

***Deer Run Community  
Development District***

***Agenda***

***May 24, 2018***

# AGENDA

# *Deer Run*

## *Community Development District*

---

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

May 17, 2018

**Board of Supervisors  
Deer Run Community  
Development District**

Dear Board Members:

The Board of Supervisors of Deer Run Community Development District will meet **Thursday, May 24, 2018 at 3:00 PM at the Government Services Building, 1769 E. Moody Blvd, Bunnell, FL.** Following is the advance agenda for the meeting:

- I. Roll Call
- II. Public Comment Period
- III. Approval of Minutes of the October 12, 2017 Meeting
- IV. Review and Acceptance of Revised Draft Fiscal Year 2017 Audit Report
- V. Consideration of Resolution 2018-02 Approving the Proposed Fiscal Year 2019 Budget and Setting a Public Hearing
- VI. Discussion of Proposals
  - A. Lake Clean Up with Applied Aquatic Management, Inc.
  - B. Landscaping with Yellowstone Landscape
- VII. Staff Reports
  - A. Attorney
  - B. Engineer
  - C. District Manager's Report
    - 1. Approval of Check Registers
    - 2. Balance Sheet and Income Statement
    - 3. Presentation of Number of Registered Voters – 38
    - 4. Designation of **November 15, 2018** as Landowners' Meeting Date
    - 5. Field Manager's Report
- VIII. Other Business
- IX. Supervisors Requests
- X. Adjournment

The second order of business of the Board of Supervisors Meeting 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.

The third order of business is approval of the minutes from the October 12, 2017 meeting. A copy of the minutes is enclosed for your review.

The fourth order of business is the review and acceptance of the revised draft Fiscal Year 2017 Audit Report. A copy of the report is enclosed for your review.

The fifth order of business is the consideration of Resolution 2018-02 approving the proposed Fiscal Year 2019 budget and setting a public hearing. Once approved, the proposed budget will be forwarded to the governing authorities at least 60 days prior to the final budget hearing. A copy of the Resolution and proposed budget are enclosed for your review.

The sixth order of business is discussion of proposals. Section A is a proposal from Applied Aquatic Management, Inc. for lake clean up. A copy of the proposal is enclosed for your review. Section B is landscaping proposals from Yellowstone Landscape. Copies of the proposals are enclosed for your review.

Section C of the seventh order of business is the District Manager's report. Section 1 includes the check registers being submitted for approval and Section 2 includes the balance sheet and income statement for your review. Section 3 is the presentation of the number of registered voters within the boundaries of the District, a copy of the letter from the Flagler County Supervisor of Elections is enclosed for your review. Section 4 is the designation of November 15, 2018 as the landowners' meeting date. A copy of the instructions, sample agenda and landowners' proxy is enclosed for your review. Section 5 is the Field Manager's Report that will update you on the status of any field or maintenance issues around the community. The report will be provided under separate cover.

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

Sincerely,



Jason M. Showe  
District Manager

CC: Roy Van Wyk, District Counsel  
Rey Malave, District Engineer  
Gina Grimes, Hill Ward Henderson  
Irvin Weinstein, Roger Towers, P.A.  
Michael Dady, Lerner Real Estate Advisors  
Darrin Mossing, GMS

Enclosures



# MINUTES

MINUTES OF MEETING  
DEER RUN  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Deer Run Community Development District was held Thursday, October 12, 2017 at 3:00 p.m. in the Emergency Operations Center, 1769 E. Moody Boulevard, Bunnell, Florida.

Present and constituting a quorum were:

Robert Porter	Chairman
Mark Dearing	Vice Chairman
Duane Owen	Assistant Secretary
James Teagle	Assistant Secretary
Jan Doan	Assistant Secretary

Also present were:

Jason Showe	District Manager
Sarah Warren	District Counsel
John Shultheis	District Engineer
Darrin Mossing	GMS (by phone)
Alan Scheerer	Field Manager (by phone)
Brett Sealy	MBS Capital Markets (by phone)
Ashton Bligh	Greenberg Traurig (by phone)
Residents	

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Porter called the meeting to order.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Ms. Johnston stated Jason Showe and I have corresponded quite a bit and he did a very nice job answering my questions. I think it is terrible that the maps referenced in all the information received were in Orlando and not here in Flagler County. The maps should have been in Bunnell.

Mr. Porter asked which maps?

Ms. Johnston stated there were maps about the whole development that were referenced in the paper. The resolution kept referring to different maps.

Mr. Porter stated we have a website and any time you need more information if you go to that website you will find a link to contact Jason and he will share. Anything we are doing we are happy to send you copies of and that sort of thing. If you see this kind of thing come up let Jason know and we can send you copies of maps or whatever we need to.

Ms. Johnston stated the last paragraph said that we can contact the office in Orlando and it would have been much easier if that office were here.

Mr. Porter stated one of the things that is in the works is to do an amenity center in Grand Reserve and at that amenity center there will be meeting rooms, offices that kind of thing and once we get that up and running I expect that we will move all of our records so we will have all of our records onsite.

Ms. Johnston asked will there be a pool at the amenity center? The only picture I could find was on D.R. Horton's website.

Mr. Porter stated I haven't looked at the picture on the website lately. We will send you copies. D.R. Horton is doing the design at this point it is not the District, the District has no money right now but Horton is working on getting the architectural drawings done and we can send you a copy. At the end of the meeting I will give you one of my business cards so you will know how to get in touch with me.

Because we haven't had folks here before let me introduce myself, I'm Bob Porter I work for D.R. Horton and I handle acquisition and development for Horton and I'm very much involved in it. James Teagle is also a Horton employee and James is the one who has been managing all the work on the entryway, upgrades and new landscaping and so forth. He will be managing the process of getting all that stuff designed and the work that has been done so far. Jan Doan is a developer who has developed a lot of projects over the years and Mr. Owen is another developer in Central Florida. We have folks with a lot of experience on the Board.

Ms. Johnston stated for the \$3 million you are asking us to pay it would be nice to know if there were a swimming pool.

Mr. Teagle stated there is.

Mr. Porter stated it is a two-story building, an open area on the top that I think you will have a view of the golf course from, two or three meeting rooms, an exercise room, pool and there will be lanes for people who want to swim laps, Baja shelf if you just want to relax in 18" of water, four pickle ball courts, a couple of bocce ball courts. I will be happy to get you some

more information on it. You don't have to wait for me to answer questions you can contact Jason he is our District Manager.

**THIRD ORDER OF BUSINESS****Approval of the Minutes of the August 24, 2017 Meeting**

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor the minutes of the August 24, 2017 meeting were approved as presented.

**FOURTH ORDER OF BUSINESS****Public Hearing**

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor the public hearing was opened.

**A. Consideration of Engineer's Report**

Mr. Porter stated we have an engineer's report that talks about what the plans are and for those of you who have not seen this before the original plans for Grand Reserve was 999 units total and over 500 were townhouses. We don't think townhouses is the best solution in Palm Coast so Horton is changing that and it will be a mixture of 40 and 50 foot single-family lots without any townhomes. The intent is we are going to add a third product line, which is what we call Freedom Homes that will be essentially 55 and over, gated community kind of thing. It does talk a little about the amenity center.

Mr. Shultheis stated I apologize I only have the seven copies just let me know if you have any questions on this.

Mr. Porter stated I will give you my copy before we leave. It does have a map that shows the intended land plan that will give you an idea of what we think is coming. The same areas that were included in all the plans before the only difference is the density is a little lower. What we are talking about using the bonds for is building an amenity center and potentially some additional landscaping, all of the future development, roads, water, sewer, streets and so forth will be done by D.R. Horton.

**B. Consideration of Assessment Methodology Report**

Mr. Showe stated essentially the assessment methodology lays out all the terms of what is in the Engineer's Report for construction and levies those new dollars onto the properties in terms of how we are going to assess going forward. It speaks to the fact that essentially any lots that have already been sold to third parties their assessments will remain the same but they will be longer terms due to the new funding. The rest of the lots are all D.R. Horton so they will be assessed at those rates as well.

Ms. Warren stated I want to note for the record for clarity purposes that the refunding component is not extended, that term stays the same it is just the new money component that has an additional term.

For purposes of the record, is it in your professional opinion that the assessments levied are less than or equal to the benefit that the properties will receive?

Mr. Showe stated yes.

Ms. Warren asked when levied in accordance with the methodology there will be a fair and reasonable apportionment of the assessments?

Mr. Showe responded correct.

### **C. Public Comment and Testimony**

There being none, the next item followed.

### **D. Consideration of Resolution 2018-01 Levying Assessments**

Mr. Showe stated attached to this resolution will be final copies of the Engineer's Report and the assessment report that we just talked about.

Ms. Warren stated I will note that we worked on the mailed and published notices with the District Manager's office and they were provided as required by statute and this resolution confirms your authorization of the project that is set forth in the Engineer's Report that was just presented as well as your adoption of the amended master assessment methodology that was just presented. This resolution sets the maximum cap on assessments and when you reach the stage that we issue the refunding and revenue bonds we will adopt a subsequent resolution that will levy the assessments that are specific to the amount of bonds that are issued.

On MOTION by Mr. Doan seconded by Mr. Teagle with all in favor Resolution 2018-01 was approved.

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor the Public Hearing was closed.

## **FIFTH ORDER OF BUSINESS**

### **Consideration of Agreement with Berger, Toombs, Elam, Gaines & Frank for Auditing Services**

Mr. Porter stated next is consideration of an agreement with Berger Toombs Elam Gaines & Frank for auditing services. CDDs are required to have an audit every year and we go out and ask for proposals from auditors, we rank them and pick one. Normally they are all very well qualified and we pick the one that costs the least.

Mr. Showe stated we did the bid in 2016 and they did your audit in 2016 and pursuant to Florida Statutes because they are requiring them to be done earlier now we try to get the process started early so that as soon as we close the books we can get rolling on the audit.

On MOTION by Mr. Dearing seconded by Mr. Teagle with all in favor the engagement letter with Berger Toombs to perform the Fiscal Year 2017 audit was approved.

## **SIXTH ORDER OF BUSINESS**

### **Staff Reports**

#### **A. Attorney**

There being none, the next item followed.

#### **B. Engineer**

There being none, the next item followed.

#### **C. Manager**

##### **i. Approval of Check Register**

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor the check register was approved.

**ii. Balance Sheet and Income Statement**

A copy of the balance sheet and income statement were included in the agenda package.

**iii. Field Manager's Report**

Mr. Scheerer stated I think everybody can see the progress that has been made out there. We are grateful to D.R. Horton for all the wonderful improvements at both entrances. We did have a hiccup with one of the fountains and I want to give some credit to Scott Barnes with Yellowstone in helping us diagnose and correct the problem at the 100 fountain. We are also working with Applied Aquatic right now to get through all the ponds per the proposal that was approved by the Board at the last meeting. I think everything is looking good, the new landscape maintenance schedule has benefited everybody out there and it is nice to see all the progress.

Mr. Porter stated I think it looks a lot better. I live in Jacksonville and I'm not here nearly as often as you are. If you see things that don't look right you can go through Jason. I know there hasn't been any money in the District for a long time and we were not happy with the way the mowing was being done and some of the rest of it. We increased frequency and that sort of thing but if you see stuff that needs to be addressed let us know because we have the same thing in mind that you do and that is we want to drive property values as high as we can get them.

There is going to be a lot of work done out on the U.S. 1 entrance. We are getting the plans finished and getting it permitted and that kind of thing. That entry is going to get rebuilt as well.

Ms. Johnston stated it looks very nice but one thing your company did when the hurricane was coming they were out there doing the best they could putting everything in dumpsters and things stayed in those big dumpsters.

Mr. Porter stated our builder and his wife were out before the storm putting covers over dumpsters.

Ms. Johnston asked is the amenity center going to be a Category 3 or 4 building or anything like that?

Mr. Porter stated it is a 120-mph wind design, essentially the answer is yes.

Mr. Jones stated we have been here about five years and one of the things that we see is you are doing it all in concrete and we have pavers. My wife and I are also walkers and bicycle

people and we have to walk in the street now and that has been going on since the construction started because of stuff blocking sidewalks, because of trucks blocking sidewalks because of a number of things.

Mr. Porter stated I will talk to Kevin and let him know. I will give all of you my card and if there are any problems with what Horton is doing let me know and I will pass it along to our construction folks or whoever. We try to be good neighbors but as you know there is a ton of work going on out there and a lot of different subs, some do a better job than others.

Mr. Jones stated Kevin does respond and there have been a couple of issues with trash all over the place and I mentioned it to him and he does respond. We have a good relationship with him and we have a good relationship with D.R. Horton too.

Mr. Porter stated we want to be good neighbors but there is going to be trash from construction but we will clean it up. If you see problems that we are causing, stuff we break we will fix. I think communication is the most important thing.

Because we have not had folks here before and I'm sure you were told ten years ago about how the CDD works in terms of governance and that kind of thing, right now when we have elections we have landowner elections and it is one vote per lot or per acre so right now Horton will have 1,000 votes and you each get one in terms of the Board Members. When we get to the point where we have 250 registered voters then the first election after that there will be two seats that can only be filled by residents and are only voted on by residents. That will be the first election once we get 250 people. The following election two years later there will be two more seats that transition and the election after that it is all residents. You will see a little more representation as we move forward.

## **SEVENTH ORDER OF BUSINESS**

### **Other Business**

There being none, the next item followed.

## **EIGHTH ORDER OF BUSINESS**

### **Supervisor's Requests**

Mr. Porter asked is there anything else you want to talk about?

McPherson stated is the HOA coming?

Mr. Porter stated the HOA and the CDD are two entirely different things, the CDD is a government just like the City of Bunnell or Flagler County and the CDD takes care of the reuse



system, some of the roads, the common areas, entryways that kind of thing. But the CDD does not have any authority to do things like architectural control and that sort of thing that is the HOA. The CDD is not by law allowed to get into that. Mark is our in-house attorney and he may know what's going on with the HOA but it is a separate group and I don't know a thing about it.

Mr. Dearing stated I can talk to you about that after the meeting is over.

On MOTION by Mr. Doan seconded by Mr. Teagle with all in favor the meeting adjourned at 3:25 p.m.

---

Secretary/Assistant Secretary

---

Chairman/Vice Chairman

## SECTION IV

**Deer Run Community  
Development District**  
**ANNUAL FINANCIAL REPORT**  
**September 30, 2017**

## Deer Run Community Development District

## ANNUAL FINANCIAL REPORT

September 30, 2017

TABLE OF CONTENTS

	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	15
Notes to Financial Statements	16-29
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	30-31
MANAGEMENT LETTER	32-34
INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	35

## **REPORT OF INDEPENDENT AUDITORS**

To the Board of Supervisors  
Deer Run Community Development District  
Flagler County, Florida

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of Deer Run Community Development District as of and for the year ended September 30, 2017, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

To the Board of Supervisors  
Deer Run Community Development District

### **Opinion**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of Deer Run Community Development District as of September 30, 2017, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated April XX, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Deer Run Community Development District's internal control over financial reporting and compliance.

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

April XX, 2018

**Deer Run Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

Management's discussion and analysis of Deer Run Community Development District (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities for the fiscal year ended September 30, 2017. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

**Deer Run Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

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

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

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

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

**Financial Highlights**

The following are the highlights of financial activity for the year ended September 30, 2017.

- ♦ The District's total assets were exceeded by total liabilities by \$(10,043,659) (net position). Unrestricted net position for Governmental Activities was \$(9,231,739). Net investment in capital assets was \$(811,920).
- ♦ Governmental activities revenues totaled \$124,023 while governmental activities expenses totaled \$1,088,333.



**Deer Run Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

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

**Financial Analysis of the District**

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

**Net Position**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Current assets	\$ 49,363	\$ 103,961
Restricted assets	97,956	83,300
Capital assets	2,755,986	2,857,476
Total Assets	<u>2,903,305</u>	<u>3,044,737</u>
Current liabilities	5,691,964	4,734,086
Non-current liabilities	7,255,000	7,390,000
Total Liabilities	<u>12,946,964</u>	<u>12,124,086</u>
Net Position		
Net investment in capital assets	(811,920)	(710,430)
Unrestricted	(9,231,739)	(8,368,919)
Total Net Position	<u><u>\$(10,043,659)</u></u>	<u><u>\$(9,079,349)</u></u>

The decrease in current assets was primarily due to expenditures in excess of revenues in the General Fund.

The decrease in capital assets and net investment in capital assets is the result of depreciation in the current year.

The increase in total liabilities was primarily due to increases in accrued interest and matured interest payable.

The increase in restricted assets is primarily the result of the current year special assessments for debt service.

**Deer Run Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

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

**Financial Analysis of the District (Continued)**

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes. It is not intended to be a complete presentation of District-wide financial activity.

**Change in Net Position**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Program Revenues		
Charges for services	\$ 90,666	\$ 109,297
Contributions	30,000	-
General Revenues		
Investment earnings	257	67
Miscellaneous revenues	3,100	7,700
Total Revenues	<u>124,023</u>	<u>117,064</u>
Expenses		
General government	76,592	74,606
Physical environment	195,072	196,039
Interest on long-term debt	816,669	868,420
Total Expenses	<u>1,088,333</u>	<u>1,139,065</u>
Change in Net Position	(964,310)	(1,022,001)
Net Position - Beginning of Year	<u>(9,079,349)</u>	<u>(8,057,348)</u>
Net Position - End of Year	<u>\$ (10,043,659)</u>	<u>\$ (9,079,349)</u>

The decrease in charges for services and increase in contributions was the result of the nonpayment of special assessments in the current year.

