

---

*JPWard and Associates LLC*

---

*TOTAL Commitment to Excellence*

# *Flow Way*

*Community Development District*

*Board of Supervisors*

*May 10, 2016*



*Visit our web site at: [www.flowwaycdd.org](http://www.flowwaycdd.org)*

*JPWard and Associates LLC  
2041 Northeast 6th Terrace  
Wilton Manors, Florida 33305  
E-MAIL: [JimWard@JPWardAssociates.com](mailto:JimWard@JPWardAssociates.com)  
PHONE: (954) 658-4900*

# FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

May 5, 2016

Board of Supervisors  
Flow Way Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Flow Way Community Development District will be held on **Tuesday, May 10, 2016 at 3:00 p.m.** at the **offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.**

1. Call to Order & Roll Call.
2. Consideration of replacement member of the Board of Supervisor's to fill the unexpired term of office of Seat 4, which term expires November, 2016, and administration of the oath of office for the newly appointed member.
3. Consideration of Minutes.
  - a) November 10, 2015 - Regular Meeting
  - b) December 1, 2015 – Regular Meeting
4. Consideration of Acceptance of the Audited Financial Statements for the Fiscal Year ended September 30, 2015.
5. Consideration of Resolution 2016-5 Approving the Proposed Budget for Fiscal Year 2017 and setting a Public Hearing for **Tuesday, August 9, 2017 at 3:00 P.M. at the offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.**
6. Consideration of setting **Tuesday, November 8, 2016 at 3:00 A.M. at the offices of Berntsson, Ittersagen, Gunderson & Wideikis, LLP, 18401 Burdock Circle, Suite C, Port Charlotte, Florida 33948**, as the date, time and location for the upcoming landowner's election for three seats on the Board of Supervisor's.
7. Consideration of Agreement with Lerner Reporting Services to provide for the Continuing Disclosure Obligations for the Series 2015, Phase IV Bonds.
8. Consideration of Acquisition Agreement, Promissory Notes for Parcel H2 and H1 with Taylor Morrison of Esplanade, Inc. to provide for the District to fund these facilities from future Bond Issues of the District.
9. Staff Reports
  - a) District Attorney

- b) District Engineer
- c) District Manager
  - I. Report on the Number of Registered Voters as of April 15, 2016.
  - II. Financial Statements for the period ending March 31, 2016.
- d)

10. Supervisor's Requests and Audience Comments

11. Adjournment

---

The second order of business is consideration of the minutes of the minutes of the November 10, 2015 meeting and the December 1, 2015 meeting, which are enclosed in the Agenda.

---

The third order of business is consideration of a replacement member of the Board of Supervisor's for Seat 4, which term expires November, 2016. The law provides that the Board of Supervisor's in their sole discretion appoints an individual to fill the unexpired term of office.

---

The fourth order of business is acceptance of the Audited Financial Statements for the year ended September 30, 2015. A representative of the firm McDermitt Davis and Associates, will be attending by phone to present the audit to the Board and answer any questions that may arise.

---

The fifth order of business is consideration of Resolution 2016-5 which approves the proposed budget for Fiscal Year 2017 and sets the public hearing date, time and location.

The District's enabling legislation requires the District Manager to submit a Proposed Budget to the Board by June 15th of each year for your review and approval. The approval of the Budget is only intended to permit the District to move through the process towards adopting the Budget at the Public Hearing scheduled for the August 9, 2016 meeting of the Board of Supervisor's.

The approval of the Budget does not bind the Board to any of the costs contained in the Budget, any of the programs contained in the Budget.

**The public hearing is set for Tuesday, August 9, 2016 at 3:00 P.M. at the offices of Coleman, Yovanovich & Koester, 4001 Tamiami Trail East, Suite 300, Naples, Florida 34103.**

---

The sixth order of business is to consider setting the Landowner's election. There are three Board terms who are set to expire – they are Seat 3 (Mr. Asher), Seat 4 (Vacant) and Seat 5 (Mr. Bachelor). The statute requires to the Board to announce the date, time and location of the landowner's election ninety (90) days in advance of the meeting, and to provide the form of ballot, proxy and landowner's instructions. The landowner's meeting is recommended for **Tuesday, November 8, 2016 at 3:00 P.M. at the offices of Coleman, Yovanovich & Koester, 4001 Tamiami Trail East, Suite 300, Naples, Florida 34103.**

Also, as required by law are the forms of ballot, proxy and landowner's instructions are enclosed.

---

The seventh order of business is consideration of an agreement with Lerner Reporting Services to provide continuing disclosure services for the District for the Series 2015 Phase IV bonds.

---

The eighth order of business is consideration of an acquisition agreement and two promissory notes for parcels H2 and H1.

---

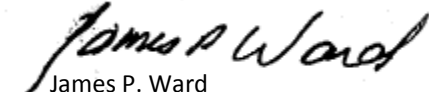
Under my report is the statutory requirement that the District determine as of April 15th of each year the number of registered voter's residing with the District. The Statute provides that the Supervisor of Elections in the County where the District is located (Collier County) provides that information from the voter rolls of the County. The significance of the report is based on the transition date and number of qualified electors residing in the District which are enumerated in the Statute for the District to begin the transition from a landowner's election to a qualified elector based election.

The two thresholds are six years from the date of establishment which for the District is March 4, 2002, and accordingly the District has met this first threshold, and the second is at least 250 qualified electors. There is no required action of the Board for this item, it is provided as a matter of law and placed into the District's records.

---

The balance of the Agenda is standard in nature and I look forward to seeing you at the meeting, and if you have any questions and/or comments, please do not hesitate to contact me directly at (954) 658-4900.

**Flow Way Community Development District**



James P. Ward  
District Manager

**OATH OR AFFIRMATION OF OFFICE**

I, \_\_\_\_\_, a citizen of the State of Florida and of the United States of America, and being an officer of the **Flow Way Community Development District** and a recipient of public funds as such officer, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida, and will faithfully, honestly and impartially discharge the duties devolving upon me as a member of the Board of Supervisors of the **Flow Way Community Development District**, Collier County, Florida.

\_\_\_\_\_  
Signature

Printed Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF COLLIER

Sworn to (or affirmed) before me this \_\_\_\_ day of \_\_\_\_\_, 2016, by \_\_\_\_\_, whose signature appears hereinabove, who is personally known to me or who produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
NOTARY PUBLIC  
STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**THE MINUTES OF MEETING OF THE  
FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Flow Way Community Development District's Board of Supervisors was held on Tuesday, November 10, 2015, at 3:00 p.m., at the Offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.

**Present and constituting a quorum were:**

John Asher	Chairman
Keith Berg	Assistant Secretary
Chris Batchelor	Assistant Secretary

**Absent were:**

Anthony Burdett	Assistant Secretary
Steve Reiter	Assistant Secretary

**Also present were:**

James P. Ward	District Manager
Greg Urbancic	District Counsel
David Williams	District Engineer
Misty Taylor	Bond Counsel (telephonically)

**1. Call to Order & Roll Call**

Mr. Ward called the meeting to order at 3:00 p.m., and roll call determined that all members of the Board were present.

**2. Consideration of Resolution 2016-3**

CONSIDERATION OF RESOLUTION 2016-3 OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$5,800,000 AGGREGATE PRINCIPAL AMOUNT OF ITS FLOW WAY COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2015 (PHASE 4 PROJECT), IN ONE OR MORE SERIES (THE "SERIES 2015 BONDS"); DETERMINING CERTAIN DETAILS OF THE SERIES 2015 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL TRUST INDENTURE; AUTHORIZING THE NEGOTIATED SALE OF THE SERIES 2015 BONDS; APPOINTING THE UNDERWRITER ;APPROVING THE FORM OF AND AUTHORIZING THE

EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT WITH RESPECT TO THE SERIES 2015 BONDS AND AWARDDING THE SERIES 2015 BONDS TO THE UNDERWRITER NAMED THEREIN PURSUANT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND ITS USE BY THE UNDERWRITER IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2015 BONDS AND APPROVING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT AND THE APPOINTMENT OF A DISSEMINATION AGENT, A TRUE UP AGREEMENT, AN ACQUISITION AGREEMENT, AN ASSIGNMENT AGREEMENT, AND A COMPLETION AGREEMENT; PROVIDING FOR THE APPLICATION OF SERIES 2015 BOND PROCEEDS; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2015 BONDS; MAKING CERTAIN DECLARATIONS; APPOINTING A TRUSTEE; PROVIDING FOR THE REGISTRATION OF THE BONDS PURSUANT TO THE DTC BOOK-ENTRY SYSTEM; PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

Misty Taylor provided to the Board a brief summary of Resolution 2016-3 as described above.

**On Motion was made by Mr. Asher, and seconded by Mr. Berg, to adjourn the meeting, and with all in favor the motion was approved.**

**3. Staff Reports**

- a) District Attorney - Mr. Urbancic stated he has no additional report.
- b) District Engineer - Mr. Williams stated he has nothing to report.
- c) District Manager - Mr. Ward stated he has nothing further to report.

**4. Supervisor's Requests and Audience Comments**

There were no members of the public present.

**5. Adjournment**

**On Motion was made by Mr. Batchelor, and seconded by Mr. Berg, to adjourn the meeting, and with all in favor the motion was approved.**

The meeting was adjourned at 3:14 p.m.

Flow Way Community Development District

---

James P. Ward, Secretary

---

John Asher, Chairman



**THE MINUTES OF MEETING OF THE  
FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Flow Way Community Development District's Board of Supervisors was held on Tuesday, December 1, 2015, at 3:00 p.m., at the Offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.

**Present and constituting a quorum were:**

John Asher	Chairman
Keith Berg	Assistant Secretary
Chris Batchelor	Assistant Secretary

**Absent were:**

Steve Reiter	Assistant Secretary
Anthony Burdett	Assistant Secretary

**Also present were:**

James P. Ward	District Manager
Greg Urbancic	District Counsel
David Williams	District Engineer

**1. Call to Order & Roll Call**

Mr. Ward called the meeting to order at 3:00 p.m., and roll call determined that all members of the Board were present except for Supervisors Reiter and Burdett.

**2. Consideration of Minutes of the October 27, 2015 Regular Meeting**

<b>On Motion was made by Mr. Asher, and seconded by Mr. Bachelor, to approve the Minutes as described above, and with all in favor the motion was approved.</b>
---

**3. PUBLIC HEARING**

**Capital Improvement Program - Phase 4 - Series 2015 Bonds**

I. Public Comment and Testimony

**On Motion was made by Mr. Asher and seconded by Mr. Berg to open the Public Hearing, and with all in favor the motion was approved.**

There were no members of the public present in person at the meeting and there has not been any written correspondence from property owners regarding the public hearing.

**On Motion was made by Mr. Asher and seconded by Mr. Bachelor to close the Public Hearing, and with all in favor the motion was approved.**

II. Board of Supervisor's Comments

There were no questions or comments from the Board.

- III. Consideration of Resolution 2016-4 of the Board of Supervisors of the Flow Way Community Development District ("The District") authorizing District projects for construction and/or acquisition of infrastructure improvement; equalizing, approving, confirming, and levying special assessments on property specially benefitted by such projects to pay the cost thereof; providing for the payment and the collection of such special assessments by the methods provided for by Chapters 170, 190, and 197 Florida Statutes; confirming the District's intention to issue special assessment bonds; providing for true-up payments; making provisions relating to the transfer of real property to governmental bodies; providing for the recording of an assessment notice; providing for severability, conflicts, and an effective date.

Mr. Ward handed out a revised version of Resolution 2016-4 and asked Mr. Urbancic to discuss the Resolution with the Board.

Mr. Urbancic explained that the Resolution is almost identical to what was seen in the prior bond issuances, including 2016-1 and 2016-2. He explained that 2016-1 basically set the foundation, as the engineer's report and preliminary assessment report were adopted and it was determined that the project would be undertaken. Resolution 2016-2 confirmed that the public hearing would be set. Mr. Urbancic stated the only difference from what the Board had seen prior is that the bonds were re-sized to the size of the actual bond issuance, and the assessment report was supplemented; otherwise, the project's necessity, benefits, and levy assessment procedure is the same.

**Motion was made by Mr. Asher and seconded by Mr. Berg to adopt Resolution 2016-4 as described above, and with all in favor the motion was approved.**

**4. Staff Reports**

a) District Attorney - Mr. Urbancic reported that regarding the requisitions, the pre-closing is occurring today with the closing scheduled for December 8<sup>th</sup>. Once the closing is completed, two requisitions from the developer for the construction fund will be processed almost immediately. One requisition is for potable water and sewer, and the other is surface water management and irrigation water system. Mr. Urbancic passed out to the Board packets including the draft documents in connection with the requisitions.

b) District Engineer - Mr. Williams commented on the requisitions discussed above, stating that in requisition one the drainage facilities are the master storm water pipes and the storm water pipes that are draining some of the roadways within the development. He stated that the irrigation and the utilities are in the road right-of-way for the master system.

c) District Manager - Mr. Ward stated he has nothing further to report.

**Motion was made by Mr. Asher and seconded by Mr. Bachelor to approve the documents as described by the District's Legal Counsel, and with all in favor the motion was approved.**

**5. Supervisor's Requests and Audience Comments**

There were no supervisor requests and no members of the public were present.

**5. Adjournment**

**Motion was made by Mr. Asher, and seconded by Mr. Berg, to adjourn the meeting, and with all in favor the motion was approved.**

The meeting was adjourned at 3:15 p.m.

Flow Way Community Development District

\_\_\_\_\_  
James P. Ward, Secretary

\_\_\_\_\_  
John Asher, Chairman

**FLOW WAY  
COMMUNITY DEVELOPMENT DISTRICT**

**BASIC FINANCIAL REPORT**

Year Ended September 30, 2015

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**TABLE OF CONTENTS**

Year Ended September 30, 2015

	<b><u>Page</u></b>
<b>I. Financial Section:</b>	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet - Governmental Funds	9
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	12
Notes to Financial Statements	13
<b>II. Compliance Section:</b>	
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 <i>Government Auditing Standards</i>	26
Management Comments	28
Independent Auditor's Report Compliance with the Requirements of Section 218.415, Florida Statutes	30

## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
*Flow Way Community Development District*

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the *Flow Way Community Development District* (the "District"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

**MCDIRMIT DAVIS & COMPANY, LLC**

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District as of September 30, 2015, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis starting on page 3, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2015 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*McDiernit Davis & Company, LLC*

Orlando, Florida  
December 15, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the *Flow Way Community Development District's* (the "District") financial performance provides an overview of the District's financial activities for the fiscal years ended September 30, 2015 and 2014. Please read it in conjunction with the District's financial statements which immediately follow this discussion.

### Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2015:

- The District's total liabilities exceeded its assets at September 30, 2015 by \$1,279,783, a decrease of \$602,552. This decrease is primarily attributable to the use of bond proceeds to fund interest and bond issuance costs.
- At September 30, 2015, the District's governmental funds reported a combined fund balance of \$1,277,953, an increase of \$438,271 in comparison with the prior year. This increase is primarily due to excess of bond proceeds over expenditures.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements.

### Government-Wide Financial Statements

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

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

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

The government-wide financial statements can be found on pages 7 and 8 of this report.



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has one fund type: Governmental Funds.

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

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

The governmental fund financial statements can be found on pages 9 through 12 of this report.

### Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 13 through 25 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statements of net position as of September 30, 2015 and 2014:

Flow Way Community Development District  
Statement of Net Position

	<b>September 30, 2015</b>	<b>September 30, 2014</b>
Assets, excluding capital assets	\$ 1,278,430	\$ 849,644
Capital assets not being depreciated	<u>8,722,962</u>	<u>5,720,639</u>
Total assets	<u>10,001,392</u>	<u>6,570,283</u>
Liabilities, excluding long-term liabilities	281,175	197,514
Long-term Liabilities	<u>11,000,000</u>	<u>7,050,000</u>
Total liabilities	<u>11,281,175</u>	<u>7,247,514</u>
Net Position		
Net investment in capital assets	(2,277,038)	(1,277,029)
Restricted for debt service	643,456	576,572
Restricted for capital projects	331,568	-
Unrestricted	<u>22,231</u>	<u>23,226</u>
Total net position	<u>\$ (1,279,783)</u>	<u>\$ (677,231)</u>

Governmental activities for the year ended September 30, 2015 decreased the District's net position by \$602,552, as reflected in the table below:

Changes in Net Position  
Year ended September 30,

	<b>2015</b>	<b>2014</b>
Revenues:		
Program revenues	<u>\$ 311,976</u>	<u>\$ 102,617</u>
Expenses:		
General government	371,257	418,498
Interest on long-term debt	<u>543,271</u>	<u>361,350</u>
Total expenses	<u>914,528</u>	<u>779,848</u>
Change in net position	(602,552)	(677,231)
Net position - beginning	<u>(677,231)</u>	-
Net position - ending	<u>\$ (1,279,783)</u>	<u>\$ (677,231)</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year. The General, Debt Service and Capital Projects Funds comprise the total governmental funds. The fund balance of the General Fund decreased by \$995 in the current year. The Debt Service Fund increased by \$160,030 in the current year because bond proceeds and special assessments exceeded debt service payments. The fund balance of the Capital Projects Fund increased by \$279,236 because bond proceeds exceeded capital outlay expenditures.

