

*Indigo East*  
*Community Development District*

*Agenda*

*May 21, 2019*

# AGENDA

# *Indigo East*

## *Community Development District*

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

May 14, 2019

Board of Supervisors  
Indigo East Community  
Development District

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

### **Board of Supervisors Meeting**

- I. Roll Call
- II. Public Comment Period
- III. Notice for Meeting
- IV. Organizational Matters
  - A. Administration of Oath of Office to Newly Appointed Supervisor
- V. Approval of Minutes of the February 19, 2019 Meeting
- VI. Review and Acceptance of Fiscal Year 2018 Audit Report
- VII. Consideration of Resolution 2019-05 Approving the Proposed Fiscal Year 2020 Budget and Setting a Public Hearing
- VIII. Ratification of Work Authorization 2019-01 with Dewberry Engineers, Inc.
- IX. Appointment of Audit Committee and Chairman
- X. Staff Reports
  - A. Attorney
  - B. District Manager
    1. Approval of Check Register
    2. Balance Sheet and Income Statement
    3. Presentation of Number of Registered Voters - 687
- XI. Other Business
- XII. Supervisors Requests
- XIII. Adjournment

### **Audit Committee Meeting**

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

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

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

The fourth order of business is Organizational Matters. Section A is administration of Oath of Office to newly appointed Supervisor.

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

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

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

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

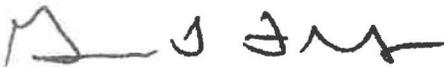
The ninth order of business is appointment of Audit Committee and Chairman. There is no back-up.

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

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

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

Sincerely,



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, \_\_\_\_\_ 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 INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT Audit Committee** The Indigo East Community Development District Audit Committee will meet on Tuesday, May 21, 2019 at 9:00 AM at Circle Square Commons, Cultural Center, 8395 SW 80th Street, Oca

was published in said newspaper in the issues of:

5/10 1x

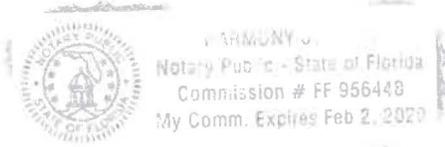
Affiant further says that the said STAR-BANNER is a daily newspaper published at Ocala, in said Marion County, Florida, and that the said newspaper has heretofore been continuously published in said Marion County, Florida, daily, and has been entered as second class mail matter at the post office in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

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

Harmory Stalter  
Notary Public

**HARMONY STALTER**

(Print, Type or Stamp Name of Notary Public)



Ad #: A000952526

## NOTICE OF MEETING INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT Audit Committee

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

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

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

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

May 10, 2019  
#A000952526

# AFFIDAVIT OF PUBLICATION

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

STATE OF FLORIDA  
COUNTY OF MARION

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

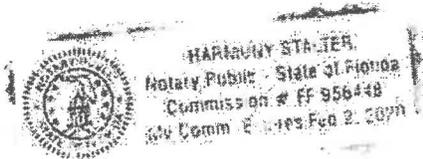
**NOTICE OF MEETING DATES INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT** *The Board of Supervisors of the Indigo East Community Development District will hold their regularly scheduled public meetings for the Fiscal Year 2019 at 9:00 AM, or as shortly thereafter*

was published in said newspaper in the issues of:

9/18 1x

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

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



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

Ad #: A000940884

**NOTICE OF MEETING DATES  
INDIGO EAST COMMUNITY  
DEVELOPMENT DISTRICT**

The Board of Supervisors of the Indigo East Community Development District will hold their regularly scheduled public meetings for the Fiscal Year 2019 at 9:00 AM, or as shortly thereafter as reasonably possible, at the Circle Square Commons, Cultural Center, 8395 SW 80th Street, Ocala, FL 34476 as follows:

November 20, 2018  
February 18, 2019  
May 21, 2019  
August 20, 2019

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

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

Any person requiring special accommodations at these meetings because of a disability or physical impairment should contact the District Office at (407) 941-5524 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 18, 2018  
#A000940884

**BOARD OF SUPERVISORS  
MEETING**

# MINUTES

MINUTES OF MEETING  
INDIGO EAST  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo East Community Development District was held on Tuesday, February 19, 2019 at 9:00 a.m. at the Circle Square Commons, Cultural Center, 8395 SW 80<sup>th</sup> Street, Ocala, Florida 34481.

Present and constituting a quorum were:

John Gysen	Chairman
Harold Brouillard	Assistant Secretary
Terry Solan	Assistant Secretary
Donald G. Barnes	Assistant Secretary

Also present were:

George Flint	District Manager
Gerald Colen	District Counsel
Lynette Vermillion	On Top of The World Communities
Rachel Wagoner	Colen and Wagoner
Keith Kirchoff	Earthscapes

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the roll, Mr. DiPiero is absent but four Board Members were present constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Mr. Flint: Any there any members of the public that would like to provide comment to the Indigo East Community Development District?

Mr. Brouillard: Does that include Board Members? I have a question, along 79<sup>th</sup> Terrace Road according to my map here, there is a series of hedges between 83<sup>rd</sup> Place and 84<sup>th</sup> Place that don't appear to have been trimmed in awhile and they are starting to look kind of shabby.

Mr. Flint: Yes, I got an email from Mr. DiPiero concerning that as well. Why don't we take that up under Other Business? This is Public Comment. I know Phil Hisey is out of town, but Lynette is here. She might be able to help address that for us.

Mr. Kirchoff: We are in the process of trimming there now. We will be back next week and our plan is to finish it next week and be done.

Mr. Brouillard: How about 8368 SW 79th Circle?

Mr. Kirchoff: I can double check that on, like I said we will be back next week to finish trimming and we should be done in your area.

Mr. Brouillard: It's basically across the street from the club house there.

Mr. Solan: You've got a group of Crape Myrtles between 80th Place and the dog park. They're reaching for the sky.

Keith Kirchoff: We are in the process of trimming them now. Our goal is to be wrapped up in Indigo East by the end of the month.

Mr. Flint: Thank you.

**THIRD ORDER OF BUSINESS**

**Notice of Meeting**

Mr. Flint: You have the affidavit of publication in your agenda package with the annual meeting dates which includes today. That was advertised in the Ocala Star Banner.

**FOURTH ORDER OF BUSINESS**

**Organizational Matters**

**A. Appointment of Individuals to Fulfill the Board Vacancy in Seats 2 & 5 with Terms Ending November 2022**

Mr. Flint: Mr. Gysen, we need to go ahead and swear you in. Actually, we need to appoint you and Mr. DiPiero as you are performing as hold over seats for seat 2 and seat 5. So, if it's the Board's pleasure, we would suggest you go ahead and reappoint Mr. Gysen and Mr. DiPiero.

On MOTION by Mr. Barnes, seconded by Mr. Brouillard, with all in favor, Appointment of Individuals to Fulfill the Board Vacancy in Seats 2 & 5 with Terms Ending November 2022, was approved.

**B. Administration of Oath of Office to newly Appointed Supervisor**

Mr. Flint: Mr. Gysen, as a citizen of the state of Florida and of the United States of America and as an officer of the Indigo East Community Development District and a recipient of public funds as such officer, do you hereby solemnly swear or affirm that you will support the Constitution of the United States and of the state of Florida?

Mr. Gysen: I do.

Mr. Flint: If you would sign where it says Board Supervisor for me, then just print your name here at the top. Thank you, sir.

**C. Election of Officers**

Mr. Flint: After each election, the Board is required by statute to elect officers and we have a resolution in your agenda packet that would do that. We can take each seat individually or if a Board Member wants to make a motion to elect a slate of officers, you can also handle it in one motion.

**D. Consideration of Resolution 2019-01 Electing Officers**

Currently, Mr. Gysen is the Chairman. Mr. DiPiero was Vice Chairman, and the other 3 Board Members were Assistant Secretaries. I was the Secretary and the District Accountant, Ariel Lovera was Treasurer. What’s the Board’s preference on how you would like to handle it?

