

INDIGO COMMUNITY
DEVELOPMENT DISTRICT

MAY 22, 2019

AGENDA PACKAGE

Indigo

Community Development District

475 West Town Place, Suite 114, St. Augustine, Florida 32092

Phone: 904-940-5850 - Fax: 904-940-5899

May 16, 2019

Board of Supervisors
Indigo Community
Development District

Dear Board Members:

The regular meeting of the Indigo Community Development District will be held Wednesday, May 22, 2019 at 1:00 p.m. at the Holiday Inn Daytona Beach LPGA Blvd., Boardroom, 137 Automall Circle, Daytona Beach, Florida 32124. Following is the advance agenda for the meeting:

Audit Committee Meeting

- I. Roll Call
- II. Approval of Auditor Evaluation Criteria
- III. Other Business
- IV. Adjournment

Board of Supervisors Meeting

- I. Roll Call
- II. Audience Comments (Limited to 3 minutes per person)
- III. Approval of Minutes of the March 27, 2019 Meeting
- IV. Acceptance of the Audit Committee's Recommendation and Authorization for Staff to Issue an RFP for Audit Services
- V. Acceptance of the Draft Fiscal Year 2018 Audit Report
- VI. Consideration of Resolution 2019-02, Approving the Proposed Budget for Fiscal Year 2020 and Setting a Public Hearing Date for Adoption
- VII. Staff Reports
 - A. District Counsel
 - B. District Engineer
 - C. District Manager – Report on the Number of Registered Voters (1,776)
 - D. Field Operations Manager
- VIII. Supervisors' Request and Audience Comments (Limited to 3 minutes per person)
- IX. Approval of Check Register
- X. Financial Statements as of April 30, 2019
- XI. Next Scheduled Meeting – June 26, 2019 at 1:00 p.m. at the Holiday Inn LPGA
- XII. Adjournment

Enclosed under the third order of business is a copy of the minutes of the March 27, 2019 meeting for your review and approval.

Enclosed under the fourth order of business is a copy of the proposed auditor selection evaluation criteria.

The fifth order of business is acceptance of the draft fiscal year 2018 audit report. A copy of the report is enclosed of your review.

The sixth order of business is consideration of resolution 2019-02, approving the proposed budget for fiscal year 2020 and setting a public hearing date for adoption. A copy of the resolution is enclosed for your review and approval, however the budget will be provided under separate cover.

Enclosed are the check register and financial statements.

The balance of the agenda is routine in nature and staff will give their reports at the meeting. In the meantime if you have any questions, please contact me.

Sincerely,

James Perry

James A. Perry
District Manager

AGENDA

Indigo Community Development District Agenda

Wednesday
May 22, 2019
1:00 p.m.

Holiday Inn Daytona Beach LPGA Blvd.
137 Automall Circle
Daytona Beach, Florida 32124
Call In # 1-800-264-8432 Code 752807
www.indigocdd.com

Audit Committee Meeting

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MINUTES

INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, March 27, 2019 at 1:00 p.m. in the Holiday Inn Daytona Beach LPGA Boulevard, 137 Automall Circle, Daytona Beach, Florida.

Present and constituting a quorum were:

Thomas G. Leek	Chairman
Robert E. Welsh	Vice Chairman
John McCarthy	Assistant Secretary
Donald Parks	Assistant Secretary
Mark McCommon	Assistant secretary

Also Present were:

James Perry	District Manager
Katie Buchanan	District Counsel
Kurt von der Osten	Field Operations Manager
Jamie Rountree	Team Rountree

FIRST ORDER OF BUSINESS

Roll Call

Mr. Perry called the meeting to order at 1:00 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the December 12, 2018 Meeting

On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor the minutes of the December 12, 2018 meeting were approved as presented.
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FOURTH ORDER OF BUSINESS

Selection of Audit Committee

Mr. Perry stated the financials are audited every year and our contract with the current auditor expires with fiscal year 2018. For fiscal year 2019, which we are in right now and ends

September 30, we have to select a new audit firm or retain the current one. Today we are asking the board to consider appointing the whole board to be the audit committee. At our next meeting we will have an audit committee meeting, where you will decide what the criteria is and most of that is determined by statute. We will then ask that you authorize staff to move forward with solicitation of proposals and the following meeting you will evaluate the proposals and select an audit firm.

On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor the board members were appointed to serve as the audit committee.

FIFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Buchanan stated since the last meeting we were contacted by counsel for the trustee and they have requested that the district move forward with foreclosing the delinquent parcels. By way of background you will recall that in 2014 we reallocated our special assessments and had a hearing; after that hearing we immediately invoiced the landowners that had been previously delinquent and the statute of limitations for us to collect that debt is coming soon. I reminded the trustee of that and they have spoken with the bondholders and have made the request that we start to foreclose.

Mr. McCommon asked which parcels is that related to?

Mr. Perry stated the various parcels are undeveloped lands. Once we went through that process we also recorded on those individual parcels the notice that we sent explaining that they were delinquent and the reason I want to mention that is some of those parcels have changed ownership since that time, but the people who acquired those undeveloped parcels when they did their title work should have been aware of that issue.

Mr. McCommon asked what is the status of the buyer for SW30 and 32?

Ms. Buchanan stated that deal closed.

Mr. McCommon asked are we current on that?

Mr. Perry responded yes, per the agreement.

Mr. McCommon asked when did that close?

Ms. Buchanan stated it closed shortly after the board meeting and none of the substantial terms changed, everything was as was presented to you.

Mr. Welsh asked is NW 21 on the list?

Ms. Buchanan stated no, it is not on the list that would be foreclosed. They are parcels that were owned by GC Land or HWC GC Investment Land, which was an affiliate of GC Land. Those were the only two owners initially, however, as Jim mentioned some of those have changed hands, whether it be tax certificate sales or what have you and now it is G.C. Land, EBT Properties, Ina Group, a couple of individuals and a large number still owned by HWC GC Investments.

Mr. McCarthy asked what is the total acreage?

Ms. Buchanan stated it might be easier to give you the total outstanding amount of money. When you are looking at the total accelerated balance of the 1999C balance it is about \$820,000 additionally, you were looking at some lots that had the 2005 balance, which is \$1.95 million. That is the principal amount and there is delinquent interest and penalties that would accrue on that as well. When you count interest, penalties and acceleration you get close to \$10 million.

Mr. McCommon stated help me understand why the bondholders would not do the foreclosure since they have the debt.

Mr. Perry stated the district has the debt.

Ms. Buchanan stated it is technically default of payment of the special assessments. That is the reason they have asked us to pursue it. I have requested confirmation that they are going to pay the expenses of the foreclosure out of the trust estate and I assume when we ask for a motion to authorize this foreclosure, your approval will be conditioned on that.

Mr. Parks asked how long is that process?

Ms. Buchanan responded it really depends on the court calendar. You can have the complaint prepared in this particular instance because we have nine parties my thought is to do just one complaint for the nine parties because you will have various parties with different tracts, it is hard to say. My guess is it would take a while to untangle it. The reality is that longer may be better. They are doing this because of the statute of limitations, they would like to see more properties work out like the American property did and the Cardinal property did but clearly, they want to preserve their rights.

Mr. Perry stated this is also a way to force those parties to potentially do a workout.

Mr. McCommon asked what is the next step for the CDD on 30 and 32? Whatever development they are doing has to be approved.

Mr. Perry stated the development will be approved by the city; it doesn't get approved by this board.

Ms. Buchanan stated the next real step for the CDD once they have their development approvals is comparing that to the number of units that we anticipated and seeing whether a true-up is due.

