

***Candler Hills East Community
Development District***

Agenda

November 19, 2019

AGENDA

Candler Hills East

Community Development District

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

November 12, 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, November 19, 2019, at 9:00 a.m., or as shortly thereafter as reasonably possible, at the Circle Square Commons, Cultural Center, 8395 SW 80th Street, Ocala, Florida 34481.** Following is the advance agenda for the meeting:

- I. Roll Call
- II. Public Comment Period
- III. Notice for Meeting
- IV. Approval of Minutes of the August 20, 2019 Board of Supervisors Meeting and Acceptance of Minutes of the August 20, 2019 Audit Committee Meeting
- V. Ratification of Agreement with Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for Fiscal Year 2019
- VI. Review and Acceptance of Fiscal Year 2019 Draft Audit Report
- VII. Staff Reports
 - A. Attorney
 - B. District Manager
 1. Approval of Check Register
 2. Balance Sheet and Income Statement
- VIII. Other Business
- IX. Supervisors Requests
- X. 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 August 20, 2019 Board of Supervisors meeting and acceptance of the minutes from the August 20, 2019 Audit Committee meeting. The minutes are enclosed for your review.

The fifth order of business is ratification of agreement with Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for Fiscal Year 2019. A copy of the agreement is enclosed for your review.

The sixth order of business is review and acceptance of the Fiscal Year 2019 Draft Audit Report. A copy of the report is enclosed for your review.

The seventh 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.

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

Sincerely,



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 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 2020 at 9:00 AM, or as sh*

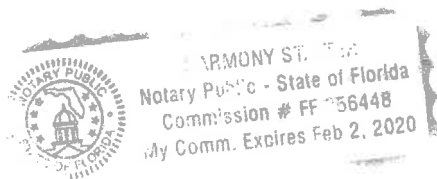
was published in said newspaper in the issues of:

9/22 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

23 day of September, A.D., 2019



[Signature]
Notary Public
HARMONY STALTER
(Print, Type or Stamp Name of Notary Public)

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 2020 at 9:00 AM, or as shortly thereafter as reasonably possible, at the Circle Square Commons, Cultural Center, 8395 SW 80th Street, Ocala, FL 34476 as follows:

November 19, 2019
February 18, 2020
May 19, 2020
August 18, 2020

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) 841-5524 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.

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

September 22, 2019
#A000958792

Ad #: A000958792

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, August 20, at 9:20 a.m. at Circle Square Commons, Cultural Center, 8395 SW 80th 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
Rachel Wagoner	District Counsel
Lynette Vermillion	On Top Of The World Communities
Philip Hisey	On Top Of The World Communities
Robert Stepp	On Top Of The World Communities

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? Hearing none, we will move on.

THIRD ORDER OF BUSINESS

Notice for Meeting

Mr. Flint: The notice of the meeting was in your agenda, the affidavit of publication. The meeting was advertised in accordance with Florida statutes and was advertised on July 30th and August 6th. Then the annual audit committee was also noticed and you see the notice in your agenda.

FORTH ORDER OF BUSINESS

Approval of Minutes of the May 21, 2019 Meeting

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

On MOTION by Mr. Moherek, seconded by Mr. Garvin, with all in favor, the minutes of the May 21, 2019 meeting, were approved as presented.

FIFTH ORDER OF BUSINESS

Public Hearing

A. Consideration of Resolution 2019-03 Adopting the Fiscal Year 2020 Budget and Relating to the Annual Appropriations

Mr. Flint: We will go ahead and open the public hearing and we'll ask if there are any members of the public that would like to provide comment on the Candler Hills East Community Development District Budget or Assessments. Hearing none, we will bring it back to the Board. The first item is Resolution 2019-03 and this adopts the Fiscal Year 2020 budget which starts on October 1st. The budget is attached as Exhibit A to the Resolution. It contemplates that the per unit assessment amounts would remain the same. It's substantially the same as what you saw in May when you approved the proposed Budget and set the date, place, and time for the public hearing. Are there any questions?

Mr. Scherff: George, I have a question. Question number 1, have we budgeted for the mulch?

Mr. Flint: I think we will cover that in the Contingency Line.

Mr. Scherff: I was wondering about that.

Mr. Flint: Yes.

Mr. Scherff: Because I think the mulch is still on us, is it not?

Mr. Flint: Yes, everything but the mulch is covered through the agreement with the Homeowners Association. So, when we get the invoice we will apply it to the Contingency.

Mr. Scherff: Another question, what is Arbitrage?

Mr. Flint: Because we issued bonds, the IRS requires the CDD to do a calculation to ensure that we're not earning more interest than we are paying. That is our bank statement. Positive Arbitrage would be the difference between how much we are earning and how much we are paying. We are earning more. Negative Arbitrage would mean we are earning less interest.

Mr. Scherff: I noticed we are about \$4,000 under, so we don't have a problem, correct?

Mr. Flint: Correct.

Mr. Scherff: Okay.

Mr. Flint: Any other questions on the Budget? If not, is there a motion to approve the Resolution?

On MOTION by Mr. Greene, seconded by Mr. Scherff, with all in favor, Consideration of Resolution 2019-03 Adopting the Fiscal Year 2020 Budget and Relating to the Annual Appropriations, was approved.

B. Consideration of Resolution 2019-04 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Flint: There are 2 Exhibits to the resolution. The first one is the Budget you just approved and then the second one is Assessment Roll which lists each property and how much each property pays. It's merely just taking what you just approved authorizing us to certify the roll to the county for collection on the Tax Bill. Any questions on the resolution?

Mr. Scherff: I've got two questions. Number 1, on page 6, it's Special Call. What is Special Call?

Mr. Flint: What document are we looking at?

Mr. Scherff: I'm probably 1 step behind.

