

JPWard and Associates, LLC

**TERN BAY
COMMUNITY DEVELOPMENT DISTRICT**

REGULAR MEETING

AGENDA

September 11, 2018



James P. Ward
District Manager
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www.ternbaycdd.org

Prepared by:

JPWard and Associates, LLC
Community Development District Advisors

TERN BAY COMMUNITY DEVELOPMENT DISTRICT

August 28, 2018

Board of Supervisors
Tern Bay Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Tern Bay Community Development District will be held on Tuesday, September 11, 2018 at **10:00 a.m.** at the **Country Inn and Suites, 24244 Corporate Court, Port Charlotte, Florida 33954.**

1. Call to Order & Roll Call
2. Consideration of Minutes
 - a) August 14, 2018 Regular Meeting
3. **PUBLIC HEARINGS**
 - a) **FISCAL YEAR 2019 BUDGET**
 - I. Public Comment and Testimony
 - II. Board Comment and Consideration
 - III. Consideration of Resolution 2018-5 adopting the annual appropriation and Budget for Fiscal Year 2019
 - b) **FISCAL YEAR 2019 IMPOSING SPECIAL ASSESSMENTS; ADOPTING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY**
 - I. Public Comment and Testimony
 - II. Board Comment and Consideration
 - III. Consideration of Resolution 2018-6 imposing special assessments, adopting an assessment roll and approving the general fund special assessment methodology.
4. Consideration of acceptance of the Audited Financial Statement for the Fiscal Year 2017.
5. Consideration of setting December 11, 2018 at 10:00 A.M. at the **Country Inn and Suites, 24244 Corporate Court, Port Charlotte, Florida 33954** as the date, time and location for the Tern Bay Community Development District Landowner's Meeting along with sample ballot and proxy forms for the landowner's meeting.
6. Consideration of Resolution 2018-7 designating the dates, time and location for regular meetings of the Board of Supervisors of the District.

7. Staff Reports
 - a) Attorney
 - b) Engineer
 - c) Manager
 - I. Field Manager Report
 - II. Financial Statements for the period ended July 31, 2018 (Unaudited)
 8. Supervisor's Requests and Audience Comments
 9. Adjournment
-

The second order of business is consideration of the minutes of the June 12, 2018 meeting.

The third order of business is two (2) required Public Hearings to consider the adoption of the District's Fiscal Year 2019 Budget, Assessments along with the General Fund Special Assessment Methodology. The first Public Hearing deals with the adoption of the Fiscal Year 2019 Budget which includes both the General Fund operations and the Debt Service Fund for the Series 2005 A Bonds. In the way of background, the Board approved the proposed Fiscal Year 2019 Budget at the June, 2018 meeting, solely for the purpose of permitting the District to move through the process towards this hearing to adopt the Budget and set the final assessment rates for the ensuing Fiscal Year.

As a suggested form for the Public Hearing – it would be appropriate to formally open the Public Hearing for consideration of the Budget, take a few moments to have the District Manager review the salient points of the Budget for the Public, then seek Public Comment or testimony, and at the conclusion of the Public Comment and testimony to close the Public Hearing by motion of the Board, then to move into the Board's consideration of the Budget and once that is concluded, to consider **Resolution 2018-5** to adopt the annual appropriation and budget for the District. Once this item is concluded, then it would be recommended for the Board to move to the second Public Hearing utilizing the same process as just completed for the Budget Hearing.

This second Public Hearing is a consequence of the Budget Adoption process and sets in place the required documents that are all contained in the Fiscal Year 2019 Budget. **Resolution 2018-6** does essentially three (3) things. First, it imposes the special assessments for the general fund and the debt service fund; second, it arranges for the certification of an assessment roll by the Chairman or his designee, which in this case is the District Manager, to the Charlotte County Tax Collector and permits the District Manager to update the roll as it may be modified as limited by law subsequent to the adoption date of **Resolution 2018-6** and finally it approves the General Fund Special Assessment Methodology.

The fourth order of business is the consideration of acceptance of the Audited Financial Statement for the Fiscal Year 2017.

The fifth order of business is consideration of setting December 11, 2018 at 10:00 A.M. at the **Country Inn and Suites, 24244 Corporate Court, Port Charlotte, Florida 33954** as the date, time and location for the Landowner’s Election. Seat 2 , Seat 3 and Seat 4 are up for election.

The sixth item is consideration of Resolution **2018-7** setting the proposed meeting schedule for Fiscal Year 2019. As you may re-call, to the extent that the District has a regular meeting schedule the District is required to advertise this schedule (legal advertisement) on a periodic basis at the beginning of the Fiscal Year.

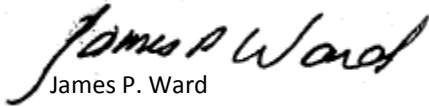
Although the District does not usually meet every month, it would be recommended setting the second Tuesday of each month at 10:00 A.M. at the County Inn and Suites, 24244 Corporate Court, Port Charlotte, Florida 33954.

The Fiscal Year 2019 schedule is as follows

| | |
|---|--------------------|
| October 9, 2018 | November 13, 2018 |
| December 11, 2018 LO and Regular Meeting | January 8, 2019 |
| February 12, 2019 | March 12, 2019 |
| April 9, 2019 | May 7, 2019 |
| June 11, 2019 | July 16, 2019 |
| August 13, 2019 | September 10, 2019 |

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.

Yours sincerely,
Tern Bay Community Development District



James P. Ward
District Manager
Enclosures

**MINUTES OF MEETING
TERN BAY
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of Tern Bay Community Development District was held on Tuesday, August 14, 2018, at 10:00 a.m. at the Country Inn and Suites, located at 24244 Corporate Court, Port Charlotte, Florida 33954.

Present and constituting a quorum:

| | |
|--------------|---------------------|
| Mike Dady | Chairman |
| Adam Lerner | Vice Chairperson |
| Leah Popelka | Assistant Secretary |

Absent: (The following Board Members resigned before the meeting)

| | |
|------------------|---------------------|
| Neale Montgomery | Assistant Secretary |
| Rick Brylanski | Assistant Secretary |

Also present were:

| | |
|---------------------------|--------------------|
| James P. Ward (via phone) | District Manager |
| Scott Clark | District Counsel |
| Bill Riley | District Engineer |
| Matt Morris | Morris Engineering |

Audience:

| | |
|-----------------|--------------|
| Tony Burdett | Lennar Homes |
| David Caldwell | Lennar Homes |
| Chris Hasty | Lennar Homes |
| Russ Smith | Lennar Homes |
| Grayson Landers | Lennar Homes |

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Mike Dady called the meeting to order at 10:00 a.m. and all members of the Board were present at roll call with the exception of Supervisors Montgomery and Brylanski.

Mr. Dady noted for the record that District Counsel Scott Clark, residents, and representatives from Lennar Homes were in attendance at the meeting.

SECOND ORDER OF BUSINESS

**Consideration of Board Member Resignations
and Replacements**

Mr. Dady stated the Board had received the resignations of Neale Montgomery and Rick Brylanski and asked Mr. Clark if the letters of resignation were on file. Mr. Clark replied they were on file in Mr. Ward's office and were dated August 6th. Mr. Dady called for a motion to accept the resignations.

On MOTION made by Ms. Popelka, seconded by Mr. Lerner, and with all in favor, the resignations of Neale Montgomery and Rick Brylanski were accepted.

a) Board Member Replacements

Mr. Dady called for a motion to appoint Mr. Russell Smith to the Board.

On MOTION made by Mr. Lerner, seconded by Ms. Popelka, and with all in favor, the appointment of Mr. Russell Smith was approved.

Mr. Dady called for a motion to appoint Mr. Tony Burdett to the Board.

On MOTION made by Mr. Lerner, seconded by Ms. Popelka, and with all in favor, the appointment of Mr. Tony Burdett was approved.

b) Administration of Oath of Office

Mr. Clark, who is a notary, administered the Oath of Office to Mr. Smith, and Mr. Smith signed the appropriate documents. He then administered the Oath of Office to Mr. Burdett, and Mr. Burdett signed the appropriate documents.

c) Resignations of Adam Lerner and Leah Popelka

Mr. Lerner and Ms. Popelka both stated that they are submitting their resignation on the record from the Board of Supervisor's, effective immediately.

On MOTION made by Ms. Popelka, seconded by Mr. Dady, and with all in favor, the resignation of Adam Lerner was accepted.

Mr. Lerner then left the Board of Supervisors and did not vote on any further matters considered by the Board of Supervisors.

On MOTION made by Mr. Dady seconded by Mr. Burdett, and with all in favor, the resignation of Leah Popelka was accepted.

Ms. Popelka then left the Board of Supervisors and did not vote on any further matters considered by the Board of Supervisors.

d) Board Member Replacement

Mr. Dady called for a motion to appoint Mr. Chris Hasty to the Board.

On MOTION made by Mr. Smith, seconded by Mr. Dady, and with all in favor, the appointment of Mr. Chris Hasty was approved.

e) Administration of Oath of Office

Mr. Clark, who is a notary, administered the Oath of Office to Mr. Hasty, and Mr. Hasty signed the appropriate documents.

- f) Resignation of Mike Dady.
Prior to resigning, Mr. Dady said it had been an honor and a pleasure to be on the Board. He congratulated the Community and Lennar Homes on their new project.

With that, Mr. Dady stated that he hereby submits his resignation from the Board of Supervisor's, effective immediately.

On MOTION made by Mr. Smith, seconded by Mr. Burdett, and with all in favor, the resignation of Mike Dady was accepted.

Mr. Dady then left the Board of Supervisors and did not vote on any further matters considered by the Board of Supervisors.

- g) Board Member Replacement
Mr. Clark called for a motion to appoint Mr. Caldwell to the Board.

On MOTION made by Mr. Smith, seconded by Mr. Burdett, and with all in favor, the appointment of Mr. Caldwell was approved.

- h) Administration of the Oath of Office
Mr. Clark, who was a notary, administered the Oath of Office to Mr. Caldwell, and Mr. Caldwell signed the appropriate documents.

- i) Board Member Replacement
Mr. Clark called for a motion to appoint Mr. Landers to the Board.

On MOTION made by Mr. Smith, seconded by Mr. Burdett, and with all in favor, the appointment of Mr. Landers was approved.

- j) Administration of the Oath of Office
Mr. Clark, who is a notary, administrated the Oath of Office to Mr. Landers, and Mr. Landers signed the appropriate documents.

- k) Guide to the Sunshine Amendment and Code of Ethics along with the Form 1 – Statement of Financial Interests.
Mr. Clark provides this information was provided and explained to the three new Board members.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2018-4 Re-Designating the Officers of the District

The officers of the District were designated as follows:

| NAME | POSITION |
|-----------------------------|----------------------------|
| Mr. Russell Smith | Chairperson |
| Mr. Chris Hasty | Vice Chairperson |
| Mr. Anthony Burdett | Assistant Secretary |
| Mr. David Caldwell | Assistant Secretary |
| Mr. Grayson Landress | Assistant Secretary |
| Mr. James P. Ward | Secretary/Treasury |

On MOTION made by Mr. Smith seconded by Mr. Burdett, and with all in favor, Resolution 2018-4, re-designation of officers as described above, was approved.

FOURTH ORDER OF BUSINESS

Staff Reports

- a) District Attorney – No report.
- b) District Engineer – No report.
- c) District Manager – No report.

FIFTH ORDER OF BUSINESS

Supervisor’s Requests and Audience Comments

There were no supervisor requests or audience comments.

THIRD ORDER OF BUSINESS

Adjournment

Mr. Ward called for a motion to adjourn the meeting at approximately 10:28 a.m.

On MOTION made by Mr. Smith, seconded by Mr. Burdett, and with all in favor, the meeting was adjourned.

Tern Bay Community Development District

James P. Ward, Secretary

Russell Smith, Chairman

RESOLUTION 2018-5

THE ANNUAL APPROPRIATION RESOLUTION OF THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT (THE "DISTRICT") RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2018, submitted to the Board of Supervisors (the "Board") a proposed budget for the next ensuing budget year along with an explanatory and complete financial plan for each fund of the Tern Bay Community Development District, pursuant to the provisions of Section 190.008(2)(a), Florida Statutes; and

WHEREAS, at least sixty (60) days prior to the adoption of the proposed annual budget (the "Proposed Budget"), the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), Florida Statutes; and

WHEREAS, the Board set September 11, 2018, as the date for a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), Florida Statutes; and

WHEREAS, Section 190.008(2)(a), Florida Statutes, requires that, prior to October 1st of each year, the District Board by passage of the Annual Appropriation Resolution shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BUDGET

- a. That the Board of Supervisors has reviewed the District Manager's Proposed Budget, a copy of which is on file with the office of the District Manager and at the District's Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.
- b. That the District Manager's Proposed Budget, attached hereto as Exhibit "A," as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), Florida Statutes, and incorporated herein by reference; provided, however, that the comparative figures contained in the adopted budget may be subsequently revised as deemed necessary by the District Manager to

RESOLUTION 2018-5

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reflect actual revenues and expenditures for Fiscal Year 2018 and/or revised projections for Fiscal Year 2018.

- c. That the adopted budget, as amended, shall be maintained in the office of the District Manager and at the District's Records Office and identified as "The Budget for the Tern Bay Community Development District for the Fiscal Year Ending September 30, 2019," as adopted by the Board of Supervisors on September 11, 2018.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the Tern Bay Community Development District, for the fiscal year beginning October 1, 2018, and ending September 30, 2019, the sum of \$268,893.00 to be raised by the levy of assessments and otherwise, which sum is deemed by the Board of Supervisors to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

| | |
|--------------------------|----------------------|
| TOTAL GENERAL FUND | \$ 159,812.00 |
| DEBT SERVICE FUND(S) | \$ 109,081.00 |
| CAPITAL PROJECTS FUND(S) | <u>\$ NONE</u> |
| TOTAL ALL FUNDS | \$ 268,893.00 |

SECTION 3. SUPPLEMENTAL APPROPRIATIONS

The Board may authorize by resolution, supplemental appropriations or revenue changes for any lawful purpose from funds on hand or estimated to be received within the fiscal year as follows:

- a. Board may authorize a transfer of the unexpended balance or portion thereof of any appropriation item.
- b. Board may authorize an appropriation from the unappropriated balance of any fund.
- c. Board may increase any revenue or income budget amount to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.

The District Manager/Treasurer shall have the power within a given fund to authorize the transfer of any unexpected balance of any appropriation item or any portion thereof, provided such transfers do not exceed Ten Thousand (\$10,000) Dollars previously approved

RESOLUTION 2018-5

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transfers included. Such transfer shall not have the effect of causing a more than \$10,000, previously approved transfers included, to the original budget appropriation for the receiving program. Transfers within a program or project may be approved by the Board of Supervisors.

SECTION 4. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 5. CONFLICT. 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.

SECTION 6. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board of Supervisors of the Tern Bay Community Development District.