Mr. McCommon asked would you anticipate any cost to the CDD for these foreclosures? Even if the bondholders were agreeable, would they pay all the expenses or would there be expenses we would bear in this process?

Ms. Buchanan stated the way my office would work it is we would set up a separate billing matter and everything that relates to the foreclosure would be put on that separate matter. It would be isolated, and I expect that it would all be paid. The foreclosure process itself, six to nine months is reasonable, and I expect this might take longer just because it is kind of messy.

Mr. McCommon stated before we start you are going to need to get their agreement to pay the expenses.

Ms. Buchanan stated right, what we did initially because we have some timing issues is, we ordered the title work as to which entities or owners we would need to include in the complaint, and they agreed to cover the cost of that title work. We had an interim agreement but now that we have had this meeting and the title work came back last week, it would be the start of the real charges.

On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor staff was authorized to proceed with foreclosure of delinquent parcels subject to the bondholder paying the expense of the foreclosure.

Mr. McCommon stated I don't know that anything will happen between now and our next meeting, but I would like to understand what steps are being taken between meetings.

Ms. Buchanan stated the next step now that we have the title work is to prepare a foreclosure compliant, identifying all parties; we would then serve that on the parties and file a

notice of lis pendens so that any potential purchaser of the property understands and knows that this property is subject to litigation. Once the foreclosure complaint is filed, they have 20 days to file an answer whether they agree or disagree with the conclusions that I make in the complaint and then at that point there is discovery. Because there are so many parties, I expect that they will take off on different paths, but I would like to start it with one because that is the cleanest and easiest. I don't think the bondholders are going to mind if this takes a while because they want to give every opportunity to work this out.

B. Engineer

There being none, the next item followed.

C. Manager

Mr. Perry stated there was one parcel they are looking at rezoning, the 300 acres and rezoning is going to a mixed-use residential, potential office, retail. The owner of the parcel is requesting this and there is a hearing in regard to that and it is a zoning matter before the city, this board doesn't have any power over zoning matters. If you want to attend those personally, that is fine, but it is not a district matter. The one thing I will say is I would expect what they will do with that parcel once they start to develop it and get it site planned and or plats approved I expect they will probably pay off the debt on that and make it cleaner and if not we are going to have to reallocate the debt. If they adjust the units, we will have to adjust our O&M also.

Mr. Leek joined the meeting at this time.

D. Field Operational Manager

Mr. von der Osten stated the issue generating the most questions is the construction at Champions and LPGA and the contractor did reach out to us before he started construction a month ago. It is basically all the infrastructure for the traffic signals going in there. This contractor is also developing the Publix Shopping Center across the street that is going to be one of the main entrances to that shopping center across from Champions. It will be a four-way intersection and the driveway across will be a multiple lane entrance to the shopping center across from our entrance there. That will be a fully functional traffic signal with turn lanes from both directions on LPGA. What they are doing now is directional bores underneath the road. Once you look at the plat you realize that right of way for LPGA Boulevard comes back almost to our fountains, probably 10 – 15 feet in front of the fountains so it looks like they are on our property but in reality it is county right of way and you also have the city right of way coming in

and they might be treading a little bit on our property but they have agreed to all restoration of any damaged plant material and sidewalks and I recommended that they discuss any of the plant material, landscaping and irrigation issues with Team Rountree since he knows the system. They agreed to that and they have worked it out with Jamie on when they will be ready to go in and replace sod, plants, and sidewalk, that type of thing.

Mr. McCommon stated you mentioned turn lanes and that means the road is going to be widened.

Mr. von der Osten stated I don't know just how far into the right of way the pavement expands, but I will find out.

Mr. McCommon stated we have a turn lane now. Will they redo that for us or will there no longer be a turn lane?

Mr. von der Osten stated there is a turn lane coming in from both directions on LPGA. Right now the schedule for the traffic signal is flashing in May and fully operational in July.

Mr. Leek asked when will they be done with that?

Mr. Rountree stated in about two months I should be able to go in and start restoration. Today they are doing chlorination of the line installed on the west side and once that is done and everything is buried for the last time I can go in and do my irrigation check, do my final grade and sod. On the east side where they are going to widen that there is no reason to do anything there because they are done, and they will come in and set the light poles. If we go in and start redoing things other than just sod, which is the cheap part they are just going to tear it up again. We can have it look halfway decent in the meantime. Once he pours the sidewalk on the west side, we will grade it and sod it. I expect that to be in the next couple of weeks.

Mr. von der Osten stated we are looking at the interchange because there was a lot of damage to our irrigation system out there from traffic, lighting project and whatnot and they have been much more difficult to get in contact with. We can have it repaired, we can take care of it almost immediately for the broken valves, we are going to repair those at the same time we are talking to them and see if we get anywhere with that.

Mr. McCarthy asked why don't we wait until everything is done?

Mr. von der Osten stated if they are still in the area with heavy equipment, we are not going to do the repairs.

A little thing coming down the road, we are not proposing anything right now, but the palm trees as you come in the same entrance where the construction is on Champions are getting so tall we can't reach the top of them with any lifts that we have. Sometime down the road those are probably going to have to be removed or just left and see what happens, but they are so tall we can't get any equipment in there to trim them. We might want to look at a sizeable landscape improvement down the road.

Just an FYI when we were discussing parks and playgrounds Rennar chose to try to attempt to amend their documents. Last week that vote failed to be approved. Right now, that is on hold.

SIXTH ORDER OF BUSINESS**Supervisors Requests and Audience Comments**

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS**Approval of Check Register**

On MOTION by Mr. Parks seconded by Mr. Leek with all in favor the check registers were approved.

EIGHTH ORDER OF BUSINESS**Financial Statements as of February 28, 2019**

A copy of the financials was included in the agenda package.

NINTH ORDER OF BUSINESS**Other Business**

Mr. Leek stated I have the certificates of the election for John McCarthy, Mark McCommon and Robert Welsh.

TENTH ORDER OF BUSINESS**Next Scheduled Meeting – May 22, 2019 at 1:00 p.m. @ Holiday Inn**

Mr. Perry stated the next scheduled meeting is May 22, 2019 at 1:00 p.m. in the same location.

On MOTION by Mr. Welsh seconded by Mr. Leek with all in favor the meeting adjourned at 1:37 p.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman

FOURTH ORDER OF BUSINESS

INDIGO CDD AUDITOR SELECTION EVALUATION CRITERIA

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

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

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

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

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

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

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

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

5. *Price.* (20 Points)

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

FIFTH ORDER OF BUSINESS

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

DRAFT

**INDIGO COMMUNITY DEVELOPMENT DISTRICT
VOLUSIA COUNTY, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Indigo Community Development District, Volusia County, Florida ("District") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

The District was unable to provide sufficient competent evidential matter for certain expenditures incurred by the Debt Service fund. The financial information of the Debt Service fund is part of the governmental activities and is considered a major fund.