Mr. Flint: Okay, you are looking at the budget that was just approved. Special Call is if somebody chooses to pay off their remaining debt. There are 2 special calls each year. One coincides with the May 1 payment and one coincides with the November 1 payment. So, if the developer or homeowner chooses to pay off the remaining debt on their property, it goes into an account held by the Trustee and then a Special Call is made and the principal is paid down.

Mr. Scherff: And on page 7, I noticed that on May 1, 2025, the principal is only \$90,000 where the ones before that are \$140,000 and \$145,000. Why is that only \$90,000.

Mr. Flint: That is a good question. I would have to look at that.

Mr. Scherff: It doesn't seem to be consistent.

Mr. Flint: Right. I'm not sure, there's probably two different series. When they sold the bonds, they probably sold them in two different series. That's where the overlap occurs, where

the one goes away and the other one continues. That's usually when you see a blip like that, it's because there's two different interest rates. Those are blended.

Mr. Scherff: Thank you.

Mr. Flint: On the Assessment Resolution were there any questions on that? Is there a motion to approve the Assessment Resolution?

On MOTION by Mr. Bain, seconded by Mr. Scherff, with all in favor, Consideration of Resolution 2019-04 Imposing Special Assessments and Certifying an Assessment Roll, was approved.

SIXTH ORDER OF BUSINESS

Acceptance of Audit Committee Recommendation and Selection of #1 Ranked Firm to Provide Auditing Services for Fiscal year 2019

Mr. Flint: The public hearing is now closed and we will move on. The Board sat as the Audit Committee you ranked Berger Toombs #1, I would ask for a motion to approve the Audit Committee's recommendation.

On MOTION by Mr. Garvin, seconded by Mr. Greene, with all in favor, Acceptance of Audit Committee Recommendation and Selection of #1 Ranked Firm to Provide Auditing Services for Fiscal Year 2019, was approved.

SEVENTH 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 from May 14th through August 13th that totals \$16,017.72 and the detailed check register is behind the summary. If the Board has any questions, we can discuss those, if not I would ask for a motion to approve it.

Mr. Scherff: I've got one question, George. The \$1,975 is that is for the IT Assessment?

Mr. Flint: That is the company the Board approved to hire to modify your website to comply with the ADA requirements.

Mr. Scherff: Have we had any feedback on how we did?

Mr. Flint: It has been completed and the website is now ADA compliant.

Mr. Scherff: Good, great.

Mr. Flint: Any other questions?

Mr. Moherek: On the General Funds Report, the month to month detail. I noticed we went over budget on Information Technology by about \$1,900 or so. What happened?

Mr. Flint: Right, that's what Mr. Scherff just asked about. That's the contract you approved to bring the website in compliance with ADA.

Mr. Moherek: Oh, is that what that was?

Mr. Flint: Yes.

Mr. Moherek: And also, on the Dissemination we noticed normally it's \$292 but it was \$542 the first month and then it went up to \$392 one of the other months.

Mr. Flint: I think the \$542 may have been a portion of the prior year; that's why it was higher the first month. It probably included more than 1 month.

Mr. Moherek: Okay.

Mr. Flint: That's a fixed amount. Any other questions on the Check Register or the Financials? If not, is there a motion to approve?

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

2. Balance Sheet and Income Statement

Mr. Flint: Any other questions on the financials? Hearing none, we will move on to the next item.

3. Approval of Fiscal Year 2020 Meeting Schedule

Mr. Flint: Each year the Board is required to approve an annual meeting schedule. We have prepared a proposed meeting schedule that shows you would meet in November, February, May, and August. Of course, you can change those dates or times or frequency if you chose to do that. This is just consistent with how you have met in the past. You can always meet more often if you choose to do so, we would just have to run an extra ad in the newspaper to do that.

On MOTION by Mr. Moherek, seconded by Mr. Garvin, with all in favor, Approval of Fiscal Year 2020 Meeting Schedule, was approved.

4. Presentation of Arbitrage Rebate Calculation Report

Mr. Flint: You have the Arbitrage Rebate Calculation Report. This was discussed earlier. The District, under the Internal Revenue code, is required to demonstrate that they are not earning more interest than they are paying. You can see we have a negative rebate requirement of \$8,676. We don't have any Arbitrage issues. Is there a motion to accept the report?

On MOTION by Mr. Moherek, seconded by Mr. Bain, with all in favor, Presentation of Arbitrage Rebate Calculation Report, was approved.

EIGHTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

NINTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Garvin: I just have one item. I had the opportunity to go on the Bay Laurel tour which Brian did. It was a tremendous experience. He's really informative and explains everything about the water and sewage. I think it behooves all Board Members to go through that tour. It was also impressive that the developer, Ken Colen, is licensed both as water and sewage operator. It's impressive is all I can tell you.

Mr. Flint: I'm sure Brian can mention it during the Bay Laurel meeting, but he puts on a very informative tour of the water and waste water plants. That's under the Bay Laurel Center Community Development District, not Candler or Indigo, but I've heard positive feedback.

Mr. Garvin: It dispels a lot of myths. I can tell you that.

Mr. Flint: Anything else? If not is there a motion to adjourn the Candler Hills East meeting?

TENTH ORDER OF BUSINESS

Adjournment

The meeting was adjourned.

On MOTION by Mr. Greene, seconded by Mr. Scherff, with all in favor, the meeting adjourned at 9:33.

Secretary/Assistant Secretary

Chairman/Vice Chairman

MINUTES OF MEETING
CANDLER HILLS EAST
COMMUNITY DEVELOPMENT DISTRICT

The Audit Committee Meeting of the Candler Hills East Community Development District was held on Tuesday, August 20, at 9:20 a.m. at Circle Square Commons, Cultural Center, 8395 SW 80th Street, Ocala, Florida.

Present were:

Philip J. Moherek
Elmer Greene
Robert Scherff
John Bain
Larry Garvin
George Flint
Rachel Wagoner
Lynette Vermillion
Philip Hisey
Robert Stepp

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the roll, the above listed Board Members were present constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: This is an opportunity for any members of the public to provide comment to the Board about the Audit Committee.