The decrease in interest is related to the lower accrual for interest on the matured interest in the current year.

**Deer Run Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

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

**Capital Assets Activity**

The following schedule provides a summary of the District's capital assets as of September 30, 2017 and 2016.

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Infrastructure	\$ 3,567,906	\$ 3,567,906
Accumulated depreciation	(811,920)	(710,430)
Total Capital Assets (Net)	<u>\$ 2,755,986</u>	<u>\$ 2,857,476</u>

The activity for the year consisted of \$101,490 in depreciation.

**General Fund Budgetary Highlights**

Actual expenditures were less than budgeted amounts primarily because of less attorney fees and lake maintenance than expected.

There were no amendments to the September 30, 2017 budget.

**Debt Management**

Governmental Activities debt includes the following:

- ◆ In May 2008, the District issued \$8,165,000 Series 2008 Special Assessment Bonds. These bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Many of those improvements have been conveyed to other governments. As of September 30, 2017, the Series 2008 Bond was in default and matured bonds payable totaled \$700,000. The balance not yet matured outstanding at September 30, 2017 was \$7,390,000.

**Deer Run Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

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

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

The District anticipates the issuance of additional debt to fund improvements to the Clubhouse. In addition, it is anticipated that the general operations of the District will remain fairly constant.

**Request for Information**

The financial report is designed to provide a general overview of Deer Run Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Deer Run Community Development District, Governmental Management Services, CF, LLC, 135 West Central Boulevard, Suite 320, Orlando, FL 32801.

**Deer Run Community Development District  
STATEMENT OF NET POSITION  
September 30, 2017**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 37,987
Accounts receivable	3,898
Due from other governments	77
Prepaid expenses	7,401
Total Current Assets	<u>49,363</u>
Non-current Assets	
Restricted assets	
Investments	97,956
Capital assets, being depreciated	
Infrastructure	3,567,906
Less: accumulated depreciation	<u>(811,920)</u>
Total Non-current Assets	<u>2,853,942</u>
Total Assets	<u>2,903,305</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	20,053
Accrued interest	1,114,286
Unearned revenues	21,450
Bonds payable - current portion	135,000
Matured bonds payable	700,000
Matured interest payable	3,701,175
Total Current Liabilities	<u>5,691,964</u>
Non-current Liabilities	
Bonds payable	7,255,000
Total Liabilities	<u>12,946,964</u>
<b>NET POSITION</b>	
Net investment in capital assets	(811,920)
Unrestricted	<u>(9,231,739)</u>
Total Net Position	<u>\$ (10,043,659)</u>

*See accompanying notes to financial statements.*

**Deer Run Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2017**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense)</b>
		<b>Charges for</b>	<b>Operating</b>	<b>Revenues and</b>
		<b>Services</b>	<b>Grants and</b>	<b>Changes in</b>
			<b>Contributions</b>	<b>Net Position</b>
				<b>Governmental</b>
				<b>Activities</b>
<b>Governmental Activities</b>				
General government	\$ (76,592)	\$ 34,339	\$ 13,502	\$ (28,751)
Physical environment	(195,072)	41,957	16,498	(136,617)
Interest on long-term debt	(816,669)	14,370	-	(802,299)
<b>Total Governmental Activities</b>	<b>\$ (1,088,333)</b>	<b>\$ 90,666</b>	<b>\$ 30,000</b>	<b>(967,667)</b>
<b>General revenues:</b>				
Investment earnings				257
Miscellaneous revenues				3,100
<b>Total General Revenues</b>				<b>3,357</b>
<b>Change in Net Position</b>				<b>(964,310)</b>
<b>Net Position - October 1, 2016</b>				<b>(9,079,349)</b>
<b>Net Position - September 30, 2017</b>				<b>\$ (10,043,659)</b>

*See accompanying notes to financial statements.*

**Deer Run Community Development District  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2017**

	General	2008 Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 37,987	\$ -	\$ -	\$ 37,987
Accounts receivable	3,898	-	-	3,898
Due from other governments	18	59	-	77
Prepaid items	7,401	-	-	7,401
Restricted assets				
Investments, at fair value	-	97,850	106	97,956
Total Assets	<u>\$ 49,304</u>	<u>\$ 97,909</u>	<u>\$ 106</u>	<u>\$ 147,319</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 20,053	\$ -	\$ -	\$ 20,053
Unearned revenues	21,450	-	-	21,450
Matured bonds payable	-	700,000	-	700,000
Matured interest payable	-	3,701,175	-	3,701,175
Total Liabilities	<u>41,503</u>	<u>4,401,175</u>	<u>-</u>	<u>4,442,678</u>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	7,401	-	-	7,401
Restricted				
Capital projects	-	-	106	106
Unassigned	400	(4,303,266)	-	(4,302,866)
Total Fund Balances	<u>7,801</u>	<u>(4,303,266)</u>	<u>106</u>	<u>(4,295,359)</u>
Total Liabilities and Fund Balances	<u>\$ 49,304</u>	<u>\$ 97,909</u>	<u>\$ 106</u>	<u>\$ 147,319</u>

See accompanying notes to financial statements.

**Deer Run Community Development District  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
September 30, 2017**

Total Governmental Fund Balances \$ (4,295,359)

Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Capital assets being depreciated, infrastructure, \$3,567,906, net of accumulated depreciation, \$(811,920), used in governmental activities are not current financial resources and therefore, are not reported at the fund level. 2,755,986

Long-term liabilities, such as bonds payable, are not due and payable in the current period and therefore, are not reported at the fund level. (7,390,000)

Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the fund level. (1,114,286)

Net Position of Governmental Activities \$ (10,043,659)

*See accompanying notes to financial statements.*



**Deer Run Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**September 30, 2017**

	General	2008 Debt Service	Capital Projects	Totals Governmental Funds
<b>REVENUES</b>				
Special assessments	\$ 76,296	\$ 14,370	\$ -	\$ 90,666
Contributions from bondholders	30,000	-	-	30,000
Investment earnings	-	257	-	257
Miscellaneous revenues	3,100	-	-	3,100
Total Revenues	<u>109,396</u>	<u>14,627</u>	<u>-</u>	<u>124,023</u>
<b>EXPENDITURES</b>				
Current				
General government	76,592	-	-	76,592
Physical environment	93,582	-	-	93,582
Debt service				
Principal	-	125,000	-	125,000
Interest	-	616,862	-	616,862
Total Expenditures	<u>170,174</u>	<u>741,862</u>	<u>-</u>	<u>912,036</u>
Net change in fund balances	(60,778)	(727,235)	-	(788,013)
Fund Balances - October 1, 2016	<u>68,579</u>	<u>(3,576,031)</u>	<u>106</u>	<u>(3,507,346)</u>
Fund Balances - September 30, 2017	<u>\$ 7,801</u>	<u>\$ (4,303,266)</u>	<u>\$ 106</u>	<u>\$ (4,295,359)</u>

See accompanying notes to financial statements.

**Deer Run Community Development District**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2017**

Net Change in Fund Balances - Total Governmental Funds \$ (788,013)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures, however in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period. (101,490)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 125,000

In the Statement of Activities, interest is accrued on outstanding bonds, matured bonds and matured interest, whereas in governmental funds, interest expenditures are reported when due. This is the net amount between the prior year and the current year accruals. (199,807)

Change in Net Position of Governmental Activities \$ (964,310)

*See accompanying notes to financial statements.*

**Deer Run Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended September 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Special assessments	\$ 182,971	\$ 182,971	\$ 76,296	\$ (106,675)
Contributions from bondholders	-	-	30,000	30,000
Miscellaneous revenues	4,800	4,800	3,100	(1,700)
Total Revenues	<u>187,771</u>	<u>187,771</u>	<u>109,396</u>	<u>(78,375)</u>
<b>Expenditures</b>				
Current				
General government	81,401	81,401	76,592	4,809
Physical environment	106,370	106,370	93,582	12,788
Total Expenditures	<u>187,771</u>	<u>187,771</u>	<u>170,174</u>	<u>17,597</u>
Net change in fund balances	-	-	(60,778)	(60,778)
Fund Balances - October 1, 2016	-	-	68,579	68,579
Fund Balances - September 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,801</u>	<u>\$ 7,801</u>

See accompanying notes to financial statements.

**Deer Run Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

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

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

**1. Reporting Entity**

The District was established on May, 15, 2007 by an ordinance of the Board of City Commissioners of the City Of Bunnell, Florida, under the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is governed by a five-member Board of Supervisors, who are elected by the property owners for terms of four and two years. The District operates within the criteria established by Chapter 190, Florida Statutes. The Board has the responsibility for assessing and levying assessments, approving budgets, exercising control over facilities and properties, controlling the use of funds generated by the District, approving the hiring and firing of key personnel, and financing improvements.

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

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

**2. Measurement Focus and Basis of Accounting**

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

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

**Deer Run Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

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

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

**a. Government-wide Financial Statements**

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

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

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

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

**b. Fund Financial Statements**

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

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

**Deer Run Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

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

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

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

**Governmental Funds**

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

The District has various policies governing the fund balance classifications.

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

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

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

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

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

**Deer Run Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

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

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

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

**Governmental Funds (Continued)**

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

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

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

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

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

Debt service expenditures are recorded only when payment is due.

**3. Basis of Presentation**

**a. Governmental Major Funds**

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

**Deer Run Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

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

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

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

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

Capital Projects Fund – The Capital Project Fund accounts for construction of infrastructure improvements within the boundaries of the district, which is funded by bond proceeds. A lien is placed on all benefited land in relationship to the debt outstanding.

**b. Non-current Governmental Assets/Liabilities**

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

**4. Assets, Liabilities and Net Position or Equity**

**a. Cash and Investments**

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



**Deer Run Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

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

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

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

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

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

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

**b. Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances".

**c. Restricted Net Position**

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

**d. Capital Assets**

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

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

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

**Deer Run Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

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

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

**d. Capital Assets (Continued)**

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

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

Infrastructure and improvements	20 years
---------------------------------	----------

**e. Budgets**

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

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

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

"Total fund balances" of the District's governmental funds \$(4,295,359) differs from "net position" of governmental activities \$(10,043,659) reported in the statement of net position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below.

**Capital related items**

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

Infrastructure	\$ 3,567,906
Accumulated depreciation	<u>(811,920)</u>
Total	<u>\$ 2,755,986</u>

**Deer Run Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

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

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

**Long-term debt transactions**

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2017 were:

Bonds payable	\$ <u>(7,390,000)</u>
---------------	-----------------------

**Accrued interest**

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

Accrued interest on bonds payable	\$ <u>(1,114,286)</u>
-----------------------------------	-----------------------

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

The "net change in fund balances" for government funds \$(788,013) differs from the "change in net position" for governmental activities \$(964,310) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital related items**

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the year.

Depreciation expense	\$ <u>(101,490)</u>
----------------------	---------------------

**Deer Run Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

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

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

**Long-term debt transactions**

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

Debt principal payments	\$ <u>125,000</u>
-------------------------	-------------------

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

Interest on matured interest and bonds payable	\$ <u>(199,807)</u>
--	---------------------

**NOTE C – CASH AND INVESTMENTS**

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

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2017, the District's bank balance and carrying value was \$37,987. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

**Deer Run Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

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

Custodial Credit Risk – Deposits (Continued)

As of September 30, 2017, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
FIMM Government Portfolio	33 days*	<u>\$ 97,956</u>

\* Weighted average maturity

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

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

The investment listed above is a level 1 asset.

Interest Rate Risk

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

Credit Risk

The District's investments in government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2017, the District's investment in the FIMM Government Portfolio was rated AAAM by Standard & Poor's.

**Deer Run Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**NOTE C – CASH AND INVESTMENTS (CONTINUED)**Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investment in the FIMM Government Portfolio is 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2017 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

**NOTE D – SPECIAL ASSESSMENT REVENUES**

Special assessment revenues recognized for the 2016-2017 fiscal year were levied in October 2016. All taxes certified to the County's Tax Collector are due and payable on November 1, and certified to the County's Tax Collector. Per Section 197.162, Florida Statutes discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount.

**NOTE E – CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2017 was as follows:

	Balance October 1, 2016	Additions	Deletions	Balance September, 30 2017
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Infrastructure - stormwater management system	\$ 3,272,906	\$ -	\$ -	\$ 3,272,906
Infrastructure - entrance features	295,000	-	-	295,000
Total Capital Assets Depreciated	<u>3,567,906</u>	<u>-</u>	<u>-</u>	<u>3,567,906</u>
Less accumulated depreciation for:				
Infrastructure - stormwater management system	(572,761)	(81,823)	-	(654,584)
Infrastructure - entrance features	(137,669)	(19,667)	-	(157,336)
Total Accumulated Depreciation	<u>(710,430)</u>	<u>(101,490)</u>	<u>-</u>	<u>(811,920)</u>
Governmental Activities Capital Assets	<u>\$ 2,857,476</u>	<u>\$ (101,490)</u>	<u>\$ -</u>	<u>\$ 2,755,986</u>

Depreciation of \$101,490 was charged to physical environment.

**Deer Run Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE F – LONG-TERM DEBT**

The following is a summary of activity for long-term debt of the District for the year ended September 30, 2017:

Long-term debt at October 1, 2016	\$ 7,515,000
Principal payments moved to matured bonds payable	<u>(125,000)</u>
	<u>\$ 7,390,000</u>
Long-term debt at September 30, 2017	
\$8,165,000 Series 2008 Special Assessment Bonds due in annual principal installments beginning May 2010, maturing in May 2039. Interest at a rate of 7.625% is due May and November beginning May 2010.	
	<u>\$ 7,390,000</u>

The District has not paid a scheduled debt service payment on Series 2008 since fiscal year 2011. As a result, the Series 2008 Bonds are in default. The past due payments are reflected as matured bonds payable, \$700,000 and matured interest payable, \$3,701,175 in the accompanying financial statements.

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2017 are as follows:

Year Ending September 30,	Principal	Interest	Total
2018	\$ 135,000	\$ 563,488	\$ 698,488
2019	145,000	553,194	698,194
2020	155,000	542,138	697,138
2021	170,000	530,319	700,319
2022	185,000	517,356	702,356
2023-2027	1,155,000	2,353,456	3,508,456
2028-2032	1,690,000	1,837,625	3,527,625
2033-2037	2,470,000	1,084,275	3,554,275
2038-2039	<u>1,285,000</u>	<u>148,688</u>	<u>1,433,688</u>
Totals	<u>\$ 7,390,000</u>	<u>\$ 8,130,539</u>	<u>\$ 15,520,539</u>

**Deer Run Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

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

Summary of Significant Bonds Resolution Terms and Covenants

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

The bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date, or in part on an interest payment date, without premium, together with accrued interest to the redemption date if monies are available to retire the debt in accordance with the provisions of the indenture.

The bond resolution and the trust indenture provide for the establishment of certain accounts. The accounts include a construction, revenue, redemption, reserve, interest and prepayment account and are maintained by a trustee.

The bond indenture provides for Debt Service Reserve Funds, which shall be held by the Trustee separate and apart from all other funds. The following is a schedule of reserve requirements and balances in the reserve accounts at September 30, 2017:

	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Series 2008	<u>\$ 21,106</u>	<u>\$ 688,916</u>

The Reserve Balance was used to pay debt service in a prior fiscal year.

**NOTE G – MANAGEMENT COMPANY**

The District has contracted with a management company to perform 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 H – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.



**Deer Run Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**NOTE I – TRI-PARTY AGREEMENT/SETTLEMENT AGREEMENT**

In 2014, the District executed an agreement with the Trustee, a Special Purpose Entity (SPE) that was formed by the Trustee, and the majority property owner to take title to the land subject to foreclosure by the District, and to settle outstanding claims. In exchange for payment of all outstanding accounts payable, the District agreed to release a portion of the lien for existing operation and maintenance assessments levied on a portion of the property. As a result of the agreements, the District was able to pay all outstanding accounts payable. The Trustee, at the direction of the bondholders, also instructed the District to forebear collection of debt service assessments until such time as the SPE sells the property. As a result, the District was unable to make the November 2014, May 2015, November 2015, May 2016, November 2016 and May 2017 scheduled debt service payments on the Series 2008 Bonds. The Trustee has directed the District to hold debt service assessments in abeyance until the land is sold.

**NOTE J – DEVELOPER AGREEMENT**

During the year a new developer purchased certain land within the District.

Pursuant to a funding agreement dated May 25, 2017, the Developer has agreed to make available to the district such monies necessary to proceed with the issuance of bonds or other indebtedness to fund improvements, facilities and services. In connection with this agreement the Developer paid \$72,000 in direct assessments.

**NOTE K – SUBSEQUENT EVENTS**

Subsequent to year end, on October 1, 2017, the District entered into a deficit funding agreement with the Developer; whereby, the Developer has agreed to fund any deficit of the operating and maintenance expenditures of the District in excess of special assessments received for the fiscal year ended September 30, 2018, without any reimbursement to the Developer.