On MOTION by Mr. Barnes, seconded by Mr. Brouillard, with all in favor, consideration of Resolution 2019-01 Electing the same slate of Officers, was approved.

**FIFTH ORDER OF BUSINESS**

**Approval of Minutes of the November 20, 2018 Meeting**

Mr. Flint: Did the Board have any comments on those? If not, is there a motion to approve them?

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

**SIXTH ORDER OF BUSINESS**

**Consideration of Resolution 2019-04 Ratifying and Approving Past Board Actions**

Mr. Flint: This is a resolution ratifying the actions the Board took at your last meeting since we had two hold over Board Members. We didn’t have three existing Board Members to appoint the two hold over Board Members. In abundance of caution we’re just having the Board

to adopt a resolution ratifying all the votes you took at your last meeting. Any questions on the Resolution?

On MOTION by Mr. Gysen, seconded by Mr. Barnes, with all in favor, Resolution 2019-04 Ratifying and Approving Past Board Actions, was approved.

**SEVENTH ORDER OF BUSINESS**

**Consideration of Proposal with VGlobalTech Regarding ADA Website Compliance**

Mr. Flint: The Board may have heard the discussion at the Candler Hills East CDD meeting. This is a proposal from VGlobalTech to review and convert the District’s website to be ADA compliant. As a result of some lawsuits that have been filed with in the last 12 months or so, it became apparent that all of the CDD’s in Florida as well many cities, counties, school Boards and other government entities, their websites were not technically ADA compliant. So, this company will go in and review it and basically rewrite the website so that it is ADA compliant. There’s a one-time fee of \$1,975 and then there’s an optional annual maintenance fee after of \$1,350. We would suggest the Board just approve the one time fee and we will evaluate the ongoing maintenance to see if that is something that can be done under our existing contract with no additional expense. If we deem we can’t, then we will just come back to you later. Any questions?

Mr. Gysen: Yes, I do. On page 3, The Law, the names, official addresses and official email addresses, who are those?

Mr. Flint: No, it’s the official name of the District is the Indigo East Community Development District. The official address for the District is our office in Orlando.

Mr. Gysen: Okay, thank you.

On MOTION by Mr. Gysen, seconded by Mr. Solan, with all in favor, the Proposal with VGlobalTech for a one-time website compliance conversion, was approved.

**EIGHTH ORDER OF BUSINESS**

**Ratification of Agreement for Transfer of Environmental Resource Permit**

Mr. Flint: The next item is the ratification of a request for transfer of what's called an Environmental Resource Permit or ERP to the perpetual operating and maintenance entity. This is the Water Management District Permit associated with the Indigo South improvements storm water system that has been recently constructed and completed. The Water Management District requires that the permit be transferred to the perpetual operating entity, which is the Community Development District and these are done as a matter of course. To be able to close out their Water Management permit and transfer it, we needed it executed in advance of today. So, I am asking the Board to ratify that action. In addition to that, I have a letter from On Top of The World. It was dated the 15<sup>th</sup>, so I didn't have it at the time the agenda went out. Basically as part of transferring the permit, we agree we are going to take on the maintenance responsibility. My conversation with On Top of The World was we could take on transferring it to the maintenance entity, but because the District has not had an opportunity to budget for the maintenance of those areas, we would either need On Top of The World to continue maintaining it until September 30 or they would need to provide the District funding necessary to pay for the maintenance between now and September 30. That is the end of our current fiscal year. They've agreed that they are going to continue to maintain it through the end of the current fiscal year to allow the District to budget for that maintenance expense. In exchange for that, they've agreed to indemnify the District in the event they don't properly maintain it or something happens, etc. So, this letter from On Top of The World indicates that you all are going to ratify the transfer the permit, and that there will be a special warranty deed actually conveying the underlying property. The plat that was recorded shows the District as being the owner, but it's actually conveyed. There needs to be acceptance, so there would be a warranty deed prepared conveying the land formally to the District. Then On Top of The World would indemnify the District during the period they're maintaining it on our behalf. Are there any questions on the transfer the permit or the letter from On Top of The World?

Mr. Solan: This concerns the water retention?

Mr. Flint: Yes, these are the dry retention areas and any other portions of the storm water system that the District owns with in Indigo. By taking it over is the perpetual operating entity, we're assuming the mowing and other maintenance in those areas.

Mr. Solan: Starting on October 1<sup>st</sup>, we need to budget for that?

Mr. Flint: Correct, between now and October 1<sup>st</sup> they've agreed to continue to pay that and do it directly. Then on October 1, we would have to take that over. Unfortunately, the bad news here is that when you all consider your annual budget in May, that's your proposed budget and you usually adopt your final budget in August, you're going to see these additional expenses in there. Everyone with in the District currently pays operating and maintenance expenses. You don't have off setting units coming on to pay those costs. Those units are already paying. So, you're going to have an increase in expense which is going to put pressure on your per unit assessment amount to cover. We will be dealing with that on the budget process. You've had the benefit up to this point of On Top of The World paying assessments on that south piece when it was undeveloped. Now it has to be maintained and it's going to put pressure on your per unit assessments.

Mr. Gysen: It may go up?

Mr. Flint: It will go up. If there are any questions we can discuss those, if not I would just ask for a motion to ratify the execution of the transfer of the ERP.

On MOTION by Mr. Gysen, seconded by Mr. Brouillard, with all in favor, the Agreement for Transfer of Environmental Resource Permit, was ratified.

**NINTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There not being any, the next item followed.

**B. District Manager**

**1. Approval of Check Register**

Mr. Flint: You have the check register for the General Fund and payroll for the period November 13<sup>th</sup>, 2018 through February 12<sup>th</sup>, 2019 totaling \$104,308.97. The detailed register is contained behind the summary. A lot of the expenses you will see are associated with transfers of debt service assessment revenue to US Bank as the Trustee. Any questions on the Check Register? If not, is there a motion to approve it?

On MOTION by Mr. Solan, seconded by Mr. Barnes, with all in favor, approving the Check Register totaling \$104,308.97, was approved.

**2. Balance Sheet and Income Statement**

Mr. Flint: Next is the unaudited financial statements through January 31<sup>st</sup>. There is no action required by the Board. If you have any questions, we can discuss those.

**TENTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**ELEVENTH ORDER OF BUSINESS**

**Supervisors Requests**

Mr. Brouillard: I have one other thing. I would like to go back to water for a moment. Myself and several of my neighbors received these new water meters to control the water. As they installed it, no complaints. The guy did a nice job. My question is, he asked me what I wanted the water set to and are you looking to reduce. So, I think some place along the line we need an explanation of what it should be set to, not what I want it set to. That will give you water reduction, Bryan.

Mr. Schmalz: The time that it should be set to is the time necessary to provide a ½ inch to ¾ inch of water. Each system is different. As an example, we are installing these units in homes that are constructed prior to 2012. So, perfect example, depending on the spray heads every yard is a little bit different and depends on what type of rotors, sprays, if you have drip irrigation and how each system is actually set up and how long the run time should be. You also run into the issue of, if he sets it wrong for you because it's what he thinks is right then your grass dies or your plants die then he and I am responsible for it. You're going to come to me if something does go wrong. So, that's the only issue is that there is that fine line of making sure that we're not changing it from what you want it set at. So, if something does go wrong at that location we're not held liable for it.

Mr. Brouillard: You said something about a class, will that be open to anybody who's got one of these new things? I'd love that.