Opinions

In addition, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the District been able to provide sufficient competent evidential matter for the selected expenditures paid for by the Trustee from the debt service fund, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District, as of September 30, 2018, and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 6 and other notes to the basic financial statements, the debt service fund had a deficit fund balance of (\$1,431,390) at September 30, 2018. Major landowners within the District failed to pay their share of the current and prior fiscal year assessments. As a result, the District did not have sufficient funds to make certain scheduled debt service payments and, as a result, the payments were not made. The District's failures to make its scheduled debt service payments when they are due are considered events of default. The District is economically dependent on its major Landowners. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated XXXX, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

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

XXXX, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the fiscal year ended September 30, 2018 resulting in a (deficit) net position balance of (\$6,729,484).
- The change in the District's total net position in comparison with the prior fiscal year was \$2,461,030, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2018, the District's governmental funds reported combined ending fund balances of \$1,756,666, an increase of \$2,036,655 in comparison with the prior fiscal year. The total fund balance is non-spendable for prepaid items, restricted for capital projects, unassigned, deficit debt service fund balance, assigned for subsequent year's expenditures and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

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

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

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

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

NET POSITION SEPTEMBER 30,		
	2018	2017
Current and other assets	\$ 6,786,579	\$ 5,076,710
Capital assets, net of depreciation	4,144,239	4,417,843
Total assets	10,930,818	9,494,553
Current liabilities	5,366,439	5,650,987
Long-term liabilities	12,293,863	13,034,080
Total liabilities	17,660,302	18,685,067
Net position		
Net investment in capital assets	(8,149,624)	(8,616,237)
Restricted	147,677	147,339
Unrestricted	1,272,463	(721,616)
Total net position	\$ (6,729,484)	\$ (9,190,514)

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

The District's net position increased during the most recent fiscal year. The increase was due to the settlement agreement with a major landowner.

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

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2018	2017
Revenues:		
Program revenues		
Charges for services	\$ 4,738,769	\$ 2,225,998
Operating grants and contributions	19,709	13,569
Capital grants and contributions	338	226
General revenues		
Unrestricted investment earnings	6,022	3,177
Total revenues	4,764,838	2,242,970
Expenses:		
General government	235,614	202,209
Maintenance and operations	1,193,396	1,153,224
Interest on long-term debt	874,798	915,905
Total expenses	2,303,808	2,271,338
Change in net position	2,461,030	(28,368)
Net position - beginning	(9,190,514)	(9,162,146)
Net position - ending	\$ (6,729,484)	\$ (9,190,514)

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2018 was \$2,303,808. The costs of the District's activities were primarily funded by program revenues. Program revenues, comprised primarily of assessments, increased from the prior fiscal year primarily as a result of collecting a large portion of delinquent assessments during the current fiscal year. Expenditures increased as a result of increased maintenance costs incurred in the current fiscal year.

GENERAL BUDGETING HIGHLIGHTS

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2018, the District had \$7,622,700 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$3,478,461 has been taken, which resulted in a net book value of \$4,144,239. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2018, the District had \$13,295,000 in Bonds outstanding. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

As discussed in the notes to the basic financial statements, the debt service fund had a deficit fund balance of (\$1,431,390) at September 30, 2018. Major landowners within the District failed to pay their share of the current and prior fiscal year assessments. As a result, the District did not have sufficient funds to make certain scheduled debt service payments and, as a result, the payments were not made. The District's failures to make its scheduled debt service payments when they are due are considered events of default. The District continues to work with the Trustee, the Bondholders, and the delinquent property owners for the collection of debt service assessments. Due to the cost and other issues surrounding the foreclosure of the delinquent properties, the District continues to take direction from the Trustee and Bondholders. The foreclosure process has been placed on hold.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Indigo Community Development District's Finance Department at 9145 Narcoossee Road, Suite A206, Orlando, Florida 32827.

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

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 330,187
Investments	2,756,944
Due from other	
Accounts receivable	
Assessments receivable	8,375
Prepaid items	18,887
Restricted assets:	
Investments	3,672,186
Capital assets:	
Nondepreciable	2,507,717
Depreciable, net	1,636,522
Total assets	<u>10,930,818</u>
LIABILITIES	
Accounts payable	74,014
Accrued interest payable	336,526
Due to Bondholders:	
Interest	4,030,899
Principal	925,000
Non-current liabilities:	
Due within one year*	495,000
Due in more than one year	11,798,863
Total liabilities	<u>17,660,302</u>
NET POSITION	
Net investment in capital assets	(8,149,624)
Restricted for capital projects	147,677
Unrestricted	1,272,463
Total net position	<u>\$ (6,729,484)</u>

* The missed debt service payments due for the Series 1999C and 2005 Bonds are reflected in the due to Bondholders account.

See notes to the financial statements

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

<u>Functions/Programs</u>	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 235,614	\$ 235,614	\$ -	\$ -	\$ -
Maintenance and operations	1,193,396	1,195,776	2,025	338	4,743
Interest on long-term debt	874,798	3,307,379	17,684	-	2,450,265
Total governmental activities	<u>2,303,808</u>	<u>4,738,769</u>	<u>19,709</u>	<u>338</u>	<u>2,455,008</u>
General revenues:					
Unrestricted investment earnings					<u>6,022</u>
Total general revenues					<u>6,022</u>
Change in net position					<u>2,461,030</u>
Net position - beginning					<u>(9,190,514)</u>
Net position - ending					<u>\$ (6,729,484)</u>

See notes to the financial statements

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

	Major Funds			Total
	General	Debt Service	Capital Projects	Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 330,187	\$ -	\$ -	\$ 330,187
Investments	2,756,944	3,524,509	147,677	6,429,130
Assessments receivable	8,375	-	-	8,375
Prepaid items	18,887	-	-	18,887
Total assets	<u>\$ 3,114,393</u>	<u>\$ 3,524,509</u>	<u>\$ 147,677</u>	<u>\$ 6,786,579</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 74,014	\$ -	\$ -	\$ 74,014
Due to Bondholders	-	4,955,899	-	4,955,899
Total liabilities	<u>74,014</u>	<u>4,955,899</u>	<u>-</u>	<u>5,029,913</u>
Fund balances:				
Nonspendable:				
Prepaid items	18,887	-	-	18,887
Restricted for:				
Capital projects	-	-	147,677	147,677
Assigned for:				
Subsequent year's expenditures	300,000	-	-	300,000
Unassigned	2,721,492	(1,431,390)	-	1,290,102
Total fund balances	<u>3,040,379</u>	<u>(1,431,390)</u>	<u>147,677</u>	<u>1,756,666</u>
Total liabilities and fund balances	<u>\$ 3,114,393</u>	<u>\$ 3,524,509</u>	<u>\$ 147,677</u>	<u>\$ 6,786,579</u>

See notes to the financial statements

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

Total fund balance - governmental funds \$ 1,756,666

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

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

Cost of capital assets	7,622,700	
Accumulated depreciation	<u>(3,478,461)</u>	4,144,239

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

Accrued interest payable	(336,526)	
Bonds payable *	<u>(12,293,863)</u>	<u>(12,630,389)</u>
Net position of governmental activities		<u>\$ (6,729,484)</u>

* The missed debt service payments due for the Series 1999C and 2005 Bonds are reflected in the due to Bondholders account.

See notes to the financial statements

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

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
REVENUES				
Assessments	\$ 1,515,618	\$ 3,307,379	\$ -	\$ 4,822,997
Miscellaneous income	2,025	-	-	2,025
Interest	6,022	17,684	338	24,044
Total revenues	1,523,665	3,325,063	338	4,849,066
EXPENDITURES				
Current:				
General government	164,295	71,319	-	235,614
Maintenance	919,792	-	-	919,792
Debt service:				
Principal	-	745,000	-	745,000
Interest	-	912,005	-	912,005
Total expenditures	1,084,087	1,728,324	-	2,812,411
Excess (deficiency) of revenues over (under) expenditures	439,578	1,596,739	338	2,036,655
Fund balances - beginning	2,600,801	(3,028,129)	147,339	(279,989)
Fund balances - ending	\$ 3,040,379	\$ (1,431,390)	\$ 147,677	\$ 1,756,666

See notes to the financial statements

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

Net change in fund balances - total governmental funds	\$ 2,036,655
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(273,604)
Certain revenues were unavailable for the governmental fund financial statements in the prior fiscal year. In the current fiscal year, these revenues were recorded in the governmental fund financial statements.	(84,228)
Expenditures related to debt service payments must be recognized in governmental funds in the period in which they become due, therefore amounts not paid were recorded as a liability in the fund financial statements. The liability has already been recorded on the statement of net position.	745,000
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities, but not in the governmental fund financial statements.	41,990
Amortization of Bond discounts/premiums is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(4,783)
Change in net position of governmental activities	<u>\$ 2,461,030</u>

See notes to the financial statements

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

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Indigo Community Development District ("District") was created January 3, 1995 by Rule 42U-1.001 - 1.003, Florida Administrative Code of the Florida Land and Water Adjudicatory Commission, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue Bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors were elected by residents registered to vote within the District through the general election process. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the responsibility for, among other responsibilities:

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Assessments

Assessments are non-ad valorem assessments on benefited property within the District. Operating and maintenance assessments are based upon the adopted budget and levied annually at a public hearing of the District. Debt service assessments are levied when Bonds are issued and collected on an annual basis. The District may collect assessments directly or utilize the uniform method of collection under Florida Statutes. Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by the County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the debt service assessments on their property subject to various provisions in the Bond documents.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

General Fund

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

Debt Service 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.