### Capital Asset and Debt Administration

The District's investment in capital assets for its governmental activities as of September 30, 2015, amounts to \$8,722,962 and consists of construction in progress.

At the end of the year, the District had total bond debt outstanding of \$11,000,000; \$3,950,000 of which was issued in the current year.

Additional information on the District's long-term debt can be found in Note 6 on pages 23 through 25 of this report.

### General Fund Budgetary Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. There were no amendments to the general fund budget. The legal level of budgetary control is at the fund level.

### Requests for Information

This financial report is designed to provide a general overview of *Flow Way 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 Flow Way Community Development District; JPWard & Associates, LLC, 2041 NE 6<sup>th</sup> Avenue, Wilton Manors, Florida 33305.

## **FINANCIAL STATEMENTS**

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**STATEMENT OF NET POSITION**

September 30, 2015

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash	\$ 22,708
Restricted assets:	
Temporarily restricted investments	1,255,722
Capital assets not being depreciated	<u>8,722,962</u>
Total assets	<u>10,001,392</u>
<b>Liabilities:</b>	
Accounts payable and accrued expenses	477
Accrued interest payable	280,698
Noncurrent liabilities:	
Due within one year	85,000
Due in more than one year	<u>10,915,000</u>
Total liabilities	<u>11,281,175</u>
<b>Net Position:</b>	
Net investment in capital assets	(2,277,038)
Restricted for debt service	643,456
Restricted for capital projects	331,568
Unrestricted	<u>22,231</u>
Total net position	<u>\$ (1,279,783)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**STATEMENT OF ACTIVITIES**

Year Ended September 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Governmental Activities</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:					
General government	\$ 371,257	\$ 87,783	\$ -	\$ -	\$ (283,474)
Interest on long-term debt	543,271	224,016	116	61	(319,078)
Total governmental activities	<u>\$ 914,528</u>	<u>\$ 311,799</u>	<u>\$ 116</u>	<u>\$ 61</u>	<u>(602,552)</u>
Change in Net Position					(602,552)
Net Position - beginning					<u>(677,231)</u>
Net Position - ending					<u>\$ (1,279,783)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

September 30, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Cash	\$ 22,708	\$ -	\$ -	\$ 22,708
Investments	-	924,154	331,568	1,255,722
Total assets	<u>\$ 22,708</u>	<u>\$ 924,154</u>	<u>\$ 331,568</u>	<u>\$ 1,278,430</u>
<b>Liabilities and Fund Balances:</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 477	\$ -	\$ -	\$ 477
Fund Balances:				
Restricted for debt service	-	924,154	-	924,154
Restricted for capital projects	-	-	331,568	331,568
Unassigned	22,231	-	-	22,231
Total fund balances	<u>22,231</u>	<u>924,154</u>	<u>331,568</u>	<u>1,277,953</u>
Total liabilities and fund balances	<u>\$ 22,708</u>	<u>\$ 924,154</u>	<u>\$ 331,568</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 8,722,962

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

	Accrued interest payable	(280,698)	
	Bonds payable	<u>(11,000,000)</u>	<u>(11,280,698)</u>
<b>Net Position of Governmental Activities</b>			<u>\$ (1,279,783)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

Year Ended September 30, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Special assessments	\$ 87,783	\$ 224,016	\$ -	\$ 311,799
Investment income	-	116	61	177
Total revenues	<u>87,783</u>	<u>224,132</u>	<u>61</u>	<u>311,976</u>
<b>Expenditures:</b>				
Current:				
General government	78,939	-	292,318	371,257
Debt service:				
Interest	-	450,125	-	450,125
Capital outlay	-	-	3,002,323	3,002,323
Total expenditures	<u>78,939</u>	<u>450,125</u>	<u>3,294,641</u>	<u>3,823,705</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	8,844	(225,993)	(3,294,580)	(3,511,729)
<b>Other Financing Sources (Uses):</b>				
Bonds issued	-	376,271	3,573,729	3,950,000
Transfers in	-	9,839	87	9,926
Transfers out	(9,839)	(87)	-	(9,926)
Total other financing sources (uses)	<u>(9,839)</u>	<u>386,023</u>	<u>3,573,816</u>	<u>3,950,000</u>
Net change in fund balances	(995)	160,030	279,236	438,271
<b>Fund Balances - beginning of year</b>	<u>23,226</u>	<u>764,124</u>	<u>52,332</u>	<u>839,682</u>
<b>Fund Balances - end of year</b>	<u>\$ 22,231</u>	<u>\$ 924,154</u>	<u>\$ 331,568</u>	<u>\$ 1,277,953</u>

The accompanying Notes to Financial Statements are an integral part of this statement.



FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES**

Year Ended September 30, 2015

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

Net change in fund balances - total governmental funds (page 10)	\$	438,271
Expenditures on capital assets are reported as expenditures in the governmental fund statement, however, capital assets are capitalized in the statement of net position.		3,002,323
Proceeds from issuance of bonds are reported as fund sources in governmental funds and an increase to long-term liabilities in the statement of net position.		(3,950,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest		<u>(93,146)</u>
Change in net position of governmental activities (page 8)	\$	<u>(602,552)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**

Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues:</b>				
Special Assessments	\$ 100,070	\$ 100,070	\$ 87,783	\$ (12,287)
<b>Expenditures:</b>				
Current:				
General government	100,070	100,070	78,939	21,131
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	-	(9,839)	(9,839)
Net change in fund balance	-	-	(995)	(995)
Fund Balance - beginning	23,226	23,226	23,226	-
Fund Balance - ending	<u>\$ 23,226</u>	<u>\$ 23,226</u>	<u>\$ 22,231</u>	<u>\$ (995)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS**

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS**

Year Ended September 30, 2015

**Note 1 - Organization and Operations**

The Flow Way Community Development District (the "District") was established on March 4, 2002, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190 of the Florida Statutes by Collier County Ordinance 02-09. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purpose of planning, financing, constructing, operating and maintaining certain portions of community-wide infrastructure. The District consists of 830 acres of land and is located entirely within Collier County, Florida.

The District is governed by a Board of Supervisors (the "Board"), which is composed of five members. The Supervisors are elected on an at large basis by the owners of property within the District, and ownership of land within the District entitles the owner to one vote per acre. All of the Board members are affiliated with Taylor Morrison (the "Developer") at September 30, 2015. The District is economically dependent on the Developer. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has a final responsibility for:

- Assessing and levying special assessments
- Approving and adopting budgets
- Exercising control over facilities and property
- Controlling the use of funds generated by the District
- Hiring the District Manager, District Engineer and District Attorney
- Financing, operating and maintaining improvements.

**Note 2 - Summary of Significant Accounting Policies:**

The accounting policies of the District conform to Generally Accepted Accounting Principles (GAAP) as applicable to governments in accordance with those promulgated by the Governmental Accounting Standards Board (GASB). The District's more significant accounting policies are described below:

**The Financial Reporting Entity**

The criteria used for including component units consist of identification of legally separate organizations for which the Board of Supervisors of the District are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting district's financial statements to be misleading or incomplete. Based upon this review, there were no potential component units of the District.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Basis of Presentation**

**Financial Statements - Government-Wide and Fund Financial Statements**

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

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the district's activities are classified as governmental activities.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2015, the District did not have any business-type activities and therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use or directly benefit from goods or services) are reported as general revenues. In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full-accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations, when and if applicable.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The net costs, by function, are also supported by general revenues. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is more on the ability to sustain the District as an entity and the change in the District's net position resulting from the current year's activities.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Basis of Presentation (continued)**

**Financial Statements - Fund Financial Statements**

The accounts of the District are organized on the basis of funds. The operations of the funds are accounted for with separate self-balancing accounts that comprise their assets, liabilities, fund equity, revenues and expenditures.

The District reports the following governmental funds:

**General Fund** - This fund is used to account for all operating activities of the District. At this time, revenues are derived principally from non-ad valorem assessments and interest income.

**Debt Service Fund** - This fund is used to account for the accumulation of resources for and the payment of long-term debt principal, interest and other financing costs.

**Capital Projects Fund** - This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

For the year ended September 30, 2015, the District does not report any proprietary funds.

**Measurement Focus, Basis of Accounting and Presentation**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the government-wide statements use the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current year.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Budget**

A budget is adopted for the General Fund and Debt Service Fund on an annual basis. Appropriations lapse at fiscal year-end. Changes or amendments to the total budgeted expenditures of the District must be approved by the District Board of Supervisors.

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

- a. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b. A public hearing is conducted to obtain property owner's comments.
- c. Prior to October 1, the budget is legally adopted by the District Board.
- d. The budgets are adopted on a basis consistent with generally accepted accounting principles.

**Cash, cash equivalents and investments**

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments, if applicable, are stated at their fair value, which is based on quoted market prices. Unrealized gains and losses in fair value are recognized. Certain money market investments are stated at amortized cost if they have a remaining maturity of one year or less when purchased.

**Capital assets**

Capital assets, which include land and improvements, infrastructure and machinery and equipment, are reported in the governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2015.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2015.

**Special assessments**

The District's Assessments are included on the property tax bill that all landowner's receive. The Florida Statutes provide that special assessments may be collected by using the Uniform Method. Under the Uniform Method, the District's Assessments will be collected together with County and other taxes. These Assessments will appear on a single tax bill issued to each landowner subject to such. The statutes relating to enforcement of County taxes provided that County taxes become due and payable on November 1 of the year when assessed or as soon thereafter as certified tax roll is received by the Tax Collector and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes (together with any assessments, being collected by the Uniform Method) are to be billed, and landowners in the District are required to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the District's Assessments. Upon any receipt of moneys by the Tax Collector from the Assessments, such moneys will be delivered to the District.

All city, county, school and special district ad valorem taxes, non-ad valorem special assessments and voter-approved ad valorem taxes levied to pay principal and interest on bonds, including the District Assessments, that are collected by the Uniform Method are payable at one time. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full and such partial payment is not to be accepted and is to be returned to the taxpayer, provided, however that a taxpayer may contest a tax assessment pursuant to certain conditions in Florida Statutes and other applicable law.



FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Special assessments (continued)**

Under the Uniform Method, if the Assessments are paid during November when due or at any time within thirty (30) days after mailing of the original tax notice or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. March payments are without discount. Pursuant to Section 197.222, Florida Statutes, taxpayers may elect to pay estimated taxes, which may include non-ad valorem special assessments such as the District's Assessments in quarterly installments with a variable discount equal to 6% on June 30 decreasing to 3% on December 31, with no discount on March 31. All unpaid taxes and assessments become delinquent on April 1 of the year following assessment, and the Tax Collector is required to collect taxes prior to April 1 and after that date to institute statutory procedures upon delinquency to collect assessed taxes. Delay in the mailing of the notices to taxpayers may result in a delay throughout this process.

Certain taxpayers that are entitled to claim homestead tax exemption under Section 196.031(1), Florida Statutes may defer payment of a portion of the taxes and non-ad valorem assessments and interest accumulated on a tax certificate, which may include non-ad valorem special assessments. Deferred taxes and assessments bear interest at a variable rate not to exceed 7%. The amount that may be deferred varies based on whether the applicant is younger than 65 or is 65 years old or older; provided that applicants with a household income for the previous calendar year of less than \$10,000 or applicants with less than the designated amount for the additional homestead exemption under Section 196.075, Florida Statutes that are 65 year old or older may defer taxes and assessments in their entirety.

Collection of Delinquent Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Assessment due.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**Note 2 - Summary of Significant Accounting Policies (Continued):**

**Equity Classifications**

Government-wide statements:

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation, if applicable, and reduced by the outstanding balances of any bonds, or other borrowings that are attributable to the acquisition, construction or improvement of those assets
- b. Restricted net position - consist of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Fund Statements:

The District presents fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement requires that governmental fund financial statements presents fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has no Nonspendable fund balances as of September 30, 2015.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**Note 2 - Summary of Significant Accounting Policies (Continued):**

Fund Statements (continued):

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Supervisors (the "Board"). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed fund balance as of September 30, 2015.

Assigned - This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District did not have any assigned fund balances as of September 30, 2015.

Unassigned - This classification includes the residual fund balance for the General Fund.

When the District has expenditures for which committed, assigned or unassigned fund balance is available, the District would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

**Use of Estimates**

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

**Note 3 - Deposits and Investments:**

Deposits

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**Note 3 - Deposits and Investments (Continued):**

Deposits (continued)

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by Governmental Accounting Standards Board, Statement Number 40, *Deposits and Investment Disclosures (an Amendment of Governmental Accounting Standards Board, Statement Number 3)*.

Investments

Investments of the General Fund are governed by Section 218.415, Florida Statutes. The authorized investments include, among others, negotiable direct or indirect obligations which are secured by the United States Government, the Local Government Surplus Funds Trust as created by Section 218.415, Florida Statutes; and interest-bearing time deposits or savings accounts in authorized financial institutions.

Investments of Debt Service and Capital Projects Fund are governed by the provisions of the Trust Indenture.

Investments of the Debt Service and Capital Projects Fund as of September 30, 2015 were \$1,255,722 and were in money market mutual funds.

Credit Risk

Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency. The money market mutual funds held by the District are rated AAAm by Standard and Poor's and AAA-mf by Moody's Investors Service.

Custodial Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. The money market mutual funds are not evidenced by securities that exist in physical or book entry form.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**Note 3 - Deposits and Investments (Continued):**

Interest Rate Risk

Florida Statutes provide that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. The money market mutual funds have a weighted average maturity of 47 days.

Concentration Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2015, the District's investments were not subject to custodial credit risk.

**Note 4 - Capital Assets:**

Capital asset activity for the year ended September 30, 2015 was as follows:

	<b>Beginning Balance October 1, 2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at September 30, 2015</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Construction in progress	\$5,720,639	\$3,002,323	\$ -	\$8,722,962
Governmental activities capital assets, net	<u>\$5,720,639</u>	<u>\$3,002,323</u>	<u>\$ -</u>	<u>\$8,722,962</u>

**Note 5 - Interfund Transfers:**

The General Fund transferred \$9,839 to the Debt Service fund for General Fund expenses paid on behalf of that fund.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**Note 6 - Long-Term Debt:**

Summary of Long-Term Debt of Governmental Activities

Long-term debt of the governmental activities at September 30, 2015 is comprised of the following:

\$7,050,000 Special Assessment Revenue Bonds, Series 2013; due in annual installments commencing 2015 through 2044; interest payable semi-annually at 6% and 6.5%. \$ 7,050,000

\$3,950,000 Special Assessment Revenue Bonds, Series 2015; due in annual installments commencing 2015 through 2045; interest payable semi-annually at 4.25%, 5% and 5.375%. \$ 3,950,000

The following is a summary of changes in governmental activities long-term debt for the year ended September 30, 2015:

	<b>Balance October 1, 2014</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance September 30, 2015</b>	<b>Due Within One Year</b>
Special Assessment Revenue Bonds, Series 2013	\$ 7,050,000	\$ -	\$ -	\$ 7,050,000	\$ 85,000
Series 2015	-	3,950,000	-	3,950,000	-
Total	<u>7,050,000</u>	<u>3,950,000</u>	<u>-</u>	<u>11,000,000</u>	<u>85,000</u>

Summary of Significant Debt Terms of Governmental Activities

\$7,050,000 Special Assessment Revenue Bonds, Series 2013 - The District issued \$7,050,000 Series 2013 Bonds for the purpose of funding certain capital projects within the boundaries of the District. The bonds bear interest at 6% and 6.5% and mature in November 2044. Interest is payable semi-annually on the first day of each May and November. The bonds are secured by a pledge of revenues derived from the collection of non-ad valorem special assessments.

The District is required by the Bond Indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments is restricted and applied to the debt service requirements of the Bond issue. Further, the District covenants to levy special assessments in annual amounts adequate to provide for the payment of principal and interest on the Bonds as they become due.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**Note 6 - Long-Term Debt (Continued):**

Summary of Significant Debt Terms of Governmental Activities (continued)

The Bonds are subject to mandatory redemption at par on a schedule of annual redemptions starting November 1, 2015 through November 1, 2044, the maturity date. The District is required to redeem the Bonds at par prior to the schedule from the proceeds of any assessments prepaid in full, or moneys received as a result of condemnation or destruction of the project. The Bonds are subject to redemption at the option of the District anytime on or after November 1, 2024 as described in the bond indenture.

The Bond Indenture requires the District to fund a debt service reserve account, as described in the bond indenture. As of September 30, 2015, the reserve fund account balance was sufficient to satisfy this requirement.

Total principal and interest remaining on the 2013 Bonds is \$15,870,448. For the current year ended September 30, 2015, total interest paid on the Bonds was \$450,125. There was no principal due. Special assessment revenue pledged in the current year was \$224,016.

\$3,950,000 Special Assessment Revenue Bonds, Series 2015 - The District issued \$3,950,000 Series 2015 Bonds for the purpose of funding certain capital projects within the boundaries of the District. The bonds bear interest at 4.25%, 5% and 5.375% and mature in November 2045. Interest is payable semi-annually on the first day of each May and November. The bonds are secured by a pledge of revenues derived from the collection of non-ad valorem special assessments.