Mr. Schmalz: I do that, On Top of The World currently provides a class done a couple of times a year for how the irrigation controller works and how the Solar Sync works. I know they

do a rain version and hunter version. The program I was speaking of earlier in the Bay Laurel meeting was in reference to a workshop necessary for anybody in the future that participates in the program, that they have to do that training course. We would love to do it, just obviously staffing is always an issue with time. We could do something with that later, we will definitely let you know. I always recommend to all of our customers to take the free rain gages. Come to our customer service office, pick them up, put them in your yard and see what your application rate is. If you're getting an inch and 1/2 of water every time your irrigation systems runs, then that's the perfect opportunity for you to turn down your run times and save that water.

Mr. Brouillard: Okay, thank you.

Mr. Schmalz: You're welcome.

Mr. Gysen: Thank you.

Mr. Flint: Any other comments or requests?

**TWELFTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Mr. Gysen, seconded by Mr. Barnes, with all in favor, the meeting was adjourned.

\_\_\_\_\_  
Secretary / Assistant Secretary

\_\_\_\_\_  
Chairman / Vice Chairman

# SECTION VI

**INDIGO EAST  
COMMUNITY DEVELOPMENT DISTRICT  
MARION COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2018**

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT  
MARION COUNTY, FLORIDA**

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**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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Fax (561) 994-5823  
www.graucpa.com

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Indigo East Community Development District, Marion County, Florida ("District") as of and for the fiscal year ended September 30, 2018, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2018, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 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, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

**Report on Other Legal and Regulatory Requirements**

We have also issued our report dated March 5, 2019 on our consideration of the District's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.



March 5, 2019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Indigo East Community Development District, Marion County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$1,658,332.
- The change in the District's total net position in comparison with the prior fiscal year was \$131,718, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2018, the District's governmental funds reported combined ending fund balances of \$682,854, a decrease of (\$248,276) in comparison with the prior fiscal year. The total fund balance is restricted for debt service, non-spendable for prepaid items, assigned for subsequent year's expenditures and renewal and replacement, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

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

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

#### Fund Financial Statements

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

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### Governmental Funds

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

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

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

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

### Notes to the Financial Statements

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

	NET POSITION	
	SEPTEMBER 30,	
	2018	2017
Current and other assets	\$ 693,935	\$ 941,285
Capital assets, net of depreciation	2,155,301	2,197,151
Total assets	<u>2,849,236</u>	<u>3,138,436</u>
Current liabilities	30,904	36,822
Long-term liabilities	1,160,000	1,575,000
Total liabilities	<u>1,190,904</u>	<u>1,611,822</u>
Net Position		
Net investment in capital assets	995,301	622,151
Restricted	112,362	335,635
Unrestricted	550,669	568,828
Total net position	<u>\$ 1,658,332</u>	<u>\$ 1,526,614</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing program revenues exceeded the cost of operations and depreciation expense.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2018	2017
Revenues:		
Program revenues		
Charges for services	\$ 442,477	\$ 773,662
Operating grants and contributions	557	388
General revenues		
Unrestricted investment earnings	9,257	5,346
Total revenues	<u>452,291</u>	<u>779,396</u>
Expenses:		
General government	43,873	42,894
Maintenance and operations	223,447	187,423
Interest	53,253	80,975
Bond issuance costs	-	91,636
Total expenses	<u>320,573</u>	<u>402,928</u>
Change in net position	<u>131,718</u>	<u>376,468</u>
Net position - beginning	1,526,614	1,150,146
Net position - ending	<u>\$ 1,658,332</u>	<u>\$ 1,526,614</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2018 was \$320,573. The costs of the District's activities were paid by program revenues. Program revenues, comprised primarily of assessments, decreased during the fiscal year as a result of a decrease in prepayment revenue. In total, expenses, including depreciation, decreased from the prior fiscal year, the majority of the decrease was the result of bond issuance costs incurred in the prior year.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2018.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2018, the District had \$2,974,518 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$819,217 has been taken, which resulted in a net book value of \$2,155,301. More detailed information about the District's capital assets is presented in the notes of the financial statements.

### Capital Debt

At September 30, 2018, the District had \$1,160,000 in Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Indigo East Community Development District's Finance Department at 135 West Central Boulevard, Suite 320, Orlando, Florida, 32801.

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT  
MARION COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 64,797
Investments	485,454
Accrued interest receivable	289
Prepays and other	11,400
Restricted assets:	
Investments	131,995
Capital assets	
Nondepreciable	1,046,428
Depreciable, net	1,108,873
Total assets	2,849,236
<b>LIABILITIES</b>	
Accounts payable	11,081
Accrued interest payable	19,823
Non-current liabilities:	
Due within one year	55,000
Due in more than one year	1,105,000
Total liabilities	1,190,904
<b>NET POSITION</b>	
Net investment in capital assets	995,301
Restricted	112,362
Unrestricted	550,669
Total net position	\$ 1,658,332

See notes to the financial statements

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT  
MARION COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary government:				
Governmental activities:				
General government	\$ 43,873	\$ 43,873	\$ -	\$ -
Maintenance and operations	223,447	153,041	-	(70,406)
Interest on long-term debt	53,253	245,563	557	192,867
Total governmental activities	<u>320,573</u>	<u>442,477</u>	557	<u>122,461</u>
General revenues:				
Unrestricted investment earnings				<u>9,257</u>
Total general revenues				<u>9,257</u>
Change in net position				131,718
Net position - beginning				1,526,614
Net position - ending				<u>\$ 1,658,332</u>

See notes to the financial statements

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT  
MARION COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
<b>ASSETS</b>				
Cash	\$ 64,797	\$ -	\$ -	\$ 64,797
Investments	-	131,995	485,454	617,449
Accrued interest receivable	-	190	99	289
Prepays and other	11,400	-	-	11,400
Total assets	<u>\$ 76,197</u>	<u>\$ 132,185</u>	<u>\$ 485,553</u>	<u>\$ 693,935</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts/Contracts payable	\$ 11,081	\$ -	\$ -	\$ 11,081
Total liabilities	<u>11,081</u>	<u>-</u>	<u>-</u>	<u>11,081</u>
Fund balances:				
Nonspendable:				
Prepaid items	11,400	-	-	11,400
Restricted for:				
Debt service	-	132,185	-	132,185
Assigned to:				
Renewal and replacement	-	-	485,553	485,553
Subsequent year's expenditures	12,658	-	-	12,658
Unassigned	41,058	-	-	41,058
Total fund balances	<u>65,116</u>	<u>132,185</u>	<u>485,553</u>	<u>682,854</u>
Total liabilities and fund balances	<u>\$ 76,197</u>	<u>\$ 132,185</u>	<u>\$ 485,553</u>	<u>\$ 693,935</u>

See notes to the financial statements

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT  
MARION COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018**

Fund balance - governmental funds \$ 682,854

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of accumulated depreciation, in the assets of the government as a whole.

Cost of capital assets	2,974,518	
Accumulated depreciation	(819,217)	2,155,301

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

Accrued interest payable	(19,823)	
Bonds payable	(1,160,000)	(1,179,823)
Net position of governmental activities		\$ 1,658,332

See notes to the financial statements

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT  
MARION COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
<b>REVENUES</b>				
Assessments	\$ 196,914	\$ 245,563	\$ -	\$ 442,477
Interest	198	557	9,059	9,814
Total revenues	<u>197,112</u>	<u>246,120</u>	<u>9,059</u>	<u>452,291</u>
<b>EXPENDITURES</b>				
Current:				
General government	42,733	1,140	-	43,873
Maintenance and operations	145,710	-	-	145,710
Debt Service:				
Principal	-	415,000	-	415,000
Interest	-	60,097	-	60,097
Capital outlay	-	-	35,887	35,887
Total expenditures	<u>188,443</u>	<u>476,237</u>	<u>35,887</u>	<u>700,567</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,669</u>	<u>(230,117)</u>	<u>(26,828)</u>	<u>(248,276)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfer in	-	-	22,311	22,311
Interfund transfer out	(22,311)	-	-	(22,311)
Total other financing sources (uses)	<u>(22,311)</u>	<u>-</u>	<u>22,311</u>	<u>-</u>
Net change in fund balances	(13,642)	(230,117)	(4,517)	(248,276)
Fund balances - beginning	<u>78,758</u>	<u>362,302</u>	<u>490,070</u>	<u>931,130</u>
Fund balances - ending	<u>\$ 65,116</u>	<u>\$ 132,185</u>	<u>\$ 485,553</u>	<u>\$ 682,854</u>