Capital Projects Fund

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity

Restricted Assets

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

Deposits and Investments

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

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

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

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

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

Prepaid Items

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

Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Entry feature and other improvements	10-20
Infrastructure	10-30

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

Unearned Revenue

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

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

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 ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

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

Deferred Outflows/Inflows of Resources

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

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

Fund Equity/Net Position

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

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

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Disclosures

Use of Estimates

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

NOTE 3 – BUDGETARY INFORMATION

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

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

Investments

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

	Amortized Cost	Credit Risk	Maturities
Fidelity Government Portfolio Class III	\$ 3,397,439	N/A	N/A
US Bank Money Market Fund	3,031,691	N/A	N/A
	<u>\$ 6,429,130</u>		

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

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

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

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

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NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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

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

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

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 2,507,717	\$ -	\$ -	\$ 2,507,717
Total capital assets, not being depreciated	2,507,717	-	-	2,507,717
Capital assets, being depreciated				
Entrance and other improvements	1,872,969	-	-	1,872,969
Infrastructure	3,242,014	-	-	3,242,014
Total capital assets, being depreciated	5,114,983	-	-	5,114,983
Less accumulated depreciation for:				
Entrance and other improvements	1,225,196	151,594	-	1,376,790
Infrastructure	1,979,661	122,010	-	2,101,671
Total accumulated depreciation	3,204,857	273,604	-	3,478,461
Total capital assets, being depreciated, net	1,910,126	(273,604)	-	1,636,522
Governmental activities capital assets, net	\$ 4,417,843	\$ (273,604)	\$ -	\$ 4,144,239

The District is bifurcated into two distinct development areas known as the North Assessment Area and the South Assessment Area. The District's Series 1999C funded all of the Community Wide Capital Improvements situated in the North Assessment Area and a portion of the Community Wide Capital Improvements situated in the South Assessment Area. The remaining costs of the Community Wide Capital Improvements for the South Assessment Areas have been estimated at \$35 million. A portion of the costs was to be funded with the proceeds from the Series 2005 Bonds (the "2005 Project") and the remaining costs were to be funded with proceeds from a future bond issuance and by the Developer.

NOTE 5 – CAPITAL ASSETS (Continued)

The 2005 Project was originally estimated at \$12 million and included roadway, utility, and landscape projects located in the South Assessment Area. However, due to economic reasons, the scope of the project was revised and improvements costing a total of \$6,306,958 were declared completed (“2005 Completed Project”) in a prior fiscal year. Also in a prior fiscal year, the series 1999C Project was declared completed. The Series 1999C project was also revised and the total cost of the improvements completed under the Series 1999C Project (“1999C Completed Project”) was approximately \$7,183,238. The Engineer certified that the Series 1999C and 2005 Completed Projects will be capable of performing the functions for which they were intended. Due to the default of the series 1999C and 2005 Special Assessments by the Developer and subsequent landowners, the overall timeline for the plan of development has changed and it has been determined that it is economically infeasible to continue expanding the public infrastructure at the present time.

Also in a prior fiscal year, subsequent to the declaration of completion of the 1999C and 2005 projects, \$6,800,000 of excess fund remaining in the Construction Accounts were used to pay down the outstanding principal on Series 2005 Bonds.

Depreciation expense was charged to the maintenance and operations function.

NOTE 6 – LONG-TERM LIABILITIES

At September 30, 2018, the District had Bond issues as follows:

Series	Issue Date	Original Face Amount	Interest Rate	Maturity
Capital Improvement Bonds:				
Series 1999A	December 20, 1999	\$ 980,000	7.00%	May 1, 2031
Series 1999C	December 20, 1999	8,515,000	7.00%	May 1, 2030
Series 2005	February 1, 2005	14,710,000	5.75%	May 1, 2036

The Capital Improvement Bonds, Series 1999A, 1999C and 2005A were issued to finance the acquisition and construction of certain improvements for the benefit of the District.

Interest is to be paid semiannually for each Bond series on each May 1 and November 1. Principal is to be paid serially for each Bond series on each May 1.

The Series 1999A, 1999C, and 2005 Bonds are subject to redemption at the option of the District prior to maturity. Each Bond Series is subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indentures established debt service reserve requirements as well as other 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 agreed at the time of issuance to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements and has agreed to collect the same. The Series 1999A debt service reserve requirements were met at September 30, 2018. However, the Series 1999C and 2005 debt service reserve requirements were not met at September 30, 2018.

During the prior and current fiscal years, there were significant delinquent assessments, and, as a result, certain scheduled debt service payments due on the Series 1999C and 2005 during prior fiscal years were made, in part, by draws on the respective debt service reserve account. Also, default related expenses were paid from funds in the debt service reserve accounts. As a result of these payments, there are deficits of approximately \$644,000 and \$356,000 in the Series 1999C and Series 2005 debt service reserve accounts, respectively. Furthermore, certain scheduled debt service payments due on the Series 1999C and 2005 were not made, resulting in events of default. The amounts due have been reported in the financial statements as Due to Bondholders and reflects unpaid principals of \$925,000 for the Series 1999C and unpaid interests of \$1,219,260 and \$2,811,639 for the Series 1999C and 2005, respectively.

NOTE 6 – LONG-TERM LIABILITIES (Continued)

During the prior fiscal year, the District made principal and interest payments of \$65,000 and \$490,769, respectively for past due amounts on the Series 1999C Bonds. During the current fiscal year the District made interest payments of \$647,221 and \$333,181 for the Series 1999C and 2005, respectively. In addition, the District made a principal payment of \$875,000 during the current fiscal year for the Series 2005 Bonds.

Long-term Debt Activity

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 1999 A	\$ 695,000	\$ -	\$ 30,000	\$ 665,000	\$ 35,000
Series 1999 C	6,660,000	-	-	6,660,000	1,215,000 *
Series 2005	6,845,000	-	875,000	5,970,000	170,000 *
Original issue discount	80,920	-	4,783	76,137	-
Total	<u>\$ 14,119,080</u>	<u>\$ -</u>	<u>\$ 900,217</u>	<u>\$ 13,218,863</u>	<u>\$ 1,420,000</u>

* Includes the missed debt service payments due for the Series 1999C and 2005 Bonds which were not paid.