Mr. Simmons: A lot of us are new to this area, the new golf park. If you could take a couple of seconds to explain what the Tax District does, what it pays for, some history or something like that? So, we're up to speed.

Mr. Flint: I think most of the questions are mostly the people that are here for the Indigo East Community Development District, so it might be appropriate to do it at that time. This is the Candler Hill's meeting first. When we get to the Indigo East CDD meeting, I'll be happy to give a little overview who the Board Members are, who I am, and the purpose of the Community

Development District, etc. So, we will get through the Candler meeting first and then we will do that at the beginning of the next meeting.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the May 21, 2019 Meeting

Mr. Flint: If there are no questions, is there a motion to approve the minutes from the Audit Committee May 21, 2019 meeting?

On MOTION by Mr. Scherff seconded by Mr. Greene, with all in favor, the minutes of the May 21, 2019 meeting, were approved.

FOURTH ORDER OF BUSINESS

Tally of Audit Committee Members Ranking and Selection of an Auditor

Mr. Flint: The Community Development District as a government entity is required to have an annual independent audit perform. Florida statutes prescribes the process that you have to go through to select an auditor. That involves appointing an Audit Committee, issuing an RFP, approving selection and criteria, and soliciting the proposals. As a result of the solicitation, we received two responses. One from Grau & Associates and one from Berger, Toombs, Elam, Gaines, & Frank. You've also been provided a copy of the ranking criteria which include ability of personnel, their experience, their understanding of the scope, the ability to furnish the services, and price. Each one of those are weighted evenly at 20 points. Does the Committee have any thoughts or comments on ranking of the proposals?

Mr. Garvin: When you read over the proposals, they're almost mirrored as your point value suggests 20/20. I believe Berger was the previous auditor, correct?

Mr. Flint: I believe that is correct.

Mr. Garvin: And Grau is the current one.

Mr. Flint: The other way around.

Mr. Garvin: I would say go with the existing one. This is just their second year.

Mr. Flint: It's the 3rd year for Berger.

Mr. Bain: In our proposal to them were they asked to provide costs for five years? Did Grau provide costs for five years?

Mr. Flint: It appears they provided it for three. You enter into 1 year agreements with them even though you are asking for five years, you're actually entering into 1 year contracts.

Mr. Bain: So, in your opinion, Grau is still compliant with our proposal?

Mr. Flint: They didn't submit year 4 and 5 technically, but they submitted their first three years. It looks like the prices are the first year they are \$25 lower and then the remaining years, they are basically even. I think with the price being so close, it comes down to the issue that they only provided 3 years and that comes down to price. I'm fine with either one of them. We do a lot of work with both of these and I don't have anything negative to say about either firm. So, whatever the committee selects, we are fine with.

Mr. Garvin: I'll make the motion that we go with Berger & Toombs; we had them previously.

On MOTION by Mr. Moherek, seconded by Mr. Garvin, with all in favor, accepting the ranking of Berger, Toombs, Elam, Gaines & Frank as the no. 1 ranked firm to provide auditing services for Fiscal Year 2019, was approved.

FIFTH ORDER OF BUSINESS

Adjournment

Mr. Flint adjourned the meeting.

On MOTION by Mr. Scherff, seconded by Mr. Baine, with all in favor, the Audit Committee meeting, was adjourned.

SECTION V



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

September 5, 2019

George S. Flint, District Manager
Governmental Management Services, LLC
135 W. Central Blvd., Suite 320
Orlando, FL 32801

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit the financial statements of Candler Hills East Community Development District, which comprise governmental activities and each major fund for the General Fund as of and for the years ended September 30, 2019, September 30, 2020, and September 30, 2021, September 30, 2022, and September 30, 2023, which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter for the year ending September 30, 2019, September 30, 2020, September 30, 2021, September 30, 2022, and September 30, 2023.

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

The Responsibilities of the Auditor

We will conduct the audit in accordance with auditing standards generally accepted in the United States of America and "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with generally accepted auditing standards. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements.

Fort Pierce / Stuart

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Candler Hills East Community Development District
September 5, 2019
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In making our risk assessments, we consider internal control relevant to Candler Hills East Community Development District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

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

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

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

Candler Hills East Community Development District
September 5, 2019
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The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

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

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

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

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



Candler Hills East Community Development District

September 5, 2019

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

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

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

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

Records and Assistance

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

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

Candler Hills East Community Development District
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The assistance to be supplied, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Teresa Viscarra. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Other Relevant Information

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

Fees, Costs and Access to Workpapers

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses. Invoices for fees will be submitted in sufficient detail to demonstrate compliance with the terms of this engagement. Billings are due upon submission. Our fee for the services described in this letter for the years ending September 30, 2019 and 2020 will not exceed \$3,325, our fee for the years ending September 30, 2021 and 2022 will not exceed \$3,415, and our fee for the year ending September 30, 2023 will not exceed \$3,510, unless the scope of the engagement is changed, the assistance which Candler Hills East Community Development District has agreed to furnish is not provided, or unexpected conditions are encountered, in which case we will discuss the situation with you before proceeding. All other provisions of this letter will survive any fee adjustment.

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

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

Candler Hills East Community Development District

September 5, 2019

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Information Security – Miscellaneous Terms

Berger, Toombs, Elam, Gaines & Frank is committed to the safe and confidential treatment of Candler Hills East Community Development District's proprietary information. Berger, Toombs, Elam, Gaines & Frank is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. Candler Hills East Community Development District agrees that it will not provide Berger, Toombs, Elam, Gaines & Frank with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of Candler Hills East Community Development District's information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

Reporting

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

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

- Reports on internal control and compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any internal control findings and/or noncompliance which could have a material effect on the financial statements;
- Management letter required by the Auditor General, State of Florida; and
- Attestation reports required by the Auditor General, State of Florida.