See notes to the financial statements

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT  
MARION COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Net change in fund balances - total governmental funds	\$ (248,276)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures, however, the cost of those assets is eliminated in the statement of activities and capitalized in the statement of net assets.	35,887
Depreciation on capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(77,737)
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	415,000
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the governmental fund financial statements.	6,844
Change in net position of governmental activities	<u>\$ 131,718</u>

See notes to the financial statements

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT  
MARION COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF ORGANIZATION AND REPORTING ENTITY**

Indigo East Community Development District ("the District") was created on November 19, 2002 pursuant to Ordinance No. 02-26 enacted by the County Commission of the Marion County, Florida, under the "Uniform Community Development District Act of 1980", otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue Bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by a five-member Board of Supervisors ("Board"). The Supervisors are elected by the owners of the property within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the responsibility for:

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

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

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

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

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

### **Assessments**

Assessments are non-ad valorem assessments on benefited property within the District. Operating and maintenance assessments are based upon the adopted budget and levied annually at a public hearing of the District. Debt service assessments are levied when Bonds are issued and assessed and collected on an annual basis. The District may collect assessments directly or utilize the uniform method of collection under Florida Statutes. Direct collected assessments are due as determined by the annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by the County Tax Collector on November 1 and are 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 considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

### **General Fund**

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

### **Debt Service Funds**

The debt service funds are used to account for the accumulation of resources for the annual payment of principal and interest on the Bonds.

### **Capital Projects Fund**

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure and for the accumulation of renewal and replacement reserves.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity**

#### **Restricted Assets**

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

#### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Inter-local Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

The State Board of Administration's ("SBA") Local Government Surplus Funds Trust Fund ("Florida PRIME") is a "2a-7 like" pool. A "2a-7 like" pool is an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The District has reported its investment in Florida PRIME at amortized cost for financial reporting purposes.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

#### **Prepaid Items**

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

#### **Capital Assets**

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Capital Assets (Continued)

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

<u>Assets</u>	<u>Years</u>
Stormwater drainage system	30
Entry features, landscape, security and other	25

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

#### **Fund Equity/Net Position (Continued)**

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

### **Other Disclosures**

#### **Use of Estimates**

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

## **NOTE 3 - BUDGETARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

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

- a) Each year, the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

**Deposits**

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

**Investments**

The District’s investments were held as follows at September 30, 2018:

	Amortized Cost	Credit Risk	Maturities
Investment in Local Government Surplus Funds Trust Fund (Florida PRIME)	\$ 485,454	S&P AAAM	Weighted average of the fund portfolio: 33 days
US Bank Money Market Fund	131,995	N/A	N/A
	<u>\$ 617,449</u>		

*Credit risk* – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

*Concentration risk* – The District places no limit on the amount the District may invest in any one issuer.

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

However, the Bond Indenture limits the type of investments held using unspent proceeds.

*Fair Value Measurement* – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. For external investment pools that qualify to be measured at amortized cost, the pool’s participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the District’s investments have been reported at amortized cost above.

**NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

*External Investment Pool* – With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

**NOTE 5 – INTERFUND TRANSFERS**

Interfund transfers for the fiscal year ended September 30, 2018 were as follows:

<u>Fund</u>	<u>Transfer in</u>	<u>Transfer out</u>
General fund	\$ -	\$ 22,311
Capital projects	22,311	-
Total	<u>\$ 22,311</u>	<u>\$ 22,311</u>

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers from the general fund to the capital projects funds were made primarily to move monies from the operating account into a capital reserve account of the District for use on repair and replacement projects.

**NOTE 6 - CAPITAL ASSETS**

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

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 1,046,428	\$ -	\$ -	\$ 1,046,428
Total capital assets, not being depreciated	1,046,428	-	-	1,046,428
Capital assets, being depreciated				
Stormwater drainage system	231,014	-	-	231,014
Entry features, landscape, security and other	1,661,189	35,887	-	1,697,076
Total capital assets, being depreciated	1,892,203	35,887	-	1,928,090
Less accumulated depreciation for:				
Stormwater drainage system	77,000	7,700	-	84,700
Entry features, landscape, security and other	664,480	70,037	-	734,517
Total accumulated depreciation	741,480	77,737	-	819,217
Total capital assets, being depreciated, net	1,150,723	(41,850)	-	1,108,873
Governmental activities capital assets, net	\$ 2,197,151	\$ (41,850)	\$ -	\$ 2,155,301

The infrastructure of the District is being built in phases. Phase I of the 2006 project was funded by the District and has been completed. The total cost of phase I was about \$3.1 million. Certain improvements were conveyed to various government entities upon completion.

Phase II of the project will be funded by the Developer. The total cost of phase II has been estimated at \$2.7 million. Construction of phase II of the project has been postponed due to current market conditions.

Depreciation was charged to the maintenance and operations function.

**NOTE 7 – LONG-TERM LIABILITIES**

**Series 2016**

On November 17, 2016, Bay Laurel Community Development District (“Bay Laurel”) issued conduit debt of \$1,745,000 of Special Assessment Revenue Refunding Bonds, Series 2016. Bay Laurel loaned the Bonds funds of \$1,745,000 to the District. The proceeds of the Series 2016 Bonds will be applied to refund the outstanding Series 2006 Bonds. The Bonds are special limited obligations of the Bay Laurel, payable solely from and secured by pledged revenues to be collected by Indigo East Community Development District. The Bonds consist of term Bonds due May 1, 2037 with a fixed interest rates from 3.00% to 4.5% to be paid semiannually on each May 1 and November 1, commencing May 1, 2017 and principal to be paid annually on each May 1, commencing May 1, 2017 through May 1, 2037.

The Series 2016 Bonds are subject to optional redemption at the option of the District prior to their maturity. In addition, the Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. This occurred during the current fiscal year as the District collected prepaid assessments which were used to pay down the Bonds by \$360,000.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2018.

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Long-term debt activity**

Changes in long-term liability activity for the fiscal year ended September 30, 2018 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2016	\$ 1,575,000	\$ -	\$ 415,000	\$ 1,160,000	\$ 55,000
Total	\$ 1,575,000	\$ -	\$ 415,000	\$ 1,160,000	\$ 55,000

At September 30, 2018, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2019	\$ 55,000	\$ 62,350	\$ 117,350
2020	60,000	60,700	120,700
2021	60,000	58,600	118,600
2022	60,000	56,500	116,500
2023	65,000	54,400	119,400
2024-2028	355,000	234,131	589,131
2029-2033	435,000	155,156	590,156
2034-2037	70,000	49,500	119,500
Total	\$ 1,160,000	\$ 731,337	\$ 1,891,337

**NOTE 8 - DEVELOPER TRANSACTIONS**

The Developer owns a portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by the Developer.

Due to the decline in the demand for housing in Marion County, the Developer has found it necessary to lengthen the construction timeline for the development to coincide with market conditions. As a result, Phase II of the project has been delayed. A total of 705 residential units are expected in the District, of which Phase I contains 315 units and Phase II contains 390 units. The 390 units in Phase II are entirely owned by the Developer. As a result of the changes to the improvement plan and construction timeline, it was decided that the unspent construction funds that were going to be used to pay for a portion of Phase II of the project would be used to prepay a portion of the Series 2006 Bonds, and now the 2016 Bonds, during a prior fiscal year. Accordingly, the debt service assessments on the Phase II units have been eliminated as these units are in the phase of the development where no infrastructure has been built (and thus receive no benefit or reduced benefit as a result of the change to the improvement plan) in exchange for the Developer assuming financial responsibility for constructing the balance of the improvement plan.