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

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2019	\$ 1,420,000 *	\$ 5,082,058 *	\$ 6,502,058
2020	525,000	2,659,644	3,184,644
2021	565,000	697,588	1,262,588
2022	600,000	662,163	1,262,163
2023	645,000	624,413	1,269,413
2024-2028	3,920,000	2,457,100	6,377,100
2029-2033	3,585,000	1,155,788	4,740,788
2034-2036	2,035,000	329,188	2,364,188
Total	<u>\$ 13,295,000</u>	<u>\$ 13,667,942</u>	<u>\$ 26,962,942</u>

* Includes the missed debt service payments due for the Series 1999C and 2005 Bonds which were not paid.

NOTE 7 – ASSESSMENTS

Agreement between the District and GC Land LLC

During a prior fiscal year, the District entered into an agreement with GC Land LLC ("GC Land"), a landowner, regarding the payment of past due O&M on parcels identified as NW-21 and SW-28 that were previously direct-billed in fiscal years 2010 and 2011. According to the Agreement, past due O&M assessments on NW-21 and SW-28 were \$117,680 and \$46,931, respectively. The amount due on NW-21 is net of a \$35,000 payment that was made prior to the execution of the agreement. Pursuant to the Agreement, GC Land agreed to make monthly payments of \$3,000 toward NW-21 beginning July 31, 2015 until the earlier of the payment of \$25,000 or the sale of the NW-21. If the \$25,000 is paid before the closing of NW-21, the remaining \$92,680 balance (the "Deferred Amount") will be deferred until the closing and sale of SW-28. If SW-28 is not sold by April 30, 2016, GC Land will recommence paying the monthly installment payments to reduce the Deferred Amount. GC Land also agreed to pay any remaining balance of the Deferred Amount plus any current and future unpaid O&M related to SW-28 upon the closing of SW-28. The District has utilized the uniform method to collect O&M assessments for NW-21 and SW-28 since 2012. Also pursuant to the agreement, the District, with the consent of the Bondholders, agreed to waive all late fees, penalties, and interest related to the past due O&M and debt service assessments on the parcels.

In accordance with the agreement and in addition to the \$35,000 payment mentioned above, GC Land paid to the District a total of \$63,000 during prior fiscal years and \$XXXX during the current fiscal year. As of September 30, 2018, the District is owed \$XXXX pursuant to the agreement. As of the report date, SW-28 was sold via tax deed sale and is no longer owned by GC Land.

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NOTE 7 – ASSESSMENTS (Continued)

Settlement Agreement with Cardinal Servicing Company, LLC

During the current fiscal year, the District entered into a settlement agreement with a new Landowner, Cardinal Servicing Company, LLC (“Cardinal”) whereby Cardinal would pay the District for a portion of the past due assessments on the lots owned and make the delinquent assessments on such lots current. Pursuant to the agreement, the District collected delinquent assessments for the general and 1999C and 2005 debt service funds in the amounts of \$411,175, \$1,560,963, and \$1,268,988, respectively.

NOTE 8 – CONCENTRATION

A significant portion of the District’s activity is dependent upon the continued involvement of the major landowners. As such, the nonpayment of assessments by some of the major landowners in the prior, current, and subsequent fiscal years has resulted in the deterioration of the District’s financial conditions.

NOTE 9 – MANAGEMENT AGREEMENTS

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

NOTE 10 – RISK MANAGEMENT

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

NOTE 11 – LITIGATION

In a prior fiscal year, the Board of Supervisors of the District authorized the foreclosure of certain parcels currently owned by GC Land, LLC, HW CGC Investment Land LLC, and other Landowners for nonpayment of Special assessments as it relates to the District Series 1999C and 2005 Bonds and operating and maintenance assessments for fiscal years 2009 – 2012. During the 2015 fiscal year, The Board of Supervisors entered into an agreement related to specific lands owned by GC Land, LLC in regards to delinquent O&M assessments (see Note 7). The parcels subject to the agreement are NW-21 and SW-28 and as such are secured by title to the lands being held in escrow. If certain payments are not made by GC Land, the title for the parcels will be provided to the District. The Trustee and the Bondholders have been informed of the agreement and at this time have not wanted the District to move forward with foreclosure on lands with delinquent debt service assessments. No adjustment has been made to the financial statements as the impact on the District cannot be determined at this time since it is unclear how events will unfold.

During the current fiscal year, the District was served with a Complaint to Quiet Title to Real Property. The plaintiff acquired the subject property (generally known as SW 28) via tax deed sale, and seeks to extinguish any interest the District may have in the property. The District’s alleged interest in the property relates to a mortgage it holds to secure the payment of certain delinquent operation and maintenance assessments under the Agreement Regarding Payment of District Operation and Maintenance Assessments Related to Parcels NW-21 and SW-28. During the current fiscal year, the District was dropped as a party to the lawsuit.

NOTE 12 – SUBSEQUENT EVENTS

Missed Debt Service Payments

Subsequent to fiscal year end, certain scheduled debt service payments were due on the Series 1999C and 2005 Bonds. However, shortfalls in the collection of special assessments caused there to be insufficient amounts available to fully fund these scheduled debt service payments. As a result, the Series 1999C and 2005 debt service payments due on November 1, 2018 were not made. The failure by the District to pay its debt service is considered an event of default.

Settlement Agreement with SW-30 Investments, LLC

Subsequent to fiscal year end, the District entered a settlement agreement with SW-30 Investments, LLC (“American”) which recently took ownership of delinquent parcels 30 and 32. Pursuant to the agreement, the District received delinquent assessments on such parcels from American as follows: \$33,890 for Series 1999C debt assessments, \$69,094 of Series 2005 debt assessments, and \$65,000 for O&M assessments. The District also received \$9,500 for currently due O&M assessments. The remaining delinquent O&M assessments on the parcels were forgiven while the remaining delinquent debt assessments were assumed by American excluding all penalties and past due accrued and unpaid interest on such debt assessments which was waived. The District also agreed to forbear on the foreclosure of delinquent parcels as long as American remains current on its obligations per the agreement.

Payment of Past Due Interest

Subsequent to fiscal year end, the District paid past due interest on the Series 1999C Bonds in the amount of \$1,447,285.

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

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Assessments	\$ 989,768	\$ 1,515,618	\$ 525,850
Miscellaneous revenue	8,100	2,025	(6,075)
Interest	1,000	6,022	5,022
Total revenues	<u>998,868</u>	<u>1,523,665</u>	<u>524,797</u>
EXPENDITURES			
Current:			
General government	176,343	164,295	12,048
Maintenance	925,586	919,792	5,794
Total expenditures	<u>1,101,929</u>	<u>1,084,087</u>	<u>17,842</u>
Excess (deficiency) of revenues over (under) expenditures	(103,061)	439,578	542,639
OTHER FINANCING SOURCES (USES)			
Carryforward	103,061	-	(103,061)
Total other financing sources (uses)	<u>103,061</u>	<u>-</u>	<u>(103,061)</u>
Net change in fund balance	<u>\$ -</u>	439,578	<u>\$ 439,578</u>
Fund balance - beginning		<u>2,600,801</u>	
Fund balance - ending		<u>\$ 3,040,379</u>	

See notes to required supplementary information

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

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Indigo Community Development District, Volusia County, Florida ("District") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated XXXX, 2019, which includes an explanatory paragraph regarding the modified opinion for the debt service fund due to the lack of sufficient competent evidential matter, and an emphasis of matter paragraph.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated XXXX, 2019.

The District's responses to the findings identified in our audit are described in the accompanying Management Letter. We did not audit the District's responses and, accordingly, we express no opinion on them.

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.