The District is required by the Bond Indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments is restricted and applied to the debt service requirements of the Bond issue. Further, the District covenants to levy special assessments in annual amounts adequate to provide for the payment of principal and interest on the Bonds as they become due.

The Bonds are subject to mandatory redemption at par on a schedule of annual redemptions starting November 1, 2016 through November 1, 2045, the maturity date. The District is required to redeem the Bonds at par prior to the schedule from the proceeds of any assessments prepaid in full, or moneys received as a result of condemnation or destruction of the project. The Bonds are subject to redemption at the option of the District anytime on or after November 1, 2025 as described in the bond indenture.

The Bond Indenture requires the District to fund a debt service reserve account, as described in the bond indenture. As of September 30, 2015, the reserve fund account balance was sufficient to satisfy this requirement.

Total principal and interest remaining on the 2015 Bonds is \$7,972,322. For the current year ended September 30, 2015, total no interest or principal was due and no special assessment revenue was pledged.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Year Ended September 30, 2015

**Note 6 - Long-Term Debt (Continued):**

Summary of Significant Debt Terms of Governmental Activities (continued)

The annual debt service requirements for the Special Assessment Revenue Bonds consist of:

Year Ending September 30,	Principal	Interest	Total
2016	\$ 85,000	\$ 658,954	\$ 743,954
2017	155,000	640,149	795,149
2018	160,000	631,837	791,837
2019	175,000	622,968	797,968
2020	180,000	613,543	793,543
2021 - 2025	1,050,000	2,910,195	3,960,195
2026 - 2030	1,375,000	2,580,127	3,955,127
2031 - 2035	1,825,000	2,111,031	3,936,031
2036 - 2040	2,455,000	1,470,216	3,925,216
2041 - 2045	3,290,000	597,031	3,887,031
2046	250,000	6,719	256,719
	<u>\$ 11,000,000</u>	<u>\$ 12,842,770</u>	<u>\$ 23,842,770</u>

**Note 7 - 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. To mitigate this risk, the District purchases an insurance policy that provides coverage of up to a \$2,000,000 general liability for each occurrence and an annual aggregate coverage of approximately \$4,000,000 for the policy year ending September 30, 2015. Another insurance policy carried by the District during the year includes public official's liability. Deductible amounts ranged from \$0 to \$2,500. There have been no claims against the District during the last three fiscal years.

**Note 8 - Concentration:**

A significant portion of the District's activity is dependent upon the continued involvement of the Developer, Taylor Morrison, the loss of which could have a materially adverse effect on the District's ability to pay the principal and interest on the District Series 2013 and 2015 Bonds, along with the operations of the District. For the period ending September 30, 2015, the Developer owned 100% of the assessable property. Certain property within the District that is not assessed is owned by others. For the same period, the Developer's share of total assessment revenue was 100%.

All of the members of the Board of Supervisors are affiliated with the Developer.



**COMPLIANCE SECTION**

**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  
*Flow Way Community Development District*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the *Flow Way Community Development District* (the "District") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MCDIRMIT DAVIS & COMPANY, LLC

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

## Compliance and Other Matters

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

## Purpose of this Report

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

*McDiernit Davis & Company, LLC*

Orlando, Florida  
December 15, 2015

## MANAGEMENT COMMENTS

Board of Supervisors  
*Flow Way Community Development District*

### Report on the Financial Statements

We have audited the financial statements of the *Flow Way Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated December 15, 2015.

### Auditor's Responsibility

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

### Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 15, 2015, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no audit findings in the previous year.

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

MCDIRMIT DAVIS & COMPANY, LLC

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

## **Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any 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 condition assessment procedures. It is management's responsibility to monitor the District financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

## **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 report the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2015, 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, 2015. In connection with our audit, we determined that these two reports were in agreement.

## **Other Matters**

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 have 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.

*McDiernit Davis & Company, LLC*

Orlando, Florida  
December 15, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

Board of Supervisors  
*Flow Way Community Development District*

We have examined Flow Way Community Development District's (the District) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2015. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the 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 the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the 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 the District's compliance with specified requirements.

In our opinion, District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

*McDirmit Davis & Company, LLC*

Orlando, Florida  
December 15, 2015

**RESOLUTION 2016-5**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2017 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the District Manager has heretofore prepared and submitted to the Board of Supervisors of Flow Way Community Development District (the "Board"), a proposed Budget for Fiscal Year 2017; 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 FLOW WAY COMMUNITY DEVELOPMENT DISTRICT:**

**SECTION 1.** That the foregoing whereas clauses are true and correct and incorporated herein as if written into this Section.

**SECTION 2.** The proposed Budget submitted by the District Manager for Fiscal Year 2016 and attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said budget.

**SECTION 3.** A public hearing on said approved budget is hereby declared and set for the following date, hour and location:

<b>DATE:</b>	<b>Tuesday, August 9, 2016</b>
<b>HOUR:</b>	<b>3:00 P.M.</b>
<b>LOCATION:</b>	<b>Offices of Coleman, Yovanovich &amp; Koester 4001 Tamiami Trail North, Suite 300 Naples, Florida 34103</b>

**SECTION 4.** The District Manager is hereby directed to submit a copy of the proposed budget to Collier County at least 60 days prior to the hearing set above.

**SECTION 5.** Notice of this public hearing on the budget shall be published in a newspaper of general circulation in the area of the district once a week for two (2) consecutive weeks, except that the first publication shall not be fewer than 15 days prior to the date of the hearing. The notice shall further contain a designation of the day, time, and place of the public hearing. At the time and place designated in the notice, the Board shall hear all objections to the budget as proposed and may make such changes as the board deems necessary.

**SECTION 6.** If any one of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contract to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof.

**SECTION 7.** That all Sections or parts of Sections of any Resolutions, Agreements or actions of the Board of Supervisor's in conflict are hereby repealed to the extent of such conflict.

**RESOLUTION 2016-5**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2017 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.**

**SECTION 8.** This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED** this 10<sup>th</sup> day of September, 2016.

**ATTEST:**

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_  
James P. Ward, Secretary

\_\_\_\_\_  
John Asher, Chairman



**BOARD OF SUPERVISOR'S**

**EXHIBIT A**

**FLOW WAY  
COMMUNITY DEVELOPMENT DISTRICT**

**PROPOSED BUDGET**

**FISCAL YEAR 2017**

**October 1, 2016 through September 30, 2017**



**Visit our website at: [www.florwaycdd.org](http://www.florwaycdd.org)**



**Prepared by:  
JPWard and Associates, LLC  
TOTAL Commitment to Excellence**

James P. Ward  
District Manager  
2041 NE 6TH Terrace  
Wilton Manors, FL 33305  
Phone: 954-658-4900  
E-mail: ward9490@comcast.net

# TABLE OF CONTENTS

**GENERAL FUND**

<b>Budget</b>	<b>1— 2</b>
<b>Budget—Fiscal Year 2017</b>	
<b>Assessment Rate Comparison</b>	
<b>Budget Comparison</b>	
<b>Description of Budgeted items</b>	<b>3—4</b>

**DEBT SERVICE FUND**

<b>Series 2013 Bonds</b>	<b>5-7</b>
<b>Budget—Fiscal Year 2017</b>	
<b>Budget Comparison</b>	
<b>Bond Amortization Schedule</b>	

**CAPITAL PROJECT FUND**

<b>Series 2013 Bonds</b>	
<b>Budget—Fiscal Year 2017</b>	<b>8</b>

**DEBT SERVICE FUND**

<b>Series 2015 Bonds</b>	<b>9-11</b>
<b>Budget—FY 2016</b>	
<b>Budget Comparison</b>	
<b>Bond Amortization Schedule</b>	

**CAPITAL PROJECT FUND**

<b>Series 2015 Bonds</b>	<b>12</b>
<b>Budget—FY 2017</b>	

<b>ASSESSMENT COMPARISON</b>	<b>13</b>
------------------------------	-----------

**Flow Way Community Development District**

**General Fund - Budget**

**Fiscal Year 2017**

Description	Anticipated			
	Fiscal Year 2016 Budget	Actual at 02/29/2016	Year End 09/30/2016	Fiscal Year 2017 Budget
<b>Revenues and Other Sources</b>				
Carryforward	\$ -	\$ -	\$ -	\$ (22,000)
Interest Income - General Account	\$ -	\$ -	\$ -	\$ -
<b>Assessment Revenue</b>				
Assessments - On-Roll	\$ 130,887	\$ 124,381	\$ 124,381	\$ 154,919
Assessments - Off-Roll		\$ 25,000	\$ 25,000	
<b>Total Revenue &amp; Other Sources</b>	<b>\$ 130,887</b>	<b>\$ 149,381</b>	<b>\$ 149,381</b>	<b>\$ 176,919</b>
<b>Appropriations</b>				
<b>Legislative</b>				
Board of Supervisor's Fees	\$ -	\$ -	\$ -	\$ -
Board of Supervisor's - FICA	\$ -	\$ -	\$ -	\$ -
<b>Executive</b>				
Professional - Management	\$ 40,000	\$ 16,667	\$ 40,000	\$ 40,000
<b>Financial and Administrative</b>				
Audit Services	\$ 4,100	\$ 4,100	\$ 4,100	\$ 4,100
Accounting Services	\$ 16,000	\$ 5,000	\$ 16,000	\$ 16,000
Assessment Roll Preparation	\$ 16,000	\$ 3,333	\$ 16,000	\$ 16,000
Arbitrage Rebate Fees	\$ 1,000	\$ -	\$ 1,000	\$ 1,500
<b>Other Contractual Services</b>				
Recording and Transcription	\$ -	\$ -	\$ -	\$ -
Legal Advertising	\$ 2,000	\$ 5,037	\$ 7,500	\$ 2,000
Trustee Services	\$ 8,600	\$ -	\$ 8,600	\$ 8,600
Dissemination Agent Services	\$ 10,000	\$ 3,333	\$ 10,000	\$ 15,000
Property Appraiser Fees	\$ -	\$ 4,876	\$ 4,876	\$ 5,000
Bank Service Fees	\$ 300	\$ 80	\$ 300	\$ 300
<b>Travel and Per Diem</b>	\$ -			\$ -
<b>Communications and Freight Services</b>				
Telephone	\$ -	\$ -	\$ -	\$ -
Postage, Freight & Messenger	\$ 500	\$ 67	\$ 400	\$ 500
<b>Rentals and Leases</b>				
Miscellaneous Equipment	\$ -	\$ -	\$ -	\$ -
Computer Services (Web Site)	\$ 2,400	\$ -	\$ 2,400	\$ 2,400
<b>Insurance</b>	\$ 6,000	\$ 5,923	\$ 5,923	\$ 6,000
<b>Subscriptions and Memberships</b>	\$ 175	\$ 175	\$ 175	\$ 175
<b>Printing and Binding</b>	\$ 500	\$ 550	\$ 750	\$ 500
<b>Office Supplies</b>	\$ 250	\$ -	\$ -	\$ -
<b>Legal Services</b>				
General Counsel	\$ 7,900	\$ 17,860	\$ 25,000	\$ 20,000

**Flow Way Community Development District**

**General Fund - Budget**

**Fiscal Year 2017**

Description	Fiscal Year	Actual at	Anticipated	Fiscal Year
	2016 Budget	02/29/2016	Year End 09/30/2016	2017 Budget
<b>Other General Government Services</b>				
Engineering Services	\$ 1,000	\$ -	\$ -	\$ 1,000
Contingencies	\$ 5,000	\$ -	\$ -	\$ 5,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -
<b>Other Fees and Charges</b>				
Discounts, Tax Collector Fee and Property Appraiser Fee	\$ 9,162	\$ -	\$ -	\$ 10,844
<b>Total Appropriations</b>	<b>\$ 130,887</b>	<b>\$ 67,000</b>	<b>\$ 143,024</b>	<b>\$ 154,919</b>
<b>Net Increase/(Decrease) in Fund Balance</b>	\$ -	\$ 82,381	\$ 6,357	\$ 22,000
<b>Fund Balance - Beginning</b>	\$ 7,978	\$ 7,978	\$ 7,978	\$ 14,335
<b>Fund Balance - Ending (Projected)</b>	<b>\$ 7,978</b>	<b>\$ 90,359</b>	<b>\$ 14,335</b>	<b>\$ 36,335</b>
<b>Assessment Rate:</b>	<b>\$ 310.90</b>			<b>\$ 310.93</b>
<b>Total Units Subject to Assessment:</b>				<b>569</b>

**Flow Way Community Development District**

**General Fund - Budget**

**Fiscal Year 2017**

**Revenues and Other Sources**

<b>Carryforward</b>	\$ (22,000)
<b>Interest Income - General Account</b>	\$ -

**Appropriations**

**Legislative**

Board of Supervisor's Fees	\$ -
<p>The Board's fees are statutorily set at \$200 for each meeting of the Board of Supervisor's not to exceed \$4,800 for each Fiscal Year. The Budgeted amount reflects that the anticipated meetings for the District. The current Board has waived the statutory authorized fees.</p>	

**Executive**

Professional - Management	\$ 40,000
<p>The District retains the services of a professional management company - <b>JPWard and Associates, LLC</b> - which specializes in Community Development Districts. The firm brings a wealth of knowledge and expertise to Flow Wav CDD.</p>	

**Financial and Administrative**

Audit Services	\$ 4,100
<p>Statutorily required for the District to undertake an independent examination of its books, records and accounting procedures, if it's Revenues or Expenditures reach a certain threshold.</p>	
Accounting Services	\$ 16,000
<p>For the Maintenance of the District's books and records on a daily basis.</p>	
Assessment Roll Preparation	\$ 16,000
<p>For the preparation by the Financial Advisor of the Methodology for the General Fund and the Assessment Rolls including transmittal to the Collier County Property Appraiser.</p>	
Arbitrage Rebate Fees	\$ 1,500
<p>For required Federal Compliance - this fee is paid for an in-depth analysis of the District's earnings on all of the funds in trust for the benefit of the Bondholder's to insure that the earnings rate does not exceed the interest rate on the Bond's.</p>	

**Other Contractual Services**

Recording and Transcription	\$ -
Legal Advertising	\$ 2,000
Trustee Services	\$ 8,600
<p>With the issuance of the District's Bonds, the District is required to maintain the accounts established for the Bond Issue with a bank that holds trust powers in the State of Florida. The primary purpose of the trustee is to safeguard the assets of the Bondholder's, to insure the timely payment of the principal and interest due on the Bonds, and to insure the investment of the funds in the trust are made pursuant to the requirements of the trust.</p>	
Dissemination Agent Services	\$ 15,000
<p>With the issuance of the District's Bonds, the District is required to report on a periodic basis the same information that is contained in the Official Statement that was issued for the Bonds. These requirements are pursuant to requirements of the Securities and Exchange Commission and sent to national repositories.</p>	
Property Appraiser Fees	\$ 5,000
Bank Service Fees	\$ 300

Flow Way Community Development District

General Fund - Budget

Fiscal Year 2017

<b>Travel and Per Diem</b>	\$	-
<b>Communications and Freight Services</b>		
Telephone	\$	-
Postage, Freight & Messenger	\$	500
<b>Rentals and Leases</b>		
Miscellaneous Equipment	\$	-
Computer Services (Web Site Maintenance)	\$	2,400
<b>Insurance</b>	\$	6,000
<b>Subscriptions and Memberships</b>	\$	175
<b>Printing and Binding</b>	\$	500
<b>Office Supplies</b>	\$	-
<b>Legal Services</b>		
General Counsel	\$	20,000
The District's general council provides on-going legal representation relating to issues such as public finance, public bidding, rulemaking, open meetings, public records, real property dedications, conveyances and contracts. In this capacity, they provide services as "local government lawyers".		
<b>Other General Government Services</b>		
Engineering Services	\$	1,000
The District's engineering firm provides a broad array of engineering, consulting and construction services, which assists the District in crafting solutions with sustainability for the long term interests of the Community while recognizing the needs of government, the environment and maintenance of the District's facilities.		
Contingencies	\$	5,000
<b>Other Fees and Charges</b>		
Discounts and Tax Collector Fees	\$	10,844
4% Discount permitted by Law for early payment and 3% Tax Collector Fee and Property Appraiser Fee		
<b>Total Appropriations:</b>		<b>\$ 154,919</b>

**Flow Way Community Development District**

**Debt Service Fund - Series 2013 Bonds - Budget**

**Fiscal Year 2017**

Description	Fiscal Year 2016 Budget	Actual at 02/29/2016	Anticipated Year End 09/30/2016	Fiscal Year 2017 Budget
<b>Revenues and Other Sources</b>				
<b>Carryforward</b>	\$ (312,513)	\$ -	\$ -	\$ -
<b>Interest Income</b>				
Revenue Account	\$ -	\$ 4	\$ 8	\$ -
Reserve Account	\$ 40	\$ 78	\$ 160	\$ 40
Interest Account	\$ 8	\$ 4	\$ 8	\$ 8
<b>Special Assessment Revenue</b>				
Special Assessment - On-Roll	\$ 572,610	\$ 544,274	\$ 544,274	\$ 572,341
Special Assessment - Off-Roll	\$ 312,513	\$ 312,513	\$ 312,513	\$ -
Special Assessment - Prepayment	\$ -	\$ -	\$ -	\$ -
<b>Debt Proceeds</b>				
Series 2013 Issuance Proceeds	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue &amp; Other Sources</b>	<b>\$ 572,658</b>	<b>\$ 856,874</b>	<b>\$ 856,963</b>	<b>\$ 572,389</b>