The District is currently negotiating the issuance of Series 2018 Special Assessment Revenue and Refunding Bonds to refund the Series 2008 Special Assessment Revenue Bonds and provide funds for the Series 2018 project.

**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  
Deer Run Community Development District  
Flagler 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 Deer Run Community Development District, as of and for the year ended September 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated April XX, 2018.

**Internal Control Over Financial Reporting**

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

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

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

Board of Supervisors  
Deer Run Community Development District

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Deer Run Community Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. Certain findings are addressed in the accompanying Management Letter.

### **Purpose of this Report**

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

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

April XX, 2018

## MANAGEMENT LETTER

To the Board of Supervisors  
Deer Run Community Development District  
St. Johns County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Deer Run Community Development District as of and for the year ended September 30, 2017, and have issued our report thereon dated April XX, 2018.

### Auditor's Responsibility

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

### Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated April XX, 2018, should be considered in conjunction with this Management Letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been made to address findings and recommendations made in the preceding financial audit report. The following findings or recommendations were made in the preceding financial audit report:

#### Finding 2013-01/2014-01/2015-01/2016-01/2017-01 Reserve Requirement

**Finding:** The Debt Service reserve requirement for the Series 2008 Bonds was not met at September 30, 2017.

**Recommendation:** The District should make the necessary arrangements to ensure funds are available to make debt service payments.

To the Board of Supervisors  
Deer Run Community Development District

**Management Response:** The District is working directly with the Trustee and Bondholders to resolve all financial issues related to the non-payment of assessments which resulted in a foreclosure lawsuit, settlement agreement, insufficient funds to meet debt service requirements, fund balance deficits and failure to meet Debt Service Reserve Fund requirements.

**Current Status:** This finding has not been corrected as of September 30, 2017.

Finding 2013-02/2014-02/2015-02/2016-02/2017-02 Financial Condition Assessment

**Finding:** The District's financial condition continues to deteriorate. As of September 30, 2017, the District reported a fund balance deficit for which sufficient resources were not available to cover the deficit in the Debt Service Fund. The District has not had sufficient funds to make a scheduled debt service payment since November 2011 and the Series 2008 Bonds remain in default. Also, the 2008 Construction Project was halted and the future of the project remains uncertain.

**Recommendation:** The District should continue taking the necessary steps to improve the deteriorating financial condition.

**Management Response:** The District is working directly with the Trustee and Bondholders to resolve all financial issues related to the non-payment of assessments which resulted in a foreclosure lawsuit, settlement agreement, insufficient funds to meet debt service requirements, fund balance deficits and failure to meet Debt Service Reserve Fund requirements.

**Current Status:** This finding has not been corrected as of September 30, 2017. The District had a net deficit fund balance in the Debt Service Fund of (\$4,303,266) at September 30, 2017.

**Financial Condition**

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

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2017 for the Deer Run Community Development District. It is management's responsibility to monitor the Deer Run Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

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

To the Board of Supervisors  
Deer Run Community Development District

**Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the Deer Run Community Development District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

**Additional Matters**

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

**Purpose of this Letter**

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

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

April XX, 2018

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

To the Board of Supervisors  
Deer Run Community Development District  
Flagler County, Florida

We have examined Deer Run Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2017. Management is responsible for Deer Run Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Deer Run Community Development District's compliance based on our examination.

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

In our opinion, Deer Run Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2017.

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

April XX, 2018



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

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

March 26, 2018

To the Board of Supervisors  
Deer Run Community Development District  
Flagler County, Florida

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of Deer Run Community Development District's (the "District") financial statements as of and for the year ending September 30, 2017.

## **Communication**

Effective two-way communication between our firm and the Board of Supervisors is important to understanding matters related to the audit and developing a constructive working relationship.

Your insights may assist us in understanding the District and its environment, identifying appropriate sources of audit evidence and providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will communicate to us any matters you consider relevant to the audit in a timely manner. Such matters might include strategic decisions that may significantly affect the nature, timing and extent of audit procedures, your suspicion or detection of fraud, or any concerns you may have about the integrity or competence of senior management.

We will communicate to you, in timely manner, any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, instances of noncompliance with laws and regulations that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We also will communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

Fort Pierce / Stuart

Member AICPA

Member AICPA Division For CPA Firms  
Private Companies Practice Section

Member FICPA





Board of Supervisors  
Deer Run Community Development District  
March 26, 2018  
Page 2

## **Independence**

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with firm policy. In addition, our policies restrict certain non-audit services that may be provided by Berger, Toombs, Elam, Gaines, and Frank and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

## **The Audit Planning Process**

Our audit approach places a strong emphasis on obtaining an understanding of how your organization functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your operations. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of your organization's objectives, strategies, risks and performance.

As part of obtaining an understanding of your organization and its environment, we will obtain an understanding of internal control. We will use this understanding to identify risks of material misstatement, which will provide us with a basis for designing and implementing responses to the assessed risks of material misstatement. We will also obtain an understanding of the users of the financial statements in order to establish an overall materiality level for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error.

## **The Concept of Materiality in Planning and Executing the Audit**

We apply the concept of materiality in both planning and performing the audit; evaluating the effect of identified misstatements on the audit and the effect of uncorrected misstatements, if any, on the financial statements; and forming the opinion in our report on the financial statements, and determining or reporting in accordance with *Government Auditing Standards* and other compliance reporting requirements. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. We establish performance materiality at an amount less than materiality for the financial statements as a whole to allow for the risk of misstatements that may not be detected by the audit. We use performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures.

Board of Supervisors  
Deer Run Community Development District  
March 26, 2018  
Page 3

### **The Concept of Materiality in Planning and Executing the Audit (Continued)**

Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. We will accumulate misstatements identified during the audit, other than those that are clearly trivial. At the end of the audit, we will inform you of all individual uncorrected misstatements aggregated by us in connection with our evaluation of our audit test results.

### **Our Approach to Internal Control Relevant to the Audit**

Our audit of the financial statements will include obtaining an understanding of internal control sufficient to plan the audit and determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or identify significant deficiencies or material weaknesses. Our review and understanding of the District's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

We will issue a report on internal control related to the financial statements. This report describes the scope of testing of internal control and the results of our tests of internal control. Our report on internal control will include any significant deficiencies and material weaknesses in internal controls of which we become aware of as a result of our understanding and testing of internal controls consistent with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States.

### **Timing of the Audit**

We have scheduled preliminary audit field work for March 2018. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

### **Closing**

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.



Berger, Toombs, Elam,  
Gaines & Frank

Certified Public Accountants PA

Board of Supervisors  
Deer Run Community Development District  
March 26, 2018  
Page 4

This communication is intended solely for the information and use of the Board of Supervisors and is not intended to be, and should not be, used by anyone other than this specified party.

*Berger Toombs Elam  
Gaines & Frank*

BERGER, TOOMBS, ELAM, GAINES & FRANK  
J.W. GAINES, CPA

## SECTION V

## RESOLUTION 2018-02

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE DEER RUN COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2018/2019 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 Deer Run Community Development District ("**District**") prior to June 15, 2018, a proposed budget ("**Proposed Budget**") for the fiscal year beginning October 1, 2018 and ending September 30, 2019 ("**Fiscal Year 2018/2019**"); 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 DEER RUN COMMUNITY DEVELOPMENT DISTRICT:**

1. **PROPOSED BUDGET APPROVED.** The Proposed Budget prepared by the District Manager for Fiscal Year 2018/2019 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 23, 2018

HOUR: 3:00 p.m.

LOCATION: Government Services Building  
1769 E. Moody Blvd.  
Bunnell, FL 32110

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 Flagler County and the City of Bunnell 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.

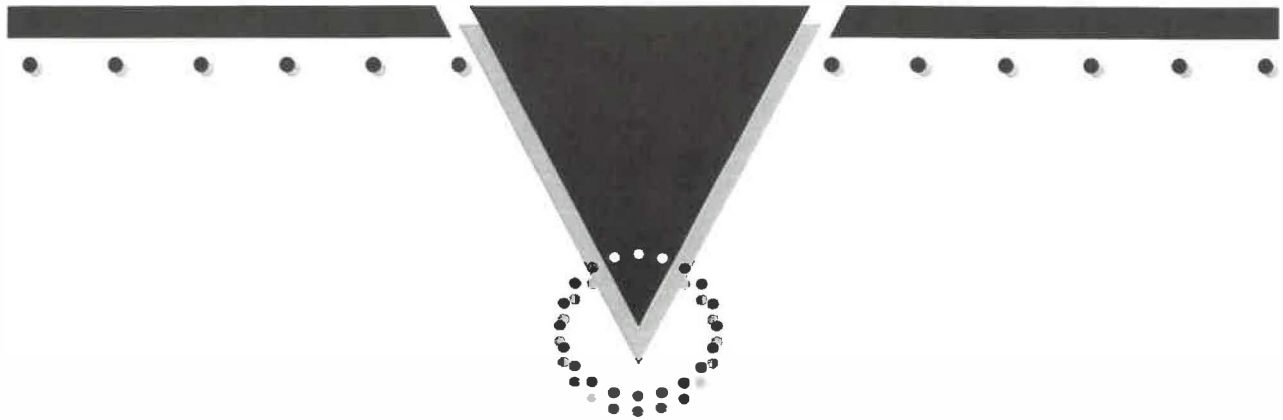
**PASSED AND ADOPTED THIS 24<sup>th</sup> DAY OF MAY, 2018.**

ATTEST:

**DEER RUN COMMUNITY  
DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Secretary

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



**Deer Run**  
**Community Development District**

**Proposed Budget**  
**FY 2019**



# Table of Contents

<b>1-2</b>	<u>General Fund</u>
<b>3-7</b>	<u>General Fund Narrative</u>
<b>8</b>	<u>Debt Service Fund - Series 2008</u>
<b>9</b>	<u>Debt Assessments Chart</u>
<b>10</b>	<u>Settlement Monitoring Fund</u>



# DEER RUN

## COMMUNITY DEVELOPMENT DISTRICT

### General Fund Budget

DESCRIPTION	ADOPTED FY2018 BUDGET	ACTUAL THRU 4/30/18	PROJECTED NEXT 5 MONTH	TOTAL AS OF 9/30/18	PROPOSED FY2019 BUDGET
<b>Revenues</b>					
Assessments	\$182,971	\$160,309	\$22,003	\$182,312	\$270,600
Deficit Funding	\$0	\$0	\$24,322	\$24,322	\$0
Golf Course Lake Maintenance Contribution	\$4,800	\$2,455	\$1,675	\$4,130	\$4,800
Carry Forward Surplus	\$1,791	\$7,801	\$0	\$7,801	\$0
<b>TOTAL REVENUES</b>	<b>\$189,562</b>	<b>\$170,566</b>	<b>\$48,000</b>	<b>\$218,566</b>	<b>\$275,400</b>
<b>Expenditures</b>					
<i>Administrative</i>					
Supervisor Fees	\$4,000	\$1,000	\$3,000	\$4,000	\$4,000
FICA Expense	\$306	\$61	\$184	\$245	\$306
Engineering	\$3,550	\$225	\$0	\$225	\$3,550
Dissemination	\$2,500	\$2,500	\$0	\$2,500	\$2,500
Attorney	\$20,000	\$4,426	\$6,000	\$10,426	\$20,000
Annual Audit	\$3,270	\$0	\$3,270	\$3,270	\$3,270
Trustee Fees	\$3,500	\$0	\$3,500	\$3,500	\$3,500
Arbitrage	\$600	\$0	\$600	\$600	\$600
Assessment Roll Services	\$2,500	\$2,500	\$0	\$2,500	\$2,500
Management Fees	\$30,000	\$17,500	\$12,500	\$30,000	\$30,000
Information Technology	\$1,000	\$583	\$417	\$1,000	\$1,000
Telephone	\$100	\$29	\$30	\$59	\$100
Postage	\$600	\$117	\$60	\$177	\$600
Insurance	\$8,141	\$7,401	\$0	\$7,401	\$8,200
Printing & Binding	\$800	\$265	\$180	\$445	\$800
Travel Per Diem	\$500	\$188	\$376	\$564	\$600
Legal Advertising	\$500	\$0	\$500	\$500	\$500
Other Current Charges	\$800	\$252	\$200	\$452	\$800
Office Supplies	\$150	\$13	\$30	\$43	\$100
Dues, Licenses & Subscriptions	\$175	\$175	\$0	\$175	\$175
<b>TOTAL ADMINISTRATIVE</b>	<b>\$82,992</b>	<b>\$37,236</b>	<b>\$30,846</b>	<b>\$68,082</b>	<b>\$83,101</b>
<i>Maintenance</i>					
Field Management	\$15,000	\$8,750	\$6,250	\$15,000	\$15,000
Electric	\$23,000	\$14,432	\$9,000	\$23,432	\$24,000
Water & Sewer	\$5,200	\$4,147	\$3,300	\$7,447	\$7,800
Landscape Maintenance	\$37,800	\$40,185	\$28,704	\$68,889	\$100,000
Landscape Contingency	\$6,000	\$5,119	\$880	\$5,999	\$6,000
Lake Maintenance	\$17,000	\$10,370	\$6,400	\$16,770	\$17,000
Water Feature Maintenance	\$0	\$6,869	\$2,530	\$9,399	\$12,500
Irrigation Repairs	\$2,000	\$840	\$1,000	\$1,840	\$10,000
Contingency	\$570	\$1,708	\$0	\$1,708	\$0
<b>TOTAL MAINTENANCE</b>	<b>\$106,570</b>	<b>\$92,420</b>	<b>\$58,064</b>	<b>\$150,483</b>	<b>\$192,299</b>
<b>TOTAL EXPENSES</b>	<b>\$189,562</b>	<b>\$129,656</b>	<b>\$88,910</b>	<b>\$218,566</b>	<b>\$275,400</b>
<b>EXCESS REVENUES/(EXPENDITURES)</b>	<b>\$0</b>	<b>\$40,910</b>	<b>(\$40,910)</b>	<b>(\$0)</b>	<b>\$0</b>

Net Assessments \$270,600  
Add: Discounts & Collections \$16,236  
Gross Assessments \$286,836

**Deer Run  
Community Development District  
Operations & Maintenance Assessments**

						FY2019	FY2018
		No. of Units	ERU Per Unit	Total ERUs	% of ERU	Total Assessments	Per Unit Gross Assessments
Oak Branch	75'	129	1.00	129.00	20.81%	\$59,687.40	\$462.69
	60'	49	0.80	39.20	6.32%	\$18,137.57	\$370.15
	50'	297	0.67	198.00	31.94%	\$91,613.21	\$308.46
	Townhome	274	0.47	127.87	20.63%	\$59,164.70	\$215.93
	Commercial	5,000	0.00	2.50	0.40%	\$1,156.73	\$0.23
	Golf Course	3,382	0.00	1.69	0.27%	\$782.41	\$0.23
Deer Run	Townhome	250	0.47	116.67	18.82%	\$53,980.85	\$215.92
	Commercial	10,000	0.00	5.00	0.81%	\$2,313.46	\$0.23
				<u>619.93</u>	<u>100.00%</u>	<u>286,836.34</u>	

**Deer Run**  
**Community Development District**  
GENERAL FUND BUDGET

**REVENUES:**

**Assessments**

The District will levy a non-ad valorem special assessment on taxable property within the District to fund all general operating and maintenance expenditures for the Fiscal Year. It will also enter into a Deficit Funding Agreement with landowner to fund the District's general operating and maintenance expenses throughout the fiscal year.

**Deficit Funding**

The district has entered into a Deficit Funding Agreement with landowner to fund the District's general operating and maintenance expenses throughout the fiscal year.

**Golf Course Lake Maintenance Contribution**

The District's Lake Maintenance expense will be partially funded by contributions from the Golf Course.

---

**EXPENDITURES:**

**Administrative:**

**Supervisor Fees**

The Florida Statutes allows each supervisor to be paid per meeting, for the time devoted to District business and board meetings. The amount is based upon 5 Supervisors attending 4 meetings during the fiscal year.

**FICA Expense**

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

**Engineering**

The District's engineer, Dewberry Engineers, Inc., will be providing general engineering services to the District, e.g. attendance and preparation for monthly board meetings, review invoices, etc.

**Dissemination**

The District is required by the Security and Exchange Commission to comply with Rule 15c2-12(b) (5) which relates to additional reporting requirements for unrated bond issues. The District has contracted with Lerner Reporting Services.

# **Deer Run**

## **Community Development District**

### **GENERAL FUND BUDGET**

#### Attorney

The District's legal counsel, Hopping, Green & Sams, will be providing general legal services to the District, e.g. attendance and preparation for monthly meetings, preparation and review of agreements, resolutions, etc.

#### Annual Audit

The District is required by Florida Statutes to arrange for an independent audit of its financial records on an annual basis. The District is contracted with Berger, Toombs, Elam Gaines & Frank to provide this service.

#### Trustee Fees

The District's Series 2008 Capital Improvement Revenue Bonds are held with a Trustee at Regions Bank.

#### Arbitrage

The District will contract with an independent certified public accountant, to annually calculate the District's Arbitrage Rebate Liability once the Bonds are issued. The District has contracted with AMTEC Corporation to provide this service.

#### Assessment Roll Services

Represents cost associated with certifying, invoicing and collections of annual operations and maintenance and debt service assessments.