**NOTE 9 - CONCENTRATION**

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

**NOTE 10 - MANAGEMENT COMPANY**

The District has contracted with a management company to perform management advisory services, which include financial and accounting services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

#### **NOTE 11 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

#### **NOTE 12 - INTERLOCAL AGREEMENT**

On April 7, 2003, the District entered into an Inter-local Agreement with Bay Laurel whereby Bay Laurel has the sole and exclusive right to sell and deliver to the District's residents, and the District's residents shall purchase and receive from Bay Laurel, utility services at the rates, fees, and charges set by Bay Laurel. Bay Laurel has the power and authority to establish reasonable rules and standards governing the delivery of utility services pursuant to the terms of the agreement.

On February 13, 2006, the District entered into an Inter-local Agreement with Bay Laurel whereby Bay Laurel agreed to issue Series 2006 Bonds – as discussed in Note 7. According to the terms of the agreements, Bay Laurel loaned a part of the proceeds of the Bond issuance to the District to finance the cost of the acquisition of the Developer's rights or interest in the Development Improvements, including the real property acquisitions and other related purposes, the terms of which are outlined in the Development Improvement Acquisition Agreement entered between the District and Bay Laurel on May 4, 2006. This agreement has been extended with the issuance of Series 2016 Refunding Bonds.

#### **NOTE 13 – SUBSEQUENT EVENTS**

##### **Bond Payments**

Subsequent to fiscal year end, the District prepaid a total of \$10,000 of the Series 2016 Bonds. The prepayments were considered extraordinary mandatory redemptions as outlined in the Bond Indenture.

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT  
MARION COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts <u>Original &amp; Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Assessments	\$ 195,929	\$ 196,914	\$ 985
Interest	250	198	(52)
Total revenues	<u>196,179</u>	<u>197,112</u>	<u>933</u>
<b>EXPENDITURES</b>			
Current:			
General government	44,910	42,733	2,177
Maintenance and operations	151,269	145,710	5,559
Total expenditures	<u>196,179</u>	<u>188,443</u>	<u>7,736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>8,669</u>	<u>8,669</u>
<b>OTHER FINANCING SOURCES</b>			
Interfund transfer in (out)	-	(22,311)	(22,311)
Total other financing sources (uses)	<u>-</u>	<u>(22,311)</u>	<u>(22,311)</u>
Net change in fund balances	<u>\$ -</u>	<u>(13,642)</u>	<u>\$ (13,642)</u>
Fund balance - beginning		<u>78,758</u>	
Fund balance - ending		<u>\$ 65,116</u>	

See notes to required supplementary information

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT  
MARION COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2018.



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280  
Boca Raton, Florida 33431  
(561) 994-9299 • (800) 299-4728  
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www.graucpa.com

**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  
Indigo 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 the governmental activities and each major fund of Indigo East Community Development District, Marion County, Florida (the "District") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated March 5, 2019.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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.

*Bhar & Associates*

March 5, 2019



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

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

We have examined Indigo East Community Development District, Marion County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2018. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2018.

This report 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, management, and the Board of Supervisors of Indigo East Community Development District, Marion County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Grau & Associates*

March 5, 2019



**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

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

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Indigo East Community Development District, Marion County, Florida ("District") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 5, 2019.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the 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 the financial statements performed in accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 5, 2019, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Supervisors of Indigo East Community Development District, Marion County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Indigo East Community Development District, Marion County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

*Grau & Associates*

March 5, 2019

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

### III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2017.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2018.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2018.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2018. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

# SECTION VII

**RESOLUTION 2019-05**

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

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

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

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

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

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

DATE: August 20, 2019

HOUR: 9:00 a.m.

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

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

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

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

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

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

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

ATTEST:

**INDIGO EAST COMMUNITY  
DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Secretary

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

*Exhibit A will be provided under  
separate cover*

# SECTION VIII



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

**Work Authorization Number 2019-1**

April 3, 2019

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

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

Dear Chairman, Board of Supervisors:

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

**I. Scope of Work**

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

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

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

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

Sincerely,



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

April 3, 2019  
 Date

APPROVED AND ACCEPTED

By: 

Authorized Representative of  
 Indigo East  
 Community Development District

4/4/19  
 Date

# SECTION X

# SECTION B

# SECTION 1

# Indigo East Community Development District

## Summary of Invoices

February 12, 2019 to May 14, 2019

Fund	Date	Check No.'s	Amount
General Fund	2/19/19	1342	\$ 3,050.01
	2/21/19	1343-1347	\$ 6,654.07
	3/7/19	1348-1349	\$ 1,033.87
	3/13/19	1350-1356	\$ 16,756.08
	3/20/19	1357	\$ 6,543.41
	3/21/19	1358-1359	\$ 1,099.02
	3/27/19	1360	\$ 1,501.69
	4/4/19	1361-1363	\$ 1,716.14
	4/11/19	1364-1366	\$ 4,975.46
	4/17/19	1367	\$ 1,789.91
	4/25/19	1368-1370	\$ 1,592.69
	5/9/19	1371-1372	\$ 6,013.58
	5/10/19	1373	\$ 921.60
			\$ 53,647.53
Payroll	<u>February 2019</u>		
	Donald Barnes	50182	\$ 184.70
	Harold Brouillard	50183	\$ 184.70
	John Gysen	50184	\$ 200.00
	Terrance Solan	50185	\$ 184.70
			\$ 754.10
			\$ 54,401.63

\*\*\* CHECK DATES 02/12/2019 - 05/14/2019 \*\*\*

INDIGO EAST - GENERAL FUND  
BANK A INDIGO EAST CDD

CHECK DATE	VEND#	INVOICE DATE	INVOICE INVOICE	EXPENSED TO... YRMO	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
2/19/19	00035	2/19/19	02192019	201902	300-20700-10000				*	3,050.01		
			FY19 DEBT SERVICE		SER2016			INDIGO EAST CDD C/O USBANK			3,050.01	001342
2/21/19	00032	2/05/19	INDIRR77	201901	320-53800-43000				*	18.81		
			SW 77TH CT CULDESAC		JAN19							
		2/05/19	MED80THJ	201901	320-53800-43000				*	100.41		
			80TH TERRACE MEDIUM		JAN19							
		2/05/19	MED82NDJ	201901	320-53800-43000				*	50.58		
			MED SW 82NDPL&SW 78THTERR					BAY LAUREL CENTER CDD			169.80	001343
2/21/19	00047	2/08/19	48623	201901	320-53800-47300				*	3,293.43		
			RIGHT OF WAY MAINT-JAN19					EARTHSCAPES UNLIMITED INC.			3,293.43	001344
2/21/19	00055	2/18/19	4139	201902	320-53800-47000				*	1,501.69		
			POND MOWING-FEB19					SHARP SITE SERVICES, LLC			1,501.69	001345
2/21/19	00002	2/20/19	02202019	201902	310-51300-31500				*	1,500.00		
			PREP/ATTEND CDD MEETING					COLEN & WAGONER P.A.			1,500.00	001346
2/21/19	00003	2/19/19	6-464-84	201902	310-51300-42000				*	189.15		
			DELIVERY 02/12/19					FEDEX			189.15	001347
3/07/19	00003	2/26/19	6-471-81	201902	310-51300-42000				*	40.52		
			DELIEVERY 02/19/19					FEDEX			40.52	001348
3/07/19	00019	3/01/19	188	201903	310-51300-34000				*	603.67		
			MANAGEMENT FEES-MAR19									
		3/01/19	188	201903	310-51300-34100				*	83.33		
			INFORMATION TECH-MAR19									
		3/01/19	188	201903	310-51300-31300				*	208.33		
			DISSEMINATION-MAR19									
		3/01/19	188	201903	310-51300-51000				*	27.77		
			OFFICE SUPPLIES									
		3/01/19	188	201903	310-51300-42000				*	20.75		
			POSTAGE									
		3/01/19	188	201903	310-51300-42500				*	49.50		
			COPIES					GOVERNMENTAL MANAGEMENT SERVICES			993.35	001349