PASSED AND ADOPTED this 11th day of September, 2018

ATTEST:

**TERN BAY COMMUNITY
DEVELOPMENT DISTRICT**

James P. Ward, Secretary

Russell Smith, Chairperson

JPWard and Associates LLC

TOTAL Commitment to Excellence

Tern Bay

Community Development District

Exhibit A

Proposed Budget

Fiscal Year 2019

REVISED FOR PUBLIC HEARING



Tern Bay Community Development District

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JPWard and Associates LLC

TOTAL Commitment to Excellence

Tern Bay
Community Development District

General Fund - Budget
Fiscal Year 2019

| Description | Fiscal Year 2018 | Actual at | Anticipated | ORIGINAL | Proposed | REVISED Fiscal |
|--|-------------------|---------------------|----------------------|--|---------------------------------|---|
| | Adopted Budget | 08/22/2018 | Year End 09/30/18 | PROPOSED Fiscal Year 2019 Budget | Revisions for Public Hearing | Year 2019 Budget for Public Hearing |
| Revenues and Other Sources | | | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest Income - General Account | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special Assessment Revenue | | | | | \$ - | \$ - |
| Special Assessment - On-Roll | \$ 8,947 | \$ 7,566 | \$ 7,566 | \$ 8,791 | \$ (94,413) | \$ 159,812 |
| Special Assessment - Off-Roll | \$ 239,094 | \$ 147,401 | \$ 147,401 | \$ 234,937 | \$ - | \$ - |
| Inter-Fund Group Transfers In | \$ - | \$ 4,799,172 | \$ 4,799,172 | \$ - | \$ - | \$ - |
| Total Revenue & Other Sources | \$ 248,041 | \$ 4,954,139 | \$ 4,954,139 | \$ 243,728 | \$ (94,413) | \$ 159,812 |
| Appropriations and Other Uses | | | | | | |
| Legislative | | | | | | |
| Board of Supervisor's Fees | \$ 6,000 | \$ 2,000 | \$ 3,000 | \$ 6,000 | \$ - | \$ 6,000 |
| Executive | | | | | | |
| Professional - Management | \$ 31,300 | \$ 31,625 | \$ 34,500 | \$ 34,500 | \$ (3,200) | \$ 31,300 |
| Financial and Administrative | | | | | | |
| Audit Services | \$ 6,000 | \$ 5,350 | \$ 5,350 | \$ 6,000 | \$ - | \$ 6,000 |
| Accounting Services | \$ 12,000 | \$ 11,000 | \$ 12,000 | \$ 12,000 | \$ - | \$ 12,000 |
| Assessment Roll Services | \$ 9,000 | \$ 7,333 | \$ 8,000 | \$ 9,000 | \$ - | \$ 9,000 |
| Arbitrage Rebate Fees | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ - | \$ 500 |
| Financial & Administrative-Other | | | | | | |
| Other Contractual Services | | | | | | |
| Recording and Transcription | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Legal Advertising | \$ 2,500 | \$ 1,358 | \$ 4,000 | \$ 2,500 | \$ 1,500 | \$ 4,000 |
| Trustee Services | \$ 3,500 | \$ - | \$ 3,500 | \$ 3,500 | \$ - | \$ 3,500 |
| Dissemination Agent Services | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ - | \$ 1,000 |
| Bank Service Fees | \$ 500 | \$ 332 | \$ 425 | \$ 500 | \$ - | \$ 500 |
| Travel and Per Diem | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Communications and Freight Services | | | | | | |
| Telephone | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Postage, Freight & Messenger | \$ 450 | \$ 135 | \$ 200 | \$ 450 | \$ - | \$ 450 |
| Insurance | | | | | | |
| Insurance | \$ 8,900 | \$ 9,031 | \$ 9,031 | \$ 8,900 | \$ 500 | \$ 9,400 |
| Meeting Room Rental | | | | | | |
| Meeting Room Rental | \$ - | \$ 275 | \$ 475 | \$ - | \$ - | \$ - |
| Printing and Binding | | | | | | |
| Printing and Binding | \$ 200 | \$ 65 | \$ 200 | \$ 200 | \$ - | \$ 200 |
| Web Site Development | | | | | | |
| Web Site Development | \$ 800 | \$ 1,950 | \$ 1,950 | \$ 800 | \$ 800 | \$ 1,600 |
| Office Supplies | | | | | | |
| Office Supplies | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Subscriptions and Memberships | | | | | | |
| Subscriptions and Memberships | \$ 175 | \$ 175 | \$ 175 | \$ 175 | \$ - | \$ 175 |
| Legal Services | | | | | | |
| General Counsel | \$ 10,000 | \$ 4,066 | \$ 7,000 | \$ 10,000 | \$ - | \$ 10,000 |
| Foreclosure Counsel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Trustee Counsel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TB - LLC Acquisition Counsel | \$ - | \$ 27,301 | \$ 27,301 | \$ - | \$ - | \$ - |
| DRI NOPC Counsel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Litigation - Property Appraiser | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Land Use Counsel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Comprehensive Planning Services | | | | | | |
| Comprehensive Planning Services | | \$ 3,075 | \$ 3,075 | \$ - | \$ - | \$ - |
| Other General Government Services | | | | | | |
| Engineering Services - General | \$ 10,000 | \$ 14,625 | \$ 15,000 | \$ 10,000 | \$ 5,000 | \$ 15,000 |
| Other Public Safety | | | | | | |
| Charlotte Cty Sheriff's Patrol | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contingencies | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Wastewater Services | | | | | | |
| Wastewater Services | | | | | | \$ - |
| Electric Service | \$ 2,000 | \$ 1,558 | \$ 2,000 | \$ 2,000 | \$ - | \$ 2,000 |
| Stormwater Management Services | | | | | | |
| Repairs & Maintenance | | | | | | |
| Repairs & Maintenance | | | | | | |
| Lake Banks/Outfall Control Structures | \$ 5,000 | \$ - | \$ - | \$ 5,000 | \$ (5,000) | \$ - |
| Aquatic Weed Control | | | | | | |

Prepared by:

JPWARD and Associates, LLC

Tern Bay
Community Development District
General Fund - Budget
Fiscal Year 2019

| Description | Fiscal Year 2018 Adopted Budget | Actual at 08/22/2018 | Anticipated Year End 09/30/18 | ORIGINAL | Proposed | REVISED Fiscal |
|--|------------------------------------|-------------------------|-------------------------------------|--|---------------------------------|---|
| | | | | PROPOSED Fiscal Year 2019 Budget | Revisions for Public Hearing | Year 2019 Budget for Public Hearing |
| Lake Spraying | \$ 3,500 | \$ 3,375 | \$ 3,500 | \$ 3,500 | \$ (3,500) | \$ - |
| Lake Vegetation Removal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Upland Monitoring & Maint | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other Physical Environment | | | | | | \$ - |
| Professional Services | | | | | | \$ - |
| Field Manager Services | \$ 12,000 | \$ 10,999 | \$ 12,000 | \$ 12,000 | \$ - | \$ 12,000 |
| Insurance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contingencies | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Assessments - Charlotte County | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Road & Street Facilities | | | | | | \$ - |
| Field Management Services | | | | | | \$ - |
| Street Lights | | | | | | \$ - |
| Electric Service | \$ 9,500 | \$ 10,316 | \$ 11,260 | \$ 12,000 | \$ - | \$ 12,000 |
| Repairs & Maintenance | \$ 15,000 | \$ - | \$ 1,500 | \$ - | \$ - | \$ - |
| Economic Environment | | | | | | \$ - |
| Professional Services - Appraisal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Landscaping Services | | | | | | \$ - |
| Electric Service | \$ 7,000 | \$ 9,814 | \$ 12,000 | \$ 12,000 | \$ - | \$ 12,000 |
| Repairs & Maintenance | | | | | | \$ - |
| Common Area Maintenance | \$ 60,000 | \$ 55,977 | \$ 56,000 | \$ 60,000 | \$ (60,000) | \$ - |
| Material Replacement | \$ - | \$ 5,670 | \$ 5,670 | \$ - | \$ - | \$ - |
| Mulch Installation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Landscape Lighting | \$ 500 | \$ - | \$ - | \$ 500 | \$ (500) | \$ - |
| Irrigation System | | | | | | \$ - |
| Pumps, Wells & Line Distribution System | | | | | | \$ - |
| Routine Maintenance | \$ 30,000 | \$ 5,089 | \$ 7,000 | \$ 30,000 | \$ (30,000) | \$ - |
| Well Testing/Meter Reading | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Line Distribution System | | | | | | \$ - |
| Routine Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other Fees and Charges | | | | | | \$ - |
| Discounts and Tax Collector Fees | \$ 716 | \$ - | \$ 716 | \$ 703 | \$ (13) | \$ 11,187 |
| Total Appropriations | \$ 248,041 | \$ 223,994 | \$ 248,328 | \$ 243,728 | \$ (94,413) | \$ 159,812 |

**Tern Bay
Community Development District
General Fund - Budget
Fiscal Year 2019**

Revenues and Other Sources

| | | |
|-----------------------------------|----|---|
| Carryforward | \$ | - |
| Interest Income - General Account | \$ | - |

Appropriations

Legislative

| | | |
|---|----|-------|
| Board of Supervisor's | \$ | 6,000 |
| <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.</p> | | |

Executive

| | | |
|--|----|--------|
| Professional - Management | \$ | 31,300 |
| <p>The District retains the services of a professional management company - JPWard and Associates, LLC - which specializes in Community Development Districts. The firm brings a wealth of knowledge and expertise to Tern Bay.</p> | | |

Financial and Administrative

| | | |
|---|----|--------|
| Audit Services | \$ | 6,000 |
| <p>Statutorily required for the District to undertake an independent examination of its books, records and accounting procedures.</p> | | |
| Accounting Services | \$ | 12,000 |
| <p>To provide all of the required financial accounting functions for the District, including but not limited to such items as Budget preparation, establishing Government Fund Accounting System, prepare all required state reports, preparation of daily accounting services, such as bill payments, assessment collection receipts, financial statement preparation.</p> | | |
| Assessment Roll Services | \$ | 9,000 |
| <p>To provide for the on-going maintenance of the District's Assessment Rolls and Lien Book.</p> | | |
| Arbitrage Rebate Fees | \$ | 500 |
| <p>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 | \$ | - |
| <p>This line item has been deleted and incorporated into the Management Fee.</p> | | |
| Legal Advertising | \$ | 4,000 |
| Trustee Services | \$ | 3,500 |
| <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 | \$ | 1,000 |

**Tern Bay
Community Development District
General Fund - Budget
Fiscal Year 2019**

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.

| | | |
|---|----|--------|
| Bank Service Fees | \$ | 500 |
| Travel and Per Diem | \$ | - |
| Communications and Freight Services | | |
| Telephone | \$ | - |
| Postage, Freight & Messenger | \$ | 450 |
| Insurance | \$ | 9,400 |
| Printing and Binding | \$ | 200 |
| Web Site Development | \$ | 1,600 |
| Office Supplies | \$ | - |
| Subscriptions and Memberships | \$ | 175 |
| Legal Services | | |
| General Counsel | \$ | 10,000 |
| 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". | | |
| Foreclosure Counsel | \$ | - |
| Trustee Counsel | \$ | - |
| The Trustee of the District's Bonds have retained Counsel to assist in certain matters related to the foreclosure action. | | |
| TB - LLC Acquisition Counsel | \$ | - |
| DRI NOPC Counsel | \$ | - |
| Litigation - Property Appraiser | \$ | - |
| Land Use Counsel | \$ | - |
| Their DRI and Development Order along with various permits for the project must be extended in order to preserve the entitlements for the project into the future. | | |
| Comprehensive Planning Services | \$ | - |
| Other General Government Services | | |
| Engineering Services - General | \$ | 15,000 |
| 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. | | |
| Engineering Services - Traffic | \$ | - |
| For Engineering services related to perserving the DRI/Development Order Status | | |
| NOPC Fees | \$ | - |
| Contingencies | \$ | - |
| Other Public Safety | | |
| Charlotte Cty Sheriff's Patrol | | \$0 |

**Tern Bay
Community Development District
General Fund - Budget
Fiscal Year 2019**

The District retain's an off-duty officer of the Charlotte County Sheriff's office to provide periodic nighttime patrols throughout the Community. The yearly hours are estimated at 750 hours per year.

| <u>Yearly Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|-------------------------|------------------------|-------------------|
| 0 | \$45.00 | \$0 |

| Contingencies | \$ | - | | | | | | | | |
|---|-------------|----------|----------------------|--------|---|------|---------------------------------------|------|---------------|-------------|
| Wastewater Services | | | | | | | | | | |
| Electric Service | \$ | 2,000 | | | | | | | | |
| FP&L Service to three (3) Lift Stations | | | | | | | | | | |
| Stormwater Management Services | | | | | | | | | | |
| Repairs & Maintenance | | | | | | | | | | |
| Lake Banks/Outfall Control Structures | \$ | - | | | | | | | | |
| For wash-outs that may occur during the year (Anticipated one cleaning for FY 2016) | | | | | | | | | | |
| Lake Spraying | \$ | - | | | | | | | | |
| Lake Vegetation Removal | \$ | - | | | | | | | | |
| Upland Monitoring & Maint | \$ | - | | | | | | | | |
| <p>In Fiscal Year 2011 the District requested and was granted an extention by the SWFWMD to provide the required monitoring reports on portions of the acres of wetlands of the District. This summer we will have an inspection, and further monitoring requirments will be determined at that time. As such, we recommend budgeting sufficient funds to carry out both the maintenance requirments and reporting requirements under the permit, if required.</p> | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Description of Event</th> <th style="text-align: right; border-bottom: 1px solid black;">Amount</th> </tr> </thead> <tbody> <tr> <td>Ongoing Maintenance (two (2) Events Yearly)</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Monitoring Report SWFMD (if required)</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td style="text-align: right;">Total:</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ -</td> </tr> </tbody> </table> | | | Description of Event | Amount | Ongoing Maintenance (two (2) Events Yearly) | \$ - | Monitoring Report SWFMD (if required) | \$ - | Total: | \$ - |
| Description of Event | Amount | | | | | | | | | |
| Ongoing Maintenance (two (2) Events Yearly) | \$ - | | | | | | | | | |
| Monitoring Report SWFMD (if required) | \$ - | | | | | | | | | |
| Total: | \$ - | | | | | | | | | |
| Other Physical Environment | | | | | | | | | | |
| Professional Services | | | | | | | | | | |
| Field Manager Services | \$ | 12,000 | | | | | | | | |
| <p>The District retains the services of CAS Asset Management to provide a variety of services, including but not limited to coordination of on-site vendors, inspections of District Assets, etc.</p> | | | | | | | | | | |
| Insurance | | | | | | | | | | |
| This line item has been deleted and incorporated into another Insurance line item as noted in this Budget. | | | | | | | | | | |
| Contingencies | \$ | - | | | | | | | | |
| To account for any unforeseen expenses during the Year. | | | | | | | | | | |
| Assessments - Charlotte County | | | | | | | | | | |
| Charlotte County levies a stormwater assessment on certain property in the County and the property owned by the District is subject to the Assessments. | | | | | | | | | | |
| Road & Street Facilities | | | | | | | | | | |
| Street Lights | | | | | | | | | | |
| Electric Service | | \$12,000 | | | | | | | | |

**Tern Bay
Community Development District
General Fund - Budget
Fiscal Year 2019**

The District has installed Street Lights in a portion of the Community, the lights are leased from Florida Power & Light and the District pays a monthly fee to amortize the cost of the system. In addition, the District pays FP&L for the associated electric use.

| | |
|-------------------------|-----------------|
| Phase 1 - Lease Charges | \$6,500 |
| Phase 2 - Use Charges | <u>\$5,500</u> |
| Total | \$12,000 |

| | | | |
|---|----|----|---|
| Repairs & Maintenance | | \$ | - |
| Pavement Repairs | \$ | - | |
| This line item is for any miscellaneous road repairs required. | | | |
| Bridge Repairs | \$ | - | |
| The District owns four (4) wooden bridges, this covers cleaning and re-sealing. | | | |

Economic Environment

| | | | |
|---|--|----|---|
| Professional Services - Appraisal | | \$ | - |
| In Fiscal Year 2011 the Bondholder's retained a firm to provide certain information related to the valuation of the Tern Bay property, which was paid for from Trust Funds. The District is unaware of any other work being undertaken by the Bondholder's, a line item budget for this service will not be utilized. | | | |

Landscaping Services

| | | | |
|---|--|----|--------|
| Electric Service | | \$ | 12,000 |
| Florida Power & Light Costs associated with both the Pumps and Well system along with the Line Distribution System. | | | |

Repairs & Maintenance

| | | | |
|---|----|----|---|
| Common Area Maintenance | | \$ | - |
| The District retains the services of a qualified landscape contractor to maintain certain landscaped area within the community. | | | |
| Material Replacement | \$ | - | |
| Mulch Installation | \$ | - | |
| Landscape Lighting | \$ | - | |

Irrigation System

Pumps, Wells & Line Distribution System

| | | | |
|--|--|----|---|
| Routine Maintenance | | \$ | - |
| Well Testing/Meter Reading | | | |
| This line item has been deleted and incorporated into the routine maintenance line item. | | | |

Line Distribution System

| | | | |
|--|--|--|--|
| Routine Maintenance | | | |
| This line item has been deleted and incorporated into the routine maintenance line item. | | | |

| | | | |
|-------------------------------|--|----|--------|
| Other Fees and Charges | | \$ | 11,187 |
|-------------------------------|--|----|--------|

Discounts and Tax Collector Fees
4% Discount permitted by law for early payment along with 2% each for the Tax Collector and Property Appraiser Fees.