#### Management Fees

The District has contracted with Governmental Management Services - Central Florida, LLC to provide Management, Accounting and Recording Secretary Services for the District. The services include, but are not limited to, recording and transcription of board meetings, administrative services, budget preparation, all financials reporting, annual audits, etc.

#### Information Technology

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

#### Telephone

Telephone and fax machine.

#### Postage

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

**Deer Run**  
**Community Development District**  
GENERAL FUND BUDGET

Insurance

Represents the District's general liability, public officials liability and property insurance coverage, which is provided by Florida Insurance Alliance (FIA). FIA specializes in providing insurance coverage to governmental agencies.

Printing & Binding

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

Travel Per Diem

The Board of Supervisors can be reimbursed for travel expenditures related to the conducting of District business.

Legal Advertising

Advertising of monthly board meetings, public hearings, and any services that are required to be advertised for public bidding, i.e. audit services, engineering service, maintenance contracts and any other advertising that may be required.

Other Current Charges

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

Office Supplies

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

Dues, Licenses & Subscriptions

The District is required to pay an annual fee to the Department of Community Affairs for \$175. This is the only expense under this category for the District.

# Deer Run

## Community Development District

### GENERAL FUND BUDGET

#### **Maintenance:**

##### **Field Management**

The District is contracted with Governmental Management Services, Central Florida – LLC to provide onsite field management of contracts for District Services such as landscape maintenance. Services to include weekly site inspections, meetings with contractors, monitoring of utility accounts, attend Board meetings and receive and respond to property owner phone calls and emails.

##### **Electric**

The District incurs cost for electric and street lighting. The District has the following accounts with Florida, Power & Light.

<b>Description</b>	<b>Monthly</b>	<b>Annually</b>
Premium Lighting	\$902	\$10,824
99 Grand Reserve Dr # Entrance	\$65	\$776
100 Grand Reserve Pkwy # Entrance	\$150	\$1,800
410 Grand Reserve Dr # B	\$200	\$2,400
Decorative Lighting # Oak Branch	\$650	\$7,800
Contingency		\$400
<b>TOTAL</b>		<b>\$24,000</b>

##### **Water & Sewer**

The District incurs cost for water. The District has the following accounts with the City of Bunnell.

<b>Description</b>	<b>Monthly</b>	<b>Annually</b>
100 Grand Reserve Pkwy	\$650	\$7,800
<b>TOTAL</b>		<b>\$7,800</b>

##### **Landscape Maintenance**

The District will incur landscape maintenance expenses, which include mowing, edging, string-trimming, annual flower replacements, shrub and palm pruning, weeding, fertilization, pine straw, pest control and irrigation inspections during the fiscal year. Yellowstone Landscape is contracted to provide these services.

<b>Description</b>	<b>Monthly</b>	<b>Annually</b>
Landscape Maintenance	\$5,741	\$68,889
Addendum	\$2,481	\$29,772
Contingency		\$1,339
<b>TOTAL</b>		<b>\$100,000</b>

# Deer Run

## Community Development District

### GENERAL FUND BUDGET

#### Landscape Contingency

To record the cost of landscape enhancements as well as any miscellaneous landscape items currently not budgeted or covered in landscape contract.

#### Lake Maintenance

The monthly aquatic management service of 24 waterways for the District is provided by Applied Aquatic Management. Services include monthly inspections and treatment for the continued control of torpedo grass, cattails, spike rush and algae.

<b>Description</b>	<b>Monthly</b>	<b>Annually</b>
Aquatic Treatments - Entrance	\$110	\$1,320
Aquatic Treatments - 17 Ponds	\$835	\$10,020
Golf Course Cost Share	\$335	\$4,020
Contingency		\$1,640
<b>TOTAL</b>		<b>\$17,000</b>

#### Water Feature Repair and Maintenance

The monthly inspections and repair and maintenance of Hwy 100 and US1 Fountains and is contracted with Yellowstone Landscape.

<b>Description</b>	<b>Monthly</b>	<b>Annually</b>
Fountain Cleaning	\$506	\$6,072
Repair and Maintenance	\$500	\$6,000
Contingency		\$428
<b>TOTAL</b>		<b>\$12,500</b>

#### Irrigation Repairs

To record the cost of repairs to the irrigation system and preventative maintenance on the irrigation pump station.

<b>Description</b>	<b>Monthly</b>	<b>Annually</b>
Pump Station Qtrly Service	\$867	\$3,467
Irrigation Repairs/Maintenance	\$500	\$6,000
Contingency		\$533
<b>TOTAL</b>		<b>\$10,000</b>

# DEER RUN

## COMMUNITY DEVELOPMENT DISTRICT

### Debt Service Fund Budget

DESCRIPTION	ADOPTED FY2018 BUDGET	PROPOSED FY2019 BUDGET
<b>Revenues</b>		
Debt Assessments	\$695,303	\$695,303
Other Revenue Sources	\$3,185	\$2,891
<b>TOTAL REVENUES</b>	<b>\$698,488</b>	<b>\$698,194</b>
<b>Expenditures</b>		
Interest - 11/1	\$281,744	\$276,597
Principal - 5/1	\$135,000	\$145,000
Interest - 5/1	\$281,744	\$276,597
<b>TOTAL EXPENDITURES</b>	<b>\$698,488</b>	<b>\$698,194</b>
<b>EXCESS REVENUES</b>	<b>\$0</b>	<b>\$0</b>



**Deer Run  
Community Development District  
Debt Service Assessments**

<b>Product Type</b>	<b>Units</b>	<b>Annual 2019 Per Unit Assessments</b>	<b>Annual 2019 Net Assessments</b>
<b>Oak Branch</b>			
75'	129	\$1,057	\$136,338
60'	49	\$846	\$41,430
50'	297	\$705	\$209,263
Townhome	274	\$493	\$135,141
Commercial	5000	\$0.50	\$2,490
Golf Course	1	\$1,258	\$1,258
<b>Deer Run</b>			
Multi Family	250	\$658	\$164,405
Commercial	10000	\$0.50	\$4,979
<b>Total</b>			<b>\$695,303</b>

# DEER RUN

## COMMUNITY DEVELOPMENT DISTRICT

### Settlement Monitoring Fund Budget

DESCRIPTION	ADOPTED FY2018 BUDGET	ACTUAL THRU 4/30/18	PROJECTED NEXT 5 MONTH	TOTAL AS OF 9/30/18	PROPOSED FY2019 BUDGET
<b><u>Revenues</u></b>					
Carry Forward Surplus	\$23,800	\$23,800	\$0	\$23,800	\$18,000
<b>TOTAL REVENUES</b>	<b>\$23,800</b>	<b>\$23,800</b>	<b>\$0</b>	<b>\$23,800</b>	<b>\$18,000</b>
<b><u>Expenditures</u></b>					
Permit Monitoring	\$0	\$5,050	\$750	\$5,800	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$5,050</b>	<b>\$750</b>	<b>\$5,800</b>	<b>\$0</b>
<b>EXCESS REVENUES/(EXPENDITURES)</b>	<b>\$23,800</b>	<b>\$18,750</b>	<b>(\$750)</b>	<b>\$18,000</b>	<b>\$18,000</b>

# SECTION VI

# SECTION A



P.O. Box 1469  
Eagle Lake, FL 33839  
1-800-408-8882

## AQUATIC PLANT MANAGEMENT AGREEMENT

Submitted to:

Date: May 8, 2018

Grand Reserve at Deer Run CDD  
Name c/o GMS  
Address 135 West Central Blvd., Suite 320  
City Orlando, FL 32801  
Phone 407-398-2890

This Agreement is between Applied Aquatic Management, Inc. hereafter called "AAM" and Signee hereafter called "Customer".

*The parties hereto agree as follows*

- A. AAM agrees to provide aquatic management services for a period of NA in accordance with the terms and conditions of this Agreement in the following sites:

Ponds @ Deer Run CDD  
Bunnell, FL  
(See Attached Sheet)

- B. The AAM management program will include the control of the following categories of vegetation for the specified sum:

1. Hand Remove Nuisance & Exotic Vegetation Included

Service Shall Consist of a One (1) Time Hand Removal of Nuisance Exotic Vegetation.

- C. Customer agrees to pay AAM the following amounts during the term of this Agreement.

Total Cost \$56,890.00 Due upon invoicing\* as billed x 1

*\*Overdue accounts may accrue a service charge of 1 1/2% per month*

- D. AAM agrees to commence treatment within 7 days, weather permitting, from the date of execution or receipt of the proper permits.  
E. The Agreement shall have no force & is withdrawn unless executed and returned by Customer to AAM on or before June 8, 2018  
F. Customer acknowledges that he has read and is familiar with the additional terms and conditions printed on the reverse side which are incorporated in this agreement.

Submitted: Wade L. Pharis/VP

Date: 5/8/2018

Accepted

Date:

  
AAM

\_\_\_\_\_  
Customer

### Deer Run Ponds

<b><u>Ponds</u></b>	<b><u>Price</u></b>
Pond 1	\$9,985.00
Pond 1A	\$895.00
Pond 2A	\$9,900.00
Pond 3	\$17,975.00
Pond 3B	\$3,850.00
Pond 4	\$2,600.00
Pond 4C	\$1,200.00
Pond 5A	\$7,785.00
Pond 8	\$2,700.00

<b>Total</b>	<b>\$56,890.00</b>
--------------	--------------------

## Terms and Conditions

1. The AAM Aquatic Plant Management Program will be conducted in a manner consistent with good water management practice using only chemicals which have a wide margin of safety for fish, waterfowl and human life and in conformance with applicable State and Federal Laws, regulations and rules. AAM agrees to indemnify Customer for any violation of such laws, rules or regulations.
2. Federal & State regulations require that various time-use restrictions be observed during & following treatment. AAM agrees to notify Customer of such restrictions verbally &/or by posting the restrictions at several readily visible locations on the perimeter of each body of water at the time of treatment. It shall be the Customer's responsibility to observe the restrictions throughout the required period. Customer understands & agrees that notwithstanding any other provisions of this Agreement, AAM does not assume any liability by any party to be notified, or to observe, the regulations.
3. The AAM Aquatic Plant Management Program is devised so that water areas are brought into a maintenance configuration as rapidly after their start, consistent with responsible management practices. Some forms of vegetation (particularly grasses & cattail) have visible residues after chemical treatment. Customer is responsible for removing such residues.
4. In addition to the amounts noted on the face of this Agreement, Customer shall also pay fees, taxes (including sales taxes) or charges that might be imposed by any government body with respect to the services offered herein.
5. This Agreement shall have as its effective date the first day of the month in which services are first rendered to Customer and shall terminate upon the last day of a month.
6. AAM is licensed & insured. Certificates of Insurance will be provided upon Customers request.
7. If at any time during the term of this Agreement, Customer does not feel AAM is performing in a satisfactory manner Customer shall promptly notify AAM who shall investigate the cause of Customer's lack of satisfaction & attempt to cure same. If nonsatisfactory performance continues, this Agreement may be voided by either party giving thirty days written notice & payment of all monies owing to the effective date of termination, which shall be the last day of the month.
8. Neither party shall be responsible in damages, penalties or otherwise for any failure or delay in the performance of any of its obligations hereunder caused by strikes, riots, war, acts of God, accidents, governmental orders & regulations, curtailment or failure to obtain sufficient material, or other forces (whether or not of the same class or kind as those set forth above) beyond its reasonable control & which, by the exercise of due diligence, it is unable to overcome.
9. AAM agrees to hold Customer harmless from any loss, damage or claims arising out of the sole negligence of AAM however, AAM shall in no event be liable to Customer or others, for indirect, special or consequential damages resulting from any cause whatsoever.
10. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida
11. In the event a legal action is necessary to enforce any of the provisions of this Agreement, the prevailing party is entitled to recover legal costs & reasonable attorney fees.
12. This Agreement constitutes the entire Agreement of the parties hereto & no oral or written alterations or modifications of the terms contained herein shall be valid unless made in writing & accepted by an authorized representative of AAM & Customer.
13. This Agreement may not be assigned by Customer without the prior written consent of AAM.

## SECTION B





386.437.6211 tel  
386.437.5143 fax

3235 North State Street  
PO Box 849  
Bunnell, FL 32110

www.yellowstonelandscape.com

### PROPOSAL

Date: May 14, 2018

Proposal Submitted To: Alan Sheerer  
Governmental Management Services  
135 W. Central Blvd., Suite 320  
Orlando, FL 32801

Project: Grand Reserve  
Irrigation Pump # 1 Restoration

We hereby submit a proposal for: The removal of motor and turbine pump in order to restore and the reinstallation of unit.

<u>Scope of Work:</u>	<u>Qty</u>	<u>Specs</u>	<u>Unit Price</u>	<u>Total</u>
* Uncouple Motor and Pump Head				
* Crane				
* Remove Motor & Turbine Pump				
* Transport Unit To Shop For Service				
* Refresh Pump End				
* Refresh Motor				
* Transport Back To Site				
* Crane				
* Recouple Turbine & Motor				
* Run & Test For Proper Operation				
Pump # 1 Restoration	1	unit	\$16,972.00	\$16,972.00
Proposal Total				\$16,972.00

Note: Price includes all associated costs of procurement and installation of materials.

Payment due 30 days after receipt of pay application.

All material is guaranteed to be as specified. All work to be completed in a workman-like manner according to standard practices. Any alteration or deviation from the above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimates. Any verbal authorizations given by the customer will be treated the same as a written order even if authorization is not written. Yellowstone Landscape, LLC workers are fully covered by workman's compensation insurance. The attached Terms and Conditions of Sale are part of this proposal.

Authorized Signatures

  
Scott Barnes, Senior Account Manager

  
Paul J. Barnes, President

### ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted.  
You are authorized to proceed with the work specified. Payment will be made as outlined above.

Date of Acceptance: \_\_\_\_\_

Signature: \_\_\_\_\_



386.437.6211 tel  
386.437.5143 fax

3235 North State Street  
PO Box 849  
Bunnell, FL 32110

www.yellowstonelandscape.com

### PROPOSAL

Date: May 14, 2018

Proposal Submitted To: Alan Sheerer  
Governmental Management Services  
135 W. Central Blvd., Suite 320  
Orlando, FL 32801

Project: Grand Reserve  
Irrigation Pump # 2 Restoration

We hereby submit a proposal for: The removal of motor and turbine pump in order to restore and the reinstallation of unit.

<u>Scope of Work:</u>	<u>Qty</u>	<u>Specs</u>	<u>Unit Price</u>	<u>Total</u>
* Uncouple Motor and Pump Head				
* Crane				
* Remove Motor & Turbine Pump				
* Transport Unit To Shop For Service				
* Refresh Pump End				
* Refresh Motor				
* Transport Back To Site				
* Crane				
* Recouple Turbine & Motor				
* Run & Test For Proper Operation				
Pump # 2 Restoration	1	unit	\$16,972.00	\$16,972.00
Proposal Total				\$16,972.00

Note: Price includes all associated costs of procurement and installation of materials.

Payment due 30 days after receipt of pay application.

All material is guaranteed to be as specified. All work to be completed in a workman-like manner according to standard practices. Any alteration or deviation from the above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimates. Any verbal authorizations given by the customer will be treated the same as a written order even if authorization is not written. Yellowstone Landscape, LLC workers are fully covered by workman's compensation insurance. The attached Terms and Conditions of Sale apply to this proposal.

Authorized Signatures

SB

Scott Barnes, Senior Account Manager

Paul LaMontaine, Branch Manager

### ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted.  
You are authorized to proceed with the work specified. Payment will be made as outlined above.

Date of Acceptance: \_\_\_\_\_

Signature: \_\_\_\_\_



386.437.6211 tel  
386.437.5143 fax

3235 North State Street  
PO Box B49  
Bunnell, FL 32110

www.yellowstonelandscape.com

### PROPOSAL

Date: May 14, 2018

Proposal Submitted To: Alan Sheerer  
Governmental Management Services  
135 W. Central Blvd., Suite 320  
Orlando, FL 32801

Project: Grand Reserve  
Pump Station Control Service and Repair

We hereby submit a proposal for: The service and repair to to pump station flow and Run / Stop System to ensure proper operation of irrigation system.

<u>Scope of Work:</u>	<u>Qty</u>	<u>Specs</u>	<u>Unit Price</u>	<u>Total</u>
* Flow and Total Meter Read Out 3000 Series				
* Transducer 4-20MA				
* Clear tubing				
* Manual Gauge PSI				
* 220 Flow Meter				
Control Repairs	1	Occurance	\$5,266.00	\$5,266.00
Proposal Total				\$5,266.00


Note: Price includes all associated costs of procurement and installation of materials.

Payment due 30 days after receipt of any application.

All material is guaranteed to be as specified. All work to be completed in a workman-like manner according to standard practices. Any alteration or deviation from the above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimates. Any verbal authorizations given by the customer will be treated the same as a written order even if authorization is not written. Yellowstone Landscape, LLC workers are fully covered by workman's compensation insurance. The attached Terms and Conditions of Sale are part of this proposal.

Authorized Signatures

  
\_\_\_\_\_  
Scott Barnes, Senior Account Manager

  
\_\_\_\_\_  
Paul L. Montaine, Branch Manager

### ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted.  
You are authorized to proceed with the work specified. Payment will be made as outlined above.