**Expenditures and Other Uses**

**Debt Service**

**Principal Debt Service - Mandatory**

Series A Bonds \$ 85,000 \$ 85,000 \$ 85,000 \$ 90,000

**Principal Debt Service - Early Redemptions**

Series A Bonds \$ - \$ - \$ - \$ -

**Interest Expense**

Series A Bonds \$ 447,575 \$ 225,063 \$ 447,575 \$ 442,325

**Other Fees and Charges**

Discounts for Early Payment \$ 40,083 \$ - \$ - \$ 40,064

**Total Expenditures and Other Uses** **\$ 572,658** **\$ 310,063** **\$ 532,575** **\$ 572,389**

**Net Increase/(Decrease) in Fund Balance** \$ - \$ 546,811 \$ 324,388 \$ -

**Fund Balance - Beginning** \$ 547,874 \$ 547,874 \$ 547,874 \$ 872,262

**Fund Balance - Ending** **\$ 547,874** **\$ 1,094,685** **\$ 872,262** **\$ 872,262**

**Restricted Fund Balance:**

Reserve Account Requirement \$ 539,012

Restricted for November 1, 2017 Principal & Interest Payment \$ 314,813

**Total - Restricted Fund Balance:** **\$ 853,825**

**Assessment Comparison**

Description	Number of Units	Fiscal Year	Fiscal Year 2017
		2016	
SF - 52'	69	\$ 1,220.76	\$ 1,185.77
SF - 62'	82	\$ 2,181.55	\$ 2,119.02
SF - 76'	62	\$ 3,259.90	\$ 3,166.47
SF - 90'	7	\$ 3,116.47	\$ 3,027.19
Multi-Family	96	\$ 1,064.39	\$ 1,033.87
<b>Total:</b>	<b>316</b>	N/A	N/A

**Flow Way Community Development District**

**Debt Service Fund - Series 2013 Bonds - Budget**

Description	Principal	Coupon Rate	Interest	Annual Debt Service
<b>Par Amount Issued:</b>	<b>\$ 7,050,000</b>	<b>6.00%</b>		
11/1/2014			\$ 225,062.50	
5/1/2015			\$ 225,062.50	\$ 450,125
11/1/2015	\$ 85,000	6.00%	\$ 225,062.50	
5/1/2016			\$ 222,512.50	\$ 532,575
11/1/2016	\$ 90,000	6.00%	\$ 222,512.50	
5/1/2017			\$ 219,812.50	\$ 532,325
11/1/2017	\$ 95,000	6.00%	\$ 219,812.50	
5/1/2018			\$ 216,962.50	\$ 531,775
11/1/2018	\$ 105,000	6.00%	\$ 216,962.50	
5/1/2019			\$ 213,812.50	\$ 535,775
11/1/2019	\$ 110,000	6.00%	\$ 213,812.50	
5/1/2020			\$ 210,512.50	\$ 534,325
11/1/2020	\$ 115,000	6.00%	\$ 210,512.50	
5/1/2021			\$ 207,062.50	\$ 532,575
11/1/2021	\$ 120,000	6.00%	\$ 207,062.50	
5/1/2022			\$ 203,462.50	\$ 530,525
11/1/2022	\$ 130,000	6.00%	\$ 203,462.50	
5/1/2023			\$ 199,562.50	\$ 533,025
11/1/2023	\$ 135,000	6.00%	\$ 199,562.50	
5/1/2024			\$ 195,512.50	\$ 530,075
11/1/2024	\$ 145,000	6.00%	\$ 195,512.50	
5/1/2025			\$ 191,162.50	\$ 531,675
11/1/2025	\$ 155,000	6.00%	\$ 191,162.50	
5/1/2026			\$ 186,512.50	\$ 532,675
11/1/2026	\$ 165,000	6.00%	\$ 186,512.50	
5/1/2027			\$ 181,562.50	\$ 533,075
11/1/2027	\$ 175,000	6.00%	\$ 181,562.50	
5/1/2028			\$ 176,312.50	\$ 532,875
11/1/2028	\$ 185,000	6.50%	\$ 176,312.50	
5/1/2029			\$ 170,300.00	\$ 531,613
11/1/2029	\$ 195,000	6.50%	\$ 170,300.00	
5/1/2030			\$ 163,962.50	\$ 529,263
11/1/2030	\$ 210,000	6.50%	\$ 163,962.50	
5/1/2031			\$ 157,137.50	\$ 531,100
11/1/2031	\$ 220,000	6.50%	\$ 157,137.50	
5/1/2032			\$ 149,987.50	\$ 527,125
11/1/2032	\$ 235,000	6.50%	\$ 149,987.50	
5/1/2033			\$ 142,350.00	\$ 527,338
11/1/2033	\$ 250,000	6.50%	\$ 142,350.00	
5/1/2034			\$ 134,225.00	\$ 526,575
11/1/2034	\$ 270,000	6.50%	\$ 134,225.00	
5/1/2035			\$ 125,450.00	\$ 529,675
11/1/2035	\$ 285,000	6.50%	\$ 125,450.00	
5/1/2036			\$ 116,187.50	\$ 526,638
11/1/2036	\$ 305,000	6.50%	\$ 116,187.50	



**Flow Way Community Development District**

**Debt Service Fund - Series 2013 Bonds - Budget**

<b>Description</b>	<b>Principal</b>	<b>Coupon Rate</b>	<b>Interest</b>	<b>Annual Debt Service</b>
<b>5/1/2037</b>			\$ 106,275.00	\$ 527,463
<b>11/1/2037</b>	\$ 325,000	6.50%	\$ 106,275.00	
<b>5/1/2038</b>			\$ 95,712.50	\$ 526,988
<b>11/1/2038</b>	\$ 345,000	6.50%	\$ 95,712.50	
<b>5/1/2039</b>			\$ 84,500.00	\$ 525,213
<b>11/1/2039</b>	\$ 370,000	6.50%	\$ 84,500.00	
<b>5/1/2040</b>			\$ 72,475.00	\$ 526,975
<b>11/1/2040</b>	\$ 390,000	6.50%	\$ 72,475.00	
<b>5/1/2041</b>			\$ 59,800.00	\$ 522,275
<b>11/1/2041</b>	\$ 415,000	6.50%	\$ 59,800.00	
<b>5/1/2042</b>			\$ 46,312.50	\$ 521,113
<b>11/1/2042</b>	\$ 445,000	6.50%	\$ 46,312.50	
<b>5/1/2043</b>			\$ 31,850.00	\$ 523,163
<b>11/1/2043</b>	\$ 475,000	6.50%	\$ 31,850.00	
<b>5/1/2044</b>			\$ 16,412.50	\$ 523,263
<b>11/1/2044</b>	\$ 505,000	6.50%	\$ 16,412.50	
<b>Principal Balance - September 30, 2017</b>	<b>\$ 6,875,000</b>			

**Flow Way Community Development District**

**Capital Projects Fund - Series 2013 Bonds - Budget  
Fiscal Year 2017**

Description	Fiscal Year 2016 Budget	Actual at 02/29/2016	Anticipated Year End 09/30/2016	Fiscal Year 2017 Budget
<b>Revenues and Other Sources</b>				
Carryforward	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ -	\$ -	\$ -	\$ -
Operating Transfers In	\$ -	\$ -	\$ -	\$ -
Debt Proceeds	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue &amp; Other Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures and Other Uses</b>				
<b>Flood Control - Stormwater Management</b>				
Costs of Issuance	\$ -	\$ -	\$ -	\$ -
Legal Services	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures and Other Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Increase/(Decrease) in Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance - Beginning</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance - Ending (Projected)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**DELETE THIS PAGE - THIS FUND HAS NO FUNDS REMAINING**

**Flow Way Community Development District**

**Debt Service Fund - Series 2015 Bonds - Budget  
Fiscal Year 2017**

Description	Fiscal Year 2016 Budget	Actual at 02/29/2016	Anticipated Year End 09/30/2016	Fiscal Year 2017 Budget
<b>Revenues and Other Sources</b>				
<b>Carryforward</b>				
Amount Required for 11/1/2016 Debt Service	\$ (164,603)	\$ -	\$ -	\$ -
Capitalized Interest Available	\$ 111,777	\$ -	\$ -	\$ -
<b>Interest Income</b>				
Revenue Account	\$ -	\$ 1	\$ -	\$ -
Reserve Account	\$ -	\$ 38	\$ -	\$ -
Interest Account	\$ -	\$ 4	\$ -	\$ -
<b>Special Assessment Revenue</b>				
Special Assessment - On-Roll	\$ 284,093	\$ 270,072	\$ 270,072	\$ 279,637
Special Assessment - Off-Roll	\$ -	\$ -	\$ -	\$ -
Special Assessment - Prepayment	\$ -	\$ -	\$ -	\$ -
<b>Debt Proceeds</b>				
Series 2015 Issuance Proceeds	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue &amp; Other Sources</b>	<b>\$ 231,267</b>	<b>\$ 270,115</b>	<b>\$ 270,072</b>	<b>\$ 279,637</b>

**Expenditures and Other Uses**

**Debt Service**

**Principal Debt Service - Mandatory**

Series A Bonds \$ - \$ - \$ - \$ 65,000

**Principal Debt Service - Early Redemptions**

Series A Bonds \$ - \$ - \$ - \$ -

**Interest Expense**

Series A Bonds \$ 211,380 \$ 111,777 \$ 211,380 \$ 195,063

**Other Fees and Charges**

Discounts for Early Payment \$ 19,886 \$ - \$ - \$ 19,575

**Total Expenditures and Other Uses** \$ **231,266** \$ **111,777** \$ **211,380** \$ **279,637**

<b>Net Increase/(Decrease) in Fund Balance</b>		\$ 158,338	\$ 58,692	\$ -
<b>Fund Balance - Beginning</b>		\$ 376,281	\$ 376,281	\$ 427,716
<b>Fund Balance - Ending</b>		<b>\$ 376,281</b>	<b>\$ 534,619</b>	<b>\$ 427,716</b>

**Restricted Fund Balance:**

Reserve Account Requirement \$ 264,494

Restricted for November 1, 2017 Debt Service

Principal \$ 65,000

Interest \$ 98,222

**Total - Restricted Fund Balance:** \$ **427,716**

**Assessment Comparison**

Description	Number of Units	Fiscal Year	
		2016	Fiscal Year 2017
SF - 52'	64	\$ 2,010.40	\$ 1,978.87
SF - 76'	23	\$ 3,941.48	\$ 3,879.66
SF - 90'	18	\$ 3,598.51	\$ 3,542.07
<b>Total:</b>	<b>105</b>		N/A

**Flow Way Community Development District**

**Debt Service Fund - Series 2015 Bonds - Budget**

Description	Principal	Coupon Rate	Interest	Annual Debt Service
<b>Par Amount Issued:</b>	<b>\$ 3,950,000</b>			
11/1/2015			\$ 111,776.84	
5/1/2016			\$ 99,603.13	\$ 211,380
11/1/2016	\$ 65,000	4.250%	\$ 99,603.13	
5/1/2017			\$ 98,221.88	\$ 262,825
11/1/2017	\$ 65,000	4.250%	\$ 98,221.88	
5/1/2018			\$ 96,840.63	\$ 260,063
11/1/2018	\$ 70,000	4.250%	\$ 96,840.63	
5/1/2019			\$ 95,353.13	\$ 262,194
11/1/2019	\$ 70,000	4.250%	\$ 95,353.13	
5/1/2020			\$ 93,865.63	\$ 259,219
11/1/2020	\$ 75,000	4.250%	\$ 93,865.63	
5/1/2021			\$ 92,271.88	\$ 261,138
11/1/2021	\$ 75,000	4.250%	\$ 92,271.88	
5/1/2022			\$ 90,678.13	\$ 257,950
11/1/2022	\$ 80,000	4.250%	\$ 90,678.13	
5/1/2023			\$ 88,978.13	\$ 259,656
11/1/2023	\$ 85,000	4.250%	\$ 88,978.13	
5/1/2024			\$ 87,171.88	\$ 261,150
11/1/2024	\$ 90,000	4.250%	\$ 87,171.88	
5/1/2025			\$ 85,259.38	\$ 262,431
11/1/2025	\$ 90,000	4.250%	\$ 85,259.38	
5/1/2026			\$ 83,346.88	\$ 258,606
11/1/2026	\$ 95,000	5.000%	\$ 83,346.88	
5/1/2027			\$ 80,971.88	\$ 259,319
11/1/2027	\$ 100,000	5.000%	\$ 80,971.88	
5/1/2028			\$ 78,471.88	\$ 259,444
11/1/2028	\$ 105,000	5.000%	\$ 78,471.88	
5/1/2029			\$ 75,846.88	\$ 259,319
11/1/2029	\$ 110,000	5.000%	\$ 75,846.88	
5/1/2030			\$ 73,096.88	\$ 258,944
11/1/2030	\$ 115,000	5.000%	\$ 73,096.88	
5/1/2031			\$ 70,221.88	\$ 258,319
11/1/2031	\$ 120,000	5.000%	\$ 70,221.88	
5/1/2032			\$ 67,221.88	\$ 257,444
11/1/2032	\$ 130,000	5.000%	\$ 67,221.88	
5/1/2033			\$ 63,971.88	\$ 261,194
11/1/2033	\$ 135,000	5.000%	\$ 63,971.88	
5/1/2034			\$ 60,596.88	\$ 259,569
11/1/2034	\$ 140,000	5.000%	\$ 60,596.88	
5/1/2035			\$ 57,096.88	\$ 257,694
11/1/2035	\$ 150,000	5.000%	\$ 57,096.88	
5/1/2036			\$ 53,346.88	\$ 260,444
11/1/2036	\$ 155,000	5.375%	\$ 53,346.88	
5/1/2037			\$ 49,181.25	\$ 257,528
11/1/2037	\$ 165,000	5.375%	\$ 49,181.25	

**Flow Way Community Development District**

**Debt Service Fund - Series 2015 Bonds - Budget**

<b>Description</b>	<b>Principal</b>	<b>Coupon Rate</b>	<b>Interest</b>	<b>Annual Debt Service</b>
<b>5/1/2038</b>			\$ 44,746.88	\$ 258,928
<b>11/1/2038</b>	\$ 175,000	5.375%	\$ 44,746.88	
<b>5/1/2039</b>			\$ 40,043.75	\$ 259,791
<b>11/1/2039</b>	\$ 180,000	5.375%	\$ 40,043.75	
<b>5/1/2040</b>			\$ 35,206.25	\$ 255,250
<b>11/1/2040</b>	\$ 190,000	5.375%	\$ 35,206.25	
<b>5/1/2041</b>			\$ 30,100.00	\$ 255,306
<b>11/1/2041</b>	\$ 200,000	5.375%	\$ 30,100.00	
<b>5/1/2042</b>			\$ 24,725.00	\$ 254,825
<b>11/1/2042</b>	\$ 210,000	5.375%	\$ 24,725.00	
<b>5/1/2043</b>			\$ 19,081.25	\$ 253,806
<b>11/1/2043</b>	\$ 225,000	5.375%	\$ 19,081.25	
<b>5/1/2044</b>			\$ 13,034.38	\$ 257,116
<b>11/1/2043</b>	\$ 235,000	5.375%	\$ 13,034.38	
<b>5/1/2044</b>			\$ 6,718.75	\$ 254,753
<b>11/1/2044</b>	\$ 250,000	5.375%	\$ 6,718.75	
<b>Principal Balance - September 30, 2017</b>	<b>\$ 3,950,000</b>			

Flow Way Community Development District

Capital Projects Fund - Series 2015 Bonds - Budget  
Fiscal Year 2017

Description	Fiscal Year 2016 Budget	Actual at 02/29/2016	Anticipated Year End 09/30/2016	Fiscal Year 2017 Budget
<b>Revenues and Other Sources</b>				
Carryforward	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ -	\$ 18	\$ -	\$ -
Operating Transfers In	\$ -	\$ -	\$ -	\$ -
Debt Proceeds	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue &amp; Other Sources</b>	<b>\$ -</b>	<b>\$ 18</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures and Other Uses</b>				
<b>Flood Control - Stormwater Management</b>				
Costs of Issuance	\$ -	\$ -	\$ -	\$ -
Legal Services	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ 331,568	\$ 331,568	\$ -
<b>Total Expenditures and Other Uses</b>	<b>\$ -</b>	<b>\$ 331,568</b>	<b>\$ 331,568</b>	<b>\$ -</b>
<b>Net Increase/(Decrease) in Fund</b>	<b>\$ -</b>	<b>\$ (331,550)</b>	<b>\$ (331,568)</b>	<b>\$ -</b>
<b>Fund Balance - Beginning</b>	<b>\$ 331,568</b>	<b>\$ 331,568</b>	<b>\$ 331,568</b>	<b>\$ -</b>
<b>Fund Balance - Ending (Projected)</b>	<b>\$ 331,568</b>	<b>\$ 18</b>	<b>\$ -</b>	<b>\$ -</b>