XXXX, 2019

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

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

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

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

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

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Indigo Community Development District, Volusia County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

XXXX, 2019

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

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of Indigo Community Development District ("District") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated XXXX, 2019, which includes an explanatory paragraph regarding the modified opinion for the debt service fund due to the lack of sufficient competent evidential matter, and an emphasis of matter paragraph.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated XXXX, 2019, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

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

XXXX, 2019

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REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2018-01: Financial Condition Assessment

Observation: The District's financial conditions continue to deteriorate. The debt service fund had a deficit fund balance of (\$1,431,390) at September 30, 2018. In the prior, current, and subsequent fiscal years, major landowners in the District failed to pay significant portions of their assessments. As a result, certain debt service payments were not made. In addition, the District has not met the debt service reserve requirement. The non-payment of interest and principal payments, when due, are considered events of default. The District is economically dependent on the major landowners of the District. Furthermore, the title work necessary to commence foreclosure proceedings has been completed, but a foreclosure complaint has not yet been filed by the District.

Recommendation: The District should take the necessary steps to alleviate the deteriorating financial condition.

Reference Numbers for Prior Year Findings: 2017-01, 2016-01, 2015-01, 2014-01, 2013-2, 2012-02, 2011-02

Management Response: The District continues to work with the Trustee, the Bondholders, and the land owners of delinquent properties for the collection of debt service assessments. Due to the cost and other issues surrounding the foreclosure of the delinquent assessment properties, the District continue to take direction from the Trustee and the Bondholders. At this time the foreclosure process is on hold.

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2017-01: Financial Condition Assessment

Current Status: See finding 2018-01 above.

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

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

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

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

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

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

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

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

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

REPORT TO MANAGEMENT (Continued)

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA (Continued)

5. In connection with our audit, we determined that the District has met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes. The District failed to make certain scheduled debt service payments due on the Series 1999C and 2005 Bonds, as a result of a lack of funds. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and determined that a deteriorating financial condition was noted. See Findings section above for additional information. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

SIXTH ORDER OF BUSINESS

RESOLUTION 2019-02

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

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

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

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

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

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

DATE: _____, 2019

HOUR: _____

LOCATION: _____

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

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

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

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

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

PASSED AND ADOPTED THIS 22nd DAY OF MAY, 2019.

ATTEST:

**INDIGO COMMUNITY
DEVELOPMENT DISTRICT**

Secretary

By: _____
Its: _____

SEVENTH ORDER OF BUSINESS

C.



Lisa Lewis
Supervisor of Elections
County of Volusia

April 16, 2019

Ms. Courtney Hogge, Secretary
Indigo Community Development District
475 West Town Place, Suite 114
St. Augustine, Florida 32092

Dear Ms. Hogge:

Please accept this letter regarding the number of registered voters within the boundaries of Indigo Community Development District. There are 1,776 registered voters in this district as of April 15, 2019.

Please feel free to contact me if you have any questions or additional information is needed.

Regards,

Lisa Lewis
Supervisor of Elections

Historic Courthouse
125 West New York Avenue, DeLand, FL 32720-5415
(386) 736-5930 • (386) 254-4690 • (386) 423-3311 • FAX (386) 822-5715
www.volusiaelections.org

If your signature has changed, please update your signature by completing a new Florida voter registration application.
It is important to keep your signature updated, so that ballots and/or petition signatures can be counted.

NINTH ORDER OF BUSINESS

Indigo

Community Development District

Summary of Invoices

March 19, 2019 to May 15, 2019

Fund	Date	Check No.'s	Amount
General Fund	3/22/19	4395-4396	\$ 451.67
	3/28/19	4397-4398	\$ 43,732.00
	4/5/19	4399-4404	\$ 17,797.06
	4/12/19	4405	\$ 385.00
	4/23/19	4406-4410	\$ 47,087.24
	5/3/19	4411-4417	\$ 25,391.03
	5/10/19	4418-4419	\$ 3,885.00
			<hr/> \$ 138,729.00
Payroll	<u>March 2019</u>		
	Donald Parks	50502	\$ 184.70
	John McCarthy	50503	\$ 184.70
	Mark McCommon	50504	\$ 159.70
	Robert Welsh	50505	\$ 164.70
	Thomas Leek	50506	\$ 184.70
			<hr/> \$ 878.50
			<hr/> \$ 139,607.50

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
3/22/19	00017	3/19/19 I0232285	201903 310-51300-48000		*	232.93	
		NOT.OF MEETING 03/27/19		NEWS-JOURNAL CORPORATION			232.93 004395
3/22/19	00130	3/17/19 6587255	201903 320-53800-49000		*	109.37	
		RENT STORAGE 03/17-04/16					
		3/17/19 6587255	201903 330-53800-49000		*	109.37	
		RENT STORAGE 03/17-04/16		WILLIAMS SCOTSMAN, INC.			218.74 004396
3/28/19	00165	3/01/19 987	201903 300-15500-10000		*	500.00	
		OFFICE LEASE APR19		C.L.O. MANAGEMENT LLC			500.00 004397
3/28/19	00160	3/01/19 23833	201903 330-53800-46200		*	34,907.00	
		MTHLY GROUND MNT-COMM					
		3/01/19 23833	201903 320-53800-46200		*	4,200.00	
		MTHLY GROUND MNT-I-95					
		3/01/19 23833	201903 330-53800-46600		*	525.00	
		PRESS WASH MONUMENT MAR19					
		3/01/19 23833	201903 330-53800-47000		*	3,600.00	
		MTHLY OAK TRIMMING MAR19		TEAM ROUNTREE, INC.			43,232.00 004398
4/05/19	00015	4/01/19 439869	201904 330-53800-46800		*	3,101.00	
		LAKE/WETLAND SRVCS APR		AQUATIC SYSTEMS, INC.			3,101.00 004399
4/05/19	00005	3/26/19 6-501-67	201903 310-51300-42000		*	58.77	
		DELIVERY 03/20/19		FEDEX			58.77 004400
4/05/19	00093	4/01/19 195	201904 310-51300-34000		*	4,708.33	
		MANAGEMENT FEES APR19					
		4/01/19 195	201904 310-51300-35100		*	233.33	
		INFORMATION TECH APR19					
		4/01/19 195	201904 310-51300-31300		*	250.00	
		DISSEMINATION FEE APR19					
		4/01/19 195	201904 310-51300-51000		*	22.77	
		OFFICE SUPPLIES APR19					
		4/01/19 195	201904 310-51300-42000		*	23.86	
		POSTAGE APR19					
		4/01/19 195	201904 310-51300-42500		*	47.25	
		COPIES APR19		GOVERNMENTAL MANAGEMENT SERVICES			5,285.54 004401
				INDI INDIGO TVISCARRA			