\*\*\* CHECK DATES 02/12/2019 - 05/14/2019 \*\*\*

INDIGO EAST - GENERAL FUND  
BANK A INDIGO EAST CDD

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO... YRMO	DPT ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
3/13/19	00032	3/04/19	INDIRR77	201902	320-53800-43000				*	18.81		
			SW 77TH CT CULDESAC FEB19									
		3/04/19	MED80THF	201902	320-53800-43000				*	32.64		
			80TH TERRACE MEDIAN FEB19									
		3/04/19	MED82NDF	201902	320-53800-43000				*	50.89		
			MED SW 82NDPL&SW 78THTERR									
BAY LAUREL CENTER CDD											102.34	001350
3/13/19	00040	3/06/19	13146REV	201903	320-53800-47300				*	4,070.30		
			1010 BALES OF PINESTRAW									
EVERGLADES PINESTRAW, INC.											4,070.30	001351
3/13/19	00047	3/08/19	49171	201810	320-53800-47300				*	744.03		
			ROW MAINTENANCE ADD-OCT18									
		3/08/19	49171A	201811	320-53800-47300				*	744.03		
			ROW MAINTENANCE ADD-NOV18									
		3/08/19	49171B	201812	320-53800-47300				*	744.03		
			ROW MAINTENANCE ADD-DEC18									
		3/08/19	49171C	201901	320-53800-47300				*	744.03		
			ROW MAINTENANCE ADD-JAN19									
		3/08/19	49172	201902	320-53800-47300				*	4,037.46		
			RIGHT OF WAY MAINT-FEB19									
EARTHSCAPES UNLIMITED INC.											7,013.58	001352
3/13/19	00003	3/05/19	6-479-20	201902	310-51300-42000				*	17.11		
			DELIVERY 02/27/19									
FEDEX											17.11	001353
3/13/19	00043	3/08/19	70116409	201902	320-53800-43100				*	1,852.75		
			STREET LIGHTING-FEB19									
SUMTER ELECTRIC COOPERATIVE, INC.											1,852.75	001354
3/13/19	00026	2/02/19	17553	201902	310-51300-32200				*	3,700.00		
			AUDIT FYE 09/30/18 FINAL									
GRAU AND ASSOCIATES											3,700.00	001355
3/13/19	00040	12/12/18	12864	201812	320-53800-47300				*	4,081.00		
			1540 BALES OF PINESTRAW									
		12/12/18	12864	201812	320-53800-47300				V	4,081.00-		
			1540 BALES OF PINESTRAW									
EVERGLADES PINESTRAW, INC.											.00	001356
3/20/19	00035	3/20/19	03202019	201903	300-20700-10000				*	6,543.41		
			FY19 DEBT SERVICE SER2016									
INDIGO EAST CDD C/O USBANK											6,543.41	001357

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED YRMO	TO DPT ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
3/21/19	00003	3/12/19	6-486-94	201903	310-51300-42000			DELIVERY 03/05/19 FEDEX	*	42.49	42.49	001358
3/21/19	00035	3/21/19	03212019	201903	300-20700-10000			FY19 DEBT SERVICE SER2016 INDIGO EAST CDD C/O USBANK	*	1,056.53	1,056.53	001359
3/27/19	00055	12/10/18	4013	201811	320-53800-47000			POND MOWING-NOV18 SHARP SITE SERVICES, LLC	*	1,501.69	1,501.69	001360
4/04/19	00032	3/28/19	INDIRR77	201903	320-53800-43000			SW 77TH CT CULDESAC MAR19	*	19.67		
		3/28/19	MED80THM	201903	320-53800-43000			80TH TERRACE MEDIAN MAR19	*	37.16		
		3/28/19	MED82NDM	201903	320-53800-43000			MED SW 82NDPL&SW 78THTERR BAY LAUREL CENTER CDD	*	57.62	114.45	001361
4/04/19	00061	3/28/19	3	201903	310-51300-31300			AMORT.DS 2016 \$10,000 DISCLOSURE SERVICES LLC	*	100.00	100.00	001362
4/04/19	00055	4/03/19	4190	201903	320-53800-47000			POND MOWING-MAR19 SHARP SITE SERVICES, LLC	*	1,501.69	1,501.69	001363
4/11/19	00019	4/01/19	189	201904	310-51300-34000			MANAGEMENT FEES-APR19	*	603.67		
		4/01/19	189	201904	310-51300-34100			INFORMATION TECH-APR19	*	83.33		
		4/01/19	189	201904	310-51300-31300			DISSEMINATION-APR19	*	208.33		
		4/01/19	189	201904	310-51300-51000			OFFICE SUPPLIES	*	.30		
		4/01/19	189	201904	310-51300-42000			POSTAGE	*	10.61		
		4/01/19	189	201904	310-51300-42500			COPIES GOVERNMENTAL MANAGEMENT SERVICES	*	1.05	907.29	001364
4/11/19	00047	4/06/19	49580	201903	320-53800-47300			RIGHT OF WAY MAINT-MAR19 EARTHSCAPES UNLIMITED INC.	*	4,037.46	4,037.46	001365

INDE INDIGO EAST TVISCARRA

AP300R

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER

RUN 5/14/19

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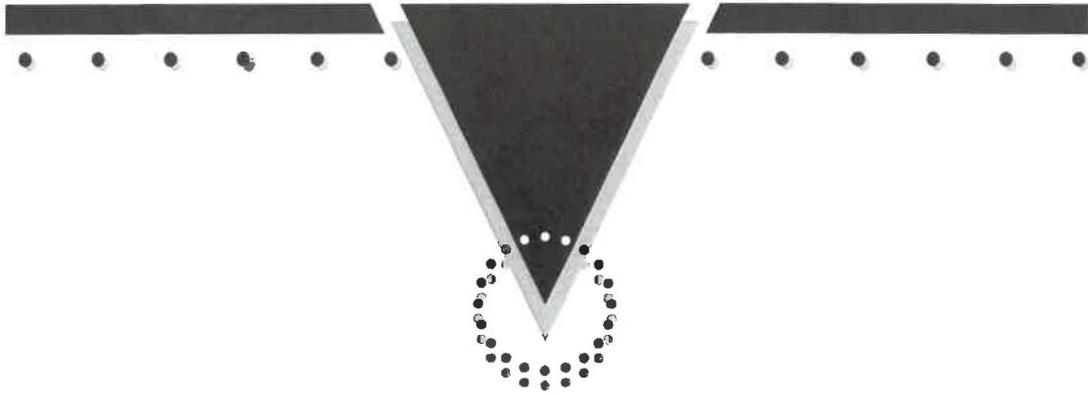
\*\*\* CHECK DATES 02/12/2019 - 05/14/2019 \*\*\*