**Flow Way Community Development District**

**Assessment Comparison - Budget  
Fiscal Year 2017**

Description	Number of Units	General Fund		Debt Service Fund		Total	
		FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017
<b>Series 2013 Bonds</b>							
SF - 52'	69	\$ 310.90	\$ 310.93	\$ 1,220.76	\$ 1,185.77	\$ 1,531.66	\$ 1,496.70
SF - 62'	82	\$ 310.90	\$ 310.93	\$ 2,181.55	\$ 2,119.02	\$ 2,492.45	\$ 2,429.95
SF - 76'	62	\$ 310.90	\$ 310.93	\$ 3,259.90	\$ 3,166.47	\$ 3,570.80	\$ 3,477.40
SF - 90'	7	\$ 310.90	\$ 310.93	\$ 3,116.47	\$ 3,027.19	\$ 3,427.37	\$ 3,338.12
Multi-Family	96	\$ 310.90	\$ 310.93	\$ 1,064.39	\$ 1,033.87	\$ 1,375.29	\$ 1,344.80
<b>Total:</b>	<b>316</b>						
<b>Series 2015 Bonds - Phase 3</b>							
SF - 52'	64	\$ 310.90	\$ 310.93	\$ 2,010.40	\$ 1,978.87	\$ 2,321.30	\$ 2,289.80
SF - 76'	23	\$ 310.90	\$ 310.93	\$ 3,941.48	\$ 3,879.66	\$ 4,252.38	\$ 4,190.59
SF - 90'	18	\$ 310.90	\$ 310.93	\$ 3,598.51	\$ 3,542.07	\$ 3,909.41	\$ 3,853.00
<b>Total:</b>	<b>105</b>						
<b>Series 2015 Bonds - Phase 4</b>							
SF - 52'	76	N/A	\$ 310.93	N/A		N/A	\$ 310.93
SF - 62'	31	N/A	\$ 310.93	N/A		N/A	\$ 310.93
Multi-Family	56	N/A	\$ 310.93	N/A		N/A	\$ 310.93
<b>Total:</b>	<b>163</b>						

**INSTRUCTIONS RELATING TO LANDOWNERS' MEETING OF  
THE FLOW WAY COMMUNITY DEVELOPMENT DISTRICT  
FOR THE ELECTION OF SUPERVISORS**

---

**DATE:** *NOVEMBER 8, 2016*

**TIME:** *3:00 P.M.*

**LOCATION:** *The offices of Coleman, Yovanovich & Koester  
4001 Tamiami Trail North, Suite 300  
Naples, Florida 34103*

---

Pursuant to Chapter 190, Florida Statutes, after a Community Development District ("District") has been established and the landowners have held their initial election, there shall be a subsequent landowners' meeting for the purpose of electing members of the Board of Supervisors every two years until the District qualifies to have its board members elected by the qualified electors of the District. The following instructions on how all landowners may participate in the election is intended to comply with Section 190.006(2)(b), Florida Statutes, as amended by Chapter 2004-353, Laws of Florida.

A landowner may vote in person at the Landowner's Meeting, or the landowner may nominate a proxy holder to vote at the meeting in place of the landowner. Whether in person or by proxy, each landowner shall be entitled to cast one vote per acre of land owned by him or her and located within the District, for each person that the landowner desires to elect to a position on the Board of Supervisors that is open for election for the upcoming term (three (3) seats on the Board will be up for election). A fraction of an acre shall be treated as one (1) acre, entitling the landowner to one vote with respect thereto. **Please note that a particular parcel of real property is entitled to only one vote for each eligible acre of land or fraction thereof; therefore, two or more people who own real property in common, that is one acre or less, are together entitled to only one vote for that real property.**

At the Landowners' Meeting, the first step is to elect a chair for the meeting, who may be any person present at the meeting. The landowners' shall also elect a secretary for the meeting who may be any person present at the meeting. The secretary shall be responsible for the minutes of the meeting. The chair shall conduct the nominations and the voting. If the chair is a landowner or proxy holder of a landowner, he or she may nominate candidates and make and second motions. Candidates must be nominated and then shall be elected by a vote of the landowners. Nominees may be elected only to a position on the Board of Supervisors that is open for election for the upcoming term. The two candidates receiving the highest number of votes shall be elected for a term of four (4) years. The remaining candidates receiving votes shall be elected for a term of two (2) years. The term of office for each successful candidate shall commence upon election.

A proxy is available upon request. To be valid, each proxy must be signed by one of the legal owners of the property for which the vote is cast and must contain the typed or printed name of the individual who signed the proxy; the street address, legal description of the property or tax parcel identification number; and the number of authorized votes. If the proxy authorizes more than one vote, each property must be listed and the number of acres of each property must be included. The signature on a proxy does not need to be notarized.



**OFFICIAL BALLOT**

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
LANDOWNERS MEETING – NOVEMBER 8, 2016**

**For Election (3 Supervisors):** The two (2) candidates receiving the highest number of votes will each receive a four (4) year term, and the remaining candidate shall receive a two (2) year term, with the term of office for each successful candidate commencing upon election.

The undersigned certifies that the undersigned is executing this Official Ballot in his or her individual capacity as landowner, or in his or her capacity as an authorized representative of the entity named below as landowner, (hereinafter, "Landowner") and that Landowner is the fee simple owner of land, or the proxy holder for the fee simple owner of land, located within the Flow Way Community Development District and described as follows:

<u>Property Description</u>	<u>Acreage</u>
_____	_____
_____	_____
_____	_____
_____	_____

[Insert above the street address of each parcel, the legal description of each parcel, or the tax identification number of each parcel. If more space is needed, identification of parcels owned may be incorporated by reference to an attachment hereto.]

The number of authorized votes for this ballot is: \_\_\_\_\_

I, \_\_\_\_\_, in my individual capacity as Landowner; or in my capacity as an authorized representative of Landowner, an entity; or as the proxy holder pursuant to the Landowners Proxy attached hereto, do cast my votes as follows:

	<b>NAME OF CANDIDATE</b>	<b>NUMBER OF VOTES</b>
1.	_____	_____
2.	_____	_____
3.	_____	_____

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Printed Name: \_\_\_\_\_

NOTE: 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.).

**LANDOWNER PROXY**

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT  
LANDOWNERS MEETING – NOVEMBER 8, 2016**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned 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 Flow Way Community Development District to be held at the **offices of Coleman, Yovanovich & Koester, 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.**; said meeting published in a newspaper in Collier County; and at any 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 come before said meeting including, but not limited to, the election of members of the Board of Supervisors and 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 come before the meeting. Any proxy heretofore given by the undersigned for said meeting is hereby revoked. This proxy is to continue in force from the date hereof until the conclusion of the landowners meeting and any adjournment or adjournments thereof, but may be revoked at any time by notice thereof, in writing, filed with the Secretary of the Flow Way Community Development District.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

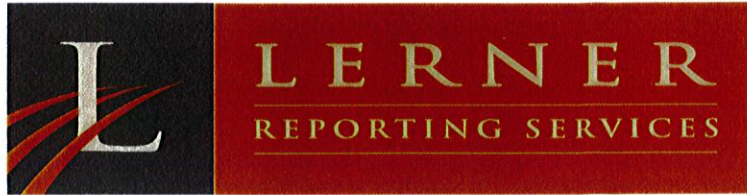
**Property Description** **Acreage**

**SEE ATTACHED EXHIBIT 1**

[Insert above the street address of each parcel, the legal description of each parcel, or the tax identification number of each parcel. If more space is needed, identification of parcels owned may be incorporated by reference to an attachment hereto.]

The number of authorized votes for this proxy is: \_\_\_\_\_

NOTE: 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.).



February 22, 2016

Board of Supervisors  
Flow Way Community Development District  
c/o Jim Ward & Associates, LLC  
2041 N.E. 6<sup>th</sup> Terrace  
Wilton Manors, FL 33305

Dear Supervisors:

Lerner Reporting Services, Inc. ("LRS, Inc." or the "Dissemination Agent") hereby proposes to act as the Dissemination Agent for the Flow Way Community Development District (the "District") Series 2015 Bonds. The duties of the Dissemination Agent are set forth in this Dissemination Agreement (the "Agreement") and in that certain Continuing Disclosure Agreement dated December 8, 2015 (the "Continuing Disclosure Agreement"). The purpose of this Agreement is to facilitate the District's compliance with the Securities and Exchange Commission's (the "SEC's") Rule 15c2-12(b)(5) (the "Rule") related to continuing disclosure. LRS, Inc. is acting as an independent contractor for purposes of facilitating the District's Rules and obligations and is not an agent of the District. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Continuing Disclosure Agreement.

1. Duties:

The Dissemination Agent's duties shall consist of the following:

- (a) To assist the District in developing information collection systems to be used in complying with the requirements of the Continuing Disclosure Agreement.
- (b) To collect, from District Management, the Developer, Landowner, or other parties, together and individually "Obligated Person(s)" as appropriate, financial data and other factual information required by the Continuing Disclosure Agreement information noted in the attached and to distribute such information supplied to us by the respective parties, including quarterly and annual development and financial data, the audited financial statements for the District (collectively, the "Annual Report"), to the Electronic Municipal Market Access system ("EMMA").
- (c) To work with the District and the Trustee and report any "Significant Events", disclosed to LRS, Inc. by the District, all in accordance with the Continuing Disclosure Agreement.
- (d) To file quarterly and annual reports through EMMA detailing development updates, financial performance, and all other relevant data.

- (e) To collect and disseminate directly to the Beneficial Owners through the use of EMMA the following Annual Financial information in an Annual Report, which is beyond the requirements of the Rule, and as is set forth in more detail in the Continuing Disclosure Agreement.
- (f) To work with the District and the Trustee to prepare reports no later than thirty (30) days after the end of each quarter of the calendar year and file these reports with EMMA and the Beneficial Owners. These quarterly reports may address the following information requirements of the Beneficial Owners, *if applicable*, as supplied to LRS, Inc. by the District, the Developer and/or Landowners and all as controlled by the Continuing Disclosure Agreement.
- (g) To collect and disseminate directly to the Beneficial Owners any additional information specifically requested by the Beneficial Owners at the time of closing or subsequent to the closing of the Bonds.
- (h) To comply with the terms of the Continuing Disclosure Agreement as Dissemination Agent for the duration of this Agreement.

2. Fees:

LRS, Inc. will be responsible for all out-of-pocket expenses. The annual fee for LRS, Inc.'s services under this Agreement is:

- (a) \$5,000 beginning with the May 1, 2016 initial filing requirement for Fiscal Year 2015/16 (per the Continuing Disclosure Agreement). The amount will be pro-rated for FY2015/16, and billed annually at the beginning of the fiscal year thereafter.

3. Termination:

Both the District and LRS, Inc. will have the right to terminate this Agreement upon 30 days prior written notice.

4. Representation of the District:

The District represents and warrants that it will not withhold any information necessary for LRS, Inc. to carry out its duties under this Agreement and that it will supply all information requested by LRS, Inc.

5. Indemnification:

To the extent permitted by law, the District will indemnify LRS, Inc. for any action or actions brought by Beneficial Owners as a result of the failure (including omission and misrepresentation) of the District to meet its requirements under this Agreement and the Continuing Disclosure Agreement.

6. Compliance With Florida's Public Record Laws: In connection with LRS's services to the District, LRS agrees to comply with the provisions of Section 119.0701, Florida Statutes pertaining to Florida's Public Records Law including, without limitation, those requirements of a contractor pursuant to Section 119.0701(2)(a)-(d), Florida Statutes.

7. Responsibility for Information:

The District acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be produced by the District, the Developer and/or Landowners. The Dissemination Agent's duties are those of the collection and collation and not of authorship or production, consequently the Dissemination Agent shall have no responsibility for the content of the information disseminated by it and any and all securities law liabilities, including compliance with the Rule, will remain with the District and the Developer.

8. Waiver of Jury Trial:

EACH OF THE DISTRICT AND LRS, INC. KNOWINGLY WAIVES ANY RIGHT TO TRIAL BY JURY. The venue of any legal proceedings shall be Collier County.

9. Agreement Governed by Florida Law:

The terms and conditions of this Agreement shall be governed by the laws of the State of Florida.

This Agreement shall be effective upon the District's acceptance hereof.

Very truly yours,



Scott H. Campbell  
Vice President  
Lerner Reporting Services, Inc.

Approved and Accepted:

\_\_\_\_\_ Community Development District

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**AGREEMENT REGARDING THE  
ACQUISITION OF CERTAIN WORK PRODUCT,  
INFRASTRUCTURE AND REAL PROPERTY**

**THIS AGREEMENT REGARDING THE ACQUISITION OF CERTAIN WORK PRODUCT, INFRASTRUCTURE AND REAL PROPERTY** (this “**Agreement**”) is made and entered into as of this \_\_ day of \_\_\_\_\_, 2016 (the “**Effective Date**”), by and between **FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, whose address is c/o JP Ward & Associates, LLC, 2041 NE 6 Terrace, Wilton Manors, Florida 33305 (the “**District**”), and **TAYLOR MORRISON ESPLANADE NAPLES, LLC**, a Florida limited liability company and landowner in the District, whose address is 551 N. Cattlemen Rd., Suite 200, Sarasota, FL 34232 (the “**Developer**”).

**RECITALS**

**WHEREAS**, the District was established by ordinance of the Board of County Commissioners of Collier County for the purpose of planning, financing, constructing, acquiring, operating and/or maintaining certain infrastructure, including, but not limited to, roadways, water and sewer utilities, stormwater management, entranceway improvements, landscaping, and other infrastructure authorized by Chapter 190, Florida Statutes; and

**WHEREAS**, the Developer is the owner of certain lands in Collier County, Florida, located within the boundaries of the District; and

**WHEREAS**, the District has adopted and approved a program of public infrastructure improvements (the “**District Improvements**”) as described in that Flow Way Community Development District Master Engineer’s Report prepared by Waldrop Engineering, Inc. and dated August, 2013, as amended and supplemented (the “**Engineer’s Report**”) and desires to either (i) acquire District Improvements outlined within the Engineer’s Report which remain to be constructed from the Developer or otherwise on the terms and conditions set forth herein; or (ii) design, construct and install certain portions of the District Improvements described in the Engineer’s Report on its own account; and

**WHEREAS**, the District presently intends to finance, in part, the planning, design, acquisition, construction, and installation of all or a portion of the District Improvements remaining to be constructed and described in the Engineer’s Report through the sale of one or more series of special assessment bonds (“**Bonds**”); and

**WHEREAS**, the District has previously issued its \$7,050,000 Flow Way Community Development District Special Assessment Bonds, Series 2013 to finance a portion of the District Improvements described in the Engineer’s Report for Phases 1 and 2 of the development; and

**WHEREAS**, the District has previously issued its \$3,950,000 Flow Way Community Development District Special Assessment Bonds, Series 2015 to finance a portion of the District Improvements described in the Engineer’s Report for Phase 3 of the development; and

**WHEREAS**, the District has previously issued its \$3,190,000 Flow Way Community Development District Special Assessment Bonds, Series 2015 (Phase 4 Project) to finance a portion of the District Improvements described in the Engineer’s Report for Phase 4 of the development; and

**WHEREAS**, the District does not have sufficient monies on hand to allow the District to contract directly for the preparation of the necessary surveys, reports, drawings, plans, permits, specifications, and related documents which would allow the timely commencement and completion of construction of additional District Improvements described in the Engineer's Report (the "**Work Product**"); and

**WHEREAS**, the District acknowledges the Developer's need to continue with development of the lands within the District in an expeditious and timely manner; and

**WHEREAS**, the District agrees that it will not have sufficient monies to proceed with either the preparation of the Work Product or the commencement of construction of the next phase of the District Improvements described in the Engineer's Report which remain to be constructed until such time as the District has closed on the sale of its next series of Bonds; and

**WHEREAS**, in order to avoid a delay in the commencement of the construction of the next phase of District Improvements, which delay would also delay the Developer from implementing its planned development program, the Developer has advanced, funded, commenced, and completed and/or will complete or assign certain work to enable the District to expeditiously provide additional District Improvements; and

**WHEREAS**, the Developer is under contract to create or has created the Work Product for the District and wishes to convey to the District any and all of Developer's right, title and interest in the Work Product and provide for the parties who actually created the Work Product to allow the District to use and rely on the Work Product, as it is completed; and

**WHEREAS**, the Developer acknowledges that upon its conveyance, the District will have the right to use and rely upon the Work Product for any and all purposes and further desires to release to the District all of its right, title, and interest in and to the Work Product (except as otherwise provided for in this Agreement); and

**WHEREAS**, the District desires to acquire ownership of the completed Work Product, as well as the unrestricted right to use and rely upon the Work Product for any and all purposes; and

**WHEREAS**, further, in order to allow the District to avoid delay as a result of the lengthy process incident to the sale and closing of the next series of Bonds, the Developer has commenced construction of some portion of the next phase of the District Improvements; and

**WHEREAS**, the Developer agrees to convey to the District all right, title and interest in the portion of the District Improvements completed as of each Acquisition Date (as hereinafter defined) with payment from the proceeds of Bonds (or as otherwise provided for herein) when and if available; and

**WHEREAS**, in conjunction with the acquisition of the District Improvements, the Developer desires to convey to the District interests in certain real property within the next phase of the development sufficient to allow the District to own, operate, maintain, construct, or install the District Improvements described in the Engineer's Report, if any such conveyances are appropriate, and such conveyances shall be in fee simple, perpetual easement, or other interest as may be in the best interests of the District as determined by the District (the "**Real Property**"); and

**WHEREAS**, the Developer agrees to convey such Real Property to the District in a form satisfactory to the District and subject to the conditions set forth herein; and

**WHEREAS**, the Developer acknowledges that upon its conveyance, the District will have the right to use the Real Property for any and all lawful public purposes and further desires to release to the

District its right, title, and interest in and to the Real Property (except as provided for in this Agreement); and

**WHEREAS**, the District and the Developer are entering into this Agreement to ensure the timely provision of the next phase of District Improvements and the development.