AP300R		YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER					RUN 5/15/19		PAGE 2		
*** CHECK DATES 03/19/2019 - 05/15/2019 ***		INDIGO CDD - GENERAL FUND									
		BANK A INDIGO - GENERAL									
CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE		...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS		VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #	
4/05/19	00010	3/29/19	106449	201902	310-51300-31500	CONFER/BOND COUNSEL/ADA	*	730.50			
		3/29/19	106522	201902	310-51300-49300	ASSESS/BOND COUNSL/CORRES	*	2,299.50			
HOPPING GREEN & SAMS								3,030.00	004402		
4/05/19	00159	3/31/19	33119	201903	330-53800-12000	SITE MGMT SERVICES-MAR19	*	2,650.00			
SOLARIS MANAGEMENT INC.								2,650.00	004403		
4/05/19	00160	3/15/19	23868	201903	330-53800-46100	ROTOR/DECODER/POP-UPS/AMP	*	3,671.75			
TEAM ROUNTREE, INC.								3,671.75	004404		
4/12/19	00015	4/01/19	441431	201904	320-53800-46800	LAKE/WETLAND SRVCS APR	*	385.00			
AQUATIC SYSTEMS, INC.								385.00	004405		
4/23/19	00165	4/09/19	993	201904	300-15500-10000	OFFICE LEASE MAY19	*	500.00			
C.L.O. MANAGEMENT LLC								500.00	004406		
4/23/19	00152	4/04/19	12433DP	201904	330-53800-46000	GRAND CHAMP-ENTRANCE MNMT	*	2,200.00			
GRAPHIC SIGN DESIGN OF CENTRAL FL								2,200.00	004407		
4/23/19	00031	3/31/19	5627	201903	330-53800-46000	LPGA MTHLY MAINT/REPAIRS	*	851.50			
		3/31/19	5627	201903	320-53800-46000	I-95 TSTING/RPLCING BULBS	*	85.00			
SKY'S THE LIMIT HANDYMAN SVCS, INC.								936.50	004408		
4/23/19	00160	4/01/19	23931	201904	330-53800-46200	MTHLY GROUND MNT-COMM	*	34,907.00			
		4/01/19	23931	201904	320-53800-46200	MTHLY GROUND MNT-I-95	*	4,200.00			
		4/01/19	23931	201904	330-53800-46600	PRESS WASH MONUMENT APR19	*	525.00			
		4/01/19	23931	201904	330-53800-47000	MTHLY OAK TRIMMING APR19	*	3,600.00			
TEAM ROUNTREE, INC.								43,232.00	004409		
4/23/19	00130	4/17/19	6677079	201904	320-53800-49000	RENT STORAGE 04/17-05/16	*	109.37			
		4/17/19	6677079	201904	330-53800-49000	RENT STORAGE 04/17-05/16	*	109.37			
WILLIAMS SCOTSMAN, INC.								218.74	004410		
INDI INDIGO					TVISCARRA						

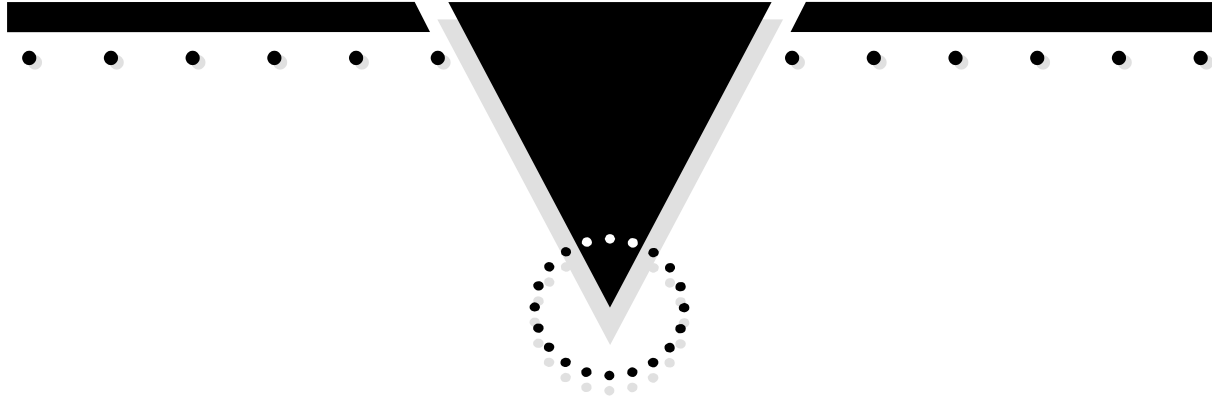
CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
5/03/19	00015	5/01/19 442781	201905 330-53800-46800	LAKE/WETLAND SRVCS MAY	*	3,101.00	
				AQUATIC SYSTEMS, INC.			3,101.00 004411
5/03/19	00093	5/01/19 196	201905 310-51300-34000	MANAGEMENT FEES MAY19	*	4,708.33	
		5/01/19 196	201905 310-51300-35100	INFORMATION TECH MAY19	*	233.33	
		5/01/19 196	201905 310-51300-31300	DISSEMINATION FEE MAY19	*	250.00	
		5/01/19 196	201905 310-51300-51000	OFFICE SUPPLIES MAY19	*	6.52	
		5/01/19 196	201905 310-51300-42000	POSTAGE MAY19	*	9.00	
		5/01/19 196	201905 310-51300-42500	COPIES MAY19	*	3.75	
				GOVERNMENTAL MANAGEMENT SERVICES			5,210.93 004412
5/03/19	00010	4/30/19 107114	201903 310-51300-49300	CONFER/FORECLOSE/MEMORAND	*	3,811.00	
		4/30/19 107115	201903 310-51300-31500	DEVLPL PLAN/CAP.CONVO/ADA	*	181.50	
		4/30/19 107116	201903 310-51300-31500	REV.AGENDA PKG/ATTEND MTG	*	1,200.00	
				HOPPING GREEN & SAMS			5,192.50 004413
5/03/19	00031	4/30/19 5662	201904 330-53800-46000	LPGA MTHLY MAINT/REPAIRS	*	992.21	
		4/30/19 5662	201904 320-53800-46000	I-95 TSTING/RPLCING BULBS	*	60.00	
				SKY'S THE LIMIT HANDYMAN SVCS, INC.			1,052.21 004414
5/03/19	00159	4/30/19 43019	201904 330-53800-12000	SITE MGMT SERVICES-APR19	*	2,650.00	
				SOLARIS MANAGEMENT INC.			2,650.00 004415
5/03/19	00160	3/28/19 23961	201903 320-53800-46600	CUT DOWN/REMOVE TREES	*	365.00	
		4/01/19 23964	201904 330-53800-46900	CONSRV.EASE.MAINT.UDRBRSH	*	7,436.00	
				TEAM ROUNTREE, INC.			7,801.00 004416
5/03/19	00098	4/23/19 I4493	201904 320-53800-46000	FOUNTAIN RPR-RPLC 2 BULBS	*	383.39	
				VERTEX WATER FEATURES			383.39 004417
				INDI INDIGO			
				TVISCARRA			

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
5/10/19	00015	5/01/19 444310	201905 320-53800-46800	LAKE/WETLAND SRVCS MAY	*	385.00	
				AQUATIC SYSTEMS, INC.			385.00 004418
5/10/19	00146	2/02/19 17552	201901 310-51300-32200	FY18 AUDIT FINAL PMT	*	3,500.00	
				GRAU AND ASSOCIATES			3,500.00 004419
TOTAL FOR BANK A						138,729.00	
TOTAL FOR REGISTER						138,729.00	

INDI INDIGO

TVISCARRA

TENTH ORDER OF BUSINESS



Indigo

Community Development District

Unaudited Financial Reporting
April 30, 2019



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Indigo
Community Development District
 Combined Balance Sheet
 As of April 30, 2019