Total Appropriations: \$ 159,812

Tern Bay
Community Development District

Debt Service Fund - Budget
Fiscal Year 2019

| Description | Fiscal Year 2018 Adopted Budget | Actual at 08/22/2018 | Anticipated Year End 09/30/18 | ORIGINAL PROPOSED Fiscal Year 2019 Budget |
|---|------------------------------------|-------------------------|-------------------------------------|---|
| Revenues and Other Sources | | | | |
| Carryforward | | \$ - | \$ - | |
| Deferred Cost Account | | \$ - | \$ - | |
| Prepayment Account | \$ - | \$ - | \$ - | \$ - |
| Interest Income | \$ - | \$ 72 | \$ 72 | \$ 75 |
| Special Assessment Revenue | | | | |
| Special Assessment - On-Roll | \$ 93,961 | \$ 72,156 | \$ 72,156 | \$ 109,006 |
| Special Assessment - Off-Roll | \$ 2,170,006 | \$ - | \$ - | \$ - |
| Miscellaneous Revenue | | \$ 81,444 | \$ 81,444 | \$ - |
| Extraordinary Items (Gain) | | \$ 52,517,627 | \$ 52,517,627 | |
| Total Revenue & Other Sources | \$ 2,263,967 | \$ 52,671,298 | \$ 52,671,298 | \$ 109,081 |
| Appropriations | | | | |
| Debt Service | | | | |
| Principal Debt Service - Mandatory | | | | |
| Series 2005 A Bonds | \$ 745,000 | \$ - | \$ - | \$ 35,000 |
| Series 2005 B Bonds | \$ - | \$ - | \$ - | \$ - |
| Principal Debt Service - Early Redemptions | | | | |
| Series 2005 A Bonds | \$ - | \$ - | \$ - | \$ - |
| Interest Expense | | | | |
| Series 2005 A Bonds | \$ 1,511,450 | \$ - | \$ - | \$ 62,888 |
| Series 2005 B Bonds | \$ - | \$ - | \$ - | \$ - |
| Operating Transfers Out | | | | |
| Capital Projects Fund | \$ 93,961 | \$ 1,638,865 | \$ 1,638,865 | \$ - |
| Trustee Services | | | | |
| | | \$ 8,575 | \$ 8,575 | |
| Other Fees and Charges | | | | |
| Discounts and Other Fees | \$ 7,517 | \$ - | \$ - | \$ 7,131 |
| Total Appropriations | \$ 2,357,928 | \$ 1,647,440 | \$ 1,647,440 | \$ 105,019 |

**Tern Bay
Community Development District
Debt Service Schedule - Series 2005 A**

| Description | Principal | Coupon Rate | Interest | Annual Debt Service |
|--|---------------------|-------------|-------------------|---------------------|
| Par Debt Outstanding (After Lennar Purchase) | \$ 1,170,000 | 5.375% | | |
| 11/1/2018 | | | \$ 31,443.75 | |
| 5/1/2019 | \$ 35,000 | 5.375% | \$ 31,443.75 | \$ 97,888 |
| 11/1/2019 | | | \$ 30,503.13 | |
| 5/1/2020 | \$ 40,000 | 5.375% | \$ 30,503.13 | \$ 101,006 |
| 11/1/2020 | | | \$ 29,428.13 | |
| 5/1/2021 | \$ 40,000 | 5.375% | \$ 29,428.13 | \$ 98,856 |
| 11/1/2021 | | | \$ 28,353.13 | |
| 5/1/2022 | \$ 45,000 | 5.375% | \$ 28,353.13 | \$ 101,706 |
| 11/1/2022 | | | \$ 27,143.75 | |
| 5/1/2023 | \$ 45,000 | 5.375% | \$ 27,143.75 | \$ 99,288 |
| 11/1/2023 | | | \$ 25,934.38 | |
| 5/1/2024 | \$ 50,000 | 5.375% | \$ 25,934.38 | \$ 101,869 |
| 11/1/2024 | | | \$ 24,590.63 | |
| 5/1/2025 | \$ 50,000 | 5.375% | \$ 24,590.63 | \$ 99,181 |
| 11/1/2025 | | | \$ 23,246.88 | |
| 5/1/2026 | \$ 55,000 | 5.375% | \$ 23,246.88 | \$ 101,494 |
| 11/1/2026 | | | \$ 21,768.75 | |
| 5/1/2027 | \$ 55,000 | 5.375% | \$ 21,768.75 | \$ 98,538 |
| 11/1/2027 | | | \$ 20,290.63 | |
| 5/1/2028 | \$ 60,000 | 5.375% | \$ 20,290.63 | \$ 100,581 |
| 11/1/2028 | | | \$ 18,678.13 | |
| 5/1/2029 | \$ 60,000 | 5.375% | \$ 18,678.13 | \$ 97,356 |
| 11/1/2029 | | | \$ 17,065.63 | |
| 5/1/2030 | \$ 65,000 | 5.375% | \$ 17,065.63 | \$ 99,131 |
| 11/1/2030 | | | \$ 15,318.75 | |
| 5/1/2031 | \$ 70,000 | 5.375% | \$ 15,318.75 | \$ 100,638 |
| 11/1/2031 | | | \$ 13,437.50 | |
| 5/1/2032 | \$ 75,000 | 5.375% | \$ 13,437.50 | \$ 101,875 |
| 11/1/2032 | | | \$ 11,421.88 | |
| 5/1/2033 | \$ 75,000 | 5.375% | \$ 11,421.88 | \$ 97,844 |
| 11/1/2033 | | | \$ 9,406.25 | |
| 5/1/2034 | \$ 80,000 | 5.375% | \$ 9,406.25 | \$ 98,813 |
| 11/1/2034 | | | \$ 7,256.25 | |
| 5/1/2035 | \$ 85,000 | 5.375% | \$ 7,256.25 | \$ 99,513 |
| 11/1/2035 | | | \$ 4,971.88 | |
| 5/1/2036 | \$ 90,000 | 5.375% | \$ 4,971.88 | \$ 99,944 |
| 11/1/2036 | | | \$ 2,553.13 | |
| 5/1/2037 | \$ 95,000 | 5.375% | \$ 2,553.13 | \$ 100,106 |
| Total: | \$ 1,170,000 | | \$ 725,625 | \$ 1,895,625 |

Tern Bay
Community Development District
Capital Projects Fund - Budget
Fiscal Year 2019

| Description | Fiscal Year 2018 Adopted Budget | Actual at 08/22/2018 | Anticipated Year End 09/30/18 | PROPOSED Fiscal Year 2019 Budget |
|---|------------------------------------|-------------------------|-------------------------------------|--|
| Revenues and Other Sources | | | | |
| Carryforward | | | | |
| Construction Account | \$ 408,541 | \$ - | \$ - | \$ - |
| Working Capital Account | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous Revenue (Bondholder Funding) | | \$ - | \$ - | \$ - |
| Interest Income | | | | |
| Construction Account | \$ 125 | \$ - | \$ - | \$ - |
| Working Capital Account | \$ - | \$ 491 | \$ 491 | \$ - |
| Operating Transfers In | | | | |
| Debt Service Fund | \$ 93,208 | \$ 1,447,118 | \$ 1,447,118 | \$ - |
| Total Revenue & Other Sources | \$ 501,874 | \$ 1,447,610 | \$ 1,447,610 | \$ - |
| Appropriations and Other Uses | | | | |
| Capital Outlay | | | | |
| Construction In Progress | | | | |
| Engineering Services | \$ - | \$ - | \$ - | \$ - |
| Insurance | \$ - | \$ 3,612 | \$ 3,612 | \$ - |
| Legal Services | \$ - | \$ 29,030 | \$ 29,030 | \$ - |
| Construction in Progress | \$ - | \$ - | \$ - | \$ - |
| Trustee Services | \$ - | \$ 6,250 | \$ 6,250 | \$ - |
| Dissemination Agent Services | | \$ 20,000 | \$ 20,000 | |
| Comprehensive Planning | \$ - | \$ 60,061 | \$ 60,061 | \$ - |
| Operating Transfers Out | | | | |
| General Fund | \$ 527,444 | \$ 4,607,425 | \$ 4,607,425 | \$ - |
| Total Appropriations and Other Uses | \$ 527,444 | \$ 4,726,378 | \$ 4,726,378 | \$ - |
| Net Increase/Decrease in Fund Balance | | (\$3,278,768) | (\$3,278,768) | |
| Fund Balance - Beginning | \$3,278,824 | \$3,278,824 | \$3,278,824 | |
| Fund Balance - Ending (Projected) | | \$55 | \$55 | |

RESOLUTION 2018-6

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT IMPOSING SPECIAL ASSESSMENTS, CERTIFYING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Tern Bay Community Development District (the “District”) is a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

WHEREAS, the District is located in Charlotte County, Florida (the “County”); and

WHEREAS, the District has constructed or acquired various infrastructure improvements and provides certain services in accordance with the District’s adopted Improvement Plan and Chapter 190, Florida Statutes; and

WHEREAS, the Board of Supervisors (the “Board”) of the District hereby determines to undertake various operations and maintenance activities described in the District’s budget for Fiscal Year 2018 (“Operations and Maintenance Budget”), attached hereto as Exhibit “A” and incorporated by reference herein; and

WHEREAS, the District must obtain sufficient funds to provide for the operation and maintenance of the services and facilities provided by the District as described in the District’s budget for Fiscal Year 2018; and

WHEREAS, the provision of such services, facilities, and operations is a benefit to lands within the district; and

WHEREAS, Chapter 190, Florida Statutes, provides that the District may impose special assessments on benefitted lands within the District; and

WHEREAS, the District has previously levied an assessment for debt service, which the District desires to collect on the tax roll for those platted lots currently not subject to the District’s foreclosure action pursuant to the Uniform Method and which is also indicated on Exhibit “A” and “B” the Budget and Methodology respectively; and

WHEREAS, the District desires to directly collect the previously levied assessment for debt service for all unplatted property and those platted lots subject to the District’s foreclosure action, also as indicated on Exhibit “A” and Exhibit “B” the Budget and Methodology respectively; and

WHEREAS, Chapter 197, Florida Statutes, provides a mechanism pursuant to which such special assessments may be placed on the tax roll and collected by the local tax collector (“Uniform Method”); and

WHEREAS, the District has previously evidenced its intention to utilize this Uniform Method; and

RESOLUTION 2018-6

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT IMPOSING SPECIAL ASSESSMENTS, CERTIFYING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District has approved an Agreement with the Property Appraiser and Tax Collector of the County to provide for the collection of the special assessments under the Uniform Method; and

WHEREAS, it is in the best interests of the District to proceed with the imposition of the special assessments for operations and maintenance on platted lots in the amount contained in the budget; and

WHEREAS, the District desires to collect on the tax roll for those platted lots currently not subject to the District's foreclosure action pursuant to the Uniform Method and which is also indicated on Exhibit "A" and "B" the Budget and Methodology respectively; and

WHEREAS, the District desires to levy and directly collect on the unplatted lands and those platted lots subject to the District's foreclosure action those special assessments reflecting their portion of the District's operations and maintenance budget; and

WHEREAS, it is in the best interests of the District to adopt the General Fund Special Assessment Methodology of the Tern Bay Community Development District (the "Methodology") attached to this Resolution as Exhibit "B" and incorporated as a material part of this Resolution by this reference: and

WHEREAS, it is in the best interests of the District to adopt the Assessment Roll of the Tern Bay Community Development District (the "Assessment Roll") attached to this Resolution as Table 1 contained in Exhibit "B" and incorporated as a material part of this Resolution by this reference, and to certify the portion of the Assessment Roll on those properties identified in Exhibit "A" and Exhibit "B" for on-roll status to the County Tax Collector pursuant to the Uniform Method; and

WHEREAS, it is in the best interests of the District to permit the District Manager to amend the Assessment Roll adopted herein, including that portion certified to the County Tax Collector by this Resolution, as the Property Appraiser updates the property roll for the County, for such time as authorized by Florida law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BENEFIT. The provision of the services, facilities, and operations as described in Exhibit "A" and "B" the Budget and Methodology respectively confer a special and peculiar benefit to the lands within the District, which benefits exceed or equal the costs of the assessments. The allocation of the costs to the specially benefitted lands is shown in Exhibit "B".

SECTION 2. ASSESSMENT IMPOSITION. A special assessment for operation and maintenance as provided for in Chapter 190, Florida Statutes, is hereby imposed and levied on benefitted lands within the District in accordance with Exhibit "B" the Methodology. The lien of the special assessments for operations and maintenance imposed and levied by this Resolution shall be effective upon passage of this Resolution.

RESOLUTION 2018-6

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT IMPOSING SPECIAL ASSESSMENTS, CERTIFYING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.

SECTION 3. COLLECTION AND ENFORCEMENT; PENALTIES; INTEREST. The collection of the previously levied debt service assessments and operation and maintenance special assessments on those platted lots identified in Exhibit "A" and Exhibit "B" as on-roll, shall be at the same time and in the same manner as County taxes in accordance with the Uniform Method, as set forth in Exhibit "B" the Methodology. The previously levied debt service assessments and operations and maintenance assessments on unplatted lands and for platted lots subject to the District's foreclosure action and identified on Exhibit "A" and Exhibit "B" as off-roll will be collected directly by the District in accordance with Florida law according to the following schedule:

General Fund and Debt Service Fund

Billing Date: On or Before November 15, 2018

Due Date: On or Before December 15, 2018

In the event that an assessment payment is not made in accordance with the schedule stated above, such assessment and any future scheduled assessment payments due for Fiscal Year 2016 shall be delinquent and shall accrue penalties and interest in the amount of one percent (1%) per month plus all costs of collection and enforcement, and shall either be enforced pursuant to a foreclosure action, or, at the District's discretion, collected pursuant to the Uniform Method on a future tax bill, which amount may include penalties, interest, and costs of collection and enforcement. In the event an assessment subject to direct collection by the District shall be delinquent, the District Manager and District Counsel, without further authorization by the Board, may initiate foreclosure proceedings to collect and enforce the delinquent and remaining assessments.

SECTION 4. ASSESSMENT ROLL. The District's Assessment Roll, attached to this Resolution as Table 1 to Exhibit "B," is hereby certified. That portion of the District's Assessment Roll which includes developed lands and platted lots is hereby certified to the County Tax Collector and shall be collected by the County Tax Collector in the same manner and time as County taxes. The proceeds therefrom shall be paid to the Tern Bay Community Development District.

SECTION 5. ASSESSMENT ROLL AMENDMENT. The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution, and shall amend the District's Assessment Roll in accordance with any such updates, for such time as authorized by Florida law, to the County property roll. After any amendment of the Assessment Roll, the District Manager shall file the updates to the tax roll in the District records.

SECTION 6. Conflict. 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 2018-6

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT IMPOSING SPECIAL ASSESSMENTS, CERTIFYING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.

SECTION 7. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 8. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board of Supervisors of the Tern Bay Community Development District.

PASSED AND ADOPTED this 11th day of September, 2018.

ATTEST:

**TERN BAY COMMUNITY DEVELOPMENT
DISTRICT**

James P. Ward, Secretary

Russell Smith, Chairperson

EXHIBIT B

TERN BAY COMMUNITY DEVELOPMENT DISTRICT

Special Assessment Methodology
Fiscal Year 2019 – General Fund

Prepared by:

8/27/2018

JPWard & Associates LLC

JAMES P. WARD

954.658.4900

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2900 NORTHEAST 12TH TERRACE, SUITE 1
OAKLAND PARK, FLORIDA 33334

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SPECIAL ASSESSMENT METHODOLOGY

1.0 PURPOSE

This report is intended to introduce to the Tern Bay Community Development District an operations methodology to fund the annual operations and maintenance requirements for the District. The methodology will outline the properties within the District that are subject to the Assessment and the benefit conferred on each property by the services and projects provided by the Districts' operational and maintenance activities. This report covers the District Fiscal Year 2019, which begins on October 1, 2018 and ends on September 30, 2019.

The Methodology will have two (2) primary objectives: (1) to determine the special and peculiar benefits that flow to the assessable properties in the District; and (2) apportioning the proportionate benefits on a basis that is fair and reasonable. The Methodology herein is intended to set forth a framework to apportion the costs associated with the operations and maintenance expenditures benefiting properties on a fair and equitable apportionment. The report is designed to conform to the requirements of Chapter's 189, 190 and 197, Florida Statutes and is consistent with the District's understanding of the case law on this subject.

2.0 BACKGROUND

The District was established by Rule at the State level on September 15, 2004, Chapter 42VV-1, F.A.C. The District is located within unincorporated Charlotte County and encompasses approximately 1,778 acres of land. The District is currently not being developed and the original developer has abandoned the project, and the original development plan has not moved forward in over eight (8) years. A majority of the property is currently being foreclosed on by the District and which the District has received a judgment against the property owners.

3.0 REQUIREMENTS FOR A VALID ASSESSMENT METHODOLOGY

Valid assessments under Florida Law have two (2) requirements. First, the properties assessed must receive a special and peculiar benefit as a logical connection from the systems and services constituting improvements. The courts recognize the special benefits that flow as a logical connection peculiar to the property which in turn may result in decreased insurance premiums, increased value and marketability. Second, the assessments must be fairly and reasonably apportioned in relation to the benefit received by the various properties being assessed.