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



Page 7

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

Sincerely,

Burger Joons Elam
Daines + Frank

J. W. Gaines, CPA

Confirmed on behalf of the addressee:

RLH

9/24/19



Judson B. Baggett
MBA, CPA, CVA, Partner
Marci Reutimann
CPA, Partner

6815 Dairy Road
Zephyrhills, FL 33542
(813) 788-2155
(813) 782-8606

System Review Report

To the Directors

November 2, 2016

Berger, Toombs, Elam, Gaines & Frank, CPAs PL
and the Peer Review Committee of the Florida Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs PL (the firm), in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control, and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards and audits of employee benefit plans*.

In our opinion, the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs PL in effect for the year ended May 31, 2016 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Berger, Toombs, Elam, Gaines & Frank, CPAs PL, has received a peer review rating of *pass*.


Baggett, Reutimann & Associates, CPAs, PA

(BERGER_REPORT16)

**ADDENDUM TO ENGAGEMENT LETTER BETWEEN BERGER, TOOMBS,
ELAM, GAINES AND FRANK AND CANDLER HILLS EAST COMMUNITY
DEVELOPMENT DISTRICT
(DATED SEPTEMBER 5, 2019)**

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

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

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

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

**GMS-CF, LLC
135 W. Central Blvd., Suite 320
Orlando, FL 32801
TELEPHONE: 407-841-5524
EMAIL: GFLINT@GMSNF.COM**

Auditor: J.W. Gaines

By: 

Title: Director

Date: September 5, 2019

District: Candler Hills East CDD

By: 

Title: District Manager

Date: 9/24/19

SECTION VI

DRAFT

**Candler Hills East Community
Development District**

ANNUAL FINANCIAL REPORT

September 30, 2019

Candler Hills East Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2019

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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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Supervisors
Candler Hills East Community Development District

DRAFT

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, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management'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 of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November XX, 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

November XX, 2019

**Candler Hills East Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

DRAFT

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, 2019

DRAFT

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, 2019.

- ♦ The District's total assets exceeded total liabilities by \$1,374,074 (net position). Unrestricted net position for Governmental Activities was \$40,316. Net Investment in Capital Assets was \$986,194. Restricted net position was \$347,564.
- ♦ Governmental activities revenues totaled \$324,318 while governmental activities expenses totaled \$347,188.

**Candler Hills East Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

DRAFT

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2019	2018
Current assets	\$ 40,442	\$ 47,874
Restricted assets	508,989	491,608
Capital assets	3,779,566	3,957,537
Total Assets	<u>4,328,997</u>	<u>4,497,019</u>
Deferred Outflows of Resources	<u>23,067</u>	<u>24,379</u>
Current liabilities	193,251	149,730
Non-current liabilities	2,784,739	2,974,724
Total Liabilities	<u>2,977,990</u>	<u>3,124,454</u>
Net investment in capital assets	986,194	1,020,298
Restricted debt service	179,853	165,362
Restricted capital projects	167,711	163,536
Net position - unrestricted	40,316	47,748
Total Net Position	<u>\$ 1,374,074</u>	<u>\$ 1,396,944</u>

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

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

**Candler Hills East Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

DRAFT

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change In Net Position

	Governmental Activities	
	2019	2018
Program Revenues		
Charges for services	\$ 319,071	\$ 373,051
General Revenues		
Investment earnings	5,247	3,927
Total Revenues	<u>324,318</u>	<u>376,978</u>
Expenses		
General government	44,871	41,665
Physical environment	195,857	235,583
Interest on long-term debt	106,460	111,507
Total Expenses	<u>347,188</u>	<u>388,755</u>
Change in Net Position	(22,870)	(11,777)
Net Position - Beginning of Year	<u>1,396,944</u>	<u>1,408,721</u>
Net Position - End of Year	<u><u>\$ 1,374,074</u></u>	<u><u>\$ 1,396,944</u></u>

The decrease in charges for services is related to reduced debt service requirements.

The reduction in physical environment is related to the decrease in pond maintenance costs in the current year.

**Candler Hills East Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

DRAFT

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

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

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Land	\$ 1,373,401	\$ 1,373,401
Improvements	3,986,633	3,986,633
Infrastructure	555,184	555,184
Accumulated depreciation	(2,135,652)	(1,957,681)
Total Capital Assets (Net)	<u>\$ 3,779,566</u>	<u>\$ 3,957,537</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 engineering fees and contingency expenditures than were anticipated in the approved budget.

There were no amendments to the 2019 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, 2019 was \$2,935,000.

**Candler Hills East Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2019**

DRAFT

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 2020.

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, 1408 Hamlin Avenue, Unit E, St. Cloud, Florida 34771.

Candler Hills East Community Development District
STATEMENT OF NET POSITION
September 30, 2019

DRAFT

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 29,249
Prepaid items	11,193
Total Current Assets	<u>40,442</u>
Non-current Assets	
Restricted assets	
Investments	508,989
Capital assets, not being depreciated	
Land	1,373,401
Capital assets, being depreciated	
Infrastructure	555,184
Improvements	3,986,633
Less: accumulated depreciation	<u>(2,135,652)</u>
Total Non-current Assets	<u>4,288,555</u>
Total Assets	<u>4,328,997</u>
Deferred Outflows of Resources	
Deferred amount on refunding, net	23,067
Total Assets and Deferred Outflows of Resources	<u>4,352,064</u>
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	126
Accrued interest	43,125
Bonds payable - current portion	<u>150,000</u>
Total Current Liabilities	<u>193,251</u>
Non-current Liabilities	
Bonds payable	<u>2,784,739</u>
Total Liabilities	<u>2,977,990</u>
NET POSITION	
Net investment in capital assets	986,194
Restricted debt service	179,853
Restricted capital projects	167,711
Unrestricted	40,316
Total Net Position	<u>\$ 1,374,074</u>

See accompanying notes.