Date of Acceptance: \_\_\_\_\_

Signature: \_\_\_\_\_



386.437.6211 tel  
386.437.5143 fax

3235 North State Street  
PO Box 849  
Bunnell, FL 32110

www.yellowstonelandscape.com

### PROPOSAL

Date: May 14, 2018

Proposal Submitted To: Alan Sheerer  
Governmental Management Services  
135 W. Central Blvd., Suite 320  
Orlando, FL 32801

Project: Grand Reserve  
Pump Station Quarterly Service

We hereby submit a proposal for: The quarterly maintenance of irrigation pump station in order to ensure proper operation.

<u>Scope of Work:</u>	<u>Qty</u>	<u>Specs</u>	<u>Unit Price</u>	<u>Total</u>
* Clear Control Tubing				
* Check all Control Systems				
* Relief Valve Operation				
* Maintain Head Oil Levels				
* Adjust Packing Seal				
* VFD Operation				
* Check and Adjust Motor AMP & Voltage				
* Check Electrical Connections				
Quarterly Maintenance	1	Occurrence	\$866.67	\$866.67

Proposal Total \$866.67

Note: Price includes all associated costs of procurement and installation of materials.

Payment due 30 days after receipt of pay application.

All material is guaranteed to be as specified. All work to be completed in a workman-like manner according to standard practices. Any alteration or deviation from the above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimates. Any verbal authorizations given by the customer will be treated the same as a written order even if authorization is not written. Yellowstone Landscape, LLC workers are fully covered by workman's compensation insurance. The attached Terms and Conditions of Sale are part of this proposal.

Authorized Signatures

  
\_\_\_\_\_  
Scott Barnes, Senior Account Manager

\_\_\_\_\_  
Paul LaMontaine, Branch Manager

### ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted.  
You are authorized to proceed with the work specified. Payment will be made as outlined above.

Date of Acceptance: \_\_\_\_\_

Signature: \_\_\_\_\_



## YELLOWSTONE LANDSCAPE

### Landscape Management Agreement

**Client Name/Billing Address:**

Deer Run  
Community Development District  
135 W. Central Blvd., Suite 320  
Orlando, FL 32801

**Property Contact:**

Alan Sheerer, Field Operations Supervisor  
Government Management Services

**Tel:** 407-398-2890

**Email:** ascheerer@govmngtsvc.com

**Property Name/Address:**

Deer Run CDD/Grand Reserve  
Additional Landscape Maintenance

**Contractor:**

Yellowstone Landscape – Southeast, LLC  
(d/b/a Yellowstone Landscape)  
PO Box 849  
Bunnell, FL 32110

**Branch Office Contact:**

Paul LaMontaine, Branch Manager

**Tel:** 386-437-6211

**Email:** plamontaine@yellowstonelandscape.com

**Effective Date:** June 1, 2018  
**Expiration Date:** May 31, 2019  
**Initial Term:** 12 Months

**Scope of Services:**

The Client agrees to engage Yellowstone Landscape – Southeast, LLC (d/b/a Yellowstone Landscape) to provide the Services and work described in the attached Exhibit(s) A & B.

**Compensation Schedule:**

Addendum to current contract for additional landscape maintenance services as outlined below;

Additional Annual - \$35,854.36

Additional Monthly - \$2,987.86

**THE TERMS AND CONDITIONS ON PAGE 2 AND THE EXHIBITS ATTACHED HERETO CONSTITUTE PART OF THIS AGREEMENT.**

**PRESENTED BY:**

YELLOWSTONE LANDSCAPE – SOUTHEAST, LLC  
(d/b/a Yellowstone Landscape)

**ACCEPTED BY:**

CLIENT

By/Date: \_\_\_\_\_

Paul LaMontaine, Branch Manager

By/Date: \_\_\_\_\_

Printed Name/Title \_\_\_\_\_

\_\_\_\_ Owner \_\_\_\_ Agent

## TERMS AND CONDITION IS

**Entire Agreement:** This Landscape Management Agreement contains the entire agreement between the Parties and supersedes all prior and contemporaneous negotiations, promises, understandings, commitments, proposals, or agreements, whether oral or written on the subject matter addressed herein. This Agreement may only be modified or amended by a writing signed by authorized representatives of both Parties.

**Acceptance of Agreement:** The Agreement constitutes Yellowstone Landscape - Southeast, LLC's (d/b/a Yellowstone Landscape) (hereinafter referred to as "Yellowstone") offer to Client and shall become a binding contract upon acceptance by Client's signature on this Agreement and/or instruction to perform the Services by Client's authorized representative. The Parties agree that the provisions of the Agreement shall control and govern over any contract terms and/or Purchase Orders generated by Client and that such documentation may be issued by Client to, and accepted by, Yellowstone without altering the terms hereof.

**Price, Quality and Working Conditions:** The amounts in the "Compensation Schedule" include all labor, materials, insurance, equipment, and supervision for the performance of the specified Services in the attached exhibits. All materials supplied as part of this agreement are guaranteed to be as specified and all work shall be completed in a workmanlike manner according to standard landscape maintenance practices ("Warranty"). Unless otherwise stated in writing Yellowstone shall have the right to rely on the contents of all documents provided by Client and/or its agents, including Plans, Specifications, and test results, without independent verification and analysis by Yellowstone. Client agrees that Yellowstone is not an insurer or guarantor of the appropriateness of any landscape design provided by others, or of the long term viability of plant material utilized within that specified landscape design or of the site constraints (including watering restrictions) under which Yellowstone is required to perform its Services.

**Assignment:** Neither Client nor Yellowstone may assign this Agreement or transfer any right, interest, obligation, claim or relief under this Agreement without the prior written consent of the other party. Client acknowledges that Yellowstone may subcontract portions of the Work to specialty subcontractors.

**Relationship of Parties:** The legal relationship of Yellowstone to Client with respect to the Services shall be that of an independent contractor, not an agent or employee. Yellowstone is responsible for its own withholding taxes, social security taxes, unemployment taxes, licenses, and insurance pertaining to its employees or operations. If applicable, Yellowstone agrees to pay all sales taxes on materials supplied.

**Agreement Renewal:** Unless Client notifies Yellowstone regarding its intent to terminate Services prior to expiration of the "Initial Term", this Agreement will renew automatically for an additional 12 month term and will continue to renew at the end of each successive 12 month term unless cancelled by either party in accordance with the "Termination" provision or by either party with written notice of not less than 30 days prior to the end of the "Initial Term" or any automatic term(s). Charges will increase by 2.0% at the commencement of each additional automatic twelve (12) month renewal term.

**Payment Terms:** Billing for Services occurs in advance at the first of each month in accordance with the "Compensation Schedule" on Page 1 of this agreement. Payment for Service(s) is due upon receipt of monthly invoices. The Parties contractually agree that interest on all past due amounts shall accrue at the maximum allowable rate provided by law per month, beginning on the first day following the month in which the invoice was received. This Agreement constitutes a contract of indebtedness. All payments should be mailed to:

Yellowstone Landscape - Southeast, LLC

PO Box 101017

Atlanta, GA 30392-1017

**Termination for Cause:** If Yellowstone fails to fully perform its obligations and fails to cure any such default within 30 days after receipt of written notice specifying the acts or omissions, Client shall have the right to terminate this Agreement. In the event of a "Termination for Cause", Client shall notify Yellowstone of the termination date in writing and pay Yellowstone for all Services performed to the effective date of termination.

**Default:** In the event that Client breaches its obligations under this Agreement to permit and cooperate with Yellowstone's performance of its duties or Client fails to make payment for any Services within 30 days of receipt of Yellowstone's invoice, Yellowstone may, but shall not be obligated to, suspend Services until the breach is cured and/or until all arrearages have been paid in full. This Agreement will terminate automatically and without notice upon the insolvency of, or upon the filing of a bankruptcy petition by or against Client.

**Claims:** Yellowstone's responsibility with regard to Services not meeting the "Warranty" shall be limited, at the sole choice of Yellowstone, to the re-performance of those defective Services and replacement of those defective materials without charge during the ninety (90) day period following completion of the defective Services or provision of defective materials, or a credit to Client's account of the compensation paid by Client for the portion of such Services determined to be defective. If the attached exhibit(s) expressly provide for a longer "Warranty" period, that "Warranty" period shall apply. The Parties shall endeavor in good faith to resolve any such Claim within 30 days, failing which all claims, counterclaims, disputes, and other matters in question between Client and Yellowstone arising out of or relating to this Agreement or the breach thereof may be decided by the dispute resolution process identified below. Each Party will bear its own costs, including attorneys' fees; however, the prevailing party shall have the right to collect reasonable costs and attorneys' fees for enforcing this agreement as allowable by applicable law.

**Dispute Resolution and Choice of Law:** The Agreement shall be governed by the laws of the State of Florida without regard to its conflicts of laws provision. Yellowstone and Client agree (i) to submit to the jurisdiction of the State or Superior Courts of Flagler County, FL for the purpose of any suit or other proceeding arising out of or based upon this Agreement, (ii) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of Flagler County, FL. Any such dispute may by mutual agreement of the Parties be submitted to arbitration or mediation, which shall be conducted in Flagler County, FL.

**Insurance:** Yellowstone shall secure and maintain, throughout the performance of Services under this Agreement, General Liability, Employers Liability, Auto Liability & Umbrella Liability coverage, as specified herein:

- Worker's Compensation Insurance with statutory limits;
- Employer's Liability Insurance with limits of not less than \$1,000,000;
- Commercial General Liability Insurance with combined single limits of not less than \$1,000,000 per occurrence/\$2,000,000 annual aggregate;
- Comprehensive Automobile Liability Insurance, including owned, non-owned and hired vehicles, with combined single limits of not less than \$1,000,000.
- Umbrella Coverage \$10,000,000 per occurrence/\$10,000,000 annual aggregate

If required in writing by Client, Yellowstone shall furnish Certificates of Insurance verifying such insurance and Yellowstone agrees to provide written notice to Client at least thirty (30) days prior to any cancellation, non-renewal or material modification of the policies. When requested by Client, the original insurance policies required of Yellowstone will be made available for review.

**Licenses:** Yellowstone shall maintain all applicable licenses and permits within the cities, counties, and states of operation.

**Indemnification for Third Party Claims:** Yellowstone agrees to indemnify, defend, and hold harmless Client from and against any and all claims, losses, liabilities, judgments, costs and expenses and damages and injuries to third parties ("Claims") arising out of or caused by the negligent act, error, omission or intentional wrongdoing of Yellowstone, its subcontractors or their respective agents, employees or representatives which arise from the performance of the Services or otherwise while present on the Property for the purpose of rendering Services pursuant to this Agreement. Client agrees to indemnify and hold harmless Yellowstone against any Claims based in whole or in part by the conduct or actions of Client. The indemnity rights and obligations identified in this Agreement shall be, and are the only indemnity rights and obligations between the Parties, in law or equity, arising out of or related to Yellowstone's Services under this Agreement or any claims asserted in relation thereto.

**Limitation of Liability:** Except for the indemnification provision applicable to claims by third parties against Client, Yellowstone's total and cumulative liability to Client for any and all claims, losses, costs, expenses and damages, whether in contract, tort or any other theory of recovery, shall in no event exceed the amount Client has paid to Yellowstone for Services under this Agreement during the calendar year in which the claim first occurred. In no event shall Yellowstone be liable for incidental, consequential, special or punitive damages.

**Indirect Damages:** Neither Party shall be responsible to the other or to any third party for any economic, consequential, incidental or punitive damages (including but not limited to loss of use, income, profits, financing or loss of reputation) arising out of or relating to this Service Agreement or the performance of the Services.

**Excusable Delays and Risk of Loss:** Yellowstone shall not be in breach of this Agreement nor liable for damages due to (i) delays, (ii) failure to perform any obligation under this Agreement, or (iii) losses caused or attributable, in whole or in part, to circumstances beyond its reasonable control, including but not limited to: drought conditions, acts of God, governmental restrictions or requirements, severe or unusual weather, natural catastrophes, vandalism or acts of third persons. Client assumes the full risk of loss attributable to all such occurrences, including but not limited to, the repair or replacement of landscaping and payment to Yellowstone of all amounts provided in this Agreement, notwithstanding that Yellowstone may not have been able to provide all or any of its Services during such occurrences or until the premises described under this Agreement has been restored to its pre-occurrence condition.

**Watering Restrictions and Drought Conditions:** Should the Property be located in an area which is or becomes subject to governmental restrictions on water usage and/or watering times applicable to the Services Yellowstone will comply with such governmental restrictions which may then impact the performance, viability and/or looks of plant materials and, as such, shall be deemed circumstances beyond its reasonable control.

**Nonwaiver:** No delay or omission by Yellowstone in exercising any right under this Agreement, and no partial exercise of any right under this Agreement, shall operate as a waiver of such right or of any other right under this Agreement as provided for by law or equity. No purported waiver of any right shall be effective unless in writing signed by an authorized representative of Yellowstone and no waiver on one occasion shall be construed as a bar to or waiver of any such right on any other occasion. All rights of Yellowstone under this Agreement, at law or in equity, are cumulative and the exercise of one shall not be construed as a bar to or waiver of any other.

**Construction:** The rule of adverse construction shall not apply. No provision of this Agreement is to be interpreted for or against any Party because that Party or that Party's legal representative drafted the provision. In the event any provision of the Agreement is deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect, and the invalid or unenforceable provision shall be interpreted and enforced as closely as possible to the intent of the Parties as expressed herein.

**Change in Law:** This Agreement is based on the laws and regulations existing at the date of execution. In the event that a governmental authority enacts laws or modifies regulations in a manner that increases Yellowstone's costs associated with providing the services under this Agreement, Yellowstone reserves the right to notify Client in writing of such material cost increase and to adjust pricing accordingly as of the effective date of such cost increase. Yellowstone must submit clear documentation supporting the cost increase and can only increase pricing to the extent of actual costs incurred.



**Deer Run CDD / Grand Reserve  
Addendum Exhibit A  
Landscape Management Service Pricing Sheet**

**Core Maintenance Services**

<b>Mowing, Trimming</b>	<b>\$16,568.36</b>
<i>includes mowing, string-trimming of pond bank areas in CDD (Based on provided maps)</i>	

<b>Pine Straw</b>	<b>\$4,350.00</b>
<i>estimated 300 bales twice per year</i>	

<b>Standard/Specialty Palm Pruning</b>	<b>\$1,184.00</b>
<i>based on 10 Medjool, 6 Queen palms twice per year</i>	

<b>Annual Flower Replacement</b>	<b>\$7,680.00</b>
<i>Based on 1,200 4" plants with 4 rotations per year (Jan, March, June, Oct)</i>	

<b>Fountain Maintenance</b>	<b>\$6,072.00</b>
<i>Includes monthly inspections of Hwy 100 &amp; US1 Fountains</i>	

<b>Grand Total Annual</b>	<b>\$35,854.36</b>
<b>Monthly</b>	<b>\$2,987.86</b>

Client Initial: \_\_\_\_\_

Creating premier properties. Building lasting relationships



Client:  
Service Area:  
Effective Date:

Deer Run  
CDD/Grand  
Reserve  
all  
June 1, 2018

### Addendum Exhibit B - Performance Standards

Managing the needs of your unique landscape requires careful planning and attention to detail. Our experienced professionals use their extensive training and state-of-the-art equipment to ensure the health and sustainability of your living investment. Should you ever have additional needs, questions or concerns, please feel completely free to ask us.

Geographic location and climate play a major role in the timing of our service delivery; schedules are adjusted to coincide with seasonal growth rates in order to maintain a consistent, healthy appearance. Services missed due to inclement weather will be made up as soon as possible. The following table summarizes our planned visits for completing each of the services performed on your property:

Service	Visits
<b>Mowing</b>	
Turf Mowing (Bahia) - Pond	26
Fence/Wall/Post/Etc Lf	26
<b>Annual Flowers</b>	
Standard Annuals	4
Annual Bed Soil Replenishment	2
Annual Flower Bed Maintenance	38
<b>Fountain Maintenance</b>	
# of Checks	12
<b>Additional Services</b>	
Pruning - Standard/Specialty Palm	2
Annual Flower Replacement	4
Pine Straw	2

Client Initial: \_\_\_\_\_

*Creating premier properties. Building lasting relationships.*

Page 4 of 5



## **What you can expect from us as our valued Client!**

### **Communication**

- **You need to know what's going on.** Most frustration comes from not knowing. We've confronted this issue head on—our systems put communication first. Clients have a single point of contact regardless of the stage of their job. There are regular updates and we always welcome lots of feedback. It is our policy to be honest and responsive at all times and our objective is complete customer satisfaction.

### **Customization**

- **One size doesn't fit all.** Every property we service has its own set of needs and issues. Our experienced staff and integrated approach allow us to find unique solutions to meet most property or budget constraints. It is our focus to be as flexible as possible so that we find the best solution and our customer experience is stress free.

### **Proactivity**

- **We'll fix it before it's a problem.** The last thing we want is for our clients to point out something we've missed. We've built our service programs around proactivity and our professionals strive to catch every detail before someone else does. Procedures, checklists and training all focus on one result—making sure our customers don't have to manage our work.

