | \$1            | \$2              | \$45             | \$1            | \$0        | \$0        | \$0        | \$0        | \$0        | \$120           |
| INSURANCE                             | \$6,042           | \$0             | \$0             | \$0            | \$0              | \$0              | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$6,042         |
| LEGAL ADVERTISING                     | \$0               | \$0             | \$0             | \$0            | \$0              | \$0              | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$0             |
| OTHER CURRENT CHARGES                 | \$27              | \$26            | \$27            | \$27           | \$27             | \$26             | \$28           | \$0        | \$0        | \$0        | \$0        | \$0        | \$188           |
| OFFICE SUPPLIES                       | \$1               | \$0             | \$28            | \$0            | \$0              | \$28             | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$56            |
| DUES, LICENSES & SUBSCRIPTIONS        | \$0               | \$175           | \$0             | \$0            | \$0              | \$0              | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$175           |
| <b>TOTAL ADMINISTRATIVE</b>           | <b>\$12,334</b>   | <b>\$3,754</b>  | <b>\$3,134</b>  | <b>\$1,037</b> | <b>\$3,763</b>   | <b>\$4,723</b>   | <b>\$1,048</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$29,794</b> |
| <b>MAINTENANCE:</b>                   |                   |                 |                 |                |                  |                  |                |            |            |            |            |            |                 |
| RETENTION PONDS/OWL PRESERVE DRA      | \$4,166           | \$4,166         | \$4,166         | \$0            | \$0              | \$0              | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$12,499        |
| CONTINGENCIES                         | \$0               | \$0             | \$0             | \$0            | \$0              | \$2,283          | \$0            | \$0        | \$0        | \$0        | \$0        | \$0        | \$2,283         |
| <b>TOTAL MAINTENANCE</b>              | <b>\$4,166</b>    | <b>\$4,166</b>  | <b>\$4,166</b>  | <b>\$0</b>     | <b>\$0</b>       | <b>\$2,283</b>   | <b>\$0</b>     | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$14,782</b> |
| <b>TOTAL EXPENDITURES</b>             | <b>\$16,500</b>   | <b>\$7,920</b>  | <b>\$7,301</b>  | <b>\$1,037</b> | <b>\$3,763</b>   | <b>\$7,007</b>   | <b>\$1,048</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$44,576</b> |
| <b>EXCESS REVENUES (EXPENDITURES)</b> | <b>(\$15,163)</b> | <b>\$7,085</b>  | <b>\$20,165</b> | <b>\$5,559</b> | <b>(\$2,191)</b> | <b>(\$5,074)</b> | <b>(\$66)</b>  | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$10,315</b> |

**Candler Hills East**  
**Community Development District**  
**LONG TERM DEBT REPORT**

| <b>SERIES 2016, SPECIAL ASSESSMENT BONDS</b> |                                    |                    |
|--|------------------------------------|--------------------|
| INTEREST RATE:                               | 2.531%, 3.750%, 4.000%             |                    |
| MATURITY DATE:                               | 5/1/2037                           |                    |
| RESERVE FUND DEFINITION                      | 50% of Maximum Annual Debt Service |                    |
| RESERVE FUND REQUIREMENT                     | \$118,400                          |                    |
| RESERVE FUND BALANCE                         | \$118,756                          |                    |
| BONDS OUTSTANDING - 11/17/2016               |                                    | \$3,380,000        |
| LESS: PRINCIPAL PAYMENT 5/1/17               |                                    | (\$55,000)         |
| LESS: PRINCIPAL PAYMENT 5/1/17 (Prepayment)  |                                    | (\$55,000)         |
| LESS: PRINCIPAL PAYMENT 11/1/17 (Prepayment) |                                    | (\$55,000)         |
| LESS: PRINCIPAL PAYMENT 5/1/18               |                                    | (\$125,000)        |
| LESS: PRINCIPAL PAYMENT 5/1/18 (Prepayment)  |                                    | (\$10,000)         |
| LESS: PRINCIPAL PAYMENT 11/1/18 (Prepayment) |                                    | (\$25,000)         |
| <b>CURRENT BONDS OUTSTANDING</b>             |                                    | <b>\$3,055,000</b> |