Candler Hills East Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2019

DRAFT

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenues and Changes in Net Position Governmental Activities</u>
Governmental Activities			
General government	\$ (44,871)	\$ 8,295	\$ (36,576)
Physical environment	(195,857)	47,003	(148,854)
Interest on long-term debt	(106,460)	263,773	157,313
Total Governmental Activities	<u>\$ (347,188)</u>	<u>\$ 319,071</u>	<u>(28,117)</u>
General revenues:			
Investment earnings			<u>5,247</u>
Change in Net Position			(22,870)
Net Position - October 1, 2018			<u>1,396,944</u>
Net Position - September 30, 2019			<u>\$ 1,374,074</u>

See accompanying notes.

Candler Hills East Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2019

DRAFT

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash	\$ 29,249	\$ -	\$ -	\$ 29,249
Prepaid items	11,193	-	-	11,193
Restricted assets				
Investments, at fair value	-	341,278	167,711	508,989
Total Assets	<u><u>\$ 40,442</u></u>	<u><u>\$ 341,278</u></u>	<u><u>\$ 167,711</u></u>	<u><u>\$ 549,431</u></u>
 LIABILITIES AND FUND BALANCES				
 LIABILITIES				
Accounts payable and accrued expenses	<u>\$ 126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126</u>
 FUND BALANCES				
Nonspendable				
Prepaid items	11,193	-	-	11,193
Restricted				
Debt service	-	341,278	-	341,278
Capital projects	-	-	167,711	167,711
Unassigned	<u>29,123</u>	<u>-</u>	<u>-</u>	<u>29,123</u>
 Total Fund Balances	<u><u>40,316</u></u>	<u><u>341,278</u></u>	<u><u>167,711</u></u>	<u><u>549,305</u></u>
 Total Liabilities and Fund Balances	<u><u>\$ 40,442</u></u>	<u><u>\$ 341,278</u></u>	<u><u>\$ 167,711</u></u>	<u><u>\$ 549,431</u></u>

See accompanying notes.

**Candler Hills East Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2019**

DRAFT

Total Governmental Fund Balances	\$	549,305
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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, \$(2,135,652), used in governmental activities are not current financial resources and, therefore, are not reported at the fund level.		3,779,566
---	--	-----------

Long-term liabilities, \$(2,935,000) net of bond discount, net, \$261, are not due and payable in the current period and, therefore, are not reported at the fund level.		(2,934,739)
--	--	-------------

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.		23,067
---	--	--------

Accrued interest expense for long-term debt is not a current financial use and, therefore, is not reported at the fund level.		(43,125)
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Net Position of Governmental Activities	\$	<u>1,374,074</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, 2019



	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ 55,298	\$ 263,773	\$ -	\$ 319,071
Investment earnings	27	1,045	4,175	5,247
Total Revenues	<u>55,325</u>	<u>264,818</u>	<u>4,175</u>	<u>324,318</u>
Expenditures				
Current				
General government	44,871	-	-	44,871
Physical environment	17,886	-	-	17,886
Debt service				
Principal	-	145,000	-	145,000
Interest	-	106,612	-	106,612
Total Expenditures	<u>62,757</u>	<u>251,612</u>	<u>-</u>	<u>314,369</u>
Net change in fund balances	(7,432)	13,206	4,175	9,949
Fund Balances - October 1, 2018	<u>47,748</u>	<u>328,072</u>	<u>163,536</u>	<u>539,356</u>
Fund Balances - September 30, 2019	<u>\$ 40,316</u>	<u>\$ 341,278</u>	<u>\$ 167,711</u>	<u>\$ 549,305</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, 2019



Net Change in Fund Balances - Total Governmental Funds	\$ 9,949
--	----------

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.	1,479
--	-------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	145,000
--	---------

Change in Net Position of Governmental Activities	\$ (22,870)
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Candler Hills East Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND

DRAFT

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 55,051	\$ 55,051	\$ 55,298	\$ 247
Investment earnings	35	35	27	(8)
Total Revenues	<u>55,086</u>	<u>55,086</u>	<u>55,325</u>	<u>239</u>
Expenditures				
Current				
General government	45,413	45,413	44,871	542
Physical environment	<u>22,172</u>	<u>22,172</u>	<u>17,886</u>	<u>4,286</u>
Total Expenditures	<u>67,585</u>	<u>67,585</u>	<u>62,757</u>	<u>4,828</u>
Net change in fund balances	<u>(12,499)</u>	<u>(12,499)</u>	<u>(7,432)</u>	<u>5,067</u>
Fund Balances - October 1, 2018	<u>12,499</u>	<u>12,499</u>	<u>47,748</u>	<u>35,249</u>
Fund Balances - September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,316</u>	<u>\$ 40,316</u>

See accompanying notes.

Candler Hills East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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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, 2019

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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, 2019

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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
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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, 2019

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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, 2019

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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, 2019

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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 (\$549,305) differs from "net position" of governmental activities (\$1,374,074) 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, 2019

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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>(2,135,652)</u>
Total	<u>\$ 3,779,566</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>\$ 23,067</u>
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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	\$ (2,935,000)
Bond discount, net	<u>261</u>
Bonds payable, net	<u>\$ (2,934,739)</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>\$ (43,125)</u>
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Candler Hills East Community Development District
NOTES TO FINANCIAL STATEMENTS
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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 (\$9,949) differs from the "change in net position" for governmental activities (\$(22,870)) 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>
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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>145,000</u>
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Candler Hills East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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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>1,479</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, 2019, the District's bank balance was \$32,352 and the carrying value was \$29,249. 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, 2019, 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	37 days*	\$ 167,711
Managed Money Market	N/A	<u>341,278</u>
Total		<u>\$ 508,989</u>

* Weighted Average Maturity

Candler Hills East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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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, 2019, 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, 2019

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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, 2019 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

NOTE D – SPECIAL ASSESSMENT REVENUES

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted 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, 2019

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NOTE E – CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
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	(1,957,681)	(177,971)	-	(2,135,652)
Total Capital Assets Depreciated, Net	2,584,136	(177,971)	-	2,406,165
 Governmental Activities Capital Assets	<u>\$ 3,957,537</u>	<u>\$ (177,971)</u>	<u>\$ -</u>	<u>\$ 3,779,566</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, 2019:

Long-term debt at October 1, 2018	\$ 3,080,000
Principal payments	(145,000)
Long-term debt at September 30, 2019	2,935,000
Bond discount, net	(261)
Bonds Payable, Net	<u>\$ 2,934,739</u>

Candler Hills East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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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 \$150,000.