**NOW, THEREFORE**, based upon good and valuable consideration and the mutual covenants of the parties, the receipt of which and sufficiency of which are hereby acknowledged, the District and the Developer agree as follows:

1. **Recitals.** The foregoing recitals are true and correct and incorporated herein by this reference as a material part of this Agreement.

2. **Work Product.** The District agrees to pay the reasonable cost incurred by the Developer in preparation of the Work Product, subject to and in accordance with the provisions of this Agreement. The Developer shall provide copies of any and all invoices, bills, receipts, or other evidence of costs incurred by the Developer for the Work Product. The parties agree to cooperate and use good faith and best efforts to undertake and complete the acquisition process contemplated by this Agreement on such date as the parties may jointly agree upon ("**Acquisition Date**"). The parties agree that separate or multiple Acquisition Dates may be established for any portion of the acquisitions contemplated by this Agreement. The District Engineer shall review all evidence of cost and shall certify to the Board of Supervisors of the District (the "**District's Board**") the total amount of cost, which in the District Engineer's sole opinion, is reasonable for the Work Product but in no event in excess of the lower of its actual cost or its reasonable fair market value. In the absence of evidence to the contrary, the actual cost of any or all of the Work Product shall be deemed to be its reasonable fair market value. The District Engineer's opinion as to cost shall be set forth in an Engineer's Certificate which shall, at the applicable time set forth herein, accompany the requisition for any Bond funds from the District's Trustee for the Bonds. In the event that the Developer disputes the District Engineer's opinion as to cost, the District and the Developer agree to use good faith efforts to resolve such dispute. If the parties are unable to resolve any such dispute, the parties agree to jointly select a third-party engineer whose decision as to any such dispute shall be binding upon the parties. Such a decision by a third-party engineer shall be set forth in an Engineer's Affidavit which shall accompany the requisition for the funds from the District's Trustee for the Bonds. The parties acknowledge that the Work Product is being acquired for use by the District in connection with the construction of the District Improvements.

A. Subject to the provisions of Section 6, the Developer agrees to convey to the District the Work Product upon payment of the sums determined to be reasonable by the District Engineer (but in no event in excess of the lower of its actual cost or its reasonable fair market value) and approved by the District's Board pursuant to and as set forth in this Agreement. The parties agree to execute such documentation as may be reasonably required to convey the same.

B. The Developer agrees to release to the District all right, title, and interest which the Developer may have in and to the above described Work Product, as well as all common law, statutory, and other reserved rights, including all copyrights in the Work Product and extensions and renewals thereof under United States law and throughout the world, and all publication rights and all subsidiary rights and other rights in and to the Work Product in all forms, mediums, and media, now known or hereinafter devised. To the extent determined necessary by the District, the Developer shall, to the extent reasonably possible, obtain all required releases from any professional providing services in connection with the Work Product to enable the District to use and rely upon the Work Product. Such releases may include, but are not limited to, any architectural, engineering, or other professional services. Such releases shall be provided in a timely manner in the sole discretion of the District.



C. The Developer acknowledges the District's right to use and rely upon the Work Product for any and all purposes.

D. The Developer agrees to provide or cause to be provided to the District, to the extent reasonably possible, either by assignment or directly from such third parties as may be necessary and desirable to the mutual satisfaction of the parties hereto, a warranty that the Work Product is fit for the purposes to which it will be put by the District, as contemplated by the Engineer's Report. Nothing herein shall be construed or interpreted to create a warranty by the Developer of any Work Product produced by an independent third party.

E. The District agrees to allow the Developer access to and use of the Work Product without the payment of any fee by the Developer. However, to the extent the Developer's access to and use of the Work Product causes the District to incur any cost or expense, such as copying costs, the Developer agrees to pay such cost or expense.

**3. Acquisition of District Improvements.** The Developer has constructed, is constructing, or is under contract to construct and complete certain remaining District Improvements. The District agrees to acquire the District Improvements, including but not limited to those portions of the District Improvements which have been commenced or completed prior to the issuance of the next series of Bonds. When a portion of the District Improvements is ready for conveyance by the Developer to the District, the Developer shall notify the District in writing, describing the nature of the applicable improvement, its general location, and its estimated cost. Developer agrees to provide, at or prior to the Acquisition Date, the following: (i) documentation of actual costs paid; (ii) instruments of conveyance such as warranty bills of sale or such other instruments as may be requested by the District; (iii) evidence of title acceptable to the District, describing the nature of Developer's rights or interest in the District Improvements being conveyed, and stating that the District Improvements are free and clear of all liens and mortgages, and free of all encumbrances; (iv) evidence that all governmental permits and approvals necessary to install the applicable District Improvements have been obtained and that the applicable District Improvements have been built in compliance with such permits and approvals; and (v) any other releases, indemnifications or documentation as may be reasonably requested by the District. Any real property interests necessary for the functioning of the District Improvements to be acquired under this Section and to maintain the tax-exempt status of the Bonds (it being acknowledged that all District Improvements must be located on governmentally owned property, in public easements or rights-of-way) shall be reviewed and conveyed in accordance with the provisions of Section 4. The District Engineer in consultation with the District's Counsel shall determine in writing whether or not the infrastructure to be conveyed is a part of the District Improvements contemplated by the Engineer's Report, and if so, shall provide Developer with a list of items necessary to complete the acquisition. Each such acquisition shall also be subject to the engineering review and certification process in the same manner described in Section 2 above. The District Manager shall determine, in writing, whether the District has, based on the Developer's estimate of cost, sufficient unencumbered funds to acquire the District Improvements intended to be transferred, subject to the provisions of Section 6.

A. All documentation of any acquisition (e.g., bills of sale, receipts, maintenance bonds, as-builts, evidence of costs, deeds or easements, etc.) shall be to the reasonable satisfaction of the District. If any item acquired is to be conveyed to a third-party governmental body, then the Developer agrees to cooperate and provide such certifications or documents as may be reasonably required by that governmental body, if any.

B. Subject to the provisions of Section 6, the District Engineer shall certify as to the cost of any improvement built or constructed by or at the direction of the Developer, and the District shall pay no more than the actual cost incurred, or the reasonable fair market cost of the improvement,

whichever is less, as determined by the District Engineer. In the absence of evidence to the contrary, the actual cost of any or all of the Work Product shall be deemed to be its reasonable fair market value.

C. At the time of conveyance by the Developer of the Developer's rights or interest in the District Improvements, the District Improvements being conveyed shall be completed and in good condition, free from defects, as determined in writing by the District Engineer; and Developer shall warrant to the District and any government entity to which the District Improvements may be conveyed by the District, guaranteeing the District Improvements against defects in materials, equipment or construction for a period of one (1) year from the date of conveyance.

D. The Developer agrees to cooperate fully in the transfer of any permits to the District or a governmental entity with maintenance obligations for any District Improvements conveyed pursuant to this Agreement.

**4. Acquisition of Real Property.** The District agrees to accept the dedication or conveyance of some or all of the real property over which the District Improvements have been or will be constructed or which otherwise facilitates the operation and maintenance of the District Improvements. Such dedication or conveyance shall be at no cost to the District. The Developer agrees to provide to the District the following: (i) appropriate special warranty deeds or other instruments of conveyance acceptable to the District; (ii) evidence of title acceptable to the District, describing the nature of Developer's rights or interest in the District Improvements being conveyed, and stating that the District Improvements are free and clear of all liens and mortgages, and free of all other encumbrances; and (iii) legal descriptions, whether by metes and bounds or other reference to plats or recorded data to the satisfaction of the District. The Developer and the District agree that reasonable future adjustments to the legal descriptions may be made in order to accurately describe lands conveyed to the District and lands which remain in the Developer's ownership. The parties agree to cooperate and act in good faith in relation to any such adjustment(s) to legal descriptions. The parties agree that any land transfers made to accommodate such adjustments shall be accomplished by donation; provided, however, no land transfer shall be accomplished if the same would impact the use of the District Improvements or the tax-exempt status of the Bonds. However, the party requesting such adjustment shall pay any transaction costs resulting from the adjustment, including but not limited to taxes, title insurance, recording fees or other costs. The District may, in its discretion, require title insurance on any real property conveyed pursuant to this Agreement, which cost shall be borne by the Developer. The Developer agrees that it has, or shall at the time of conveyance provide, good, marketable and insurable title to the real property to be acquired which shall be free from all liens and encumbrances that render title unmarketable. The Developer indemnifies and hold the District harmless from any and all claims, demands, liabilities, judgments, costs, or other actions which may be brought against or imposed upon the District as a result of the Developer's failure, whether intentional, negligent or otherwise, to comply with the terms of the Developer's obligations to convey as set forth in this Section.

**5. Assignment of Construction Contracts.** Subject to any limitation under Florida law and the conditions set forth herein, the District agrees to accept an assignment of construction contracts for District Improvements in an expeditious manner should Developer request that the District assign any construction contracts for District Improvements. Acceptance of such assignment shall be predicated upon (i) the District having sufficient funds from Bonds available at the time of the request, in the sole determination of the District, to properly and lawfully complete the requested District Improvements; (ii) each contractor providing a bond or other security in the form and manner required by Section 255.05, Florida Statutes; (iii) receipt by the District of a Developer's affidavit, in a form acceptable to the District's Chairperson, relating to certain obligations to be fulfilled by Developer prior to the District accepting the assignment; (iv) a release from each general contractor acknowledging each assignment and the validity thereof, acknowledging the furnishing and recording of the bond or other security required by

Section 255.05, Florida Statutes, and waiving any and all claims against the District arising as a result of or connected with such assignment; and (v) the Developer providing such other documentation as may be requested by the District in connection with the Developer's request. The Developer hereby indemnifies and holds the District harmless from any claims, demands, liabilities, judgments, costs, or other actions which may be brought against or imposed upon the District in connection with or as a result of this assignment by any contractors, subcontractors, sub-subcontractors, materialmen, and others providing labor or services in conjunction with each Construction Contract as such claims relate to the period of time prior to the District's acceptance of the assignment, except for limitations otherwise provided for in this Agreement, and further except for any such matters arising out of, or in connection with, an act or failure to act by the District, including but not limited to the District's obligations to pay the Developer any and all monies owed or to become owed by the District to the Developer.

**6. Payment by District.** Payment for Work Product and District Improvements described herein and contemplated by this Agreement shall be payable solely from the proceeds of the next series of Bonds available for that purpose at the times and in the manner provided in the applicable Trust Indenture relating thereto; provided that such issuance of such next series of Bonds is payable solely from special assessments properly levied on real property in the District benefitted by the applicable District Improvements. To the extent any District Improvements are acquired by the District in advance of proceeds of Bonds described above being available to pay all or a portion of the costs certified by the District Engineer for such District Improvements ("**Advanced Improvements**"), then the following conditions shall apply as to such Advanced Improvements: (i) no amounts shall be due from the District to the Developer at the time of the transfer of the Advanced Improvements to the District; (ii) the District and the Developer agree to take such action as is reasonably necessary to memorialize the costs certified by the District Engineer for any such Advanced Improvements, which may include execution of a promissory note substantially in the form attached as Exhibit "A"; (iii) within forty-five (45) days after receipt of sufficient funds by the District consistent with this Section for the Advanced Improvements from the issuance of future Bonds, the District shall pay the cost certified by the District Engineer to the Developer; provided, however, in the event the District's bond counsel determines that any costs for the Advanced Improvements are not qualified costs for any reason including, but not limited to federal tax restrictions imposed on tax-exempt financing, the District shall not be obligated to pay for such portion of the Advanced Improvements; and (iv) the Developer acknowledges that there may not be sufficient funds available from the issuance of the Bonds for the reimbursement of all or a portion of the costs of such Advanced Improvements, and, notwithstanding anything in this Agreement to the contrary, the District's payment obligations will be limited consistent with this Section to the extent of available proceeds from Bonds actually issued. Nothing herein shall cause or be construed to require or otherwise commit the District to issue additional Bonds or indebtedness to provide funds for any portion of the Advanced Improvements or to issue Bonds or indebtedness of any particular amount. If within five (5) years after the Effective Date of this Agreement, the District does not or cannot issue such future Bonds for any reason to pay for the Advanced Improvements, and, thus does not pay the Developer the acquisition price for the Advanced Improvements, then the parties agree that the District shall have no payment obligation whatsoever for the Advanced Improvements.

**7. Limitation on Acquisitions.** The Developer and the District agree and acknowledge that any and all acquisitions, whether for District Improvements or Work Product, shall be limited to those items which may legally be acquired by the District in conformance with all applicable state and federal laws and regulations, as determined by the District in its sole and exclusive discretion, and that nothing herein shall be deemed or construed to require the acquisition of any item in contravention of these authorities.

**8. Taxes, Assessments, and Costs.**

A. Taxes, assessments and costs resulting from Agreement. The Developer agrees to indemnify the District from and make payment for any and all taxes (ad valorem, personal property, intangibles, or otherwise), non-ad valorem assessments, and costs which may be imposed upon the District, or which the District is legally obligated to pay, as a result of the parties entering into this Agreement, if any, whether such taxes, assessments, or costs are imposed upon the District's property or property interest, or the Developer's property or property interest, or any other such expense. As to any parcel of Real Property conveyed by Developer pursuant to this Agreement, the potential obligations of the Developer to pay such taxes, assessments and cost that may be incurred as a result of the parties entering into this Agreement shall terminate one (1) year after conveyance of such parcel of Real Property.

B. Taxes and assessments on property being acquired. The District is an exempt governmental unit acquiring property pursuant to this Agreement for use exclusively for public purposes. Accordingly, in accordance with Florida law, the Developer agrees to place in escrow with the Collier County Tax Collector an amount equal to the current ad valorem taxes and non-ad valorem assessments (with the exception of those ad valorem taxes and non-ad valorem assessments levied by the District) prorated to the date of transfer of title, based upon the expected assessment and millage rates giving effect to the greatest discount available for early payment.

1. If and only to the extent the property acquired by the District is subject to ad valorem taxes or non-ad valorem assessments, the Developer agrees to reimburse the District for payment, or pay on its behalf, any and all ad valorem taxes and non-ad valorem assessments imposed during the calendar year in which each parcel of property is conveyed. For example, if the District acquires property in January 2017, the Developer shall escrow the pro rata amount of taxes due for the tax bill payable in November 2017. If any additional taxes are imposed on the District's property in 2017, then the Developer agrees to reimburse the District for that additional amount.
2. Nothing in this Agreement shall prevent the District from asserting any rights to challenge any taxes or assessments imposed, if any, on any property of the District.

C. Notice. The parties agree to provide notice to the other within ten (10) calendar days of receipt of any notice of potential or actual taxes, assessments, or costs, as a result of any transaction pursuant to this Agreement, or notice of any other taxes assessments or costs imposed on the property acquired by the District as described in subsection B above. The Developer covenants to make any payments due hereunder in a timely manner in accord with Florida law. In the event that the Developer fails to make timely payment of any such taxes or costs, the Developer acknowledges the District's right to make such payment. If the District makes such payment, the Developer agrees to reimburse the District within thirty (30) calendar days of receiving notice of such payment, and to include in such reimbursement any fees, costs, penalties, or other expenses which accrued to the District as a result of making such a payment, including interest at the maximum rate allowed by law from the date of the payment made by the District.

D. Tax liability not created. Nothing herein is intended to create or shall create any new or additional tax liability on behalf of the Developer or the District. Furthermore, the parties reserve all respective rights to challenge, pay under protest, contest or litigate the imposition of any tax,

assessment, or cost in good faith they believe is unlawfully or inequitably imposed and agree to cooperate in good faith in the challenge of any such imposition.

**9. Default.** A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages and/or specific performance; provided, however, in no event shall either party be entitled to any consequential, punitive, exemplary or special damage awards.

**10. Indemnification.** For all actions or activities which occur prior to the date of the acquisition or assignment of the relevant Real Property, District Improvement or Work Product hereunder, the Developer agrees to indemnify and hold harmless the District and its officers, staff, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity for injuries, death, property damage or claims of any nature arising out of, or in connection with, this Agreement or the use by the Developer, its officers, agents, employees, invitees or affiliates, of the Real Property, District Improvement, or Work Product, including litigation or any appellate proceedings with respect thereto, irrespective of the date of the initiation or notice of the claim, suit, etc.; provided, however, that the Developer shall not indemnify the District for a default by the District under this Agreement.