## SECTION 3



# Wesley Wilcox

*Supervisor of Elections, Marion County, FL*

**Election Center**

981 NE 16<sup>th</sup> ST • Ocala, FL 34470

**M** PO Box 289 • Ocala, FL 34478-0289

**P** 352-620-3290

**F** 352-620-3286

**W** [www.VoteMarion.com](http://www.VoteMarion.com)

April 15, 2019

Re: Chapter 190 (3)(a)(2)(d) Request

Lauren Vanderveer, Administrative Assistant  
135 West Central Blvd, Suite 320  
Orlando, Florida 32801

Lauren,

In accordance with Chapter 190 (3)(a)(2)(d) and with reference to your letter requesting registered voters in **Candler Hills East Community Development District**, as of April 15, 2019, our records indicate there are **964** active registered voters in the boundaries of the referenced development.

If you have any questions or require any further information, please contact me.

Sincerely,

Charlee Nichols  
Support Services Analyst II  
Marion County Election Center  
[CNichols@VoteMarion.com](mailto:CNichols@VoteMarion.com)

RECEIVED  
APR 17 2019

BY: \_\_\_\_\_

# AUDIT COMMITTEE MEETING



## SECTION III

# SECTION A

**CANDLER HILLS EAST COMMUNITY DEVELOPMENT DISTRICT  
REQUEST FOR PROPOSALS**

**Annual Audit Services for Fiscal Year 2019**  
Marion County, Florida

**INSTRUCTIONS TO PROPOSE**

**SECTION 1. DUE DATE.** Sealed proposals must be received no later than **Friday, August 2, 2019, at 2:00 P.M.**, at the offices of District Manager, located 135 W. Central Blvd., Suite 320, Orlando, FL 32801. Proposals will be publicly opened at that time.

**SECTION 2. FAMILIARITY WITH THE LAW.** By submitting a proposal, the Proposer is assumed to be familiar with all federal, state, and local laws, ordinances, rules, and regulations that in any manner affect the work. Ignorance on the part of the Proposer will in no way relive it from responsibility to perform the work covered by the proposal in compliance with all such laws, ordinances and regulations.

**SECTION 3. QUALIFICATIONS OF PROPOSER.** The contract, if awarded, will only be awarded to a responsible Proposer who is qualified by experience and licensing to do the work specified herein. The Proposer shall submit with its proposal satisfactory evidence of experience in similar work and show that it is fully prepared to complete the work to the satisfaction of the District.

**SECTION 4. SUBMISSION OF ONLY ONE PROPOSAL.** Proposers shall be disqualified and their proposals rejected if the District has reason to believe that collusion may exist among the Proposers, the Proposer has defaulted on any previous contract or is in arrears on any previous or existing contract, or for failure to demonstrate proper licensure and business organization.

**SECTION 5. SUBMISSION OF PROPOSAL.** Submit seven (7) copies and one (1) electronic copy of the Proposal Documents, and other requested attachments at the time and place indicated herein, which shall be enclosed in an opaque sealed envelope, marked with the title "Auditing Services - Candler Hills East Community Development District" on the face of it.

**SECTION 6. MODIFICATION AND WITHDRAWAL.** Proposals may be modified or withdrawn by an appropriate document duly executed and delivered to the place where proposals are to be submitted at any time prior to the time and date the proposals are due. No proposal may be withdrawn after opening for a period of ninety (90) days.

**SECTION 7. PROPOSAL DOCUMENTS.** The proposal documents shall consist of the notice announcing the request for proposals, these instructions, the Evaluation Criteria Sheet and a proposal with all required documentation pursuant to Section 12 of these instructions (the "Proposal Documents").

**SECTION 8. PROPOSAL.** In making its proposal, each Proposer represents that it has read and understands the Proposal Documents and that the proposal is made in accordance therewith.

**SECTION 9. BASIS OF AWARD/RIGHT TO REJECT.** The District reserves the right to reject any and all proposals, make modifications to the work, and waive any informalities or irregularities in proposals as it is deemed in the best interests of the District.

**SECTION 10. CONTRACT AWARD.** Within fourteen (14) days of receipt of the Notice of Award from the District, the Proposer shall enter into and execute a Contract (engagement letter) with the District.