	\$ 2,935,000
Bond discount, net	<u>(261)</u>
Bonds Payable, Net	<u>\$ 2,934,739</u>

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

Year Ending September 30,	Principal	Interest	Total
2020	\$ 150,000	\$ 103,050	\$ 253,050
2021	130,000	99,788	229,788
2022	130,000	96,863	226,863
2023	135,000	93,937	228,937
2024	140,000	90,563	230,563
2025-2029	700,000	389,387	1,089,387
2030-2034	915,000	238,500	1,153,500
2035-2037	635,000	51,400	686,400
Totals	<u>\$ 2,935,000</u>	<u>\$ 1,163,488</u>	<u>\$ 4,098,488</u>

Candler Hills East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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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.

	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Series 2016	<u>\$ 118,300</u>	<u>\$ 116,700</u>

NOTE G – RISK MANAGEMENT

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. The District has not filed any claims under the commercial insurance coverage over the last three years.

NOTE H – SUBSEQUENT EVENT

On November 1, 2019 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, 2019, and the related notes to the financial statements, and have issued our report thereon dated November XX, 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.

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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

November XX, 2019

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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, 2019, and have issued our report thereon dated November XX, 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 November XX, 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.

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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, 2019 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

November XX, 2019

DRAFT

**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, 2019. 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, 2019.

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

November XX, 2019

SECTION VII

SECTION B

SECTION 1

Candler Hills East Community Development District

Summary of Invoices

August 13, 2019 to November 11, 2019

Fund	Date	Check No.'s	Amount
General Fund	8/16/19	964	\$ 329.48
	8/30/19	965-966	\$ 1,707.75
	9/9/19	967	\$ 1,124.63
	9/17/19	968	\$ 5.62
	9/20/19	969-970	\$ 8,103.10
	9/23/19	971	\$ 6,193.00
	10/4/19	972-973	\$ 225.64
	10/11/19	974	\$ 1,002.48
	11/11/19	975-977	\$ 5,886.97
			\$ 24,578.67
Payroll	<u>August 2019</u>		
	Elmer Greene	50208	\$ 184.70
	John Bain	50209	\$ 184.70
	Larry Garvin	50210	\$ 200.00
	Philip Moherek	50211	\$ 200.00
	Robert Scherff	50212	\$ 184.70
			\$ 954.10
			\$ 25,532.77

CHECK DATE	VEND#	INVOICE DATE	INVOICE YRMO	EXPENSED TO... DPT ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK.... AMOUNT #
8/16/19	00002	7/30/19	A956225	201908	310-51300-48000		OCALA STAR BANNER	*	329.48	329.48 000964
			NOT.FY19/20	BDGT/CDD MTG						
8/30/19	00005	5/23/19	05232019	201908	310-51300-31500		COLEN & WAGONER P.A.	*	1,500.00	1,500.00 000965
			PREP/ATTEND	CDD MTG AUG19						
8/30/19	00004	8/20/19	6-712-37	201908	310-51300-42000		FEDEX	*	207.75	207.75 000966
			DELIVERY	08/13/19						
9/09/19	00019	9/01/19	194	201909	310-51300-34000		MANAGEMENT FEES-SEP19	*	621.75	621.75
		9/01/19	194	201909	310-51300-35100		INFORMATION TECH-SEP19	*	83.33	83.33
		9/01/19	194	201909	310-51300-31300		DISSEMINATION FEE-SEP19	*	291.67	291.67
		9/01/19	194	201909	310-51300-51000		OFFICE SUPPLIES	*	27.80	27.80
		9/01/19	194	201909	310-51300-42000		POSTAGE	*	5.13	5.13
		9/01/19	194	201909	310-51300-42500		COPIES	*	94.95	94.95
							GOVERNMENTAL MANAGEMENT SERVICES			1,124.63 000967
9/17/19	00033	9/17/19	09172019	201909	300-20700-10200		FY19 DEBT SERVICE ASSESS	*	5.62	5.62
							CANDLER HILLS EAST CDD C/O USBANK			5.62 000968
9/20/19	00043	9/10/19	15757	201909	320-53800-49000		770-BALES PINESTRAW/INST	*	3,103.10	3,103.10 000969
							EVERGLADES PINESTRAW, INC.			
9/20/19	00019	9/15/19	195	201909	300-15500-10100		FY20 ASSESSMENT ROLL CERT	*	5,000.00	5,000.00 000970
							GOVERNMENTAL MANAGEMENT SERVICES			
9/23/19	00036	9/20/19	9841	201909	300-15500-10100		FY20 GEN.LIAB/PUBLIC OFFC	*	6,193.00	6,193.00 000971
							EGIS INSURANCE ADVISORS, LLC.			
10/04/19	00047	9/27/19	4	201910	310-51300-31300		AMORT DS 2016 \$25,000	*	100.00	100.00 000972
							DISCLOSURE SERVICES LLC			
							CAND Candler Hills Twiscarra			