**11. Enforcement of Agreement.** In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the prevailing party shall be entitled to recover from the other all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

**12. Agreement.** This instrument shall constitute the final and complete expression of this Agreement between the District and the Developer relating to the subject matter of this Agreement.

**13. Amendments.** Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by all parties hereto. Following the issuance of the series of Bonds contemplated hereunder, no amendment to this Agreement shall be made without the prior written consent of the Trustee for said next series of Bonds and the holders of said series of Bonds owning a majority of the aggregate principal amount of all of such series of Bonds outstanding.

**14. Authorization.** The execution of this Agreement has been duly authorized by the appropriate body or official of the District and the Developer. The District and the Developer have complied with all the requirements of law. The District and the Developer have full power and authority to comply with the terms and provisions of this instrument.

**15. Notices.** All notices, requests, consents and other communications under this Agreement ("**Notices**") shall be in writing and shall be hand delivered, sent by regular U.S. Mail, or delivered via overnight delivery service to the parties, as follows:

A. **If to District:** Flow Way Community Development District  
c/o JPWard & Associates, LLC  
2041 NE 6 Terrace  
Wilton Manors, Florida 33305  
Attn: District Manager

**With a copy to:** Coleman, Yovanovich & Koester, P.A.  
4001 Tamiami Trail N., Suite 300

Naples, Florida 34103  
Attn: Gregory L. Urbancic, Esq.

**B. If to Developer:** Taylor Morrison Esplanade Naples, LLC  
551 N Cattlemen Rd Suite 200  
Sarasota, FL 34232  
Attn: Managing Member

**With a copy to:** Todd Merrill, Esq.  
Vice President, Deputy General Counsel  
Taylor Morrison  
1211 N. Westshore Blvd., Ste. 512.  
Tampa, Florida 33607

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Developer may deliver Notice on behalf of the District and the Developer. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth in this Agreement.

**16. Arm's Length Transaction.** This Agreement has been negotiated fully between the District and the Developer as an arm's length transaction. All parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, all parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against any party hereto.

**17. Third-Party Beneficiaries.** This Agreement is solely for the benefit of the District and the Developer and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third-party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or entity other than the District and the Developer any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Developer and their respective representatives, successors, and assigns. Notwithstanding the foregoing, once the next series of Bonds are issued as contemplated hereunder, the Trustee for said series of Bonds, on behalf of the holders of the said series of Bonds, shall be a direct third party beneficiary of the terms and conditions of this Agreement and shall be entitled to enforce the Developer's obligations hereunder. Said Trustee, however, shall not be deemed to have assumed any obligation as a result of this Agreement.

**18. Assignment.** Neither the District nor the Developer may assign this Agreement without the prior written approval of the other party hereto. Following the issuance of the next series of Bonds contemplated hereunder, neither party may assign this Agreement without the prior written approval of the Trustee for said series of Bonds and holders of said series of Bonds owning a majority of the aggregate principal amount of all of such Bonds outstanding.

19. **Applicable Law and Venue.** This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each party consents that the venue for any litigation arising out of or related to this Agreement shall be in Collier County, Florida.

20. **Effective Date.** This Agreement shall be effective upon its execution by the District and the Developer as of the date set forth in the first paragraph on Page 1.

21. **Termination.** This Agreement may be terminated by the District without penalty in the event that the District does not issue its proposed Bonds within five (5) years from the Effective Date of this Agreement.

22. **Public Records.** The Developer understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and will be treated as such in accordance with Florida law.

23. **Severability.** The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

24. **Limitations on Governmental Liability.** Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other statute, and nothing in this Agreement shall inure to the benefit of any third-party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

25. **Headings for Convenience Only.** The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

26. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

*(Remainder of Page Intentionally Left Blank. Signatures Begin on Next Page.)*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**DISTRICT:**

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**

ATTEST:

\_\_\_\_\_  
James P. Ward, Secretary

By: \_\_\_\_\_  
John Asher, Chairman

**DEVELOPER:**

**TAYLOR MORRISON ESPLANADE NAPLES, LLC**, a Florida limited liability company

By: **TAYLOR MORRISON OF FLORIDA, INC.**,  
a Florida corporation, its Managing Member

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT "A"**  
**FORM PROMISSORY NOTE**

**PROMISSORY NOTE**  
(Phase \_\_\_\_\_ - \_\_\_\_\_)

\$ \_\_\_\_\_

Collier County, Florida  
Date: \_\_\_\_\_, 2016

FOR VALUE RECEIVED, **FLOW WAY NAPLES COMMUNITY DEVELOPMENT DISTRICT**, a community development district established pursuant to Chapter 190, Florida Statutes ("**MAKER**"), promises to pay to the order of **TAYLOR MORRISON ESPLANADE NAPLES, LLC**, a Florida limited liability company ("**HOLDER**") at 551 N. Cattlemen Rd., Suite 200, Sarasota, FL 34232 or at such place as HOLDER may from time to time designate in writing, the principal sum of: \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) (the "**Principal Sum**") in accordance with the terms and condition of this Promissory Note (this "**Note**").

The Principal Sum of this Note shall not bear interest.

Payments under this Note shall be due and payable as follows:

This Note is made and shall be subject the terms and conditions of that certain Agreement Regarding the Acquisition of Certain Work Product, Infrastructure and Real Property by and between MAKER and HOLDER dated as of \_\_\_\_\_, 2016 (the "**Acquisition Agreement**"). Further, this Note is issued pursuant to Section 6 of the Acquisition Agreement and in conjunction with the transfer and conveyance of the Phase \_\_\_\_\_, {Potable Water and Wastewater Facilities} (the "**Improvements**") to the District contemporaneously with this Note. Provided that (i) MAKER issues Special Assessment Bonds for Flow Way Community Development District (the "**District**") payable solely from special assessments properly levied on real property in the District benefitted by the Improvements ("**Bonds**") and there are sufficient funds from said Bonds to pay for the Improvements; (ii) the requirements of Section 6 of the Acquisition Agreement have been met; and (iii) HOLDER submits to MAKER a Requisition for payment of the Principal Sum representing the cost of Improvements, then MAKER shall within forty-five (45) days thereafter, pay the entire balance of the Principal Sum due under this Note. Notwithstanding the forgoing provision, in the event MAKER does not issue any applicable Bonds on or before five (5) years after the date of the Acquisition Agreement, then this Note shall be forgiven by HOLDER and cancelled and of no further force or effect.

This Note is a limited obligation of the District. The District is under no obligation to issue such Bonds at any time, and the Owner shall have no right to compel the District to issue such Bonds or to pay such principal from any other source of funds.

This Note can be prepaid at any time in whole or in part to HOLDER without penalty. All payments and prepayments shall be applied to the Principal Sum.

Prepayment shall not affect or vary the duty of MAKER to pay any obligation when due and the same shall not affect or impair the right of HOLDER to pursue all remedies available to it hereunder.

Notwithstanding anything contained herein to the contrary, HOLDER may not exercise any right or remedy provided for in this Note because of any default of MAKER, unless HOLDER shall have given written notice of the default to MAKER and MAKER shall have failed to pay the sum or sums due within

a period of thirty (30) days after the date of such written notice. Failure of MAKER to cure a default within such cure period shall hereinafter be described as an “**Event of Default**”. Upon an Event of Default, the Principal Sum remaining unpaid, shall become immediately due and payable.

All communication required under or in connection with this Note shall be in writing, and shall be hand delivered, sent by commercial overnight courier, or sent by certified mail, postage prepaid, addressed to MAKER or HOLDER at the address either party may designate from time to time by written notice to the other party in the manner set forth herein.

Time is of the essence and in the event it is necessary to initiate collection of this Note or it is collected by law or through an attorney, or under advice therefrom, MAKER agrees to pay all costs of the collection and reasonable attorneys’ fees (including those attorneys’ fees that may be caused by appellate proceedings) that may be incurred in all matters of collections, enforcement, construction and interpretation hereunder.

The remedies of HOLDER, as provided herein, shall be cumulative and concurrent, and may be pursued singularly, successively or together, at the sole discretion of HOLDER, and may be exercised as often as occasion therefore arise. No act of omission or commission of HOLDER, including specifically any failure to exercise any right, remedy or recourse, shall be deemed to be a waiver or release of same, such waiver or release to be effected only through a written document, executed by HOLDER and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent event.

This Note is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes and other applicable provisions of law. This Note is issued with the intent that the laws of the State of Florida shall govern its construction.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE DISTRICT, OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY HOLDER THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF FLORIDA OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY FOR THE PAYMENT OF THE PRINCIPAL ON THIS NOTE.

*(Remainder of Page Intentionally Left Blank. Signature Appears on the Next Page.)*

IN WITNESS WHEREOF, MAKER has caused this Promissory Note to be duly executed as of the day and year first above written.

MAKER:

**FLOW WAY COMMUNITY  
DEVELOPMENT DISTRICT**

ATTEST:

\_\_\_\_\_  
James P. Ward, Secretary

By: \_\_\_\_\_  
John Asher, Chairman

**PROMISSORY NOTE**  
**(Parcel H1-Potable Water and Wastewater Facilities)**

\$ \_\_\_\_\_

Collier County, Florida  
Date: \_\_\_\_\_, 2016

FOR VALUE RECEIVED, **FLOW WAY NAPLES COMMUNITY DEVELOPMENT DISTRICT**, a community development district established pursuant to Chapter 190, Florida Statutes (“**MAKER**”), promises to pay to the order of **TAYLOR MORRISON ESPLANADE NAPLES, LLC**, a Florida limited liability company (“**HOLDER**”) at 551 N. Cattlemen Rd., Suite 200, Sarasota, FL 34232 or at such place as HOLDER may from time to time designate in writing, the principal sum of: \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) (the “**Principal Sum**”) in accordance with the terms and condition of this Promissory Note (this “**Note**”).

The Principal Sum of this Note shall not bear interest.

Payments under this Note shall be due and payable as follows:

This Note is made and shall be subject the terms and conditions of that certain Agreement Regarding the Acquisition of Certain Work Product, Infrastructure and Real Property by and between MAKER and HOLDER dated as of \_\_\_\_\_, 2016 (the “**Acquisition Agreement**”). Further, this Note is issued pursuant to Section 6 of the Acquisition Agreement and in conjunction with the transfer and conveyance of the Parcel H1-Potable Water and Wastewater Facilities (the “**Improvements**”) to the District contemporaneously with this Note. Provided that (i) MAKER issues Special Assessment Bonds for Flow Way Community Development District (the “**District**”) payable solely from special assessments properly levied on real property in the District benefitted by the Improvements (“**Bonds**”) and there are sufficient funds from said Bonds to pay for the Improvements; (ii) the requirements of Section 6 of the Acquisition Agreement have been met; and (iii) HOLDER submits to MAKER a Requisition for payment of the Principal Sum representing the cost of Improvements, then MAKER shall within forty-five (45) days thereafter, pay the entire balance of the Principal Sum due under this Note. Notwithstanding the forgoing provision, in the event MAKER does not issue any applicable Bonds on or before five (5) years after the date of the Acquisition Agreement, then this Note shall be forgiven by HOLDER and cancelled and of no further force or effect.

This Note is a limited obligation of the District. The District is under no obligation to issue such Bonds at any time, and the Owner shall have no right to compel the District to issue such Bonds or to pay such principal from any other source of funds.

This Note can be prepaid at any time in whole or in part to HOLDER without penalty. All payments and prepayments shall be applied to the Principal Sum.

Prepayment shall not affect or vary the duty of MAKER to pay any obligation when due and the same shall not affect or impair the right of HOLDER to pursue all remedies available to it hereunder.

Notwithstanding anything contained herein to the contrary, HOLDER may not exercise any right or remedy provided for in this Note because of any default of MAKER, unless HOLDER shall

have given written notice of the default to MAKER and MAKER shall have failed to pay the sum or sums due within a period of thirty (30) days after the date of such written notice. Failure of MAKER to cure a default within such cure period shall hereinafter be described as an “**Event of Default**”. Upon an Event of Default, the Principal Sum remaining unpaid, shall become immediately due and payable.

All communication required under or in connection with this Note shall be in writing, and shall be hand delivered, sent by commercial overnight courier, or sent by certified mail, postage prepaid, addressed to MAKER or HOLDER at the address either party may designate from time to time by written notice to the other party in the manner set forth herein.

Time is of the essence and in the event it is necessary to initiate collection of this Note or it is collected by law or through an attorney, or under advice therefrom, MAKER agrees to pay all costs of the collection and reasonable attorneys’ fees (including those attorneys’ fees that may be caused by appellate proceedings) that may be incurred in all matters of collections, enforcement, construction and interpretation hereunder.

The remedies of HOLDER, as provided herein, shall be cumulative and concurrent, and may be pursued singularly, successively or together, at the sole discretion of HOLDER, and may be exercised as often as occasion therefore arise. No act of omission or commission of HOLDER, including specifically any failure to exercise any right, remedy or recourse, shall be deemed to be a waiver or release of same, such waiver or release to be effected only through a written document, executed by HOLDER and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent event.

This Note is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes and other applicable provisions of law. This Note is issued with the intent that the laws of the State of Florida shall govern its construction.

**THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE DISTRICT, OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY HOLDER THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF FLORIDA OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY FOR THE PAYMENT OF THE PRINCIPAL ON THIS NOTE.**

*(Remainder of Page Intentionally Left Blank. Signature Appears on the Next Page.)*

IN WITNESS WHEREOF, MAKER has caused this Promissory Note to be duly executed as of the day and year first above written.

MAKER:

**FLOW WAY COMMUNITY  
DEVELOPMENT DISTRICT**

ATTEST:

\_\_\_\_\_  
James P. Ward, Secretary

By: \_\_\_\_\_  
John Asher, Chairman

**PROMISSORY NOTE**  
**(Parcel H2-Potable Water and Wastewater Facilities)**

\$ \_\_\_\_\_

Collier County, Florida  
Date: \_\_\_\_\_, 2016

FOR VALUE RECEIVED, **FLOW WAY NAPLES COMMUNITY DEVELOPMENT DISTRICT**, a community development district established pursuant to Chapter 190, Florida Statutes (“**MAKER**”), promises to pay to the order of **TAYLOR MORRISON ESPLANADE NAPLES, LLC**, a Florida limited liability company (“**HOLDER**”) at 551 N. Cattlemen Rd., Suite 200, Sarasota, FL 34232 or at such place as HOLDER may from time to time designate in writing, the principal sum of: \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) (the “**Principal Sum**”) in accordance with the terms and condition of this Promissory Note (this “**Note**”).

The Principal Sum of this Note shall not bear interest.

Payments under this Note shall be due and payable as follows:

This Note is made and shall be subject the terms and conditions of that certain Agreement Regarding the Acquisition of Certain Work Product, Infrastructure and Real Property by and between MAKER and HOLDER dated as of \_\_\_\_\_, 2016 (the “**Acquisition Agreement**”). Further, this Note is issued pursuant to Section 6 of the Acquisition Agreement and in conjunction with the transfer and conveyance of the Parcel H2-Potable Water and Wastewater Facilities (the “**Improvements**”) to the District contemporaneously with this Note. Provided that (i) MAKER issues Special Assessment Bonds for Flow Way Community Development District (the “**District**”) payable solely from special assessments properly levied on real property in the District benefitted by the Improvements (“**Bonds**”) and there are sufficient funds from said Bonds to pay for the Improvements; (ii) the requirements of Section 6 of the Acquisition Agreement have been met; and (iii) HOLDER submits to MAKER a Requisition for payment of the Principal Sum representing the cost of Improvements, then MAKER shall within forty-five (45) days thereafter, pay the entire balance of the Principal Sum due under this Note. Notwithstanding the forgoing provision, in the event MAKER does not issue any applicable Bonds on or before five (5) years after the date of the Acquisition Agreement, then this Note shall be forgiven by HOLDER and cancelled and of no further force or effect.

This Note is a limited obligation of the District. The District is under no obligation to issue such Bonds at any time, and the Owner shall have no right to compel the District to issue such Bonds or to pay such principal from any other source of funds.

This Note can be prepaid at any time in whole or in part to HOLDER without penalty. All payments and prepayments shall be applied to the Principal Sum.

Prepayment shall not affect or vary the duty of MAKER to pay any obligation when due and the same shall not affect or impair the right of HOLDER to pursue all remedies available to it hereunder.

Notwithstanding anything contained herein to the contrary, HOLDER may not exercise any right or remedy provided for in this Note because of any default of MAKER, unless HOLDER shall

have given written notice of the default to MAKER and MAKER shall have failed to pay the sum or sums due within a period of thirty (30) days after the date of such written notice. Failure of MAKER to cure a default within such cure period shall hereinafter be described as an “**Event of Default**”. Upon an Event of Default, the Principal Sum remaining unpaid, shall become immediately due and payable.

All communication required under or in connection with this Note shall be in writing, and shall be hand delivered, sent by commercial overnight courier, or sent by certified mail, postage prepaid, addressed to MAKER or HOLDER at the address either party may designate from time to time by written notice to the other party in the manner set forth herein.

Time is of the essence and in the event it is necessary to initiate collection of this Note or it is collected by law or through an attorney, or under advice therefrom, MAKER agrees to pay all costs of the collection and reasonable attorneys’ fees (including those attorneys’ fees that may be caused by appellate proceedings) that may be incurred in all matters of collections, enforcement, construction and interpretation hereunder.