INDIGO EAST - GENERAL FUND  
BANK A INDIGO EAST CDD

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED YRMO	TO DPT ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #	
4/11/19	00003	4/02/19	6-508-10	201903	310-51300-42000			DELIVERY-03/22/19 FEDEX	*	30.71	30.71	001366	
4/17/19	00043	4/08/19	70116409	201903	320-53800-43100			STREET LIGHTING - MAR19 SUMTER ELECTRIC COOPERATIVE, INC.	*	1,789.91	1,789.91	001367	
4/25/19	00003	4/16/19	6-523-55	201904	310-51300-42000			DELIVERY 04/11/19 FEDEX	*	41.00	41.00	001368	
4/25/19	00062	4/15/19	17440	201904	320-53800-49000			DIAMONDS LARGE-RD STRIPNG JOHN T. CROWDER, LLC	*	50.00	50.00	001369	
4/25/19	00055	4/22/19	4243	201904	320-53800-47000			POND MOWING-APR19 SHARP SITE SERVICES, LLC	*	1,501.69	1,501.69	001370	
5/09/19	00047	5/07/19	50157	201904	320-53800-47300			RIGHT OF WAY MAINT-APR19 EARTHSCAPES UNLIMITED INC.	*	4,037.46	4,037.46	001371	
5/09/19	00043	5/08/19	70116409	201904	320-53800-43100			STREET LIGHTING-APR19 SUMTER ELECTRIC COOPERATIVE, INC.	*	1,976.12	1,976.12	001372	
5/10/19	00019	5/01/19	190	201905	310-51300-34000			MANAGEMENT FEES-MAY19	*	603.67			
		5/01/19	190	201905	310-51300-34100			INFORMATION TECH-MAY19	*	83.33			
		5/01/19	190	201905	310-51300-31300			DISSEMINATION-MAY19	*	208.33			
		5/01/19	190	201905	310-51300-51000			OFFICE SUPPLIES	*	.51			
		5/01/19	190	201905	310-51300-42000			POSTAGE	*	19.16			
		5/01/19	190	201905	310-51300-42500			COPIES	*	6.60			
											GOVERNMENTAL MANAGEMENT SERVICES	921.60	001373
										TOTAL FOR BANK A	53,647.53		
										TOTAL FOR REGISTER	53,647.53		

INDE INDIGO EAST TVISCARRA

## SECTION 2



# Indigo East

## Community Development District

Unaudited Financial Reporting  
April 30, 2019



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**Indigo East**  
**Community Development District**  
**Combined Balance Sheet**  
For the Period Ended April 30, 2019

	<u>Governmental Fund Types</u>			<b>Totals</b>
	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Reserves</u>	<u>(Memorandum Only)</u> <b>2019</b>
<b><u>Assets:</u></b>				
Cash	\$169,125	---	---	\$169,125
Due From General Fund	---	\$3,483	---	\$3,483
Accrued Interest Receivable	---	\$190	\$99	\$289
<b><u>Investments - Bonds</u></b>				
Series 2016				
Reserve	---	\$32,905	---	\$32,905
Revenue	---	\$148,800	---	\$148,800
Prepayments	---	\$23,715	---	\$23,715
<b><u>Investments - Operating</u></b>				
State Board Administration	---	---	\$492,738	\$492,738
<b>Total Assets</b>	<b>\$169,125</b>	<b>\$209,094</b>	<b>\$492,836</b>	<b>\$871,055</b>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$6,014	---	---	\$6,014
Due to Debt Service	\$3,483	---	---	\$3,483
<b><u>Fund Balances:</u></b>				
Restricted for Debt Service	---	\$209,094	---	\$209,094
Assigned	---	---	\$492,836	\$492,836
Unassigned	\$159,629	---	---	\$159,629
<b>Total Liabilities and Fund Equity</b>	<b>\$169,125</b>	<b>\$209,094</b>	<b>\$492,836</b>	<b>\$871,055</b>

# Indigo East

## COMMUNITY DEVELOPMENT DISTRICT

### General Fund

#### Statement of Revenues & Expenditures

For the Period Ended April 30, 2019

	Adopted Budget	Prorated Budget Thru 4/30/19	Actual Thru 4/30/19	Variance
<b>Revenues:</b>				
Maintenance Assessments	\$195,929	\$195,929	\$181,628	(\$14,301)
Interest	\$200	\$117	\$40	(\$77)
<b>Total Revenues</b>	<b>\$196,129</b>	<b>\$196,046</b>	<b>\$181,667</b>	<b>(\$14,378)</b>
<b>Expenditures:</b>				
<b><u>Administrative</u></b>				
Supervisor Fees	\$4,000	\$2,333	\$1,600	\$733
FICA Expense	\$306	\$179	\$92	\$87
Engineering	\$1,200	\$700	\$0	\$700
Trustee Fees	\$2,050	\$2,050	\$2,020	\$30
Dissemination	\$2,700	\$1,575	\$1,658	(\$83)
Arbitrage	\$600	\$0	\$0	\$0
Assessment Roll	\$5,000	\$5,000	\$5,000	\$0
Attorney	\$6,000	\$3,500	\$3,000	\$500
Annual Audit	\$3,600	\$3,600	\$3,700	(\$100)
Management Fees	\$7,244	\$4,226	\$4,226	(\$0)
Information Technology	\$1,000	\$583	\$583	\$0
Telephone	\$100	\$58	\$0	\$58
Postage	\$1,500	\$875	\$592	\$283
Printing & Binding	\$800	\$467	\$139	\$328
Insurance	\$6,650	\$6,650	\$6,400	\$250
Legal Advertising	\$1,000	\$583	\$0	\$583
Other Current Charges	\$700	\$408	\$319	\$89
Office Supplies	\$200	\$117	\$58	\$59
Property Taxes	\$35	\$35	\$0	\$35
Dues, Licenses, & Subscriptions	\$175	\$175	\$175	\$0
<b>Total Administrative</b>	<b>\$44,860</b>	<b>\$33,114</b>	<b>\$29,563</b>	<b>\$3,551</b>
<b><u>Maintenance</u></b>				
Water & Sewer	\$0	\$0	\$910	(\$910)
Electric Expense	\$25,432	\$14,835	\$13,324	\$1,511
Irrigation Repairs	\$3,000	\$1,750	\$0	\$1,750
Retention Ponds	\$18,020	\$10,512	\$10,512	\$0
ROW Maintenance	\$88,975	\$51,902	\$32,333	\$19,570
Plant Replacement	\$5,000	\$5,000	\$0	\$5,000
Tree Trimming	\$2,500	\$1,458	\$0	\$1,458
Pressure Washing	\$6,000	\$3,500	\$0	\$3,500
Well Maintenance / Repairs	\$10,000	\$5,833	\$0	\$5,833
Contingency	\$5,000	\$2,917	\$514	\$2,403
<b>Total Maintenance</b>	<b>\$163,927</b>	<b>\$97,708</b>	<b>\$57,591</b>	<b>\$40,116</b>
<b>Total Expenditures</b>	<b>\$208,787</b>	<b>\$130,822</b>	<b>\$87,154</b>	<b>\$43,667</b>
<b>Excess Revenues (Expenditures)</b>	<b>(\$12,658)</b>		<b>\$94,513</b>	
<b>Fund Balance - Beginning</b>	<b>\$12,658</b>		<b>\$65,115</b>	
<b>Fund Balance - Ending</b>	<b>(\$0)</b>		<b>\$159,629</b>	

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

Adopted Budget	Prorated Thru 4/30/19	Actual Thru 4/30/19	Variance
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**Revenues:**

Assessments - Tax Roll	\$90,303	\$90,303	\$88,302	(\$2,001)
Assessments - Prepayments	\$0	\$0	\$22,145	\$22,145
Interest	\$200	\$117	\$249	\$132
<b>Total Revenues</b>	<b>\$90,503</b>	<b>\$90,420</b>	<b>\$110,696</b>	<b>\$20,277</b>

**Expenditures:**

**Series 2016**

Special Call - 11/1	\$10,000	\$10,000	\$10,000	\$0
Interest - 11/1	\$23,788	\$23,788	\$23,788	\$0
Principal - 5/1	\$45,000	\$0	\$0	\$0
Interest - 5/1	\$23,788	\$0	\$0	\$0

<b>Total Expenditures</b>	<b>\$102,576</b>	<b>\$33,788</b>	<b>\$33,788</b>	<b>\$0</b>
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<b>Excess Revenues (Expenditures)</b>	<b>(\$12,073)</b>	<b>\$76,909</b>		
---------------------------------------	-------------------	-----------------	--	--