If these two tests for lienability are determined in a manner that is informed and non-arbitrary by the Board of Supervisors of the District, as a legislative determination, then the special assessments may be levied, imposed and collected as a first lien on the property. Florida courts have found that it is not necessary to calculate benefit with mathematical precision at the time of imposition and levy so long as the levying and imposition process is not arbitrary, capricious or unfair.

4.0 ASSESSMENT ALLOCATION STRUCTURE

Special and peculiar benefits flow as a logical connection to the property from the operation and maintenance related services provided as a logical consequence to the property within the boundary of the District. These special benefits are peculiar to the acreage and later down to the actual platted units or parcels. The special benefits that justify imposing the assessment on the acreage include enhanced enjoyment and increased use, which may result in such positive consequences as increased value and marketability and decreased insurance premiums when levied on the various platted units or parcels of property.

5.0 ASSIGNMENT OF ASSESSMENTS

The apportionment of benefit in such a methodology report is based on accepted practices for the fair and equitable apportionment of special benefits in accordance with applicable laws and the procedure for the imposition, levy and collection of non ad valorem special assessments as set forth in the District Act and in conformity with State Laws applicable to such assessments.

The standard assessment analysis utilizes an allocation based upon the benefit that a property receives from each separate component of the District's O&M activities. The Fiscal Year 2019 General Fund Budget is financial, administrative and operational in nature so the assessments should be based equally and ratably on an equivalent number of residential units assigned to the property. Each Equivalent Residential Unit (ERU) is one (1) Single Family Home and the remaining property types include Commercial-Office, Fitness Center, Golf Course/Clubhouse and Hotel Rooms. It is hereby determined that the allocation of the assessments will be to the various product types planned for the development based on the following factors.

| <i>Product Description</i> | <i>Number of Units</i> | <i>ERU Factor</i> | <i>Total ERU</i> |
|------------------------------|---|-------------------|------------------|
| <i>Residential</i> | 1,810 | 1.00 | 1810 |
| <i>Commercial-Office</i> | 85,000 Square Feet 1,750 square feet per ERU | .35 | 17 |
| <i>Golf Course/Clubhouse</i> | 25,000 Square Foot Clubhouse | 1.00 | 25 |
| <i>Hotel Rooms</i> | 60 Rooms | 1.00 | 60 |

6.0 ASSESSMENT ROLL

As described above, the allocation associated with the District's General Fund Activities are distributed across all assessable units within the boundaries of the District. Table 1 provides the assessment roll based on updated parcel account information provided by the Charlotte County Property Appraiser's office in July 2018 assigning the appropriate parcel identification numbers for the lands currently platted within the boundaries of the District. All of the developable single family lots are platted and the appropriate parcel identification numbers assigned by the Property Appraiser are known, the following table will only be updated to reflect any changes in ownership within the boundaries of the Development.



Tern Bay Community Development District
Assessment Roll - Fiscal Year 2019
Table 1

| Parcel ID | Type of Unit | ERU's | Legal Description | Total O&M |
|--------------|--------------|-------|--|-----------|
| 422317201001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 118 3249/620 3251/1821 TD3430/1360 3853/1173 CD3946/1919 | 83.54 |
| 422317201002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 119 3249/620 3251/1821 TD3432/1557 CT3934/1396 | 83.54 |
| 422317201003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 120 3249/620 3251/1821 TD3432/1561 CT3934/1396 | 83.54 |
| 422317201004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 121 3249/620 3251/1821 TD3432/1566 CT3934/1396 | 83.54 |
| 422317201005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 122 3249/620 3251/1821 TD3432/1570 CT3934/1396 | 83.54 |
| 422317201006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 123 3249/620 3251/1821 TD3432/1574 CT3934/1396 | 83.54 |
| 422317201007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 124 3249/620 3251/1821 TD3432/1578 CT3934/1396 | 83.54 |
| 422317201008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 125 3249/620 3251/1821 TD3432/1582 CT3934/1396 | 83.54 |
| 422317201009 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 126 3249/620 3251/1821 TD3432/1586 CT3934/1396 | 83.54 |
| 422317201010 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 127 3249/620 3251/1821 TD3432/1590 CT3934/1396 | 83.54 |
| 422317201011 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 128 3249/620 3251/1821 TD3432/1594 CT3934/1396 | 83.54 |
| 422317202001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 117 3249/620 3251/1821 TD3432/1600 CT3934/1396 | 83.54 |
| 422317202002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 116 3249/620 3251/1821 TD3433/2172 3756/1424 CD3762/352 CD3762/353 | 83.54 |
| 422317202003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 115 3249/620 3251/1821 TD3437/206 3759/1380 CT3934/1396 | 83.54 |
| 422317202004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 114 3249/620 3251/1821 TD3437/210 3759/1380 CT3934/1396 | 83.54 |
| 422317202005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 113 3249/620 3251/1821 TD3437/218 3759/1380 CT3934/1396 | 83.54 |
| 422317202006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 112 3249/620 3251/1821 TD3437/222 3759/1380 TD4132/2081 | 83.54 |
| 422317202007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 111 3249/620 3251/1821 TD3437/226 3759/1380 CT3934/1396 | 83.54 |
| 422317202008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 110 3249/620 3251/1821 TD3437/232 3759/1380 TD4132/2123 | 83.54 |
| 422317202009 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 109 3249/620 3251/1821 TD3437/236 TXD3794/1362 3988/1056 | 83.54 |
| 422317202010 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 108 3249/620 3251/1821 TD3437/241 CT3934/1396 | 83.54 |
| 422317202011 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 107 3249/620 3251/1821 TD3437/250 TXD3794/1381 CT3934/1396 | 83.54 |
| 422317202012 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 106 3249/620 3251/1821 TD3437/254 CT3934/1396 | 83.54 |
| 422317202013 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 105 3249/620 3251/1821 TD3437/259 CT3934/1396 | 83.54 |
| 422317202014 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 104 3249/620 3251/1821 TD3437/264 CT3934/1396 | 83.54 |
| 422317202015 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 103 3249/620 3251/1821 TD3437/268 CT3934/1396 | 83.54 |
| 422317202016 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 102 3249/620 3251/1821 TD3437/275 CT3934/1396 | 83.54 |
| 422317202017 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 101 3249/620 3251/1821 TD3437/280 CT3934/1396 | 83.54 |
| 422317202018 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 100 3249/620 3251/1821 TD3437/286 CT3934/1396 | 83.54 |
| 422317203001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 148 3249/620 3251/1821 TD3437/290 CT3934/1396 TXD4113/978 | 83.54 |
| 422317203002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 147 3249/620 3251/1821 TD3437/295 CT3934/1396 TXD4113/982 | 83.54 |
| 422317203003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 146 3249/620 3251/1821 TD3437/299 CT3934/1396 TXD4113/991 | 83.54 |
| 422317203004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 145 3249/620 3251/1821 TD3437/304 CT3934/1396 | 83.54 |
| 422317203005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 144 3249/620 3251/1821 TD3437/308 CT3934/1396 | 83.54 |
| 422317203006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 143 3249/620 3251/1821 TD3437/312 CT3934/1396 | 83.54 |
| 422317203007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 142 3249/620 3251/1821 TD3437/317 CT3934/1396 | 83.54 |
| 422317203008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 149 3249/620 3251/1821 TD3437/321 CT3934/1396 | 83.54 |

| Parcel ID | Type of Unit | ERU's | Legal Description | Total O&M |
|--------------|--------------|-------|--|-----------|
| 422317203009 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 150 3249/620 3251/1821 TD3437/328 CT3934/1396 | 83.54 |
| 422317203010 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 151 3249/620 3251/1821 TD3437/332 CT3934/1396 | 83.54 |
| 422317203011 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 152 3249/620 3251/1821 TD3437/337 CT3934/1396 | 83.54 |
| 422317203012 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 153 3249/620 3251/1821 TD3437/341 CT3934/1396 | 83.54 |
| 422317203013 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 154 3249/620 3251/1821 TD3437/345 CT3934/1396 | 83.54 |
| 422317203014 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 155 3249/620 3251/1821 TD3437/349 CT3934/1396 | 83.54 |
| 422317203015 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 156 3249/620 3251/1821 TD3437/355 | 83.54 |
| 422317203016 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 157 3249/620 3251/1821 TD3437/359 CT3934/1396 | 83.54 |
| 422317203017 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 158 3249/620 3251/1821 TD3437/364 CT3934/1396 | 83.54 |
| 422317203018 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 159 3249/620 3251/1821 TD3437/370 | 83.54 |
| 422317203019 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 160 3249/620 3251/1821 TD3437/374 CT3934/1396 | 83.54 |
| 422317203020 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 161 3249/620 3251/1821 TD3437/378 | 83.54 |
| 422317203021 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 162 3249/620 3251/1821 TD3437/384 CT3934/1396 | 83.54 |
| 422317203022 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 163 3249/620 3251/1821 TD3437/388 CT3934/1396 | 83.54 |
| 422317203023 | Common | 0 | TERN BAY TRACT D STORMWATER MNGMT 16.55 AC. 3249/620 3251/1821 CT3934/1396 | 0 |
| 422317226001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 99 3249/620 3251/1821 TD3437/396 | 83.54 |
| 422317226002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 98 3249/620 3251/1821 TD3437/400 | 83.54 |
| 422317226003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 97 3249/620 3251/1821 TD3437/404 | 83.54 |
| 422317226004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 96 3249/620 3251/1821 TD3437/409 | 83.54 |
| 422317226005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 95 3249/620 3251/1821 TD3433/2176 3438/2041 3715/357 3715/358 | 83.54 |
| 422317226006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 94 3249/620 3251/1821 TD3437/413 TXD3794/1385 3976/1587 | 83.54 |
| 422317226007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 93 3249/620 3251/1821 TD3437/417 | 83.54 |
| 422317226008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 92 3249/620 3251/1821 TD3437/421 | 83.54 |
| 422317226009 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 91 3249/620 3251/1821 TD3437/425 | 83.54 |
| 422317226010 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 90 3249/620 3251/1821 TD3437/429 | 83.54 |
| 422317226011 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 89 3249/620 3251/1821 TD3437/434 TXD3703/761 | 83.54 |
| 422317226012 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 88 3249/620 3251/1821 TD3439/1793 TXD3703/769 | 83.54 |
| 422317226013 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 87 3249/620 3251/1821 TD3439/1797 | 83.54 |
| 422317226014 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 86 3249/620 3251/1821 TD3439/1801 CT3934/1396 | 83.54 |
| 422317226015 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 85 3249/620 3251/1821 TD3437/1280 CT3934/1396 | 83.54 |
| 422317226016 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 84 3249/620 3251/1821 TD3437/1289 TXD3883/164 | 83.54 |
| 422317227001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 77 3249/620 3251/1821 TD3437/1293 3442/1013 3689/224 3689/225 CT3934/1396 | 83.54 |
| 422317227002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 78 3249/620 3251/1821 TD3439/1805 CT3934/1396 | 83.54 |
| 422317227003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 79 3249/620 3251/1821 TD3439/1809 CT3934/1396 | 83.54 |
| 422317227004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 80 3249/620 3251/1821 TD3439/1814 CT3934/1396 | 83.54 |
| 422317227005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 81 3249/620 3251/1821 TD3439/1818 CT3934/1396 | 83.54 |
| 422317227006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 82 3249/620 3251/1821 TD3439/1822 CT3934/1396 | 83.54 |
| 422317227007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 83 3249/620 3251/1821 TD3439/1826 CT3934/1396 | 83.54 |
| 422317228001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 164 3249/620 3251/1821 TD3439/1830 CT3934/1396 | 83.54 |
| 422317228002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 165 3249/620 3251/1821 TD3439/1834 CT3934/1396 | 83.54 |
| 422317228003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 166 3249/620 3251/1821 TD3439/1838 CT3934/1396 | 83.54 |
| 422317228004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 167 3249/620 3251/1821 TD3439/1842 CT3934/1396 | 83.54 |
| 422317228005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 168 3249/620 3251/1821 TD3439/1846 CT3934/1396 | 83.54 |
| 422317228006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 169 3249/620 3251/1821 TD3439/1850 CT3934/1396 | 83.54 |
| 422317228007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 170 3249/620 3251/1821 TD3439/1854 CT3934/1396 | 83.54 |
| 422317228008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 171 3249/620 3251/1821 TD3439/1858 CT3934/1396 | 83.54 |

| Parcel ID | Type of Unit | ERU's | Legal Description | Total O&M |
|--------------|--------------|-------|---|-----------|
| 422317228009 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 172 3249/620 3251/1821 TD3439/1862 CT3934/1396 | 83.54 |
| 422317228010 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 173 3249/620 3251/1821 TD3439/1866 CT3934/1396 | 83.54 |
| 422317228011 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 174 3249/620 3251/1821 TD3439/1870 CT3934/1396 | 83.54 |
| 422317228012 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 175 3249/620 3251/1821 TD3439/1874 CT3934/1396 TXD4113/995 | 83.54 |
| 422317228013 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 176 3249/620 3251/1821 TD3439/1878 CT3934/1396 | 83.54 |
| 422317229001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 76 3249/620 3251/1821 TD3439/1882 CT3934/1396 | 83.54 |
| 422317229002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 75 3249/620 3251/1821 TD3439/1886 CT3934/1396 | 83.54 |
| 422317229003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 74 3249/620 3251/1821 TD3439/1890 CT3934/1396 | 83.54 |
| 422317229004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 73 3249/620 3251/1821 TD3439/1894 CT3934/1396 | 83.54 |
| 422317229005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 72 3249/620 3251/1821 TD3439/1898 CT3934/1396 | 83.54 |
| 422317229006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 71 3249/620 3251/1821 TD3439/1902 CT3934/1396 TXD4113/1000 | 83.54 |
| 422317229007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 70 3249/620 3251/1821 TD3439/1906 CT3934/1396 TXD4113/1004 | 83.54 |
| 422317229008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 69 3249/620 3251/1821 TD3439/1910 CT3934/1396 | 83.54 |
| 422317251001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 129 3249/620 3251/1821 TD3439/1914 CT3934/1396 TXD4113/1008 | 83.54 |
| 422317251002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 130 3249/620 3251/1821 TD3439/1918 CT3934/1396 | 83.54 |
| 422317251003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 131 3249/620 3251/1821 TD3439/1922 CT3934/1396 | 83.54 |
| 422317251004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 132 3249/620 3251/1821 TD3439/1926 CT3934/1396 | 83.54 |
| 422317251005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 133 3249/620 3251/1821 TD3439/1930 CT3934/1396 | 83.54 |
| 422317251006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 134 3249/620 3251/1821 TD3439/1934 CT3934/1396 | 83.54 |
| 422317251007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 135 3249/620 3251/1821 TD3439/1938 CT3934/1396 | 83.54 |
| 422317251008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 136 3249/620 3251/1821 TD3439/1942 CT3934/1396 | 83.54 |
| 422317252001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 141 3249/620 3251/1821 TD3439/1946 CT3934/1396 | 83.54 |
| 422317252002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 140 3249/620 3251/1821 TD3439/1950 CT3934/1396 | 83.54 |
| 422317252003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 139 3249/620 3251/1821 TD3439/1954 CT3934/1396 | 83.54 |
| 422317253001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 211 3249/620 3251/1821 TD3439/1958 CT3934/1396 | 83.54 |
| 422317253002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 210 3249/620 3251/1821 TD3439/1962 CT3934/1396 | 83.54 |
| 422317253003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 209 3249/620 3251/1821 TD3439/1966 CT3934/1396 | 83.54 |
| 422317253004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 208 3249/620 3251/1821 TD3439/1971 CT3934/1396 | 83.54 |
| 422317253005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 207 3249/620 3251/1821 TD3439/1975 CT3934/1396 | 83.54 |
| 422317253006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 206 3249/620 3251/1821 TD3439/1979 CT3934/1396 | 83.54 |
| 422317253007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 205 3249/620 3251/1821 TD3441/2100 CT3934/1396 | 83.54 |
| 422317253008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 204 3249/620 3251/1821 TD3441/2112 CT3934/1396 | 83.54 |
| 422317253009 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 203 3249/620 3251/1821 TD3441/2116 CT3934/1396 | 83.54 |
| 422317253010 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 202 3249/620 3251/1821 TD3441/2120 CT3934/1396 TD4199/826 | 83.54 |
| 422317253011 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 201 3249/620 3251/1821 TD3441/2127 CT3934/1396 TD4199/831 | 83.54 |
| 422317253012 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 200 3249/620 3251/1821 TD3441/2132 CT3934/1396 TD4199/843 | 83.54 |
| 422317253013 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 199 3249/620 3251/1821 TD3441/2136 CT3934/1396 | 83.54 |
| 422317253014 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 198 3249/620 3251/1821 TD3441/2140 CT3934/1396 TD4199/870 | 83.54 |
| 422317253015 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 197 3249/620 3251/1821 TD3441/2145 CT3934/1396 TD4199/877 | 83.54 |