The remedies of HOLDER, as provided herein, shall be cumulative and concurrent, and may be pursued singularly, successively or together, at the sole discretion of HOLDER, and may be exercised as often as occasion therefore arise. No act of omission or commission of HOLDER, including specifically any failure to exercise any right, remedy or recourse, shall be deemed to be a waiver or release of same, such waiver or release to be effected only through a written document, executed by HOLDER and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent event.

This Note is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes and other applicable provisions of law. This Note is issued with the intent that the laws of the State of Florida shall govern its construction.

**THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE DISTRICT, OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY HOLDER THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF FLORIDA OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY FOR THE PAYMENT OF THE PRINCIPAL ON THIS NOTE.**

*(Remainder of Page Intentionally Left Blank. Signature Appears on the Next Page.)*



IN WITNESS WHEREOF, MAKER has caused this Promissory Note to be duly executed as of the day and year first above written.

MAKER:

**FLOW WAY COMMUNITY  
DEVELOPMENT DISTRICT**

ATTEST:

\_\_\_\_\_  
James P. Ward, Secretary

By: \_\_\_\_\_  
John Asher, Chairman



Jennifer J. Edwards  
Supervisor of Elections

April 19, 2016

Flow Way CDD  
Mr. James Ward  
JPWard & Associates  
2041 NE 6 Terrace  
Wilton Manors, FL 33305

Dear Mr. Ward

In compliance with Chapter 190.06 Florida Statutes, this notice is to inform that the official records of the Collier County Supervisor of Elections indicate 137 registered voters residing in the Flow Way CDD as of April 15, 2016.

Should you have questions regarding election services for this district, please feel free to contact our office.

Sincerely,

David B Carpenter  
Qualifying Officer  
Collier County Supervisor of Elections  
(239) 252-8501  
DaveCarpenter@colliergov.net



---

*Flow Way Community Development District*

---

*Financial Statements*

*March 31, 2016*



*Prepared by:*

***JPWARD AND ASSOCIATES LLC***

***2041 NORTHEAST 6TH TERRACE***

***WILTON MANORS, FLORIDA 33305***

---

*Flow Way Community Development District*

---

*Table of Contents*

	<i>Page</i>
<i>Balance Sheet—All Funds</i>	<i>1-2</i>
<i>Statement of Revenue, Expenditures and Changes in Fund Balance</i>	
<i>General Fund</i>	<i>3-4</i>
<i>Debt Service Fund</i>	
<i>Series 2013 Bonds</i>	<i>5</i>
<i>Series 2015 Bonds</i>	<i>6</i>
<i>Capital Project Fund</i>	
<i>Series 2015 Bonds</i>	<i>7</i>

*JPWard & Associates, LLC*  
*2041 NE 6th Terrace*  
*Fort Lauderdale, Florida 33305*

**Flowway Community Development District  
Balance Sheet  
for the Period Ending March 31, 2016**

	Governmental Funds						Totals (Memorandum Only)
			Debt Service Funds		Capital Project Fund	Account Groups	
	General Fund	Series 2013	Series 2015	Series 2015	General Long Term Debt		
<b>Assets</b>							
<b>Cash and Investments</b>							
General Fund - Invested Cash	\$ 108,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,666
Debt Service Fund							
Interest Account	-	-	-	-	-	-	-
Sinking Account	-	-	-	-	-	-	-
Reserve Account	-	539,000	264,494	-	-	-	803,494
Revenue	-	555,731	270,088	-	-	-	825,820
Prepayment Account	-	-	-	-	-	-	-
Costruction	-	-	-	69	-	-	69
Cost of Issuance	-	-	-	0	-	-	0
<b>Due from Other Funds</b>							
General Fund	-	5,908	2,931	-	-	-	8,839
Debt Service Fund(s)	-	-	-	-	-	-	-
<b>Market Valuation Adjustments</b>							
Accrued Interest Receivable	-	-	-	-	-	-	-
Assessments Receivable	-	-	-	-	-	-	-
Amount Available in Debt Service Funds	-	-	-	-	1,100,639	-	1,100,639
Amount to be Provided by Debt Service Funds	-	-	-	-	9,899,361	-	9,899,361
Investment in General Fixed Assets (net of depreciation)	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 108,666</b>	<b>\$ 1,100,639</b>	<b>\$ 537,513</b>	<b>\$ 69</b>	<b>\$ 11,000,000</b>	<b>\$ -</b>	<b>\$ 12,746,888</b>

**Flowway Community Development District  
Balance Sheet  
for the Period Ending March 31, 2016**

	Governmental Funds						Totals (Memorandum Only)
	Debt Service Funds		Capital Project Fund		Account Groups		
	General Fund	Series 2013	Series 2015	Series 2015	General	Long Term Debt	
<b>Liabilities</b>							
<b>Accounts Payable &amp; Payroll Liabilities</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Due to Other Funds</b>	-						-
General Fund	8,839	-	-	-	-	-	8,839
Debt Service Fund(s)	-	-	-	-	-	-	-
<b>Bonds Payable</b>							-
Current Portion	-	-	-	-	-	-	-
Long Term	-	-	-	-	11,000,000	-	11,000,000
<b>Total Liabilities</b>	<b>\$ 8,839</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,000,000</b>	<b>\$ 11,008,839</b>
<b>Fund Equity and Other Credits</b>							
<b>Investment in General Fixed Assets</b>	-	-	-	-	-	-	-
<b>Fund Balance</b>							
<b>Restricted</b>							
Beginning: October 1, 2015 (Audited)	-	547,874	376,279	331,568	-	-	1,255,721
Results from Current Operations	-	-	-	-	-	-	-
<b>Unassigned</b>							
Beginning: October 1, 2015 (Audited)	13,644	-	-	-	-	-	13,644
Results from Current Operations	86,183	552,765	161,234	(331,498)	-	-	468,683
<b>Total Fund Equity and Other Credits</b>	<b>\$ 99,827</b>	<b>\$ 1,100,639</b>	<b>\$ 537,513</b>	<b>\$ 69</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,738,049</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 108,666</b>	<b>\$ 1,100,639</b>	<b>\$ 537,513</b>	<b>\$ 69</b>	<b>\$ 11,000,000</b>	<b>\$ -</b>	<b>\$ 12,746,888</b>

**Flowway Community Development District  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Through March 31, 2016**

Description	October	November	December	January	February	March	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>									
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
<b>Interest</b>									
Interest - General Checking	-	-	-	-	-	-	-	-	N/A
<b>Special Assessment Revenue</b>									
Special Assessments - On-Roll	-	327	36,375	4,994	82,685	1,350	125,731	121,725	103%
Special Assessments - Off-Roll	-	-	25,000	-	-	-	25,000	-	N/A
<b>Intragovernmental Transfer In</b>									
	-	-	-	-	-	-	-	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ -</b>	<b>\$ 327</b>	<b>\$ 61,375</b>	<b>\$ 4,994</b>	<b>\$ 82,685</b>	<b>\$ 1,350</b>	<b>150,731</b>	<b>\$ 121,725</b>	<b>124%</b>
<b>Expenditures and Other Uses</b>									
<b>Executive</b>									
Professional Management	3,333	3,333	3,333	3,333	3,333	3,333	20,000	40,000	50%
<b>Financial and Administrative</b>									
Audit Services	-	-	-	4,100	-	-	4,100	4,100	100%
Accounting Services	1,000	1,000	1,000	1,000	1,000	1,000	6,000	16,000	38%
Assessment Roll Services	667	667	667	667	667	667	4,000	16,000	25%
Arbitrage Rebate Services	-	-	-	-	-	-	-	1,000	0%
<b>Other Contractual Services</b>									
Recording and Transcription	-	-	-	-	-	-	-	-	N/A
Legal Advertising	-	-	5,037	-	-	-	5,037	2,000	252%
Trustee Services	-	-	-	-	-	-	-	8,600	0%
Dissemination Agent Services	667	667	667	667	667	667	4,000	10,000	40%
Property Appraiser Fees	-	4,876	-	-	-	-	4,876	-	N/A
Bank Services	17	20	21	22	-	-	80	300	27%

**Flowway Community Development District  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Through March 31, 2016**

Description	October	November	December	January	February	March	Year to Date	Total Annual Budget	% of Budget
<b>Travel and Per Diem</b>	-	-	-	-	-	-	-	-	N/A
<b>Communications &amp; Freight Services</b>									
Postage, Freight & Messenger	-	21	33	13	-	144	211	500	42%
<b>Computer Services - Website Development</b>	-	-	-	-	-	-	-	2,400	0%
<b>Insurance</b>	-	-	5,923	-	-	-	5,923	6,000	99%
<b>Printing &amp; Binding</b>	-	158	252	139	-	-	550	500	110%
<b>Office Supplies</b>	-	-	-	-	-	-	-	250	0%
<b>Subscription &amp; Memberships</b>	-	175	-	-	-	-	175	175	100%
<b>Legal Services</b>									
Legal - General Counsel	-	-	596	553	-	325	1,473	7,900	19%
Legal - Series 2013 Bonds	-	799	-	5,200	-	-	5,999	-	N/A
Legal - Series 2015(Phase 4)	-	-	1,690	436	-	-	2,126	-	N/A
<b>Other General Government Services</b>									
Engineering Services - General Fund	-	-	-	-	-	-	-	1,000	0%
Contingencies	-	-	-	-	-	-	-	5,000	0%
Other Current Charges	-	-	-	-	-	-	-	-	N/A
<b>Intragovernmental Transfer Out</b>	-	-	-	-	-	-	-	-	N/A
<b>Sub-Total:</b>	<b>5,683</b>	<b>11,715</b>	<b>19,219</b>	<b>16,129</b>	<b>5,667</b>	<b>6,135</b>	<b>64,549</b>	<b>121,725</b>	<b>53%</b>
<b>Total Expenditures and Other Uses:</b>	<b>\$ 5,683</b>	<b>\$ 11,715</b>	<b>\$ 19,219</b>	<b>\$ 16,129</b>	<b>\$ 5,667</b>	<b>\$ 6,135</b>	<b>\$ 64,549</b>	<b>\$ 121,725</b>	<b>53%</b>
Net Increase/ (Decrease) in Fund Balance	(5,683)	(11,387)	42,156	(11,135)	77,018	(4,785)	86,183	-	
Fund Balance - Beginning	16,548	10,864	(523)	41,633	30,498	107,516	16,548	-	
<b>Fund Balance - Ending</b>	<b>\$ 10,864</b>	<b>\$ (523)</b>	<b>\$ 41,633</b>	<b>\$ 30,498</b>	<b>\$ 107,516</b>	<b>\$ 102,731</b>	<b>102,731</b>	<b>\$ -</b>	



Flowway Community Development District  
Debt Service Fund - Series 2013  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Through March 31, 2016

Description	October	November	December	January	February	March	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>									
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ (312,513)	N/A
<b>Interest Income</b>									
Interest Account	-	-	-	-	-	-	-	-	N/A
Reserve Account	9	9	9	9	42	43	121	40	302%
Prepayment Account	-	-	-	-	-	-	-	8	0%
Revenue Account	-	2	0	0	2	7	12	-	N/A
<b>Special Assessment Revenue</b>									
Special Assessments - On-Roll	-	1,432	159,172	21,852	361,818	5,908	550,182	532,527	103%
Special Assessments - Off-Roll	312,513	-	-	-	-	-	312,513	312,513	100%
Intragovernmental Transfer In	-	-	-	-	-	-	-	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ 312,522</b>	<b>\$ 1,443</b>	<b>\$ 159,182</b>	<b>\$ 21,861</b>	<b>\$ 361,862</b>	<b>\$ 5,958</b>	<b>862,827</b>	<b>\$ 532,575</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>									
<b>Debt Service</b>									
<b>Principal Debt Service - Mandatory</b>									
Series 2013 Bonds	\$ -	\$ 85,000	\$ -	\$ -	\$ -	\$ -	85,000	\$ 85,000	100%
<b>Principal Debt Service - Early Redemptions</b>									
Series 2013 Bonds	-	-	-	-	-	-	-	-	N/A
<b>Interest Expense</b>									
Series 2013 Bonds	-	225,063	-	-	-	-	225,063	447,575	50%
Operating Transfers Out (To Other Funds)	-	-	-	-	-	-	-	-	N/A
<b>Total Expenditures and Other Uses:</b>	<b>\$ -</b>	<b>\$ 310,063</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>310,063</b>	<b>\$ 532,575</b>	<b>N/A</b>
Net Increase/ (Decrease) in Fund Balance	312,522	(308,619)	159,182	21,861	361,862	5,958	552,765	312,513	
Fund Balance - Beginning	547,874	860,396	551,777	710,958	732,819	1,094,681	547,874	764,124	
<b>Fund Balance - Ending</b>	<b>\$ 860,396</b>	<b>\$ 551,777</b>	<b>\$ 710,958</b>	<b>\$ 732,819</b>	<b>\$ 1,094,681</b>	<b>\$ 1,100,639</b>	<b>1,100,639</b>	<b>\$ 1,076,637</b>	

**Flowway Community Development District**  
**Debt Service Fund - Series 2015**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through March 31, 2016**

Description	October	November	December	January	February	March	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>									
<b>Carryforward</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ (52,826)	N/A
<b>Interest Income</b>									
Interest Account	2	2	0	0	1	3	8	-	N/A
Reserve Account	4	4	4	4	21	13	51	-	N/A
Prepayment Account	-	-	-	-	-	-	-	-	N/A
Revenue Account	-	-	-	-	-	-	-	-	N/A
<b>Special Assessment Revenue</b>									
Special Assessments - On-Roll	-	711	78,982	10,843	179,536	2,931	273,003	264,206	103%
Special Assessments - Off-Roll	-	-	-	-	-	-	-	-	N/A
<b>Debt Proceeds</b>									
Debt Proceeds	-	-	-	-	-	-	-	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ 6</b>	<b>\$ 717</b>	<b>\$ 78,987</b>	<b>\$ 10,847</b>	<b>\$ 179,557</b>	<b>\$ 2,947</b>	<b>273,062</b>	<b>\$ 211,380</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>									
<b>Debt Service</b>									
<b>Principal Debt Service - Mandatory</b>									
Series 2013 Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
<b>Principal Debt Service - Early Redemptions</b>									
Series 2013 Bonds	-	-	-	-	-	-	-	-	N/A
<b>Interest Expense</b>									
Series 2013 Bonds	-	111,777	-	-	-	-	111,777	211,380	53%
<b>Operating Transfers Out (To Other Funds)</b>									
Operating Transfers Out	4	4	4	4	21	13	51	-	N/A
<b>Total Expenditures and Other Uses:</b>	<b>\$4.35</b>	<b>\$ 111,781</b>	<b>\$ 4</b>	<b>\$ 4</b>	<b>\$ 21</b>	<b>\$ 13</b>	<b>111,828</b>	<b>\$ 211,380</b>	<b>N/A</b>
Net Increase/ (Decrease) in Fund Balance	2	(111,064)	78,982	10,843	179,536	2,935	161,234	-	
Fund Balance - Beginning	376,279	376,281	265,217	344,199	355,042	534,579	376,279	-	
<b>Fund Balance - Ending</b>	<b>\$ 376,281</b>	<b>\$ 265,217</b>	<b>\$ 344,199</b>	<b>\$ 355,042</b>	<b>\$ 534,579</b>	<b>\$ 537,513</b>	<b>537,513</b>	<b>\$ -</b>	

**Flowway Community Development District  
Capital Project Fund - Series 2015  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Through March 31, 2016**

Description	October	November	December	January	February	March	Year to Date	Total Annual Budget
<b>Revenue and Other Sources</b>								
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -
<b>Interest Income</b>								
Construction Account	5	6	5	1	-	-	18	-
Cost of Issuance	-	-	-	-	-	0	0	-
<b>Debt Proceeds</b>								
-	-	-	-	-	-	-	-	-
Operating Transfers In (From Other Funds)	4	4	4	4	21	13	51	-
<b>Total Revenue and Other Sources:</b>	<b>\$ 10</b>	<b>\$ 10</b>	<b>\$ 10</b>	<b>\$ 6</b>	<b>\$ 21</b>	<b>\$ 13</b>	<b>69</b>	<b>\$ -</b>
<b>Expenditures and Other Uses</b>								
<b>Capital Outlay</b>								
Construction in Progress	-	-	331,568	-	-	-	331,568	-
<b>Cost of Issuance</b>								
Series 2013 Bonds	-	-	-	-	-	-	-	\$ -
Operating Transfers Out (To Other Funds)	-	-	-	-	-	-	-	-
<b>Total Expenditures and Other Uses:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 331,568</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>331,568</b>	<b>\$ -</b>
Net Increase/ (Decrease) in Fund Balance	10	10	(331,558)	6	21	13	(331,498)	-
Fund Balance - Beginning	331,568	331,577	331,588	30	36	56	331,568	-
<b>Fund Balance - Ending</b>	<b>\$ 331,577</b>	<b>\$ 331,588</b>	<b>\$ 30</b>	<b>\$ 36</b>	<b>\$ 56</b>	<b>\$ 69</b>	<b>69</b>	<b>\$ -</b>