### **Personnel**

- We understand that our personnel are perceived as your representatives while on your property; rest assured in knowing they will conduct themselves in an efficient, well-mannered, well-groomed and workman-like manner.
- All of our services are coordinated to minimize disruption and maximize safety to people and vehicular traffic.
- We provide all labor, transportation and supervision necessary except in circumstances where we may use a reputable subcontractor (e.g. palm pruning, mulch, and irrigation) to carry out the task.
- Should we accidentally damage anything on your property, we will promptly make repairs at no cost to you.

### **Our Vehicles and Equipment**

- Our service vehicles are well maintained, registered, insured, and operated only by responsible licensed personnel.
- All trailers, storage facilities, and maintenance equipment are in good condition and present a clean and neat appearance.
- Tools and equipment will be properly suited to the task at hand and used with safety gear when necessary.

### **Additional Services**

- We will gladly provide extra services (such as irrigation repair and plant material replacement), special services and/or landscape enhancements at an additional charge with written approval from one of your authorized representatives. Our landscape design team and enhancement crews are ready when you are!

### **Additional Provisions**

- Your personal Account Manager will conduct inspections on a monthly basis to assess and remedy landscape maintenance deficiencies as soon as possible.
- We offer a 24 hour contact list for use in case of emergencies.
- Removal of all landscape debris generated on the property during landscape maintenance is our sole responsibility, at no additional expense to you.
- Access to a water source on your property must be provided for use in spray applications.
- All products will be applied as directed by the manufacturers' instructions and in accordance with all state and federal regulations.
- We will frequently assess, identify, and notify you of any landscape conditions that affect long-term health including our suggestions regarding the best course of action. While we can't guarantee the survival of plant material, since it is a living thing, any plant material that dies as a direct and identifiable result of improper maintenance practices will be replaced at no additional cost to you.

Client Initial: \_\_\_\_\_

*Creating premier properties. Building lasting relationships.*

Page 5 of 5

## SECTION VII

# SECTION C

# SECTION 1

# Deer Run Community Development District

## Summary of Check Register

November 09, 2017 to January 16, 2018

Fund	Date	Check No.'s	Amount
General Fund	11/9/17	795	\$ 2,652.02
	11/15/17	796-799	\$ 7,988.29
	11/17/17	800	\$ 59.07
	12/6/17	801	\$ 351.07
	12/7/17	802-803	\$ 4,053.76
	12/13/17	804-807	\$ 8,771.88
	12/20/17	808-811	\$ 137,210.16
	1/3/18	812-813	\$ 1,095.33
	1/5/18	814	\$ 701.95
	1/10/18	816-819	\$ 5,958.27
	1/15/18	820	\$ 1,335.00
			<hr/>
			\$ 170,176.80
			<hr/>
			\$ 170,176.80

AP300R

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 1/16/18  
 \*\*\* CHECK DATES 11/09/2017 - 01/16/2018 \*\*\* DEER RUN CDD - GENERAL FUND  
 BANK A DEER RUN CDD

PAGE 1

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
11/09/17	00001	11/01/17 194	201711 310-51300-34000	MANAGEMENT FEES NOV17	*	2,500.00	
		11/01/17 194	201711 310-51300-35100	INFO TECHNOLOGY NOV17	*	83.33	
		11/01/17 194	201711 310-51300-51000	OFFICE SUPPLIES	*	7.89	
		11/01/17 194	201711 310-51300-42000	POSTAGE	*	4.93	
		11/01/17 194	201711 310-51300-42500	COPIES	*	47.40	
		11/01/17 194	201711 320-53800-49000	DOMAIN RENEWAL	*	8.47	
				GOVERNMENTAL MANAGEMENT SERVICES			2,652.02 000795
11/15/17	00027	11/01/17 18001459	201711 320-53800-43000	STREETLIGHTING-NOV17	*	902.00	
				FLORIDA POWER & LIGHT COMPANY			902.00 000796
11/15/17	00042	11/01/17 188374	201711 320-53800-46000	LANDSCAPE MAINT-NOV17	*	5,740.72	
				YELLOWSTONE LANDSCAPE			5,740.72 000797
11/15/17	00051	10/31/17 165502	201710 320-53800-47000	AQUATIC MGMT SRVCS-OCT17	*	110.00	
				APPLIED AQUATIC MANAGEMENT, INC.			110.00 000798
11/15/17	00027	11/04/17 13496-61	201710 320-53800-43000	99 GRAND RESERVE DR #ENTR	*	329.00	
		11/04/17 32999-54	201710 320-53800-43000	DECORATIVE LGTNG #OAK BRN	*	601.14	
		11/04/17 49885-91	201710 320-53800-43000	410 GRAND RESERVE DR #B	*	198.06	
		11/04/17 68588-21	201710 320-53800-43000	100 GRAND RESERVE DR #ENT	*	107.37	
				FLORIDA POWER & LIGHT COMPANY			1,235.57 000799
11/17/17	00035	11/17/17 11172017	201711 300-20700-10100	FY17 DEBT ASSESSMENT 11/1	*	59.07	
				DEER RUN CDD C/O REGIONS BANK			59.07 000800
12/06/17	00007	11/28/17 01-0060-	201710 320-53800-43100	100 GRAND RSRV PKWY-OCT17	*	187.20	
		11/28/17 01-0060-	201711 320-53800-43100	100 GRAND RSRV PKWY-NOV17	*	163.87	
				CITY OF BUNNELL			351.07 000801
				DRUN DEER RUN BPHEREGRINO			

AP300R

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

RUN 1/16/18

PAGE 2

\*\*\* CHECK DATES 11/09/2017 - 01/16/2018 \*\*\*

DEER RUN CDD - GENERAL FUND

BANK A DEER RUN CDD

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT.	....CHECK.... AMOUNT #
12/07/17	00001	12/01/17 196	201712 310-51300-34000	MANAGEMENT FEES DEC17	*	2,500.00	
		12/01/17 196	201712 310-51300-35100	INFO TECHNOLOGY DEC17	*	83.33	
		12/01/17 196	201712 310-51300-31300	DISSEMINATION FEE DEC17	*	208.33	
		12/01/17 196	201712 310-51300-51000	OFFICE SUPPLIES	*	.69	
		12/01/17 196	201712 310-51300-42000	POSTAGE	*	10.81	
		12/01/17 196	201712 310-51300-42500	COPIES	*	.60	
GOVERNMENTAL MANAGEMENT SERVICES							2,803.76 000802
12/07/17	00001	12/01/17 197	201712 320-53800-12000	FIELD MANAGEMENT DEC17	*	1,250.00	
GOVERNMENTAL MANAGEMENT SERVICES							1,250.00 000803
12/13/17	00051	11/30/17 166147	201711 320-53800-47000	AQUATIC MGMT SRVCS-NOV17	*	110.00	
		11/30/17 166148	201711 320-53800-47000	AQUATIC MGMT SRVCS-NOV17	*	780.00	
		11/30/17 166148	201711 300-13100-10500	AQUATIC MGMT SRVCS-NOV17	*	335.00	
APPLIED AQUATIC MANAGEMENT, INC.							1,225.00 000804
12/13/17	00027	12/06/17 13496-61	201712 320-53800-43000	99 GRAND RESERVE DR #ENTR	*	39.35	
		12/06/17 32999-54	201712 320-53800-43000	DECORATIVE LGTNG #OAKBRNC	*	601.14	
		12/06/17 49885-91	201712 320-53800-43000	410 GRAND RESERVE DR #B	*	130.67	
		12/06/17 68588-21	201712 320-53800-43000	100 GRAND RESERVE DR #ENT	*	133.00	
FLORIDA POWER & LIGHT COMPANY							904.16 000805
12/13/17	00027	12/01/17 18001477	201712 320-53800-43000	STREETLIGHTING - DEC17	*	902.00	
FLORIDA POWER & LIGHT COMPANY							902.00 000806
12/13/17	00042	12/01/17 191134	201712 320-53800-46000	LANDSCAPE MAINT - DEC17	*	5,740.72	
YELLOWSTONE LANDSCAPE							5,740.72 000807
12/20/17	00044	11/30/17 11302017	201711 300-20700-10200	TAX COMMISSIONS - NOV17	*	3,357.95	
FLAGLER COUNTY TAX COLLECTOR							3,357.95 000808

DRUN DEER RUN BPEREGRINO

AP300R

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 1/16/18  
 \*\*\* CHECK DATES 11/09/2017 - 01/16/2018 \*\*\* DEER RUN CDD - GENERAL FUND  
 BANK A DEER RUN CDD

PAGE 3

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
12/20/17	00004	11/30/17 97451	201710 310-51300-31500		RES BONDS/REUSE AGMT/DEBR	*	4,168.92	
					HOPPING GREEN & SAMS			4,168.92 000809
12/20/17	00035	12/20/17 12202017	201712 300-20700-10100		FY18 DEBT ASMT - DS 2008	*	128,433.29	
					DEER RUN CDD C/O REGIONS BANK			128,433.29 000810
12/20/17	00001	11/01/17 195	201711 320-53800-12000		FIELD MANAGEMENT NOV17	*	1,250.00	
					GOVERNMENTAL MANAGEMENT SERVICES			1,250.00 000811
1/03/18	00007	12/28/17 01-0060-	201711 320-53800-43100		100 GRAND RSRV PKWY NOV17	*	590.58	
		12/28/17 01-0060-	201712 320-53800-43100		100 GRAND RSRV PKWY DEC17	*	486.40	
					CITY OF BUNNELL			1,076.98 000812
1/03/18	00044	12/20/17 12202017	201712 300-20700-10200		TAX COMMISSIONS - DEC17	*	18.35	
					FLAGLER COUNTY TAX COLLECTOR			18.35 000813
1/05/18	00035	1/03/18 01032018	201801 300-20700-10100		FY18 DEBT ASSESSMENT-2008	*	701.95	
					DEER RUN CDD C/O REGIONS BANK			701.95 000814
1/10/18	00027	1/01/18 18001499	201801 320-53800-43000		STREETLIGHTING - JAN18	*	902.00	
					FLORIDA POWER & LIGHT COMPANY			902.00 000816
1/10/18	00027	1/05/18 13496-61	201712 320-53800-43000		99 GRAND RESERVE DR #ENTR	*	39.44	
		1/05/18 32999-54	201712 320-53800-43000		DECORATIVE LGTNG #OAKBRNC	*	598.48	
		1/05/18 49885-91	201712 320-53800-43000		410 GRAND RESERVE DR #B	*	128.66	
		1/05/18 68588-21	201712 320-53800-43000		100 GRAND RESERVE DR #ENT	*	120.54	
					FLORIDA POWER & LIGHT COMPANY			887.12 000817
1/10/18	00001	1/02/18 198	201801 310-51300-34000		MANAGEMENT FEES JAN18	*	2,500.00	
		1/02/18 198	201801 310-51300-35100		INFO TECHNOLOGY JAN18	*	83.33	
		1/02/18 198	201801 310-51300-31300		DISSEMINATION FEE JAN18	*	208.33	

DRUN DEER RUN BPHEREGRINO



AP300R

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 1/16/18  
 \*\*\* CHECK DATES 11/09/2017 - 01/16/2018 \*\*\* DEER RUN CDD - GENERAL FUND  
 BANK A DEER RUN CDD

PAGE 4

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
1/02/18	198	201801	310-51300-51000	OFFICE SUPPLIES	*	.21	
1/02/18	198	201801	310-51300-42000	POSTAGE	*	3.29	
1/02/18	198	201801	310-51300-42500	COPIES	*	6.00	
1/02/18	199	201801	320-53800-12000	FIELD MANAGEMENT JAN18	*	1,250.00	
GOVERNMENTAL MANAGEMENT SERVICES							4,051.16 000818
1/10/18	00004	12/31/17 97763	201711 310-51300-31500	GENERAL ELECTION/BUSINESS	*	117.99	
HOPPING GREEN & SAMS							117.99 000819
1/15/18	00051	11/30/17 166148A	201711 320-53800-47000	AQUATIC MGMT SRVCS-NOV17	*	55.00	
		12/31/17 166880	201712 320-53800-47000	AQUATIC MGMT SRVCS-DEC17	*	110.00	
		12/31/17 166881	201712 320-53800-47000	AQUATIC MGMT SRVCS-DEC17	*	835.00	
		12/31/17 166881	201712 300-13100-10500	AQUATIC MGMT SRVCS-DEC17	*	335.00	
APPLIED AQUATIC MANAGEMENT, INC.							1,335.00 000820
TOTAL FOR BANK A						170,176.80	
TOTAL FOR REGISTER						170,176.80	

DRUN DEER RUN BPEREGRINO

# Deer Run

## Community Development District

### Summary of Check Register

January 17, 2018 to May 14, 2018

Fund	Date	Check No.'s		Amount
General Fund	1/19/18	821-823	\$	11,740.72
	2/7/18	824-825	\$	4,942.61
	2/14/18	826-829	\$	10,919.26
	2/28/18	830-831	\$	339.00
	3/5/18	832-834	\$	5,302.54
	3/14/18	835-836	\$	6,525.90
	3/15/18	837	\$	902.00
	3/21/18	838	\$	823.60
	3/29/18	839	\$	5,237.33
	4/4/18	840-842	\$	6,325.69
	4/5/18	843	\$	3,837.33
	4/13/18	844-846	\$	3,053.97
	4/17/18	847-849	\$	9,183.30
	4/25/18	850	\$	974.21
	4/27/18	851-852	\$	5,490.34
	5/2/18	853-855	\$	6,398.69
	5/9/18	856	\$	3,839.78
	5/11/18	857-861	\$	4,021.80
			\$	89,858.07

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
1/19/18	00050	10/04/17 93	201710 310-51300-31300		*	2,500.00	
		FY18 DISSEMINATION FEES					
				LERNER REPORTING SERVICES INC			2,500.00 000821
1/19/18	00034	9/28/17 58435	201709 310-51300-32300		*	3,500.00	
		TRUSTEE FEE-SER.2008-FY17					
				REGIONS BANK			3,500.00 000822
1/19/18	00042	1/01/18 197744	201801 320-53800-46000		*	5,740.72	
		LANDSCAPE MAINT - JAN18					
				YELLOWSTONE LANDSCAPE			5,740.72 000823
2/07/18	00001	2/01/18 200	201802 310-51300-34000		*	2,500.00	
		MANAGEMENT FEES FEB18					
		2/01/18 200	201802 310-51300-35100		*	83.33	
		INFO TECHNOLOGY FEB18					
		2/01/18 200	201802 310-51300-51000		*	1.38	
		OFFICE SUPPLIES					
		2/01/18 200	201802 310-51300-42000		*	28.54	
		POSTAGE					
		2/01/18 200	201802 310-51300-42500		*	72.75	
		COPIES					
		2/01/18 201	201802 320-53800-12000		*	1,250.00	
		FIELD MANAGEMENT FEB18					
				GOVERNMENTAL MANAGEMENT SERVICES			3,936.00 000824
2/07/18	00007	1/30/18 01-0060-	201712 320-53800-43100		*	536.80	
		100 GRAND RSRV PKWY DEC17					
		1/30/18 01-0060-	201801 320-53800-43100		*	469.81	
		100 GRAND RSRV PKWY JAN18					
				CITY OF BUNNELL			1,006.61 000825
2/14/18	00051	1/31/18 167407	201801 320-53800-47000		*	110.00	
		AQUATIC MGMT SRVCS JAN18					
		1/31/18 167408	201801 320-53800-47000		*	835.00	
		AQUATIC MGMT SRVCS JAN18					
		1/31/18 167408	201801 300-13100-10500		*	335.00	
		AQUATIC MGMT SRVCS JAN18					
				APPLIED AQUATIC MANAGEMENT, INC.			1,280.00 000826
2/14/18	00027	2/06/18 13496-61	201801 320-53800-43000		*	42.50	
		99 GRAND RESERVE DR #ENTR					
		2/06/18 32999-54	201801 320-53800-43000		*	598.48	
		DECOR LGTNG #OAK BRANCH					
		2/06/18 49885-91	201801 320-53800-43000		*	280.21	
		410 GRAND RESERVE DR #B					

DRUN DEER RUN BPEREGRINO

AP300R

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 5/14/18  
 \*\*\* CHECK DATES 01/17/2018 - 05/14/2018 \*\*\* DEER RUN CDD - GENERAL FUND  
 BANK A DEER RUN CDD