**SECTION 11. LIMITATION OF LIABILITY.** Nothing herein shall be construed as or constitute a waiver of District's limited waiver of liability contained in section 768.28, Florida Statutes, or any other statute or law.

**SECTION 12. MISCELLANEOUS.** All proposals shall include the following information in addition to any other requirements of the proposal documents.

- A. List position or title of all personnel to perform work on the District audit. Include resumes for each person listed: list years of experience in present position for each party listed and years of related experience.
- B. Describe proposed staffing levels, including resumes with applicable certifications.
- C. Three references from projects of similar size and scope. The Proposer should include information relating to the work it conducted for each reference as well as a name, address and phone number of a contact person.
- D. The lump sum cost of the provision of the services under the proposal for Fiscal Year 2019, 2020, 2021. The District intends to enter into three (3) separate one-year agreements.
- E. Provide a proposed schedule for performance of the audit.

**SECTION 13. PROTESTS.** Any protest regarding the Proposal Documents, must be filed in writing, at the offices of the District Manager, within seventy-two (72) hours after the receipt of the documents. The formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days after the initial notice of protest was filed. Failure to timely file a notice of protest or failure to timely file a formal written protest shall constitute a waiver of any right to object or protest with respect to aforesaid plans, specifications or contract documents.

**SECTION 14. EVALUATION OF PROPOSALS.** The criteria to be used in the evaluation of proposals are presented in the Evaluation Criteria Sheet, contained within the Proposal Documents.

## **AUDITOR SELECTION EVALUATION CRITERIA**

**1. *Ability of Personnel.***

**(20 Points)**

(E.g., geographic locations of the firm's headquarters or permanent office in relation to the project; capabilities and experience of key personnel; present ability to manage this project; evaluation of existing work load; proposed staffing levels, etc.)

**2. *Proposer's Experience.***

**(20 Points)**

(E.g. past record and experience of the Proposer in similar projects; volume of work previously performed by the firm; past performance for other Community Development Districts in other contracts; character, integrity, reputation, of respondent, etc.)

**3. *Understanding of Scope of Work.***

**(20 Points)**

Extent to which the proposal demonstrates an understanding of the District's needs for the services requested.

**4. *Ability to Furnish the Required Services.***

**(20 Points)**

Extent to which the proposal demonstrates the adequacy of Proposer's financial resources and stability as a business entity necessary to complete the services required (E.g. the existence of any natural disaster plan for business operations).

**5. *Price.***

**(20 Points)**

Points will be awarded based upon the price bid for the rendering of the services and reasonableness of the price to the services.

## SECTION B

**CANDLER HILLS EAST  
COMMUNITY DEVELOPMENT DISTRICT  
REQUEST FOR PROPOSALS FOR ANNUAL AUDIT SERVICES**

The Candler Hills East Community Development District hereby requests proposals for annual financial auditing services. The proposal must provide for the auditing of the District's financial records for the Fiscal Year ending September 30, 2019, with an option for four additional annual renewals. The District is a local unit of special-purpose government created under Chapter 190, Florida Statutes, for the purpose of financing, constructing, and maintaining public infrastructure. The District is located in Marion County and has a general administrative operating fund and a debt service fund.

The Auditing entity submitting a proposal must be duly licensed under Chapter 173, Florida Statutes and be qualified to conduct audits in accordance with "Government Auditing Standards," as adopted by the Florida Board of Accountancy. Audits shall be conducted in accordance with Florida Law and particularly Section 218.39, Florida Statutes, and the rules of the Florida Auditor General.

Proposal packages, which include evaluation criteria and instructions to proposers, are available from the District Manager at the address and telephone number listed below.

Proposers must provide seven (7) copies and one (1) electronic copy of their proposal to GMS - CF, LLC, District Manager, 135 W. Central Blvd., Suite 320, Orlando, FL 32801, telephone (407) 841-5524, in an envelope marked on the outside **"Auditing Services - Candler Hills East Community Development District."** Proposals must be received by **Friday, August 2, 2019, 2:00 P.M.**, at the office of the District Manager. Please direct all questions regarding this Notice to the District Manager.

George S. Flint  
Governmental Management Services - Central Florida, LLC  
District Manager