<b>Fund Balance - Beginning</b>	<b>\$99,264</b>	<b>\$132,185</b>		
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<b>Fund Balance - Ending</b>	<b>\$87,191</b>	<b>\$209,094</b>		
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**Indigo East**  
**Community Development District**  
**Capital Reserves Fund**  
For the Period Ended April 30, 2019

	Adopted Budget	Prorated Thru 4/30/19	Actual Thru 4/30/19	Variance
<b><u>Revenues:</u></b>				
Interest	\$8,000	\$4,667	\$7,284	\$2,617
<b>Total Revenues</b>	<b>\$8,000</b>	<b>\$4,667</b>	<b>\$7,284</b>	<b>\$2,617</b>
<b><u>Expenditures:</u></b>				
Capital Outlay	\$0	\$0	\$0	\$0
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Excess Revenues (Expenditures)</b>	<b>\$8,000</b>		<b>\$7,284</b>	
<b>Fund Balance - Beginning</b>	<b>\$485,187</b>		<b>\$485,552</b>	
<b>Fund Balance - Ending</b>	<b>\$493,187</b>		<b>\$492,836</b>	

**Indigo East**  
COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND  
Month to Month Detail

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
<b>Revenues:</b>													
Maintenance Assessments	\$2,363	\$27,362	\$53,746	\$88,787	\$2,828	\$3,982	\$2,560	\$0	\$0	\$0	\$0	\$0	\$181,628
Interest	\$8	\$3	\$4	\$7	\$6	\$7	\$6	\$0	\$0	\$0	\$0	\$0	\$40
<b>Total Revenues</b>	<b>\$2,371</b>	<b>\$27,365</b>	<b>\$53,750</b>	<b>\$88,794</b>	<b>\$2,834</b>	<b>\$3,989</b>	<b>\$2,565</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$181,667</b>
<b>Expenditures:</b>													
<b>Administrative</b>													
Supervisor Fee	\$0	\$800	\$0	\$0	\$800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,600
FICA Expense	\$0	\$46	\$0	\$0	\$46	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$92
Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trustee Fees	\$0	\$0	\$2,020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,020
Dissemination	\$308	\$208	\$208	\$208	\$208	\$308	\$208	\$0	\$0	\$0	\$0	\$0	\$1,658
Arbitrage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Assessment Roll	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
Attorney	\$0	\$1,500	\$0	\$0	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000
Annual Audit	\$0	\$0	\$0	\$0	\$3,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,700
Management Fees	\$604	\$604	\$604	\$604	\$604	\$604	\$604	\$0	\$0	\$0	\$0	\$0	\$4,226
Information Technology	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$0	\$0	\$0	\$0	\$0	\$583
Telephone	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Postage	\$10	\$170	\$2	\$16	\$250	\$94	\$52	\$0	\$0	\$0	\$0	\$0	\$592
Printing & Binding	\$16	\$4	\$58	\$5	\$6	\$50	\$1	\$0	\$0	\$0	\$0	\$0	\$139
Insurance	\$6,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,400
Legal Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Charges	\$43	\$40	\$40	\$42	\$43	\$41	\$71	\$0	\$0	\$0	\$0	\$0	\$319
Office Supplies	\$1	\$0	\$28	\$1	\$0	\$28	\$0	\$0	\$0	\$0	\$0	\$0	\$58
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dues, Licenses, & Subscriptions	\$0	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
<b>Total Administrative</b>	<b>\$12,465</b>	<b>\$3,630</b>	<b>\$3,043</b>	<b>\$959</b>	<b>\$7,240</b>	<b>\$1,208</b>	<b>\$1,019</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,563</b>
<b>Maintenance:</b>													
Water & Sewer	\$170	\$182	\$171	\$170	\$102	\$114	\$0	\$0	\$0	\$0	\$0	\$0	\$910
Electric Expense	\$1,887	\$0	\$1,853	\$1,960	\$3,858	\$1,790	\$1,976	\$0	\$0	\$0	\$0	\$0	\$13,324
Irrigation Repairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retention Ponds	\$1,502	\$1,502	\$1,502	\$1,502	\$1,502	\$1,502	\$1,502	\$0	\$0	\$0	\$0	\$0	\$10,512
ROW Maintenance	\$4,037	\$4,037	\$4,037	\$4,037	\$4,037	\$8,108	\$4,037	\$0	\$0	\$0	\$0	\$0	\$32,333
Plant Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tree Trimming	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pressure Washing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$464	\$0	\$0	\$0	\$50	\$0	\$0	\$0	\$0	\$0	\$514
<b>Total Maintenance</b>	<b>\$7,595</b>	<b>\$5,721</b>	<b>\$8,027</b>	<b>\$7,669</b>	<b>\$9,500</b>	<b>\$11,514</b>	<b>\$7,565</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$57,591</b>
<b>Total Expenditures</b>	<b>\$20,060</b>	<b>\$9,351</b>	<b>\$11,070</b>	<b>\$8,628</b>	<b>\$16,739</b>	<b>\$12,722</b>	<b>\$8,584</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$87,154</b>
<b>Excess Revenues (Expenditures)</b>	<b>(\$17,689)</b>	<b>\$18,013</b>	<b>\$42,680</b>	<b>\$80,166</b>	<b>(\$13,905)</b>	<b>(\$8,733)</b>	<b>(\$6,019)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$94,513</b>

**Indigo East**  
**Community Development District**  
**LONG TERM DEBT REPORT**

<b>SERIES 2016, SPECIAL ASSESSMENT BONDS</b>		
INTEREST RATE:	3.561%, 4.125% 4.500%	
MATURITY DATE:	5/1/2037	
RESERVE FUND DEFINITION	Flat Rate	
RESERVE FUND REQUIREMENT	\$32,905	
RESERVE FUND BALANCE	\$32,905	
BONDS OUTSTANDING - 11/17/16		\$1,745,000
LESS: PRINCIPAL PAYMENT 5/1/17		(\$25,000)
LESS: PRINCIPAL PAYMENT 5/1/17 Prepayment		(\$145,000)
LESS: PRINCIPAL PAYMENT 11/1/17 Prepayment		(\$190,000)
LESS: PRINCIPAL PAYMENT 5/1/18		(\$55,000)
LESS: PRINCIPAL PAYMENT 5/1/18 Prepayment		(\$170,000)
<b>CURRENT BONDS OUTSTANDING</b>		<b>\$1,160,000</b>



# SECTION 3



# Wesley Wilcox

Supervisor of Elections, Marion County, FL

## Election Center

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

M PO Box 289 • Ocala, FL 34478-0289

P 352-620-3290

F 352-620-3286

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

April 15, 2019

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

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

Lauren,

In accordance with Chapter 190 (3)(a)(2)(d) and with reference to your letter requesting registered voters in **Indigo East Community Development District**, as of April 15, 2019, our records indicate there are **687** active registered voters in the boundaries of the referenced development.

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

Sincerely,

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

RECEIVED  
APR 17 2019

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

# AUDIT COMMITTEE MEETING

## SECTION III

# SECTION A

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT  
REQUEST FOR PROPOSALS**

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

**INSTRUCTIONS TO PROPOSE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## AUDITOR SELECTION EVALUATION CRITERIA

**1. *Ability of Personnel.* (20 Points)**

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

**2. *Proposer's Experience.* (20 Points)**

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

**3. *Understanding of Scope of Work.* (20 Points)**

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

**4. *Ability to Furnish the Required Services.* (20 Points)**

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

**5. *Price.* (20 Points)**

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

# SECTION B

**INDIGO EAST  
COMMUNITY DEVELOPMENT DISTRICT  
REQUEST FOR PROPOSALS FOR ANNUAL AUDIT SERVICES**

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

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

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

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

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