PAGE 2

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
		2/06/18 68588-21	201801 320-53800-43000		*	127.35	
		100 GRAND RESERVE DR #ENT		FLORIDA POWER & LIGHT COMPANY			1,048.54 000827
2/14/18 00027		2/01/18 18001520	201802 320-53800-43000		*	902.00	
		STREETLIGHTING - FEB18		FLORIDA POWER & LIGHT COMPANY			902.00 000828
2/14/18 00042		1/31/18 199161	201801 320-53800-47200		*	1,948.00	
		US 1 WATERFALL PUMP RPR					
		2/01/18 200209	201802 320-53800-46000		*	5,740.72	
		LANDSCAPE MAINT - FEB18		YELLOWSTONE LANDSCAPE			7,688.72 000829
2/28/18 00043		2/09/18 1513127	201801 310-51300-31100		*	225.00	
		MEETING AGENDA/ROADWY ISS		DEWBERRY ENGINEERS INC.			225.00 000830
2/28/18 00004		2/19/18 98583	201801 310-51300-31500		*	114.00	
		REVIEW LETTER FROM STATE		HOPPING GREEN & SAMS			114.00 000831
3/05/18 00051		2/28/18 168022	201802 320-53800-47000		*	110.00	
		AQUATIC MGMT SRVCS FEB18					
		2/28/18 168023	201802 320-53800-47000		*	835.00	
		AQUATIC MGMT SRVCS FEB18					
		2/28/18 168023	201802 300-13100-10500		*	335.00	
		AQUATIC MGMT SRVCS FEB18		APPLIED AQUATIC MANAGEMENT, INC.			1,280.00 000832
3/05/18 00007		2/27/18 01-0060-	201801 320-53800-43100		*	82.96	
		100 GRAND RESERVE PKWY					
		2/27/18 01-0060-	201802 320-53800-43100		*	63.56	
		100 GRAND RESERVE PKWY		CITY OF BUNNELL			146.52 000833
3/05/18 00001		3/01/18 202	201803 310-51300-34000		*	2,500.00	
		MANAGEMENT FEES MAR18					
		3/01/18 202	201803 310-51300-35100		*	83.33	
		INFO TECHNOLOGY MAR18					
		3/01/18 202	201803 310-51300-51000		*	.12	
		OFFICE SUPPLIES					
		3/01/18 202	201803 310-51300-42000		*	2.82	
		POSTAGE					
		3/01/18 202	201803 310-51300-42500		*	39.75	
		COPIES					

DRUN DEER RUN

BPEREGRINO

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
		3/01/18 203	201803 320-53800-12000		*	1,250.00	
			FIELD MANAGEMENT MAR18				
				GOVERNMENTAL MANAGEMENT SERVICES			3,876.02 000834
3/14/18 00027		3/06/18 13496-61	201802 320-53800-43000		*	105.09	
			99 GRAND RESERVE DR #ENTR				
		3/06/18 32999-54	201802 320-53800-43000		*	580.03	
			DECORATIVE LGTNG #OAKBRNC				
		3/06/18 68588-21	201802 320-53800-43000		*	100.06	
			100 GRAND RESERVE DR #ENT				
				FLORIDA POWER & LIGHT COMPANY			785.18 000835
3/14/18 00042		3/01/18 204424	201803 320-53800-46000		*	5,740.72	
			LANDSCAPE MAINT - MAR18				
				YELLOWSTONE LANDSCAPE			5,740.72 000836
3/15/18 00027		3/01/18 18001542	201803 320-53800-43000		*	902.00	
			STREETLIGHTING - MAR18				
				FLORIDA POWER & LIGHT COMPANY			902.00 000837
3/21/18 00027		3/06/18 49885-91	201802 320-53800-43000		*	823.60	
			410 GRAND RESERVE DR #B				
				FLORIDA POWER & LIGHT COMPANY			823.60 000838
3/29/18 00042		2/28/18 203431	201802 320-53800-46100		*	2,514.00	
			CUT/RMV TREES LK ACCESS				
		2/28/18 203488	201802 320-53800-47200		*	782.20	
			RPLC CAPACITOR/RELAY				
		2/28/18 205757	201802 320-53800-47200		*	1,168.13	
			RPLC GFI BRAKR/PRESS WASH				
		2/28/18 205760	201802 320-53800-47200		*	506.00	
			MTHLY FOUNTAIN MNT FEB18				
		2/28/18 205761	201802 320-53800-47200		*	267.00	
			RPLC DISCHARGE PIPE FTN				
				YELLOWSTONE LANDSCAPE			5,237.33 000839
4/04/18 00007		3/28/18 01-0060-	201802 320-53800-43100		*	296.16	
			100 GRAND RESERVE PKWY				
		3/28/18 01-0060-	201803 320-53800-43100		*	259.02	
			100 GRAND RESERVE PKWY				
				CITY OF BUNNELL			555.18 000840
4/04/18 00044		3/26/18 03262018	201803 310-51300-42000		*	29.79	
			POSTAGE 2017 TAX BILLS				
				FLAGLER COUNTY TAX COLLECTOR			29.79 000841
				DRUN DEER RUN			
				BPEREGRINO			

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
4/04/18	00042	4/01/18 207128	201804 320-53800-46000	LANDSCAPE MAINT - APR18	*	5,740.72	
				YELLOWSTONE LANDSCAPE			5,740.72 000842
4/05/18	00001	4/02/18 204	201804 310-51300-34000	MANAGEMENT FEES APR18	*	2,500.00	
		4/02/18 204	201804 310-51300-35100	INFO TECHNOLOGY APR18	*	83.33	
		4/02/18 204	201804 310-51300-51000	OFFICE SUPPLIES	*	.24	
		4/02/18 204	201804 310-51300-42000	POSTAGE	*	3.76	
		4/02/18 205	201804 320-53800-12000	FIELD MANAGEMENT APR18	*	1,250.00	
				GOVERNMENTAL MANAGEMENT SERVICES			3,837.33 000843
4/13/18	00051	3/31/18 168626	201803 320-53800-47000	AQUATIC MGMT SRVCS MAR18	*	110.00	
		3/31/18 168627	201803 320-53800-47000	AQUATIC MGMTS SRVCS MAR18	*	835.00	
		3/31/18 168627	201803 320-53800-47000	GOLF COURSE PORTION	*	335.00	
				APPLIED AQUATIC MANAGEMENT, INC.			1,280.00 000844
4/13/18	00027	4/05/18 13496-61	201803 320-53800-43000	99 GRAND RESERVE DR #ENTR	*	173.87	
		4/05/18 32999-54	201803 320-53800-43000	DECORATIVE LGTNG #OAKBRNC	*	581.13	
		4/05/18 68588-21	201803 320-53800-43000	100 GRAND RESERVE DR #ENT	*	116.97	
				FLORIDA POWER & LIGHT COMPANY			871.97 000845
4/13/18	00027	4/01/18 18001566	201804 320-53800-43000	STREETLIGHTING - APR18	*	902.00	
				FLORIDA POWER & LIGHT COMPANY			902.00 000846
4/17/18	00035	4/16/18 04162018	201804 300-20700-10100	FY18 FLAGLER CTY DS 2008	*	9,183.30	
				DEER RUN CDD C/O REGIONS BANK			9,183.30 000847
4/17/18	00044	3/31/18 03312018	201803 300-20700-10200	COMMISSIONS DUE	*	240.10	
				FLAGLER COUNTY TAX COLLECTOR			240.10 000848
4/17/18	00027	4/05/18 49885-91	201803 320-53800-43000	410 GRAND RESERVE DR #B	*	734.11	
				FLORIDA POWER & LIGHT COMPANY			734.11 000849
				DRUN DEER RUN			
				BPEREGRINO			

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
4/25/18	00042	3/31/18 206722	201803 320-53800-47200	RPLC FTN FILTER @ ENTRNCE	*	224.00	
				YELLOWSTONE LANDSCAPE			224.00 000850
4/27/18	00052	2/15/18 17-1585	201802 320-53800-49000	R&R ASPHALT PATCHES IN RD	*	1,700.00	
				ALL TERRAIN TRACTOR SERVICE INC			1,700.00 000851
4/27/18	00042	4/30/18 210664	201804 320-53800-46100	ANNUALS & SOIL INSTALL	*	2,605.00	
		4/30/18 210665	201804 320-53800-47200	QUICK DRAIN INSTALLATION	*	230.67	
		4/30/18 210666	201804 320-53800-47200	CIRCULATION PUMP RPLCMT	*	730.67	
				YELLOWSTONE LANDSCAPE			3,566.34 000852
5/02/18	00007	4/26/18 01-0060-	201803 320-53800-43100	100 GRAND RESERVE PKWY	*	358.87	
		4/26/18 01-0060-	201804 320-53800-43100	100 GRAND RESERVE PKWY	*	274.35	
				CITY OF BUNNELL			633.22 000853
5/02/18	00004	4/25/18 99854	201803 310-51300-31500	DOC REPRODUCTION	*	24.75	
				HOPPING GREEN & SAMS			24.75 000854
5/02/18	00042	5/01/18 210976	201805 320-53800-46000	LANDSCAPE MAINT - MAY18	*	5,740.72	
				YELLOWSTONE LANDSCAPE			5,740.72 000855
5/09/18	00001	5/01/18 206	201805 310-51300-34000	MANAGEMENT FEES MAY18	*	2,500.00	
		5/01/18 206	201805 310-51300-35100	INFO TECHNOLOGY MAY18	*	83.33	
		5/01/18 206	201805 310-51300-51000	OFFICE SUPPLIES	*	.51	
		5/01/18 206	201805 310-51300-42000	POSTAGE	*	5.34	
		5/01/18 206	201805 310-51300-42500	COPIES	*	.60	
		5/01/18 207	201805 320-53800-12000	FIELD MANAGEMENT MAY18	*	1,250.00	
				GOVERNMENTAL MANAGEMENT SERVICES			3,839.78 000856
5/11/18	00051	4/30/18 169280	201804 320-53800-47000	AQUATIC PLANT MAINT APR18	*	110.00	
				DRUN DEER RUN BPEREGRINO			

AP300R

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 5/14/18  
 \*\*\* CHECK DATES 01/17/2018 - 05/14/2018 \*\*\* DEER RUN CDD - GENERAL FUND  
 BANK A DEER RUN CDD

PAGE 6

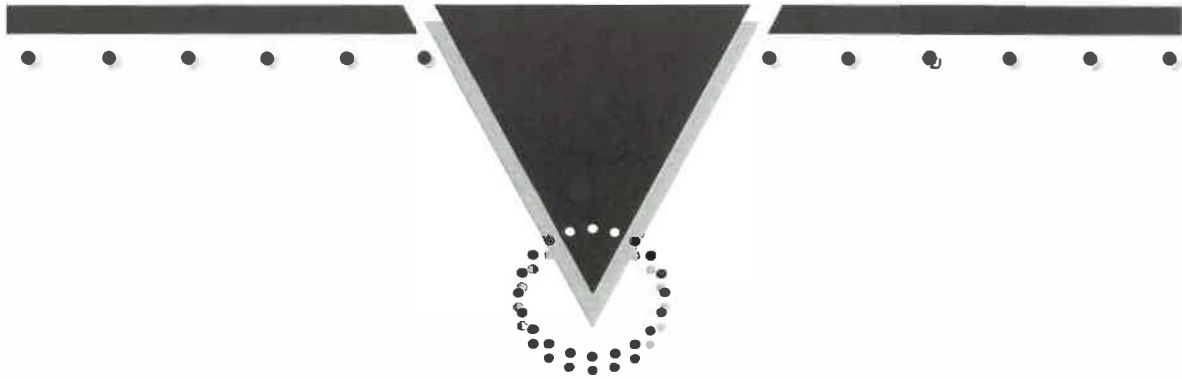
CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
		4/30/18 169281	201804 320-53800-47000		*	835.00	
			AQUTIC PLANT MAINT APR18				
		4/30/18 169281	201804 320-53800-47000		*	335.00	
			GOLF COURSE PORTION				
				APPLIED AQUATIC MANAGEMENT, INC.			1,280.00 000857
5/11/18 00047		4/26/18 95511	201804 320-53800-47100		*	750.00	
			QTRLY INSPECTION APR18				
		4/26/18 95511	201804 320-53800-47100		V	750.00-	
			QTRLY INSPECTION APR18				
				ENVIRONMENTAL SERVICES, INC.			.00 000858
5/11/18 00027		5/07/18 13496-61	201804 320-53800-43000		*	173.29	
			99 GRAND RESERVE DR #ENTR				
		5/07/18 3299-541	201804 320-53800-43000		*	581.13	
			DECORATIVE LGTNG #OAKBRNC				
		5/07/18 68588-21	201804 320-53800-43000		*	73.38	
			100 GRAND RESERVE DR #ENT				
				FLORIDA POWER & LIGHT COMPANY			827.80 000859
5/11/18 00027		5/01/18 18001590	201805 320-53800-43000		*	902.00	
			STREETLIGHTING - MAY18				
				FLORIDA POWER & LIGHT COMPANY			902.00 000860
5/11/18 00042		4/30/18 210639	201804 320-53800-47200		*	506.00	
			FOUNTAIN MAINT APR18				
		4/30/18 210824	201803 320-53800-47200		*	506.00	
			FOUNTAIN MAINT - MAR18				
				YELLOWSTONE LANDSCAPE			1,012.00 000861
				TOTAL FOR BANK A		89,858.07	
				TOTAL FOR REGISTER		89,858.07	

DRUN DEER RUN

BPEREGRINO



## SECTION 2



# Deer Run

## Community Development District

Unaudited Financial Reporting  
April 30, 2018



# Table of Contents

<b>1</b>	<b>Balance Sheet</b>
<b>2</b>	<b>General Fund</b>
<b>3</b>	<b>Settlement Monitoring Fund</b>
<b>4</b>	<b>Debt Service Fund</b>
<b>5</b>	<b>Capital Projects Fund</b>
<b>6</b>	<b>Month to Month</b>
<b>7</b>	<b>Long-Term Debt</b>
<b>8</b>	<b>Assessment Receipt Schedule</b>

**DEER RUN**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**COMBINED BALANCE SHEET**  
For The Period Ending April 30, 2018

	<u>GOVERNMENTAL FUND</u>				<u>TOTALS</u>
					(memorandum only)
<i>ASSETS</i>	<u>GENERAL</u>	<u>SETTLEMENT MONITORING</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>2018</u>
CASH	\$40,790	\$19,500	-----	-----	\$60,290
INVESTMENTS					
RESERVE	-----	-----	\$21,210	-----	\$21,210
REVENUE	-----	-----	\$215,816	-----	\$215,816
CONSTRUCTION	-----	-----	-----	\$107	\$107
DUE FROM CAPITAL	\$3,898	-----	-----	-----	\$3,898
DUE FROM OTHER	-----	-----	-----	-----	\$0
<b>TOTAL ASSETS</b>	<b>\$44,688</b>	<b>\$19,500</b>	<b>\$237,026</b>	<b>\$107</b>	<b>\$301,321</b>
<i>LIABILITIES</i>					
ACCOUNTS PAYABLE	\$3,778	\$750	-----	-----	\$4,528
DUE TO GENERAL FUND	-----	-----	-----	\$3,898 1.	\$3,898
ACCRUED INTEREST PAYABLE	-----	-----	\$4,009,606	-----	\$4,009,606
ACCRUED PRINCIPAL PAYABLE	-----	-----	\$700,000	-----	\$700,000
<i>FUND EQUITY</i>					
FUND BALANCES					
UNASSIGNED	\$40,910	\$18,750	(\$4,472,580)	(\$3,790)	(\$4,416,711)
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$44,688</b>	<b>\$19,500</b>	<b>\$237,026</b>	<b>\$107</b>	<b>\$301,321</b>

1. \$3898.00 DUE FROM NEW BONDS 2017 CAPITAL PROJECTS

# Deer Run

## COMMUNITY DEVELOPMENT DISTRICT

### GENERAL FUND

#### Statement of Revenues & Expenditures For The Period Ending April 30, 2018

	BUDGET	PRORATED BUDGET THRU 4/30/18	ACTUAL THRU 4/30/18	VARIANCE
<b>REVENUES:</b>				
ASSESSMENTS/TRUSTEE CONTRIBUTIONS	\$182,971	\$182,971	\$160,309	(\$22,662)
GOLF COURSE LAKE MAINTENANCE CONTRIBUTIONS	\$4,800	\$4,800	\$2,455	(\$2,345)
<b>TOTAL REVENUES</b>	<b>\$187,771</b>	<b>\$187,771</b>	<b>\$162,764</b>	<b>(\$25,007)</b>
<b>EXPENDITURES:</b>				
<b>ADMINISTRATIVE</b>				
SUPERVISOR FEES	\$4,000	\$2,000	\$1,000	\$1,000
FICA EXPENSE	\$306	\$61	\$61	\$0
ENGINEERING	\$3,550	\$2,071	\$225	\$1,846
DISSEMINATION	\$2,500	\$2,500	\$2,500	\$0
ATTORNEY	\$20,000	\$11,667	\$4,426	\$7,241
ANNUAL AUDIT	\$3,270	\$0	\$0	\$0
TRUSTEE FEES	\$3,500	\$0	\$0	\$0
ARBITRAGE	\$600	\$0	\$0	\$0
ASSESSMENT ROLL	\$2,500	\$2,500	\$2,500	\$0
MANAGEMENT FEES	\$30,000	\$17,500	\$17,500	\$0
INFORMATION TECHNOLOGY	\$1,000	\$583	\$583	\$0
TELEPHONE	\$100	\$58	\$29	\$29
POSTAGE	\$600	\$350	\$117	\$233
INSURANCE	\$8,141	\$8,141	\$7,401	\$740
PRINTING & BINDING	\$800	\$467	\$265	\$201
TRAVEL PER DIEM	\$500	\$292	\$188	\$103
LEGAL ADVERTISING	\$500	\$292	\$0	\$292
OTHER CURRENT CHARGES	\$800	\$467	\$252	\$214
OFFICE SUPPLIES	\$150	\$88	\$13	\$75
DUES, LICENSE, & SUBSCRIPTIONS	\$175	\$175	\$175	\$0
<b>TOTAL ADMINISTRATIVE</b>	<b>\$82,992</b>	<b>\$49,211</b>	<b>\$37,236</b>	<b>\$11,975</b>
<b>MAINTENANCE</b>				
FIELD MANAGEMENT	\$15,000	\$8,750	\$8,750	\$0
ELECTRIC	\$23,000	\$13,417	\$14,432	(\$1,015)
WATER & SEWER	\$5,200	\$3,033	\$4,147	(\$1,113)
LANDSCAPE MAINTENANCE	\$37,800	\$22,050	\$40,185	(\$18,135)
LANDSCAPE CONTINGENCY	\$6,000	\$3,500	\$5,119	(\$1,619)
LAKE MAINTENANCE	\$17,000	\$9,917	\$10,370	(\$453)
WATER FEATURE MAINTENANCE	\$0	\$0	\$6,869	(\$6,869)
IRRIGATION REPAIRS	\$2,000	\$1,167	\$840	\$327
CONTINGENCY	\$570	\$333	\$1,708	(\$1,376)
<b>TOTAL MAINTENANCE</b>	<b>\$106,570</b>	<b>\$62,166</b>	<b>\$92,420</b>	<b>(\$30,254)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$189,562</b>	<b>\$111,376</b>	<b>\$129,656</b>	<b>(\$18,279)</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>(\$1,791)</b>		<b>\$33,109</b>	
<b>FUND BALANCE - BEGINNING</b>	<b>\$1,791</b>		<b>\$7,801</b>	
<b>FUND BALANCE - ENDING</b>	<b>\$0</b>		<b>\$40,910</b>	