CANDLER HILLS-GENERAL FUND
 BANK A CANDLER HILLS CDD

CHECK DATE	VEND#INVOICE..... DATE INVOICEEXPENSED TO.... YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
10/04/19	00002	9/22/19	A958792	201909	310-51300-48000	*	125.64	
NOT.OF FY20 MEETING DATES								
10/11/19	00019	10/01/19	196	201910	310-51300-34000	*	621.75	125.64 000973
OCALA STAR BANNER								
MANAGEMENT FEES-OCT19								
10/01/19	196	201910	310-51300-35100	INFORMATION TECH-OCT19	*	83.33		
10/01/19	196	201910	310-51300-31300	DISSEMINATION FEE-OCT19	*	291.67		
10/01/19	196	201910	310-51300-51000	OFFICE SUPPLIES	*	.18		
10/01/19	196	201910	310-51300-42000	POSTAGE	*	3.00		
10/01/19	196	201910	310-51300-42500	COPIES	*	2.55		

GOVERNMENTAL MANAGEMENT SERVICES								
11/11/19	00005	10/10/19	74056	201910	310-51300-54000	*	175.00	1,002.48 000974
SPECIAL DISTRICT FEE-FY19								

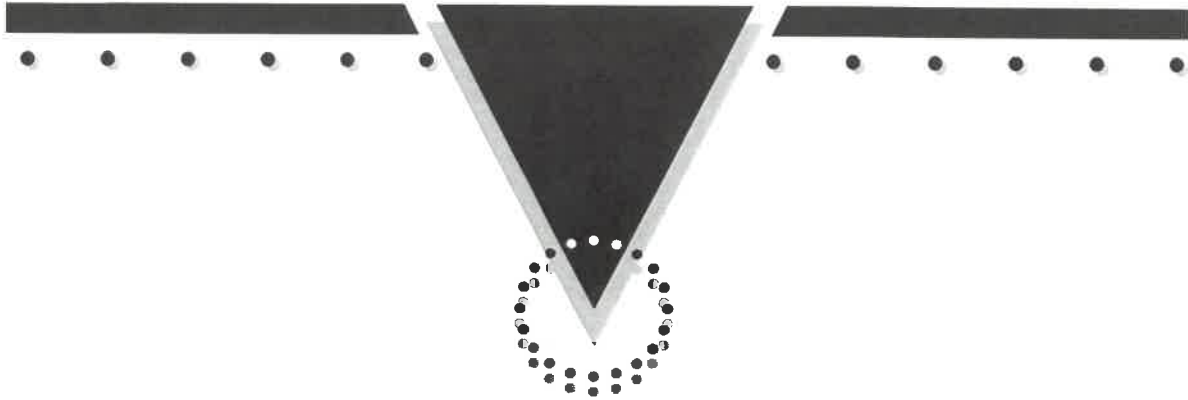
COLEN & WAGONER P.A.								
11/11/19	00033	11/11/19	11112019	201911	300-20700-10200	*	4,709.71	175.00 000975
FY20 DEBT SERVICE ASSESS								

CANDLER HILLS EAST CDD C/O USBANK								
11/11/19	00019	11/01/19	197	201911	310-51300-34000	*	621.75	4,709.71 000976
MANAGEMENT FEES NOV19								
11/01/19	197	201911	310-51300-35100	INFORMATION TECH NOV19	*	83.33		
11/01/19	197	201911	310-51300-31300	DISSEMINATION FEE NOV19	*	291.67		
11/01/19	197	201911	310-51300-51000	OFFICE SUPPLIES NOV19	*	.06		
11/01/19	197	201911	310-51300-42000	POSTAGE NOV19	*	4.10		
11/01/19	197	201911	310-51300-42500	COPIES NOV19	*	1.35		

GOVERNMENTAL MANAGEMENT SERVICES								
							1,002.26	000977
TOTAL FOR BANK A							24,578.67	
TOTAL FOR REGISTER							24,578.67	

CAND CANDLE HILLS TVISCARRA

SECTION 2



Candler Hills East Community Development District

Unaudited Financial Reporting
October 31, 2019



Table of Contents

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

Candler Hills East

Community Development District

Combined Balance Sheet

For the Period Ended October 31, 2019

	<u>Governmental Fund Types</u>			Totals
	General Fund	Debt Service	Capital Reserves	(Memorandum Only) 2020
<u>ASSETS:</u>				
CASH	\$33,749	---	---	\$33,749
DUE FROM GENERAL FUND	---	\$4,710	---	\$4,710
SERIES 2016				
RESERVE	---	\$118,300	---	\$118,300
REVENUE	---	\$201,631	---	\$201,631
PREPAYMENTS	---	\$21,398	---	\$21,398
<u>INVESTMENTS - OPERATIONS</u>				
SBA ACCOUNT	---	---	\$168,002	\$168,002
TOTAL ASSETS	\$33,749	\$346,038	\$168,002	\$547,790
<u>LIABILITIES:</u>				
ACCOUNTS PAYABLE	\$175	---	---	\$175
DUE TO DEBT SERVICE	\$4,710	---	---	\$4,710
<u>FUND BALANCES:</u>				
RESTRICTED FOR DEBT SERVICE	---	\$346,038	---	\$346,038
ASSIGNED	---	---	\$168,002	\$168,002
UNASSIGNED	\$28,865	---	---	\$28,865
TOTAL LIABILITIES & FUND EQUITY	\$33,749	\$346,038	\$168,002	\$547,790