| Parcel ID | Type of Unit | ERU's | Legal Description | Total O&M |
|--------------|--------------|-------|---|-----------|
| 422317254001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 138 3249/620 3251/1821 TD3441/2149 CT3934/1396 | 83.54 |
| 422317254002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 137 3249/620 3251/1821 TD3441/2154 CT3934/1396 | 83.54 |
| 422317254003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 212 3249/620 3251/1821 TD3441/2158 CT3934/1396 | 83.54 |
| 422317254004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 213 3249/620 3251/1821 TD3441/2163 CT3934/1396 | 83.54 |
| 422317254005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 214 3249/620 3251/1821 TD3441/2167 CT3934/1396 | 83.54 |
| 422317254006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 215 3249/620 3251/1821 TD3441/2171 CT3934/1396 | 83.54 |
| 422317254007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 216 3249/620 3251/1821 TD3441/2175 CT3934/1396 | 83.54 |
| 422317254008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 217 3249/620 3251/1821 TD3441/2179 CT3934/1396 | 83.54 |
| 422317254009 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 218 3249/620 3251/1821 TD3441/2183 CT3934/1396 | 83.54 |
| 422317254010 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 219 3249/620 3251/1821 TD3441/2187 CT3934/1396 | 83.54 |
| 422317254011 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 220 3249/620 3251/1821 TD3441/2191 CT3934/1396 | 83.54 |
| 422317254012 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 221 3249/620 3251/1821 TD3441/2195 CT3934/1396 | 83.54 |
| 422317254013 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 222 3249/620 3251/1821 TD3442/1 | 83.54 |
| 422317254014 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 223 3249/620 3251/1821 TD3442/5 | 83.54 |
| 422317254015 | Common | 0 | TERN BAY TRACT E STORMWATER MNGMT 6.95 AC. 3249/620 3251/1821 TXD3901/1674 TERN BAY TRACT B FUTURE DEVELOPMENT 9.17 AC M/L LESS COACH HOME BLDGS 2 8 9 10 | 0 |
| 422317255001 | CH | 56 | 11 E3032/567 E3102/722 3249/620 3251/1821 TD3522/1952 CT3934/1396 TERN BAY TRACT B1 .31 AC COMM AT NW COR TRACT B TH SW 129.54 FT SW ALG ARC TO RIGHT 14.03 FT TH LEFT ON REV ARC 42.33 FT SE 21.29 FT FOR POB TH SE 122.98 FT SW 112.60 FT | 4678.24 |
| 422317255002 | CH | 4 | NW 123.44 FT NE 30.47 FT NE 26.02 FT TO POB AKA FUTURE BLDG 2 COACH HOMES TERN BAY TRACT B2 .47 AC M/L FUTURE BLDG 10 COACH HOMES AT TERN BAY AS DESC IN | 334.16 |
| 422317255003 | CH | 4 | 3053/1092 PAGE 1094 3053/1092 TERN BAY TRACT B3 .47 AC M/L FUTURE BLDG 11 COACH HOMES AT TERN BAY AS DESC IN | 334.16 |
| 422317255004 | CH | 4 | 3053/1092 PAGE 1095 3053/1092 | 334.16 |
| 422317255005 | CH | 4 | TERN BAY TRACT B4 .36 AC. M/L AKA FUTURE BLDG 8 COACH HOMES AT TERN BAY 3092/361 | 334.16 |
| 422317255006 | CH | 4 | TERN BAY TRACT B5 .39 AC. M/L AKA FUTURE BLDG 9 COACH HOMES AT TERN BAY 3092/361 | 334.16 |
| 422317276001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 196 3249/620 3251/1821 TD3442/9 | 83.54 |
| 422317276002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 195 3249/620 3251/1821 TD3442/13 | 83.54 |
| 422317276003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 194 3249/620 3251/1821 TD3442/17 | 83.54 |
| 422317276004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 193 3249/620 3251/1821 TD3442/21 | 83.54 |
| 422317276005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 192 3249/620 3251/1821 TD3442/25 | 83.54 |
| 422317276006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 191 3249/620 3251/1821 TD3442/29 | 83.54 |
| 422317276007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 190 3249/620 3251/1821 TD3442/41 | 83.54 |
| 422317276008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 189 3249/620 3251/1821 TD3442/45 | 83.54 |
| 422317276009 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 188 3249/620 3251/1821 TD3442/49 | 83.54 |
| 422317276010 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 187 3249/620 3251/1821 TD3442/53 | 83.54 |
| 422317276011 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 186 3249/620 3251/1821 TD3442/57 | 83.54 |
| 422317276012 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 185 3249/620 3251/1821 TD3442/61 TXD3833/1034 3929/1162 | 83.54 |
| 422317277001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 224 3249/620 3251/1821 TD3442/65 | 83.54 |
| 422317277002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 225 3249/620 3251/1821 TD3442/69 | 83.54 |
| 422317277003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 226 3249/620 3251/1821 TD3442/73 | 83.54 |
| 422317277004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 227 3249/620 3251/1821 TD3442/77 | 83.54 |
| 422317277005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 228 3249/620 3251/1821 TD3442/81 | 83.54 |
| 422317277006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 229 3249/620 3251/1821 TD3442/85 TXD3886/1638 | 83.54 |
| 422317277007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 230 3249/620 3251/1821 TD3442/89 | 83.54 |
| 422317277008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 231 3249/620 3251/1821 TD3442/93 | 83.54 |
| 422317278001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 177 3249/620 3251/1821 TD3442/98 TERN BAY GOLF AND COUNTRY CLUB RESORT LT 178 3249/620 3251/1821 TD3442/102 | 83.54 |
| 422317278002 | 60' | 1 | CT3934/1396 TERN BAY GOLF AND COUNTRY CLUB RESORT LT 179 3249/620 3251/1821 TD3442/106 | 83.54 |
| 422317278003 | 60' | 1 | CT3934/1396 TERN BAY GOLF AND COUNTRY CLUB RESORT LT 180 3249/620 3251/1821 TD3442/110 | 83.54 |
| 422317278004 | 60' | 1 | CT3934/1396 TERN BAY GOLF AND COUNTRY CLUB RESORT LT 181 3249/620 3251/1821 TD3442/116 | 83.54 |
| 422317278005 | 60' | 1 | CT3934/1396 TERN BAY GOLF AND COUNTRY CLUB RESORT LT 182 3249/620 3251/1821 TD3442/1545 | 83.54 |
| 422317278006 | 60' | 1 | CT3934/1396 TERN BAY GOLF AND COUNTRY CLUB RESORT LT 183 3249/620 3251/1821 TD3442/1448 | 83.54 |
| 422317278007 | 60' | 1 | CT3934/1396 TERN BAY GOLF AND COUNTRY CLUB RESORT LT 184 3249/620 3251/1821 TD3442/1452 | 83.54 |
| 422317278008 | 60' | 1 | CT3934/1396 TERN BAY GOLF AND COUNTRY CLUB RESORT LT 68 3249/620 3251/1821 TD3442/1456 | 83.54 |
| 422317279001 | 60' | 1 | CT3934/1396 TERN BAY GOLF AND COUNTRY CLUB RESORT LT 67 3249/620 3251/1821 TD3442/1460 | 83.54 |
| 422317279002 | 60' | 1 | CT3934/1396 | 83.54 |

| Parcel ID | Type of Unit | ERU's | Legal Description | Total O&M |
|--------------|--------------|-------|--|-----------|
| 422317279003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 66 3249/620 3251/1821 TD3442/1464 CT3934/1396 | 83.54 |
| 422317279004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 65 3249/620 3251/1821 TD3442/1472 CT3934/1396 | 83.54 |
| 422317279005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 64 3249/620 3251/1821 TD3441/46 3506/34 3509/1508 | 83.54 |
| 422317279006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 63 3249/620 3251/1821 TD3442/1476 3758/716 CT3934/1396 | 83.54 |
| 422317279007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 62 3249/620 3251/1821 TD3442/1480 3758/716 CT3934/1396 | 83.54 |
| 422317279008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 61 3249/620 3251/1821 TD3442/1484 3758/717 CT3934/1396 | 83.54 |
| 422317279009 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 60 3249/620 3251/1821 TD3441/52 3462/471 3557/587 3557/589 3557/1939 CT3934/1396 | 83.54 |
| 422317279010 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 59 3249/620 3251/1821 TD3441/56 3462/471 3557/587 3557/589 3557/1939 CT3934/1396 | 83.54 |
| 422317279011 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 58 3249/620 3251/1821 TD3441/61 3455/1274 3469/1589 3469/1590 | 83.54 |
| 422317279012 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 57 3249/620 3251/1821 TD3441/65 3450/936 3828/651 | 83.54 |
| 422317280001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 56 3249/620 3251/1821 TD3442/1490 CT3934/1396 | 83.54 |
| 422317280002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 55 3249/620 3251/1821 TD3442/1494 CT3934/1396 | 83.54 |
| 422317280003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 54 3249/620 3251/1821 TD3441/69 3450/316 CT3934/1396 | 83.54 |
| 422317280004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 53 3249/620 3251/1821 TD3441/319 3461/999 3693/1804 3693/1805 3850/2172 | 83.54 |
| 422317280005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 52 3249/620 3251/1821 TD3441/74 3460/1482 3650/1355 3650/1356 3650/1357 | 83.54 |
| 422317280006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 51 3249/620 3251/1821 TD3441/78 3460/1482 3650/1355 3983/511 4005/2115 | 83.54 |
| 422317280007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 50 3053/1099 | 83.54 |
| 422317280008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 49 3249/620 3251/1821 TD3442/1498 3747/1160 | 83.54 |
| 422317280009 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 48 3249/620 3251/1821 TD3442/1502 3747/1160 | 83.54 |
| 422317280010 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 47 3249/620 3251/1821 TD3442/1508 CT3934/1396 | 83.54 |
| 422317280011 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 46 3249/620 3251/1821 TD3441/325 3447/585 3682/1775 3682/1776 | 83.54 |
| 422317280012 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 45 3249/620 3251/1821 TD3442/1512 CT3934/1396 | 83.54 |
| 422317280013 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 44 3249/620 3251/1821 TD3442/1516 CT3934/1396 | 83.54 |
| 422317281001 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 28 3032/383 | 83.54 |
| 422317281002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 29 3032/383 3137/1964 DC3256/1456-HCK 3256/1463 | 83.54 |
| 422317281003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 30 3053/1099 | 83.54 |
| 422317281004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 31 3053/1099 | 83.54 |
| 422317281005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 32 3053/1099 | 83.54 |
| 422317281006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 33 3053/1099 | 83.54 |
| 422317281007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 34 3053/1099 | 83.54 |
| 422317281008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 35 3053/1099 | 83.54 |
| 422317281009 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 36 3249/620 3251/1821 TD3441/82 | 83.54 |
| 422317281010 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 37 3249/620 3251/1821 TD3441/87 | 83.54 |
| 422317281011 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 38 3249/620 3251/1821 TD3441/91 | 83.54 |
| 422317281012 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 39 3249/620 3251/1821 TD3442/1520 CT3934/1396 | 83.54 |
| 422317281013 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 40 3249/620 3251/1821 TD3441/95 3506/34 3509/1507 | 83.54 |
| 422317281014 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 41 3249/620 3251/1821 TD3442/1524 CT3934/1396 | 83.54 |
| 422317281015 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 42 3249/620 3251/1821 TD3442/1528 CT3934/1396 | 83.54 |
| 422317281016 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 43 3249/620 3251/1821 TD3442/1532 CT3934/1396 | 83.54 |
| 422317300001 | Remaining | 1529 | TERN BAY TRACT C FUTURE DEVELOPMENT 735.63 AC M/L E2991/1914 E3102/720 E3129/1029 3249/620 3251/1821 E3255/1487 E3255/1517 TD3442/1384 FJ3490/857 | 127732.66 |
| 422317300002 | COM | 17 | TERN BAY TRACT C-1 22.19 AC M/L A PORTION OF TRACT 3 & TRACT C TERN BAY GOLF & COUNTRY CLUB DESC AS: COMM AT SLY COR TRACT 3 TH NW 60 FT TO PROPOSED ROW BURNT STORE RD FOR POB TH CONT NW 431.15 FT N 921.60 FT NE ALG ARC TO RIGHT 79.79 FT TH NE TERN BAY COMMUNITY DEVELOPMENT DISTRICT TRACT- 40 ACRES IN SOUTHEAST CORNER OF TERN BAY SUBDIVISION FKA THE NW 1/4 OF NE 1/4 SEC 20 TWN 42S RNG 23E AS PER 2637/2124 | 1420.18 |
| 422317300003 | Common | 0 | 2637/2124 | 0 |
| 422317426001 | Common | 0 | TERN BAY TRACT R 23.85 AC. ROAD CT3249/620 3251/1821 CT3934/1396 | 0 |
| 422317426002 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 27 3018/1503 3115/2095 3250/537 | 83.54 |
| 422317426003 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 26 3018/1503 3115/2143 3250/516 | 83.54 |

| Parcel ID | Type of Unit | ERU's | Legal Description | Total O&M |
|--------------|--------------|--------------|--|----------------------|
| 422317426004 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 25 3249/620 3251/1821 TD3441/99 3490/1929 CT39341396 | 83.54 |
| 422317426005 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 24 3249/620 3251/1821 TD3441/103 3506/34 3506/1775 CT3934/1396 | 83.54 |
| 422317426006 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 23 3032/383 | 83.54 |
| 422317426007 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 22 3032/383 | 83.54 |
| 422317426008 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 21 3018/1503 | 83.54 |
| 422317426009 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 20 3018/1503 3104/2028 3250/557 | 83.54 |
| 422317426010 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 19 3115/2036 3315/1983 | 83.54 |
| 422317426011 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 18 3032/383 | 83.54 |
| 422317426012 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 17 3032/383 | 83.54 |
| 422317426013 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 16 3032/383 3128/381 3358/180 | 83.54 |
| 422317426014 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 15 3032/383 | 83.54 |
| 422317426015 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 14 3032/383 3123/1115 3270/724 | 83.54 |
| 422317426016 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 13 3032/383 3144/1694 3368/1329 TERN BAY GOLF AND COUNTRY CLUB RESORT LT 1 CT3249/620 3251/1821 TD3441/331 | 83.54 |
| 422317426017 | 60' | 1 | 3445/108 3665/626 3665/628 TERN BAY GOLF AND COUNTRY CLUB RESORT LT 2 3249/620 3251/1821 TD3441/337 | 83.54 |
| 422317426018 | 60' | 1 | 3445/50 3665/626 3665/627 | 83.54 |
| 422317426019 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 3 3032/383 | 83.54 |
| 422317426020 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 4 3032/383 3135/1315 3368/1321 | 83.54 |
| 422317426021 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 5 3032/383 | 83.54 |
| 422317426022 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 6 3032/383 | 83.54 |
| 422317426023 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 7 3032/383 3078/718 3368/1323 | 83.54 |
| 422317426024 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 8 3032/383 | 83.54 |
| 422317426025 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 9 3032/383 3120/1748 3368/1325 | 83.54 |
| 422317426026 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 10 3032/383 3125/140 3368/1327 | 83.54 |
| 422317426027 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 11 3032/383 3115/2114 CD3317/2118 | 83.54 |
| 422317426028 | 60' | 1 | TERN BAY GOLF AND COUNTRY CLUB RESORT LT 12 3032/383 3117/1246 3237/2137 | 83.54 |
| 422317451001 | CH | 60 | TERN BAY TRACT A FUTURE DEVELOPMENT 9.1 AC. 3249/620 3251/1821 TD3442/1536 CT3934/1396 | 5012.4 |
| TOTAL | | 1,913 | TOTAL | \$ 159,812.02 |

**Tern Bay Community
Development District**

ANNUAL FINANCIAL REPORT

September 30, 2017

Tern Bay Community Development District

ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2017

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FAX: 772/468-9278

REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Tern Bay Community Development District
Charlotte County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



To the Board of Supervisors
Tern Bay Community Development District

Basis for Adverse Opinion on the Discretely Presented Component Unit

The financial statements do not include financial data for the District's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for the component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component unit should have been presented.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Discretely Presented Component Unit", the financial statements referred to above do not present fairly, the financial position of the discretely presented component unit of the District as of September 30, 2017, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Adverse Opinion on the Discretely Presented Component Unit" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the District as of September 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously 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, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



To the Board of Supervisors
Tern Bay Community Development District

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, 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 June 26, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tern Bay Community Development District's internal control over financial reporting and compliance.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida
June 26, 2018

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Financial Highlights

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

- ◆ The District's total liabilities exceeded total assets by \$44,135,818 (net position).
- ◆ Governmental activities revenues totaled \$103,329 while governmental activities expenses totaled \$6,257,382.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

| | Governmental Activities | |
|-----------------------------|--------------------------------|-----------------|
| | 2017 | 2016 |
| Current assets | \$ 240,843 | \$ 33,072 |
| Restricted assets | 47 | 143,446 |
| Capital assets | 45,419,499 | 45,419,499 |
| Total Assets | 45,660,389 | 45,596,017 |
| Current liabilities | 63,206,207 | 56,907,782 |
| Non-current liabilities | 26,590,000 | 26,670,000 |
| Total Liabilities | 89,796,207 | 83,577,782 |
| Net position - unrestricted | (44,135,818) | (37,981,765) |
| Total Net Position | \$ (44,135,818) | \$ (37,981,765) |

The decrease in non-current liabilities was primarily related to current year principal payments which were not paid and reclassified as matured principal payable, a current liability.