# DEER RUN COMMUNITY DEVELOPMENT DISTRICT

## SETTLEMENT MONITORING FUND

Statement of Revenues & Expenditures  
For The Period Ending April 30, 2018

	SETTLEMENT MONITORING BUDGET	PRORATED BUDGET THRU 4/30/18	ACTUAL THRU 4/30/18	VARIANCE
<b><u>REVENUES:</u></b>				
ENVIRONMENTAL MITIGATION CREDIT	\$0	\$0	\$0	\$0
<b>TOTAL REVENUES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>EXPENDITURES:</u></b>				
PERMIT MONITORING	\$0	\$0	\$5,050	(\$5,050)
<b>TOTAL EXPENDITURES:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,050</b>	<b>(\$5,050)</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>\$0</b>		<b>(\$5,050)</b>	
<b>FUND BALANCE - BEGINNING</b>	<b>\$23,800</b>		<b>\$23,800</b>	
<b>FUND BALANCE - ENDING</b>	<b>\$23,800</b>		<b>\$18,750</b>	

# DEER RUN COMMUNITY DEVELOPMENT DISTRICT

## DEBT SERVICE FUND

Statement of Revenues & Expenditures  
For The Period Ending April 30, 2018

	DEBT SERVICE BUDGET	PRORATED BUDGET THRU 4/30/18	ACTUAL THRU 4/30/18	VARIANCE
<b>REVENUES:</b>				
ASSESSMENTS - TAX COLLECTOR	\$13,942	\$13,942	\$138,319	\$124,377
ASSESSMENTS - SPE (FORBEARANCE)	\$681,361	\$0	\$0	\$0
INTEREST	\$0	\$0	\$798	\$798
OTHER REVENUE SOURCES	\$3,185	\$1,858	\$0	(\$1,858)
<b>TOTAL REVENUES</b>	<b>\$698,488</b>	<b>\$15,800</b>	<b>\$139,118</b>	<b>\$123,318</b>
<b>EXPENDITURES:</b>				
INTEREST EXPENSE 11/01	\$281,744	\$281,744	\$308,431	(\$26,688)
PRINCIPAL EXPENSE 05/01	\$135,000	\$0	\$0	\$0
INTEREST EXPENSE 05/01	\$281,744	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$698,488</b>	<b>\$281,744</b>	<b>\$308,431</b>	<b>(\$26,688)</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>\$0</b>		<b>(\$169,314)</b>	
<b>FUND BALANCE - BEGINNING</b>	<b>\$0</b>		<b>(\$4,303,266)</b>	
<b>FUND BALANCE - ENDING</b>	<b>\$0</b>		<b>(\$4,472,580)</b>	

# **DEER RUN COMMUNITY DEVELOPMENT DISTRICT**

## **CAPITAL PROJECTS FUND - SERIES 2008** Statement of Revenues & Expenditures For The Period Ending April 30, 2018

	CONSTRUCTION FUND BUDGET	PRORATED BUDGET THRU 4/30/18	ACTUAL THRU 4/30/18	VARIANCE
<b><u>REVENUES:</u></b>				
INTEREST	\$0	\$0	\$1	\$1
<b>TOTAL REVENUES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1</b>	<b>\$1</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>FUND BALANCE - BEGINNING</b>	<b>\$0</b>		<b>(\$3,791)</b>	
<b>FUND BALANCE - ENDING</b>	<b>\$0</b>		<b>(\$3,790)</b>	



**Deer Run  
Community Development District**

<b>REVENUES:</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEPT</b>	<b>TOTAL</b>
ASSESSMENTS/TRUSTEE CONTRIBUTIONS	\$71,424	\$0	\$36,106	\$197	\$0	\$50,000	\$2,582	\$0	\$0	\$0	\$0	\$0	\$160,309
GOLF COURSE LAKE MAINTENANCE CONTRIBUTION	\$780	\$335	\$335	\$335	\$0	\$670	\$0	\$0	\$0	\$0	\$0	\$0	\$2,455
<b>TOTAL REVENUES</b>	<b>\$72,204</b>	<b>\$335</b>	<b>\$36,441</b>	<b>\$532</b>	<b>\$0</b>	<b>\$50,670</b>	<b>\$2,582</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$162,724</b>
<b>EXPENDITURES:</b>													
<b>ADMINISTRATIVE</b>													
SUPERVISOR FEES	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000
FICA EXPENSE	\$61	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$61
ENGINEERING	\$0	\$0	\$0	\$225	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$225
DISSEMINATION	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500
ATTORNEY	\$4,169	\$118	\$0	\$114	\$0	\$25	\$0	\$0	\$0	\$0	\$0	\$0	\$4,426
ANNUAL AUDIT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TRUSTEE FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARBITRAGE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ASSESSMENT ROLL	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MANAGEMENT FEES	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$0	\$0	\$0	\$0	\$0	\$17,500
COMPUTER TIME	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$0	\$0	\$0	\$0	\$0	\$583
TELEPHONE	\$29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29
POSTAGE	\$33	\$5	\$11	\$3	\$29	\$33	\$4	\$0	\$0	\$0	\$0	\$0	\$117
INSURANCE	\$7,401	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,401
PRINTING & BINDING	\$99	\$47	\$1	\$6	\$73	\$40	\$0	\$0	\$0	\$0	\$0	\$0	\$265
TRAVEL PER DIEM	\$188	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$188
LEGAL ADVERTISING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OTHER CURRENT CHARGES	\$24	\$25	\$23	\$15	\$88	\$36	\$40	\$0	\$0	\$0	\$0	\$0	\$252
OFFICE SUPPLIES	\$2	\$8	\$1	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13
DUES, LICENSES & SUBSCRIPTIONS	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
<b>TOTAL ADMINISTRATIVE</b>	<b>\$20,765</b>	<b>\$2,786</b>	<b>\$2,619</b>	<b>\$2,947</b>	<b>\$2,774</b>	<b>\$2,717</b>	<b>\$2,627</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,236</b>
<b>MAINTENANCE</b>													
FIELD MANAGEMENT	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$0	\$0	\$0	\$0	\$0	\$8,750
ELECTRIC	\$2,138	\$1,806	\$1,789	\$1,951	\$2,511	\$2,508	\$1,730	\$0	\$0	\$0	\$0	\$0	\$14,432
WATER & SEWER	\$564	\$754	\$1,023	\$553	\$360	\$618	\$274	\$0	\$0	\$0	\$0	\$0	\$4,147
LANDSCAPE MAINTENANCE	\$5,741	\$5,741	\$5,741	\$5,741	\$5,741	\$5,741	\$5,741	\$0	\$0	\$0	\$0	\$0	\$40,185
LANDSCAPE CONTINGENCY	\$0	\$0	\$0	\$0	\$2,514	\$0	\$2,605	\$0	\$0	\$0	\$0	\$0	\$5,119
LAKE MAINTENANCE	\$2,690	\$1,280	\$1,280	\$1,280	\$945	\$1,615	\$1,280	\$0	\$0	\$0	\$0	\$0	\$10,370
WATER FEATURE MAINTENANCE	\$0	\$0	\$0	\$1,948	\$2,723	\$730	\$1,467	\$0	\$0	\$0	\$0	\$0	\$6,869
IRRIGATION REPAIRS	\$840	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$840
CONTINGENCY	\$0	\$8	\$0	\$0	\$1,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,708
<b>TOTAL MAINTENANCE</b>	<b>\$13,222</b>	<b>\$10,840</b>	<b>\$11,083</b>	<b>\$12,722</b>	<b>\$17,744</b>	<b>\$12,462</b>	<b>\$14,347</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$92,420</b>
<b>TOTAL EXPENDITURES</b>	<b>\$33,988</b>	<b>\$13,626</b>	<b>\$13,702</b>	<b>\$15,669</b>	<b>\$20,518</b>	<b>\$15,179</b>	<b>\$16,975</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$124,656</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>\$38,216</b>	<b>(\$13,291)</b>	<b>\$22,739</b>	<b>(\$15,136)</b>	<b>(\$20,518)</b>	<b>\$35,491</b>	<b>(\$14,393)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,108</b>

**Deer Run**  
**Community Development District**  
**LONG TERM DEBT REPORT**

SERIES 2008, SPECIAL ASSESSMENT BONDS		
INTEREST RATE:	7.625%	
MATURITY DATE:	5/1/2039	
RESERVE FUND DEFINITION	MAXIMUM ANNUAL DEBT SERVICE	
RESERVE FUND REQUIREMENT	\$717,981	
RESERVE FUND BALANCE	\$21,210	
BONDS OUTSTANDING - 9/30/13		\$8,090,000
LESS: PRINCIPAL PAYMENT 5/1/14		\$0
LESS: PRINCIPAL PAYMENT 5/1/15		\$0
LESS: PRINCIPAL PAYMENT 5/1/16		\$0
LESS: PRINCIPAL PAYMENT 5/1/17		\$0
CURRENT BONDS OUTSTANDING		<b>\$8,090,000</b>

**DEER RUN**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**SPECIAL ASSESSMENT RECEIPTS - FY2018**

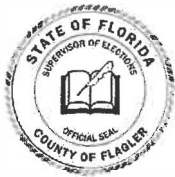
**TAX COLLECTOR**

							Gross Assessments	\$	191,320	\$	41,983	\$	149,337		
							Net Assessments	\$	179,841	\$	39,464	\$	140,377		
														2008	
Date Received	Check#	Gross Assessments Received	Discounts/ Penalties	Commissions Paid	Interest Income	Net Amount Received	General Fund 21.94%	Debt Svc Fund 78.06%	Total 100%						
12/8/17	55471	\$ 167,897.51	\$ -	\$ 3,357.95	\$ -	\$ 164,539.56	\$ 36,106.27	\$ 128,433.29	\$ 164,539.56						
1/8/18	55520	\$ 917.63	\$ -	\$ 18.35	\$ -	\$ 899.28	\$ 197.34	\$ 701.95	\$ 899.28						
4/17/18	56141	\$ 12,005.09	\$ -	\$ 240.10	\$ -	\$ 11,764.99	\$ 2,581.69	\$ 9,183.30	\$ 11,764.99						
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Totals		\$ 180,820.23	\$ -	\$ 3,616.40	\$ -	\$ 177,203.83	\$ 38,885.29	\$ 138,318.54	\$ 177,203.83						

**DIRECT ASSESMENTS**

<b>DR HORTON INC- JACKSONVILLE</b>			<b>\$695,271.22</b>		<b>\$142,848.12</b>	<b>\$552,423.09</b>		
DATE RECEIVED	DATE DUE	Check Num	NET AMOUNT ASSESSED	NET AMOUNT RECEIVED	GENERAL FUND	SERIES 2008	Total	
10/23/17	10/1/17	656522	\$173,817.80	\$35,712.03	\$35,712.03	\$0.00	\$35,712.03	
10/23/17	1/1/18	656522	\$173,817.80	\$35,712.03	\$35,712.03	\$0.00	\$35,712.03	
3/27/18	4/1/18	724093	\$173,817.80	\$50,000.00	\$50,000.00	\$0.00	\$50,000.00	
	7/1/18		\$173,817.80	\$0.00	\$0.00	\$0.00	\$0.00	
			<b>\$695,271.20</b>	<b>\$121,424.06</b>	<b>\$121,424.06</b>	<b>\$0.00</b>	<b>\$121,424.06</b>	
<b>TOTAL ASSESSMENTS</b>					<b>\$ 160,309.35</b>	<b>\$ 138,318.54</b>	<b>\$ 298,627.89</b>	

## SECTION 3



**Kaiti Lenhart** ★ FLAGLER COUNTY SUPERVISOR OF ELECTIONS

1769 E. Moody Boulevard, Building 2, Suite 101 ★ PO Box 901 ★ Bunnell, Florida 32110-0901  
Phone (386) 313-4170 ★ Fax (386) 313-4171 ★ [www.FlaglerElections.com](http://www.FlaglerElections.com)

RECEIVED  
APR 24 2018

April 16, 2018

BY:-----

Lauren Vanderveer  
Deer Run CDD  
135 W. Central Blvd, Suite 320  
Orlando, Florida 32801  
Phone: 407-841-5524

Lauren Vanderveer:

Per your request, in accordance with the requirements of Chapter 190(3) (a) (d), the total number of registered voters for the Deer Run Community Development District as of April 15, 2018 is 38.

If you have any questions or require any further assistance, please contact this office.

Sincerely,

**Kaiti Lenhart**  
Supervisor of Elections  
Flagler County, Florida

# SECTION 4

## **INSTRUCTIONS**

At the Board meeting, when the landowner's election is announced, instructions on how landowners may participate in the election, along with a sample proxy, shall be provided.

At a landowners meeting, landowners shall organize by electing a chair who shall conduct the meeting. The chair may be any person present at the meeting. If the chair is a landowner or proxy holder of a landowner, he or she may nominate candidates and make and second motions.

Nominations are made from the floor.

After all nominations are made, a ballot is distributed and votes are cast

Each landowner is entitled to one vote for each acre he owns or portion of an acre.

## **SAMPLE AGENDA**

1. Determination of Number of Voting Units Represented
2. Call to Order
3. Election of a Chairman for the Purpose of Conducting the Landowners Meeting
4. Nominations for the Position of Supervisor
5. Casting of Ballots
6. Ballot Tabulation
7. Landowners Questions and Comments
8. Adjournment

**LANDOWNER PROXY**  
**LANDOWNERS MEETING – November 15, 2018**

**DEER RUN COMMUNITY DEVELOPMENT DISTRICT**  
**FLAGLER COUNTY, FLORIDA**

NOW ALL MEN BY THESE PRESENTS, that the undersigned, the fee simple owner of the lands described herein, hereby constitutes and appoints:

\_\_\_\_\_  
Proxy Holder

for and on behalf of the undersigned, to vote as proxy at the meeting of the landowners of the Deer Run Community Development District to be held at **3:00 p.m. at the Government Services Building, 1769 E. Moody Blvd., Bunnell, FL 32110 on November 15, 2018**, and at any continuances or adjournments thereof, according to the number of acres of unplatted land and/or platted lots owned by the undersigned landowner which the undersigned would be entitled to vote if then personally present, upon any question, proposition, or resolution or any other matter or thing which may be considered at said meeting including, but not limited to, the election of members of the Board of Supervisors. Said Proxy Holder may vote in accordance with their discretion on all matters not known or determined at the time of solicitation of this proxy, which may legally be considered at said meeting.

Any proxy heretofore given by the undersigned for said meeting is hereby revoked. This proxy is to continue in full force and effect from the date hereof until the conclusion of the annual meeting and any adjournment or adjournments thereof, but may be revoked at any time by written notice of such revocation presented at the annual meeting prior to the Proxy Holder exercising the voting rights conferred herein.

\_\_\_\_\_  
Printed Name of Landowner  
(or, if applicable, unauthorized representative of Landowner)

\_\_\_\_\_  
Signature of Landowner or Landowner Representative

\_\_\_\_\_  
Date

**Parcel Description**

**Acreage**

**Authorized Votes\***

\_\_\_\_\_  
[Legal Description on Following Pages]

**Total Number of Authorized Votes:**

\*Pursuant to section 190.006(2)(b), Florida Statutes (2008), a fraction of an acre is treated as one (1) acre entitling the landowner to one vote with respect thereto.

**Please note that a particular real property is entitled to only one vote for each eligible acre of land or fraction thereof; two (2) or more persons who own real property in common that is one acre or less are together entitled to one vote for that real property. If the fee simple landowner is not an individual, and is instead a corporation, limited liability company, limited partnership or other entity, evidence that the individual signing on behalf of the entity has the authority to do so should be attached hereto. (e.g., bylaws, corporate resolution, etc.) If more than one parcel, each must be listed or described.**



# SECTION 5

*This item will be provided under  
separate cover*