Candler Hills East

COMMUNITY DEVELOPMENT DISTRICT

General Fund

Statement of Revenues & Expenditures

For the Period Ended October 31, 2019

	ADOPTED BUDGET	PRORATED THRU 10/31/19	ACTUAL THRU 10/31/19	VARIANCE
<u>REVENUES:</u>				
MAINTENANCE ASSESSMENTS	\$55,051	\$1,045	\$1,045	\$0
INTEREST	\$25	\$2	\$1	(\$1)
TOTAL REVENUES	\$55,076	\$1,047	\$1,046	(\$1)
<u>EXPENDITURES:</u>				
<u>ADMINISTRATIVE:</u>				
SUPERVISOR FEES	\$4,000	\$0	\$0	\$0
FICA EXPENSE	\$306	\$0	\$0	\$0
ENGINEERING	\$2,200	\$183	\$0	\$183
TRUSTEE FEES	\$2,050	\$2,050	\$0	\$2,050
DISSEMINATION	\$3,500	\$292	\$392	(\$100)
ARBITRAGE	\$600	\$0	\$0	\$0
ASSESSMENT ROLL	\$5,000	\$5,000	\$5,000	\$0
ATTORNEY	\$6,000	\$0	\$0	\$0
ANNUAL AUDIT	\$3,510	\$0	\$0	\$0
MANAGEMENT FEES	\$7,461	\$622	\$622	\$0
INFORMATION TECHNOLOGY	\$1,000	\$83	\$83	\$0
TELEPHONE	\$50	\$4	\$0	\$4
POSTAGE	\$1,000	\$83	\$3	\$80
PRINTING & BINDING	\$600	\$50	\$3	\$47
INSURANCE	\$6,646	\$6,646	\$6,193	\$453
LEGAL ADVERTISING	\$700	\$58	\$0	\$58
OTHER CURRENT CHARGES	\$475	\$40	\$27	\$12
OFFICE SUPPLIES	\$150	\$13	\$0	\$12
DUES, LICENSES & SUBSCRIPTIONS	\$175	\$175	\$175	\$0
TOTAL ADMINISTRATIVE	\$45,423	\$15,299	\$12,498	\$2,801
<u>MAINTENANCE:</u>				
CONTINGENCIES	\$9,653	\$804	\$0	\$804
TOTAL MAINTENANCE	\$9,653	\$804	\$0	\$804
TOTAL EXPENDITURES	\$55,076	\$16,103	\$12,498	\$3,606
EXCESS REVENUES (EXPENDITURES)	\$0	(\$11,451)		
FUND BALANCE - BEGINNING	\$0		\$40,316	
FUND BALANCE - ENDING	\$0		\$28,865	

Candler Hills East
Community Development District
Debt Service Fund Series 2016
For the Period Ended October 31, 2019

ADOPTED BUDGET	PRORATED THRU 10/31/19	ACTUAL THRU 10/31/19	VARIANCE
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REVENUES:

ASSESSMENTS - TAX ROLL	\$226,834	\$4,710	\$4,710	\$0
INTEREST	\$500	\$42	\$50	\$9
TOTAL REVENUES	\$227,334	\$4,751	\$4,760	\$9

EXPENDITURES:

SERIES 2016

SPECIAL CALL - 11/1	\$20,000	\$0	\$0	\$0
INTEREST - 11/1	\$51,750	\$0	\$0	\$0
PRINCIPAL - 5/1	\$125,000	\$0	\$0	\$0
INTEREST - 5/1	\$51,750	\$0	\$0	\$0

TOTAL EXPENDITURES	\$248,500	\$0	\$0	\$0
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EXCESS REVENUES (EXPENDITURES)	(\$21,166)	\$4,760		
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FUND BALANCE - BEGINNING	\$223,143	\$341,278		
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FUND BALANCE - ENDING	\$201,977	\$346,038		
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Candler Hills East
Community Development District
Capital Reserves Fund
For the Period Ended October 31, 2019

	ADOPTED BUDGET	PRORATED THRU 10/31/19	ACTUAL THRU 10/31/19	VARIANCE
<u>REVENUES:</u>				
INTEREST	\$3,000	\$250	\$291	\$41
TOTAL REVENUES	\$3,000	\$250	\$291	\$41
<u>EXPENDITURES:</u>				
CAPITAL OUTLAY	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0
EXCESS REVENUES (EXPENDITURES)	\$3,000		\$291	
FUND BALANCE - BEGINNING	\$167,759		\$167,711	
FUND BALANCE - ENDING	\$170,759		\$168,002	

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
REVENUES:													
MAINTENANCE ASSESSMENTS	\$1,045	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,045
INTEREST	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1
TOTAL REVENUES	\$1,046	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,046
EXPENDITURES:													
ADMINISTRATIVE:													
SUPERVISOR FEE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FICA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ENGINEERING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TRUSTEE FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DISSEMINATION	\$392	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL AUDIT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MANAGEMENT FEES	\$622	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$622
INFORMATION TECHNOLOGY	\$83	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$83
TELEPHONE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
POSTAGE	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3
PRINTING & BINDING	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3
INSURANCE	\$6,193	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,193
LEGAL ADVERTISING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OTHER CURRENT CHARGES	\$27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27
OFFICE SUPPLIES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DUES, LICENSES & SUBSCRIPTIONS	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
TOTAL ADMINISTRATIVE	\$12,498	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,498
MAINTENANCE:													
CONTINGENCIES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL MAINTENANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$12,498	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,498
EXCESS REVENUES (EXPENDITURES)	(\$11,451)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$11,451)

Candler Hills East
Community Development District
LONG TERM DEBT REPORT

SERIES 2016, SPECIAL ASSESSMENT BONDS		
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	\$118,300	
BONDS OUTSTANDING - 11/17/2016		\$3,380,000
LESS: PRINCIPAL PAYMENT 5/1/17		(\$55,000)
LESS: SPECIAL CALL 5/1/17		(\$55,000)
LESS: SPECIAL CALL 11/1/17		(\$55,000)
LESS: PRINCIPAL PAYMENT 5/1/18		(\$125,000)
LESS: SPECIAL CALL 5/1/18		(\$10,000)
LESS: SPECIAL CALL 11/1/18		(\$25,000)
LESS: PRINCIPAL PAYMENT 5/1/19		(\$105,000)
LESS: SPECIAL CALL 5/1/19		(\$15,000)
CURRENT BONDS OUTSTANDING		\$2,935,000