The increase in current and restricted assets was related to the transfer of funds to cover operating costs of the SPE (Special Purpose Entity) during the current year.

The increase in current liabilities is related to the nonpayment of the current year debt service requirements.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Financial Activity

| | Governmental Activities | |
|----------------------------------|--------------------------------|------------------------|
| | 2017 | 2016 |
| Program Revenues | | |
| Charges for services | \$ 102,176 | \$ 98,939 |
| General Revenues | | |
| Miscellaneous | 1,153 | 426 |
| Total Revenues | <u>103,329</u> | <u>99,365</u> |
| Expenses | | |
| General government | 891,762 | 1,291,794 |
| Public safety | 3,780 | 17,820 |
| Physical environment | 101,774 | 170,617 |
| Interest on long-term debt | 5,260,066 | 2,680,732 |
| Total Expenses | <u>6,257,382</u> | <u>4,160,963</u> |
| Change in Net Position | (6,154,053) | (4,061,598) |
| Net Position - Beginning of Year | <u>(37,981,765)</u> | <u>(33,920,167)</u> |
| Net Position - End of Year | <u>\$ (44,135,818)</u> | <u>\$ (37,981,765)</u> |

The decrease in general expenses is related to the additional legal expenses related to the outstanding debt issues in the prior year.

The increase in interest is related to the interest on matured debt as the Series 2005B Series Bonds matured in prior years.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets activity as of September 30, 2017:

| <u>Description</u> | <u>Governmental Activities</u> | |
|--------------------------|--------------------------------|---------------------|
| | <u>2017</u> | <u>2016</u> |
| Land | \$ 7,428,992 | \$ 7,428,992 |
| Construction in progress | 37,990,507 | 37,990,507 |
| Total Capital Assets | <u>\$45,419,499</u> | <u>\$45,419,499</u> |

There was no capital asset activity in the current year.

General Fund Budgetary Highlights

The budget exceeded actual expenditures because SPE related legal expenditures were more than expected.

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

Debt Management

Governmental Activities debt includes the following:

- ◆ In May 2005, the District issued \$33,280,000 Series 200A-B Special Assessment Bonds. The Bonds were issued to finance the acquisition and construction of certain improvements within the District. The unmatured balance outstanding at September 30, 2017 is \$27,375,000.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Tern Bay Community Development District is an independent special district that is established pursuant to and governed by the provisions of Chapter 190, Florida Statutes. The District is governed by an elected Board of Supervisors which establishes policy and sets assessment rates. Assessment rates for fiscal year 2017 were established to provide for the operations of the District. Approximately 98% of the assessments levied by the District each year remain uncollected with no other revenue sources available to the District.

From 2008 onward, the District did not receive a majority of assessments attached to the land formerly owned by the Developer. As a result, the District has been unable to make any debt service payments since November 2008.

Request for Information

The financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need addition financial information, contact the Tern Bay Community Development District's management company, J P Ward and Associates, LLC, at 2041 Northeast 6th Terrace, Wilton Manors, Florida 33305, (954-658-4900), Jim Ward jimward@jowardassociates.com.

**Tern Bay Community Development District
STATEMENT OF NET POSITION
September 30, 2017**

| | Governmental Activities |
|---------------------------------------|----------------------------|
| ASSETS | |
| Current Assets: | |
| Cash | \$ 30,264 |
| Investments | 174,691 |
| Assessment receivable | 1,307 |
| Accounts receivable | 34,581 |
| Total Current Assets | 240,843 |
| Non-current Assets: | |
| Restricted assets: | |
| Investments | 47 |
| Capital assets not being depreciated: | |
| Land | 7,428,992 |
| Construction in progress | 37,990,507 |
| Total Non-Current Assets | 45,419,546 |
| Total Assets | 45,660,389 |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts payable and accrued expenses | 509,369 |
| Advance bondholders | 925,142 |
| Accrued interest payable | 9,851,400 |
| Matured bonds payable | 29,080,000 |
| Matured interest payable | 22,055,296 |
| Bonds payable | 785,000 |
| Total Current Liabilities | 63,206,207 |
| Non-current liabilities: | |
| Bonds payable | 26,590,000 |
| Total Liabilities | 89,796,207 |
| NET POSITION | |
| Total Net Position | \$(44,135,818) |

See accompanying notes to financial statements.

**Tern Bay Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2017**

| Functions/Programs | <u>Expenses</u> | <u>Program Revenues Charges for Services</u> | <u>Net (Expense) Revenues and Changes in Net Position Governmental Activities</u> |
|-------------------------------|-----------------------|--|---|
| Governmental Activities | | | |
| General government | \$ (891,762) | \$ 91,362 | \$ (800,400) |
| Public safety | (3,780) | 387 | (3,393) |
| Physical environment | (101,774) | 10,427 | (91,347) |
| Interest on long-term debt | (5,260,066) | - | (5,260,066) |
| Total Governmental Activities | <u>\$ (6,257,382)</u> | <u>\$ 102,176</u> | <u>(6,155,206)</u> |
| | | | |
| | | General revenues: | |
| | | Miscellaneous revenues | <u>1,153</u> |
| | | Change in Net Position | (6,154,053) |
| | | Net Position - October 1, 2016 | <u>(37,981,765)</u> |
| | | Net Position - September 30, 2017 | <u>\$ (44,135,818)</u> |

See accompanying notes to financial statements.

**Tern Bay Community Development District
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2017**

| ASSETS | General Fund | Debt Service | Capital Projects | Total Governmental Funds |
|---------------------------------------|-----------------|-----------------|---------------------|--------------------------------|
| Cash | \$ 30,264 | \$ - | \$ - | \$ 30,264 |
| Assessments receivable | 1,307 | - | - | 1,307 |
| Accounts receivable | 34,581 | - | - | 34,581 |
| Investments | - | - | 174,691 | 174,691 |
| Due from other funds | - | 192,910 | 4,559,670 | 4,752,580 |
| Restricted Assets | | | | |
| Investments, at fair value | - | 47 | - | 47 |
| Total Assets | \$ 66,152 | \$ 192,957 | \$ 4,734,361 | \$ 4,993,470 |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable and accrued expenses | \$ 60,755 | \$ - | \$ 448,614 | \$ 509,369 |
| Advance from bondholders | - | - | 925,142 | 925,142 |
| Due to other funds | 4,670,799 | - | 81,781 | 4,752,580 |
| Matured interest payable | - | 22,055,296 | - | 22,055,296 |
| Matured bonds payable | - | 29,080,000 | - | 29,080,000 |
| Total Liabilities | 4,731,554 | 51,135,296 | 1,455,537 | 57,322,387 |
| FUND BALANCES | | | | |
| Restricted for capital project | - | - | 3,278,824 | 3,278,824 |
| Unassigned | (4,665,402) | (50,942,339) | - | (55,607,741) |
| Total Fund Balances | (4,665,402) | (50,942,339) | 3,278,824 | (52,328,917) |
| Total Liabilities and Fund Balances | \$ 66,152 | \$ 192,957 | \$ 4,734,361 | \$ 4,993,470 |

See accompanying notes to financial statements.

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

| | |
|---|------------------------|
| Total Governmental Fund Balances | \$ (52,328,917) |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets not being depreciated, land, (\$7,428,992), construction in progress, (\$37,990,507), used in governmental activities are not financial resources and therefore, are not reported at the fund statement level. | 45,419,499 |
| Long-term liabilities, including bonds payable (\$27,375,000) are not due and payable in the current period and therefore, are not reported at the fund statement level. | (27,375,000) |
| Accrued interest expense for long-term debt is not a financial use and; therefore, is not reported at the funds statement level. | <u>(9,851,400)</u> |
| Net Position of Governmental Activities | <u>\$ (44,135,818)</u> |

See accompanying notes to financial statements.

Tern Bay Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2017

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|--|-----------------------|------------------------|---------------------|--------------------------------|
| Revenues | | | | |
| Special assessments | \$ 11,230 | \$ 90,946 | \$ - | \$ 102,176 |
| Miscellaneous Income | - | - | 600 | 600 |
| Investment earnings | - | 64 | 489 | 553 |
| Total Revenues | <u>11,230</u> | <u>91,010</u> | <u>1,089</u> | <u>103,329</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 293,134 | - | 598,628 | 891,762 |
| Public safety | 3,780 | - | - | 3,780 |
| Physical environment | 101,774 | - | - | 101,774 |
| Debt service | | | | |
| Principal | - | 745,000 | - | 745,000 |
| Interest | - | 1,511,450 | - | 1,511,450 |
| Total Expenditures | <u>398,688</u> | <u>2,256,450</u> | <u>598,628</u> | <u>3,253,766</u> |
| Excess revenue over/under expenditures | <u>(387,458)</u> | <u>(2,165,440)</u> | <u>(597,539)</u> | <u>(3,150,437)</u> |
| Other financing sources (uses) | | | | |
| Transfer in | - | - | 219,233 | 219,233 |
| Transfer Out | - | (219,233) | - | (219,233) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(219,233)</u> | <u>219,233</u> | <u>-</u> |
| Net change in fund balances | (387,458) | (2,384,673) | (378,306) | (3,150,437) |
| Fund Balances - October 1, 2016 | <u>(4,277,944)</u> | <u>(48,557,666)</u> | <u>3,657,130</u> | <u>(49,178,480)</u> |
| Fund Balances - September 30, 2017 | <u>\$ (4,665,402)</u> | <u>\$ (50,942,339)</u> | <u>\$3,278,824</u> | <u>\$(52,328,917)</u> |

See accompanying notes to financial statements.

Tern Bay Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2017

| | | |
|---|-----------|--------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | (3,150,437) |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Repayment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the Statement of Net Position. | | 745,000 |
| In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the change in accrued interest from the prior year. | | <u>(3,748,616)</u> |
| Change in Net Position of Governmental Activities | <u>\$</u> | <u>(6,154,053)</u> |

See accompanying notes to financial statements.

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

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|------------------------------------|----------------------------|-------------------------|-----------------------|---|
| Revenues | | | | |
| Special assessments | \$ 321,753 | \$ 321,753 | \$ 11,230 | \$ (310,523) |
| Expenditures | | | | |
| Current | | | | |
| General government | 118,753 | 118,753 | 293,134 | (174,381) |
| Public safety | 25,200 | 25,200 | 3,780 | 21,420 |
| Physical environment | 177,800 | 177,800 | 101,774 | 76,026 |
| Total Expenditures | <u>321,753</u> | <u>321,753</u> | <u>398,688</u> | <u>(76,935)</u> |
| Net change in fund balances | - | - | (387,458) | (233,588) |
| Fund Balances - October 1, 2016 | <u>-</u> | <u>-</u> | <u>(4,277,944)</u> | <u>(4,277,944)</u> |
| Fund Balances - September 30, 2017 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (4,665,402)</u> | <u>\$ (4,511,532)</u> |

See accompanying notes to financial statements.

Tern Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The Tern Bay Community Development District (the "District") was established on September 15, 2004 pursuant to Chapter 190, Florida Statutes (the "Act"), and by the Florida Land and Water Adjudicatory Commission Chapter 42VV-1.001-1.003. 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 purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by a Board of Supervisors (the "Board"), which is comprised of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The District does have a component unit that is not presented.

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

Based upon the application of the above-mentioned criteria as set forth by Tern Bay Community Development District Acquisitions, LLC, the Governmental Accounting Standards Board the District has identified component unit that is not presented.

2. Measurement Focus and Basis of Accounting

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

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

Tern Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

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

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

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

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

b. Fund Financial Statements

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

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

Governmental Funds

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

Tern Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

The District has various policies governing the fund balance classifications.

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

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

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

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

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

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

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

Tern Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt for the Series 2005 Bonds.

Capital Projects Fund – The Capital Projects Fund accounts for the financial resources to be used in the acquisition or construction of major infrastructure within the District financed with the Series 2005 Bonds.

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds, be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, Deferred Outflow of Resources, Liabilities, and Net Position or Equity

a. Cash and Investments

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

Tern Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Deferred Outflow of Resources, Liabilities, and Net Position or Equity (Continued)

a. Cash and Investments (Continued)

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 in accordance with collateral requirements determined by the State’s Chief Financial Officer. 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.

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

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

b. Restricted Assets

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

c. Capital Assets

Capital assets, which include infrastructure and construction in progress, are reported in governmental activities.

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

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

**Tern Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**4. Assets, Deferred Outflow of Resources, Liabilities, and Net Position or Equity
(Continued)**

c. Capital Assets (Continued)

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

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

| | |
|----------------|-------------|
| Equipment | 10-20 years |
| Infrastructure | 25 years |

d. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line or effective interest method. Bonds payable are reported net of these premiums or discounts. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current period expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

e. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190.065, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. Formal budgets are adopted for the general fund. The legal level of budgetary control is at the fund level. As a result, deficits in the budget columns of the accompanying financial statements may occur. All budgeted appropriations lapse at year end.

**Tern Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017**

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

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

“Total fund balances” of the District’s governmental funds, \$(52,318,917), differs from “net position” of governmental activities, \$(44,135,818), reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Fund Balance Sheet. The effect of the differences is illustrated below.

Capital related items

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

| | |
|--------------------------|----------------------|
| Land | \$ 7,428,992 |
| Construction in progress | <u>37,990,507</u> |
| Total | <u>\$ 45,419,499</u> |

Long-term debt transactions

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

| | |
|---------------|------------------------|
| Bonds payable | <u>\$ (27,375,000)</u> |
|---------------|------------------------|

Accrued interest

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

| | |
|------------------|-----------------------|
| Accrued interest | <u>\$ (9,851,400)</u> |
|------------------|-----------------------|

Tern Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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

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

The “net change in fund balances” for government funds (\$(3,150,437)) differs from the “change in net position” for governmental activities (\$(6,154,053)) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Long-term debt transactions

Repayment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the Statement of Net Position and are eliminated in the Statement of Activities.

| | |
|---------------------------|-------------------|
| Debt principal maturities | <u>\$ 745,000</u> |
|---------------------------|-------------------|

Other debt transactions

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

| | |
|--|-----------------------|
| Net increase in accrued interest payable | <u>\$ (3,748,616)</u> |
|--|-----------------------|

NOTE C – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2017, the District's bank balance was \$34,283 and the carrying value was \$30,264. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

**Tern Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017**

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits (Continued)

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

| Investment | Maturities | Fair Value |
|--|------------|------------|
| Fidelity Government Portfolio | 33 days* | \$ 174,738 |
| *Maturity is a weighted average maturity | | |

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

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

The managed money market fund is considered a mutual fund asset type for applying the criteria noted in the paragraph above and is considered a level 1 asset.

Investments

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes.

Interest Rate Risk

The District monitors investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investments are limited by State statutory requirements. As of September 30, 2017, the District Fidelity Government Portfolio was rated AAAM by Standards and Pools.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one issuer. 100% of the District's investments are invested in Fidelity Government Portfolio.

**Tern Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017**

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued)

The types of deposits and investments and their level of risk exposure as of September 30, 2017 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary. In addition, the District has the ability to hold investments until its maturity date if the fair value is less than cost. The District's investments are recorded at fair value.

NOTE D – CAPITAL ASSETS

In 2005, the total projected cost of the infrastructure improvements was previously estimated at \$69.9 million, of which approximately \$47.5 million was to be funded with proceeds from Series 2005 bonds. The District does not currently have an estimated cost to complete the project. Any estimate would be subject to change based on the timing of when the project is to be completed as well as the cost associated with the ongoing deterioration of the existing infrastructure.

Additionally, any new developer may make changes to the project as it was originally planned. The District will convey certain infrastructure improvements to other governmental entities upon completion of the project.

The following is a summary of changes in the capital assets for the year ended September 30, 2017:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 7,428,992 | \$ - | \$ - | \$ 7,428,992 |
| Infrastructure under construction | 37,990,507 | - | - | 37,990,507 |
| Total Capital Assets, Not Being Depreciated | <u>45,419,499</u> | <u>-</u> | <u>-</u> | <u>45,419,499</u> |
| Governmental Activities Capital Assets | <u>\$ 45,419,499</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 45,419,499</u> |

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

| | |
|--------------------------------------|----------------------|
| Long-term debt at October 1, 2016 | \$ 28,120,000 |
| Principal maturity | <u>(745,000)</u> |
| Long-term debt at September 30, 2017 | <u>\$ 27,375,000</u> |

**Tern Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017**

NOTE E – LONG-TERM DEBT

Special Assessment Refunding Bond

\$33,280,000 Series 2005A Term Bonds maturing through 2037, interest at 5.37%, collateralized by the pledged revenues of special assessments levied against the benefited property owners, payable May 1 and November 1. The matured balance outstanding as of September 30, 2017 is \$5,445,000 and the unmatured outstanding balance is \$27,375,000.

\$24,660,000 Series 2005B Term Bonds maturing through May 1, 2015, interest 5%, collateralized by the pledged revenues of special assessments levied against the benefited property owners. Interest were payable May 1 and November 1. Principal was payable May 1, 2015. The matured balance outstanding as of September 30, 2017 is \$23,635,000.

As of September 30, 2017, total outstanding balance of matured bonds 2005A and 2005B amounted to \$28,335,000 which have not been paid and the unmatured balance of the Series 2005A Bonds are \$27,375,000.

Bond

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirement as defined in the indenture. The debt service reserve requirement has not been met for the fiscal year ended September 30, 2017.

The reserve account funds were substantially exhausted to fund the November 2008 bond payment and have not been replenished as of the date of this report. The use of reserve funds was a result of unpaid debt service assessments to the District which is indicative of the ongoing financial challenges of the District. After exhausting its reserve funds, the District has failed to make any subsequent debt service payments. As a result, a debt service liability and accrued interest totaling approximately \$28.3 million and \$20.5 million, respectively, has been recorded in the accompanying Balance Sheet – Governmental Funds. The District failed to make November 1, 2015 debt service payment. The District was not in compliance with the requirements of the Bond indenture as of the date of this report.

| Year Ending September 30, | Principal | Interest | Total |
|------------------------------|----------------------|----------------------|----------------------|
| 2018 | \$ 785,000 | \$ 1,471,406 | \$ 2,256,406 |
| 2019 | 825,000 | 1,429,213 | 2,254,213 |
| 2020 | 870,000 | 1,384,869 | 2,254,869 |
| 2021 | 920,000 | 1,338,106 | 2,258,106 |
| 2022 | 970,000 | 1,288,656 | 2,258,656 |
| 2023-2027 | 5,720,000 | 5,600,750 | 11,320,750 |
| 2028-2032 | 7,490,000 | 3,883,706 | 11,373,706 |
| 2033-2037 | 9,795,000 | 1,635,881 | 11,430,881 |
| Totals | <u>\$ 27,375,000</u> | <u>\$ 18,032,587</u> | <u>\$ 45,407,587</u> |

**Tern Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017**

NOTE E – LONG-TERM DEBT (CONTINUED)

Significant Bond Resolution Terms and Covenants

The Bond Indenture established certain amounts be maintained in a reserve account. In addition, the Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2017.

The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2005

Reserve Fund – The 2005 Reserve Account is funded from the proceeds of the Series 2005 Bonds in an amount equal to a certain 50 percent of the maximum annual debt service requirement of the 2005 bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

| | Bonds | |
|--|--------------------|------------------------|
| | Reserve Balance | Reserve Requirement |
| Series 2005A Capital Improvement Revenue Bonds | \$ 37 | \$ 1,118,219 |

NOTE F – SPECIAL ASSESSMENT REVENUES

Special assessment revenues recognized for the 2016-2017 fiscal year were levied in July 2016. All assessments are collected by the Tax Collector and are due and payable on November 1. Per Section 197.162, Florida Statutes discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January and 1% in February. Assessments paid in March are without discount.

All unpaid assessments become delinquent as of April 1. Virtually all unpaid assessments are collected via the sale of tax certificates on, or prior to, June 1; therefore, there were no material assessments receivable at fiscal year end.

NOTE G – RISK MANAGEMENT

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



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

To the Board of Supervisors
Tern Bay Community Development District
Charlotte County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tern Bay Community Development District, as of and for the year ended September 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2018.

Internal Control Over Financial Reporting

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

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

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



To the Board of Supervisors
Tern Bay Community Development District
Charlotte County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tern Bay Community Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*.

Prior Year Finding IC2009-01


Finding: The District is not in compliance with certain provisions of its Bond Indenture including those relating to 1) collecting assessments to provide payment of debt service, 2) maintaining adequate funds in debt service reserve accounts, and 3) making its semi-annual debt service principal and interest payments.

Response: The District has been involved in the foreclosure process for several years in an effort to collect assessments. If successful, the collection of the assessments will allow the District to replenish the debt service reserve fund, make debt service payments when due and fund the operations of the District.

Current Status: The District has not corrected this finding in the current year.

Purpose of this Report

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


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

June 26, 2018



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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MANAGEMENT LETTER

To the Board of Supervisors
Tern Bay Community Development District
Charlotte County, Florida

Report on the Financial Statements

We have audited the financial statements of the Tern Bay Community Development District as of and for the year ended September 30, 2017, and have issued our report thereon dated June 26, 2018.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated June 26, 2018, should be considered in conjunction with this Management Letter.

Prior Audit Findings

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

Recommendation IC2009-01 was made in the preceding annual audit report and Independent 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*. Corrective actions have not been taken to address the finding, which was also included in the third preceding fiscal year audit report.



To the Board of Supervisors
Tern Bay Community Development District

Finding 2016-01: Actual expenditures exceeded the approved budget which is in violation of Section 189.016(3), Florida Statutes.

Recommendation: We recommend that in the future, the Board closely monitor actual expenditures and amend the approved budget if required to insure that actual expenditures do not exceed budgeted amounts.

Response: The District will closely monitor the budget in the future to insure that actual expenditures do not exceed budgeted amounts.

Status: Actual expenditures exceeded the budget again in the year ended September 30, 2017.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity 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 meet conditions described in Section 218.503(1)(a), Florida Statutes. The District has not made any principal and interest payments since November 2008 through the date of this report as a result of a lack of funds. These conditions result in a deteriorating financial conditions. Such deteriorating financial conditions are further discussed below. See the prior audit findings above.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures and as a result, it was determined that a deteriorating financial condition exists with respect to the District. As discussed in Note E to the financial statements, the Developer of Tern Bay Community Development District has abandoned the development and the District. For the year ended September 30, 2017 and through the date of this report, the District did not receive any assessment amounts from the Developer or any other significant landowner and has not made any principal and interest payments since November 2008 through the date of this report. The District initiated foreclosures on the property formerly owned by the Developer. It is management's responsibility to monitor the District's financial condition and our financial condition assessment was based in part on representations made by management and the review of financial information provided.

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 Tern Bay Community Development District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.



To the Board of Supervisors
Tern Bay Community Development District

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, see the Prior Audit Findings above.

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.

*Berger Toombs Elam
Gaines & Frank*

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

June 26, 2018



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

To the Board of Supervisors
Tern Bay Community Development District
Charlotte County, Florida

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

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

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

*Berger Toombs Elam
Gaines & Frank*

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

June 26, 2018

**INSTRUCTIONS RELATING TO LANDOWNERS' MEETING OF
THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT
FOR THE ELECTION OF SUPERVISORS**

DATE OF LANDOWNERS' MEETING: **DECEMBER 11, 2018**

TIME: **10:00 A.M.**

LOCATION: **Country Inn and Suites**
 24244 Corporate Court
 Port Charlotte, Florida 33954

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 candidate 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

**TERN BAY
COMMUNITY DEVELOPMENT DISTRICT
CHARLOTTE COUNTY, FLORIDA
LANDOWNERS MEETING – DECEMBER 11, 2018**

For Election of (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 he/she/it is the fee simple owner of land, or the proxy holder for the fee simple owner of land, located within the Tern Bay Community Development District and described as follows:

Property Description

[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.]

I, _____, in my individual capacity as Landowner; or in my capacity as the proxy holder of _____, pursuant to the Landowners Proxy attached hereto, do cast my votes as follows:

| | NAME OF CANDIDATE | NUMBER OF VOTES |
|----|--------------------------|------------------------|
| 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

**TERN BAY
COMMUNITY DEVELOPMENT DISTRICT
LANDOWNERS MEETING – DECEMBER 11, 2018**

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 Tern Bay Community Development District to be held **at Tuesday, November 8, 2016 at 9:30 A.M. at the offices of Berntsson, Ittersagen, Gunderson & Wideikis, LLP, 18401 Burdock Circle, Suite C, Port Charlotte, Florida 33948**, said meeting published in a newspaper in Charlotte 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 Tern Bay Community Development District.

Signature and Date

Signature and Date

Print Name

Print Name

Property Description

[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.).

RESOLUTION 2018-7

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT DESIGNATING DATES, TIME AND LOCATION FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT; DESIGNATING THE LANDOWNER'S MEETING FOR THE DISTRICT; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Tern Bay Community Development District (the "District") is a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

WHEREAS, in accordance with the provisions of Chapter 189.415, Florida Statutes, the District is required to file quarterly, semiannually, or annually a schedule of its regular meetings with the local governing authority or authorities; and

WHEREAS, in accordance with the above referenced Statute, the District shall also publish quarterly, semiannually, or annually its regular meeting schedule in a newspaper of general paid circulation in the County in which the District is located and shall appear in the legal notices section of the classified advertisements;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. DESIGNATION OF DATES, TIME AND LOCATION OF REGULAR MEETINGS AND LANDOWNER'S MEETING

- a. **Date:** The second Tuesday of each month for Fiscal Year 2019, which covers the period October 1, 2018 through September 30, 2019.
- b. **Time:** 10:00 A.M. (Eastern Standard Time)
- b. **Location:** County Inn and Suites, 24244 Corporate Court, Port Charlotte, FL. 33954.

SECTION 2. Sunshine Law and Meeting Cancellations and Continuations. The meetings of the Board of Supervisors are open to the public and will be conducted in accordance with the provisions of Florida Law for Community Development Districts. The District by and through its District Manager may cancel any meeting of the Board of Supervisors and all meetings may be continued to a date, time, and place to be specified on the record at the hearings or meeting.

SECTION 3. Conflict. 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.

SECTION 4. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

RESOLUTION 2018-7

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT DESIGNATING DATES, TIME AND LOCATION FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT; DESIGNATING THE LANDOWNER'S MEETING FOR THE DISTRICT; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board of Supervisors of the Tern Bay Community Development District.

PASSED AND ADOPTED this 11th day of September, 2018.

ATTEST:

**TERN BAY COMMUNITY
DEVELOPMENT DISTRICT**

James P. Ward, Secretary

Russell Smith, Chairperson

Tern Bay Community Development District

Financial Statements

July 31, 2018



Prepared by:

JPWARD AND ASSOCIATES LLC

2900 NORTHEAST 12TH TERRACE

SUITE 1

OAKLAND PARK, FLORIDA 33334

E-MAIL: jimward@jpwardassociates.com

PHONE: (954) 658-4900

Tern Bay Community Development District

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JPWard & Associates LLC

2900 Northeast 12th Terrace

Suite 1

Oakland Park, Florida 33334

Phone: (954) 658-4900

**Tern Bay Community Development District
Balance Sheet
for the Period Ending July 31, 2018**

| Description | Governmental Funds | | | | | Totals | (Memorandum Only) |
|---|--------------------|-------------------|----------------------|------------------------|----------------------|-----------|--------------------|
| | Series 2005 Bonds | | | Account Groups | | | |
| | General Fund | Debt Service Fund | Capital Project Fund | General Long Term Debt | General Fixed Assets | | |
| Assets | | | | | | | |
| Cash and Investments | | | | | | | |
| General Fund - Invested Cash | \$ 23,151 | \$ - | \$ - | \$ - | \$ - | \$ | 23,151 |
| Capital Project Fund - Series 2007 | | | | | | | |
| Construction Account | - | - | - | - | - | - | - |
| Working Capital Account | - | - | 55 | - | - | - | 55 |
| Debt Service Fund | | | | | | | |
| Interest Account | - | - | - | - | - | - | - |
| Sinking Account | - | - | - | - | - | - | - |
| Reserve Account A | - | 31 | - | - | - | - | 31 |
| Reserve Account B | - | 7 | - | - | - | - | 7 |
| Revenue | - | 38 | - | - | - | - | 38 |
| Prepayment Account | - | - | - | - | - | - | - |
| Due from Other Funds | | | | | | | |
| General Fund | - | 109,966 | 4,689,206 | - | - | - | 4,799,172 |
| Debt Service Fund | - | 81,781 | - | - | - | - | 81,781 |
| Capital Project Fund | - | - | - | - | - | - | - |
| Accounts Receivable-Bond Holder Funding | - | - | - | - | - | - | - |
| Accrued Interest Receivable | - | - | - | - | - | - | - |
| Assessments Receivable | - | - | - | - | - | - | - |
| Prepaid Expenses | - | - | - | - | - | - | - |
| Amount Available in Debt Service Funds | - | - | - | 191,822 | - | - | 191,822 |
| Amount to be Provided by Debt Service Funds | - | - | - | 56,263,178 | - | - | 56,263,178 |
| Investment in General Fixed Assets (net of depreciation) | - | - | - | - | 45,419,499 | - | 45,419,499 |
| Total Assets | \$ 23,151 | \$ 191,822 | \$ 4,689,261 | \$ 56,455,000 | \$ 45,419,499 | \$ | 106,778,733 |

**Tern Bay Community Development District
Balance Sheet
for the Period Ending July 31, 2018**

| Description | Governmental Funds | | | | | Totals | (Memorandum Only) | |
|---|-----------------------|------------------------|---------------------|----------------------|------------------------|-------------|--------------------|----------------------|
| | General Fund | Series 2005 Bonds | | Capital Project Fund | Account Groups | | | |
| | | Debt Service Fund | | | General Long Term Debt | | | General Fixed Assets |
| Liabilities | | | | | | | | |
| Accounts Payable & Payroll Liabilities | \$ - | \$ - | \$ 448,614 | \$ - | \$ - | \$ - | 448,614 | |
| Notes and Loans Payable - Current Portion | | | | | | | | |
| Note Payable-Oppenheimer Funds | - | - | 925,142 | - | - | - | 925,142 | |
| Due to Other Funds | | | | | | | | |
| General Fund | - | - | - | - | - | - | - | |
| Debt Service Fund | 109,966 | - | - | - | - | - | 109,966 | |
| Capital Projects Fund | 4,689,206 | - | 81,781 | - | - | - | 4,770,987 | |
| Deferred Revenue | - | - | - | - | - | - | - | |
| Due to Other Governments | - | - | - | - | - | - | - | |
| Bonds Payable | | | | | | | | |
| Current Portion | - | 51,135,296 | - | 785,000 | - | - | 51,920,296 | |
| Long Term | - | - | - | 55,670,000 | - | - | 55,670,000 | |
| Total Liabilities | \$ 4,799,172 | \$ 51,135,296 | \$ 1,455,536 | \$ 56,455,000 | \$ - | \$ - | 113,845,005 | |
| Fund Equity and Other Credits | | | | | | | | |
| Investment in General Fixed Assets | - | - | - | - | 45,419,499 | - | 45,419,499 | |
| Fund Balance | | | | | | | | |
| Restricted | | | | | | | | |
| Beginning: October 1, 2017 (Audited) | | (50,942,339) | 3,278,824 | - | - | - | (47,663,516) | |
| Results from Current Operations | | (1,134) | (45,099) | - | - | - | (46,233) | |
| Unassigned | | | | | | | | |
| Beginning: October 1, 2017 (Audited) | (4,665,403) | - | - | - | - | - | (4,665,403) | |
| Results from Current Operations | (110,618) | - | - | - | - | - | (110,618) | |
| Total Fund Equity and Other Credits | \$ (4,776,021) | \$ (50,943,474) | \$ 3,233,725 | \$ - | \$ 45,419,499 | \$ - | (7,066,271) | |
| Total Liabilities, Fund Equity and Other Credits | \$ 23,151 | \$ 191,822 | \$ 4,689,261 | \$ 56,455,000 | \$ 45,419,499 | \$ - | 106,778,733 | |

Unaudited

Prepared by:
JPWARD and Associates, LLC

Tern Bay Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through July 31, 2018

| Description | October | November | December | January | February | March | April | May | June | July | Year to Date | Total Annual Budget | % of Budget |
|--|-------------|---------------|---------------|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|---------------------|-------------|
| Revenue and Other Sources | | | | | | | | | | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | \$ - | N/A |
| Interest | | | | | | | | | | | | | |
| Interest - General Checking | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Miscellaneous Revenue | | | | | | | | | | | | | |
| Miscellaneous Revenue | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Special Assessment Revenue | | | | | | | | | | | | | |
| Special Assessments - On-Roll | - | 138 | 414 | 7,014 | - | - | - | - | - | - | 7,566 | 9,063 | 83% |
| Special Assessments - Off-Roll | - | - | - | - | - | - | - | - | - | - | - | 263,262 | 0% |
| Total Revenue and Other Sources: | \$ - | \$ 138 | \$ 414 | \$ 7,014 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 7,566 | \$ 272,325 | 3% |
| Expenditures and Other Uses | | | | | | | | | | | | | |
| Legislative | | | | | | | | | | | | | |
| Board of Supervisor's - Fees | - | - | - | - | - | - | - | 600 | - | - | 600 | \$ 6,000 | 10% |
| Executive | | | | | | | | | | | | | |
| Professional Management | 2,875 | 2,875 | 2,875 | 2,875 | 2,875 | 2,875 | 2,875 | 2,875 | - | - | 23,000 | 31,300 | 73% |
| Financial and Administrative | | | | | | | | | | | | | |
| Audit Services | - | - | - | - | - | - | - | - | - | - | - | 6,000 | 0% |
| Accounting Services | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | - | - | 8,000 | 12,000 | 67% |
| Assessment Roll Services | 667 | 667 | 667 | 667 | 667 | 667 | 667 | 667 | - | - | 5,333 | 9,000 | 59% |
| Arbitrage Rebate Services | - | - | 500 | - | - | - | - | - | - | - | 500 | 500 | 100% |
| Real Estate Advisor | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Other Contractual Services | | | | | | | | | | | | | |
| Legal Advertising | 1,074 | 107 | - | - | - | - | - | 87 | - | - | 1,269 | 2,500 | 51% |
| Trustee Services | - | - | - | - | - | - | - | - | - | - | - | 3,500 | 0% |
| Dissemination Agent Services | 1,000 | - | - | - | - | - | - | - | - | - | 1,000 | 1,000 | 100% |
| Bank Services | 26 | 53 | 42 | 53 | 41 | 26 | 27 | 26 | 28 | 11 | 332 | 500 | 66% |
| Travel and Per Diem | | | | | | | | | | | | | |
| Travel and Per Diem | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Communications & Freight Services | | | | | | | | | | | | | |
| Postage, Freight & Messenger | - | - | 8 | 38 | - | - | 9 | 21 | 10 | 15 | 100 | 450 | 22% |
| Insurance | | | | | | | | | | | | | |
| Insurance | 8,768 | - | - | - | - | - | - | - | - | - | 8,768 | 8,900 | 99% |
| Rentals & Leases | | | | | | | | | | | | | |
| Rentals & Leases | - | - | 75 | - | - | - | - | 100 | - | - | 175 | - | N/A |
| Printing & Binding | | | | | | | | | | | | | |
| Printing & Binding | - | - | - | - | - | - | - | - | - | - | - | 200 | 0% |
| Web Site Development | | | | | | | | | | | | | |
| Web Site Development | - | - | - | - | - | 1,050 | 50 | 50 | - | - | 1,150 | 800 | 144% |
| Subscription & Memberships | | | | | | | | | | | | | |
| Subscription & Memberships | - | 175 | - | - | - | - | - | - | - | - | 175 | 175 | 100% |
| Legal Services | | | | | | | | | | | | | |
| Legal - General Counsel | - | 57 | - | - | 171 | - | - | 114 | - | - | 342 | 10,000 | 3% |
| Legal - Foreclosure Counsel | - | - | - | - | - | - | - | - | - | - | - | - | N/A |

Tern Bay Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through July 31, 2018

| Description | October | November | December | January | February | March | April | May | June | July | Year to Date | Total Annual Budget | % of Budget |
|--|---------|----------|----------|---------|----------|-------|-------|-------|-------|-------|--------------|---------------------|-------------|
| Legal - Trustee Counsel | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Legal - Ryan Golf Counsel | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| DRI NOPC | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Legal - TB LLC Counsel | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Comprehensive Planning Services | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Other General Government Services | | | | | | | | | | | | | |
| Engineering Services - General Fund | - | 1,575 | 1,125 | 1,050 | 1,125 | 975 | 975 | 2,175 | - | - | 9,000 | 10,000 | 90% |
| Engineering Services - Traffic | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| NOPC Fees | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Contingencies | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Other Public Safety | | | | | | | | | | | | | |
| Professional Services | | | | | | | | | | | | | |
| Charlotte County Sheriff's Patrol | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Wastewater Services | | | | | | | | | | | | | |
| Utility Services | | | | | | | | | | | | | |
| Electric Service | - | 573 | 115 | 107 | 137 | 123 | 113 | 115 | 126 | 79 | 1,487 | 2,000 | 74% |
| Stormwater Management System | | | | | | | | | | | | | |
| Repairs & Maintenance | | | | | | | | | | | | | |
| Lake Banks | - | - | 920 | - | - | 614 | 307 | - | - | - | 1,841 | 5,000 | 37% |
| Aquatic Weed Control | | | | | | | | | | | | | |
| Lake Spraying | - | - | - | - | - | - | - | - | - | - | - | 3,500 | 0% |
| Upland Monitoring & Maintenance | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Other Physical Environment | | | | | | | | | | | | | |
| Professional Services | | | | | | | | | | | | | |
| Field Manager Services | - | - | - | - | - | - | - | - | - | - | - | 12,000 | 0% |
| Contingencies | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Assessments -Charlotte County | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Road & Street Facilities | | | | | | | | | | | | | |
| Professional Services | (2,281) | 950 | 1,116 | 1,051 | 1,395 | 1,051 | 1,051 | 1,464 | - | - | 5,797 | - | N/A |
| Street Lights | | | | | | | | | | | | | |
| Electric Service | | | | | | | | | | | | | |
| Electric Service | - | 1,932 | 843 | 841 | 841 | 1,306 | 825 | 1,306 | 333 | 1,295 | 9,519 | 9,500 | 100% |
| Repairs & Maintenance | - | - | - | - | - | - | - | - | - | - | - | 15,000 | 0% |
| Economic Environment | | | | | | | | | | | | | |
| Landscaping Services | | | | | | | | | | | | | |
| Electric Service | - | 3,412 | 761 | 735 | 746 | 54 | 97 | 52 | 1,921 | 1,271 | 9,049 | 7,000 | 129% |

Tern Bay Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through July 31, 2018

| Description | October | November | December | January | February | March | April | May | June | July | Year to Date | Total Annual Budget | % of Budget |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------|-----------------------|-------------|
| Repairs & Maintenance | | | | | | | | | | | | | |
| Common Area Maintenance | - | 5,000 | 2,982 | 2,971 | 4,470 | 3,180 | 2,976 | 5,692 | - | - | 27,272 | 60,000 | 45% |
| Material Replacement | - | - | - | - | - | - | - | - | - | - | - | 25,000 | 0% |
| Mulch Installation | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Landscape Lighting | - | - | - | - | - | - | - | - | - | - | - | 500 | 0% |
| Pumps & Wells | | | | | | | | | | | | | |
| Routine Maintenance | - | 3,475 | - | - | - | - | - | - | - | - | 3,475 | 30,000 | 12% |
| Line Distribution System | | | | | | | | | | | | | |
| Routine Maintenance | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Total Expenditures and Other Uses: | \$ 13,129 | \$ 21,850 | \$ 13,029 | \$ 11,387 | \$ 13,468 | \$ 12,920 | \$ 10,971 | \$ 16,343 | \$ 2,417 | \$ 2,671 | 118,184 | \$ 272,325 | 43% |
| Net Increase/ (Decrease) in Fund Balance | (13,129) | (21,712) | (12,615) | (4,373) | (13,468) | (12,920) | (10,971) | (16,343) | (2,417) | (2,671) | (110,618) | - | |
| Fund Balance - Beginning | (4,665,403) | (4,678,532) | (4,700,244) | (4,712,859) | (4,717,232) | (4,730,700) | (4,743,620) | (4,754,591) | (4,770,934) | (4,773,351) | (4,665,403) | (4,665,403) | |
| Fund Balance - Ending | \$ (4,678,532) | \$ (4,700,244) | \$ (4,712,859) | \$ (4,717,232) | \$ (4,730,700) | \$ (4,743,620) | \$ (4,754,591) | \$ (4,770,934) | \$ (4,773,351) | \$ (4,776,021) | (4,776,021) | \$ (4,665,403) | |

Statement Notes:

1. A majority of the funds to pay on-going operations and maintenance expenses come from the Debt Service and Capital Projects Fund.

Tern Bay Community Development District
Debt Service Fund - Series 2005 Bonds
Statement of Revenues, Expenditures and Changes in Fund Balance
Through July 31, 2018

| Description | October | November | December | January | February | March | April | May | June | July | Year to Date | Total Annual Budget | % of Budget |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------|
| Revenue and Other Sources | | | | | | | | | | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Interest Income | | | | | | | | | | | | | |
| Reserve Account | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | N/A |
| Prepayment Account | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Revenue Account | 0 | 0 | 1 | 2 | 32 | 37 | 0 | 0 | 0 | 0 | 72 | - | N/A |
| Special Assessment Revenue | | | | | | | | | | | | | |
| Special Assessments - On-Roll | - | 1,316 | 3,947 | 66,893 | - | - | - | - | - | - | 72,156 | 86,442 | 83% |
| Special Assessments - Off-Roll | - | - | - | - | - | - | - | - | - | - | - | 2,169,964 | 0% |
| Operating Transfers In (From Other Funds) | - | - | - | - | - | - | - | - | - | 0 | 0 | - | N/A |
| Total Revenue and Other Sources: | \$ 0 | \$ 1,316 | \$ 3,948 | \$ 66,895 | \$ 32 | \$ 37 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 72,228 | \$ 2,256,406 | 3% |
| Expenditures and Other Uses | | | | | | | | | | | | | |
| Debt Service | | | | | | | | | | | | | |
| Principal Debt Service - Mandatory | | | | | | | | | | | | | |
| Series 2005 Bonds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 785,000 | 0% |
| Principal Debt Service - Early Redemptions | | | | | | | | | | | | | |
| Series 2005 Bonds | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Interest Expense | | | | | | | | | | | | | |
| Series 2005A Bonds | - | - | - | - | - | - | - | - | - | - | - | 1,471,406 | 0% |
| Series 2005B Bonds | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Operating Transfers Out (To Other Funds) | - | - | - | - | 73,363 | - | - | - | - | - | 73,363 | 93,959 | 78% |
| Total Expenditures and Other Uses: | \$0 | \$0 | \$0 | \$0 | \$73,363 | \$0 | \$0 | \$0 | \$0 | \$0 | \$73,363 | \$ 2,350,365 | 3% |
| Net Increase/ (Decrease) in Fund Balance | 0 | 1,316 | 3,948 | 66,895 | (73,331) | 37 | 0 | 0 | 0 | 0 | (1,134) | (93,959) | |
| Fund Balance - Beginning | (50,942,339) | (50,942,339) | (50,941,024) | (50,937,076) | (50,870,181) | (50,943,512) | (50,943,474) | (50,943,474) | (50,943,474) | (50,943,474) | (50,942,339) | (50,942,339) | |
| Fund Balance - Ending | \$ (50,942,339) | \$ (50,941,024) | \$ (50,937,076) | \$ (50,870,181) | \$ (50,943,512) | \$ (50,943,474) | \$ (50,943,474) | \$ (50,943,474) | \$ (50,943,474) | \$ (50,943,474) | \$ (50,943,474) | \$ (51,036,298) | |

Statement Notes:

1. Bonds in Default since end of capitalized interest period.
2. Bondholder's have directed Trustee to transfer funds received from on-roll assessments to pay on-going operating and maintenance expenses.
3. Operating Transfers Out are funds transferred directly to the Capital Projects Fund to pay on-going operating and maintenance expenses.
3. Off-Roll Assessments were billed on or before November 15, 2014, however, the District does not expect those property owner's to pay these assessments.

**Tern Bay Community Development District
Capital Projects Fund - Series 2005 Bonds
Statement of Revenues, Expenditures and Changes in Fund Balance
Through July 31, 2018**

| Description | October | November | December | January | February | March | April | May | June | July | Year to Date | Total Annual Budget | % of Budget |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue and Other Sources | | | | | | | | | | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Interest Income | | | | | | | | | | | | | |
| Construction Account | - | - | - | - | - | - | - | - | - | - | - | 125 | 0% |
| Working Capital Account | 111 | 89 | 58 | 50 | 38 | 36 | 62 | 41 | 7 | 0 | 491 | - | N/A |
| Miscellaneous Revenue | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | 169,178 | N/A |
| Operating Transfers In (From Other Funds) | - | - | - | - | 73,363 | - | - | - | - | - | 73,363 | 93,959 | 78% |
| Total Revenue and Other Sources: | \$ 111 | \$ 89 | \$ 58 | \$ 50 | \$ 73,401 | \$ 36 | \$ 62 | \$ 41 | \$ 7 | \$ 0 | \$ 73,854 | \$ 263,262 | N/A |
| Expenditures and Other Uses | | | | | | | | | | | | | |
| Executive | | | | | | | | | | | | | |
| Professional Management | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Other Contractual Services | | | | | | | | | | | | | |
| Trustee Services | - | - | - | - | 6,250 | - | - | - | - | - | 6,250 | - | N/A |
| Dissemination Agent Services | - | - | - | - | - | 20,000 | - | - | - | - | 20,000 | - | N/A |
| Insurance | | | | | | | | | | | | | |
| | 3,612 | - | - | - | - | - | - | - | - | - | 3,612 | - | N/A |
| Legal Services | | | | | | | | | | | | | |
| Legal - General Counsel | - | 6,155 | 6,173 | 1,228 | 849 | 2,465 | 12,160 | - | - | - | 29,030 | - | N/A |
| Legal - Foreclosure Counsel | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Comprehensive Planning Services | | | | | | | | | | | | | |
| DRI/Development Order | 20,000 | 10,000 | - | 20,000 | - | - | 10,061 | - | - | - | 60,061 | - | N/A |
| Other General Governmental Services | | | | | | | | | | | | | |
| Ad Valorem Tax Paid | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Capital Outlay | | | | | | | | | | | | | |
| Construction in Progress | | | | | | | | | | | | | |
| Engineering Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Legal Services | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Construction In Progress | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Operating Transfers Out (To Other Funds) | - | - | - | - | - | - | - | - | - | - | - | 263,262 | N/A |
| Total Expenditures and Other Uses: | \$ 23,612 | \$ 16,155 | \$ 6,173 | \$ 21,228 | \$ 7,099 | \$ 22,465 | \$ 22,221 | \$ - | \$ - | \$ - | \$ 118,953 | \$ 263,262 | N/A |
| Net Increase/ (Decrease) in Fund Balance | | | | | | | | | | | | | |
| | (23,501) | (16,067) | (6,115) | (21,178) | 66,302 | (22,429) | (22,159) | 41 | 7 | 0 | (45,099) | - | |
| Fund Balance - Beginning | 3,278,824 | 3,255,323 | 3,239,256 | 3,233,141 | 3,211,963 | 3,278,265 | 3,255,836 | 3,233,677 | 3,233,718 | 3,233,725 | 3,278,824 | 3,233,725 | |
| Fund Balance - Ending | \$ 3,255,323 | \$ 3,239,256 | \$ 3,233,141 | \$ 3,211,963 | \$ 3,278,265 | \$ 3,255,836 | \$ 3,233,677 | \$ 3,233,718 | \$ 3,233,725 | \$ 3,233,725 | \$ 3,233,725 | \$ 3,233,725 | \$ 3,233,725 |

Statement Notes:

- Operating Transfers In are funds transferred directly from the Debt Service Fund to pay on-going operating and maintenance expenses.
- Fund Balance includes significant amounts due from the General Fund which have been used to pay on-going operating and maintenance expenses since the Series 2005 Bonds have gone into default. It is unknown if these funds will be re-paid.