	<u>Governmental Funds</u>			<u>Account Groups</u>		<u>Totals</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>General</u> <u>Fixed Assets</u>	<u>General Long-</u> <u>Term Debt</u>	(memorandum only) <u>2019</u>
Assets						
Cash	\$63,285	---	---	---	---	\$63,285
Assessment Receivable	\$3,000	---	---	---	---	\$3,000
Prepaid Expense	\$500	---	---	---	---	\$500
Investments						
Operating Account	\$3,028,678	---	---	---	---	\$3,028,678
Reserve Account	\$109,850	---	---	---	---	\$109,850
Series 1999A						
Reserve Account	---	\$80,675	---	---	---	\$80,675
Revenue Account	---	\$93,188	---	---	---	\$93,188
Construction	---	---	\$147,935	---	---	\$147,935
Series 1999C						
Reserve Account	---	\$59,586	---	---	---	\$59,586
Revenue Account	---	\$556,638	---	---	---	\$556,638
Redemption Account	---	\$339	---	---	---	\$339
Remedial Expenditure	---	\$0	---	---	---	\$0
Series 2005						
Reserve Account	---	\$59,154	---	---	---	\$59,154
Escrow Deposit Fund	---	\$9,676	---	---	---	\$9,676
Prepayment Account	---	\$1,978	---	---	---	\$1,978
Revenue Account	---	\$1,903,427	---	---	---	\$1,903,427
Remedial Expenditure	---	\$0	---	---	---	\$0
Fixed Assets	---	---	---	\$8,305,270	---	\$8,305,270
Amount Available/Long-Term Debt	---	---	---	---	\$2,764,662	\$2,764,662
Amount to be Provided/Long Term Debt 1999A	---	---	---	---	\$546,137	\$546,137
Amount to be Provided/Long Term Debt 1999C	---	---	---	---	\$6,043,436	\$6,043,436
Amount to be Provided/Long Term Debt 2005	---	---	---	---	\$3,995,765	\$3,995,765
Total Assets	\$3,205,313	\$2,764,662	\$147,935	\$8,305,270	\$13,350,000	\$27,773,179
Liabilities						
Accounts Payable	\$20,579	---	---	---	---	\$20,579
Accrued Principal Payment 1999C	---	\$655,000	---	---	---	\$655,000
Accrued Principal Payment 2005	---	\$270,000	---	---	---	\$270,000
Accrued Interest Payment 2005	---	\$2,811,639	---	---	---	\$2,811,639
Bonds Payable 1999A	---	---	---	---	\$720,000	\$720,000
Bonds Payable 1999C	---	---	---	---	\$6,660,000	\$6,660,000
Bonds Payable 2005	---	---	---	---	\$5,970,000	\$5,970,000
Fund Equity, Other Credits						
Investments in General Fixed Assets	---	---	---	\$8,305,270	---	\$8,305,270
Fund Balances						
Restricted for Debt Service 1999A/B	---	\$173,863	---	---	---	\$173,863
Restricted for Debt Service 1999C	---	(\$38,436)	---	---	---	(\$38,436)
Restricted for Debt Service 2005	---	(\$1,107,404)	---	---	---	(\$1,107,404)
Restricted for Capital Projects 1999A/B	---	---	\$147,935	---	---	\$147,935
Assigned for General Fund	\$109,850	---	---	---	---	\$109,850
Unassigned General Fund	\$3,074,884	---	---	---	---	\$3,074,884
Total Liabilities, Fund Equity	\$3,205,313	\$2,764,662	\$147,935	\$8,305,270	\$13,350,000	\$27,773,179

INDIGO COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues & Expenditures

As of April 30, 2019

REVENUES:

	General Fund Budget	Prorated Budget 4/30/19	Actual 4/30/19	Variance
Maintenance Assessments	\$801,579	\$801,579	\$616,593	(\$184,986)
Settlement Agreement	\$0	\$0	\$74,500	\$74,500
Miscellaneous Income	\$0	\$0	\$4,294	\$4,294
City of Daytona Funding	\$8,100	\$4,725	\$0	(\$4,725)
Interest Income	\$1,000	\$583	\$5,117	\$4,534

TOTAL REVENUES

\$810,679	\$806,887	\$700,504	(\$106,384)
------------------	------------------	------------------	--------------------

EXPENDITURES:

ADMINISTRATIVE:

Supervisor Fees	\$12,000	\$7,000	\$5,000	\$2,000
FICA Expense	\$918	\$536	\$383	\$153
Engineering	\$5,000	\$2,917	\$0	\$2,917
Attorney	\$32,000	\$18,667	\$8,370	\$10,296
Annual Audit	\$5,000	\$5,000	\$5,000	\$0
Arbitrage	\$1,350	\$1,350	\$1,350	\$0
Trustee	\$3,800	\$3,800	\$4,089	(\$289)
Dissemination Agent	\$3,100	\$1,808	\$1,750	\$58
Special Assessment Roll Preparation	\$20,000	\$20,000	\$20,000	\$0
Management Fees	\$56,500	\$32,958	\$32,958	\$0
Information Technology	\$2,800	\$1,633	\$3,883	(\$2,250)
Telephone	\$300	\$175	\$102	\$73
Postage	\$1,500	\$875	\$305	\$570
Insurance	\$20,300	\$20,300	\$18,387	\$1,913
Printing & Binding	\$1,500	\$875	\$741	\$134
Legal Advertising	\$2,500	\$1,458	\$875	\$584
Other Current Charges	\$1,000	\$583	\$318	\$265
Office Supplies	\$350	\$204	\$93	\$111
Foreclosure Costs	\$0	\$0	\$6,111	(\$6,111)
Dues, Licenses, Subscriptions	\$175	\$175	\$175	\$0
Office Expense	\$6,000	\$3,500	\$3,500	\$0

TOTAL ADMINISTRATIVE

\$176,093	\$123,815	\$113,390	\$10,424
------------------	------------------	------------------	-----------------

FIELD:

Operating Expenses I-95

Landscape Maintenance	\$50,400	\$29,400	\$29,400	(\$0)
Landscape Contingency	\$2,000	\$1,167	\$365	\$802
Irrigation Repairs & Maintenance	\$10,000	\$5,833	\$0	\$5,833
Mowing	\$8,100	\$4,725	\$0	\$4,725
Lakes	\$5,156	\$3,008	\$2,680	\$328
Plant Replacement & Annuals	\$8,000	\$4,667	\$550	\$4,117
Utilities	\$12,000	\$7,000	\$8,037	(\$1,037)
Repairs	\$10,000	\$5,833	\$2,929	\$2,904
Miscellaneous	\$2,000	\$1,167	\$747	\$419

Operating Expenses I-95

\$107,656	\$62,799	\$44,709	\$18,091
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INDIGO COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND Statement of Revenues & Expenditures

	General Fund Budget	Prorated Budget 4/30/19	Actual 4/30/19	Variance
<i>Operating Expenses Community Wide</i>				
Site Manager	\$31,800	\$18,550	\$18,550	\$0
Landscape Maintenance	\$462,084	\$269,549	\$244,349	\$25,200
Landscape Contingency	\$26,912	\$15,699	\$3,675	\$12,024
Irrigation Repairs & Maintenance	\$30,000	\$17,500	\$8,168	\$9,332
Lakes	\$37,212	\$21,707	\$21,707	\$0
Plant Replacement & Annuals	\$35,000	\$20,417	\$450	\$19,967
Utilities	\$45,000	\$26,250	\$20,542	\$5,708
Repairs	\$65,972	\$38,484	\$35,591	\$2,892
Stormwater System	\$3,750	\$2,188	\$0	\$2,188
Sidewalks	\$3,000	\$1,750	\$0	\$1,750
Street Lighting	\$0	\$0	\$0	\$0
Miscellaneous	\$15,000	\$8,750	\$4,739	\$4,011
Conservation Easement Maintenance	\$28,000	\$16,333	\$15,078	\$1,255
Tree Trimming	\$43,200	\$25,200	\$25,200	\$0
Operating Expenses Community Wide	\$826,930	\$482,376	\$398,049	\$84,327
TOTAL FIELD	\$934,586	\$545,175	\$442,758	\$102,417
TOTAL EXPENDITURES	\$1,110,679	\$668,990	\$556,148	\$112,842
EXCESS REVENUES/ (EXPENDITURES) AND OTHER SOURCES	(\$300,000)	----	\$144,356	----
FUND BALANCE - BEGINNING	\$300,000	----	\$3,040,378	----
FUND BALANCE - ENDING	\$0	----	\$3,184,734	----

INDIGO COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND

Series 1999A

Statement of Revenues & Expenditures

As of April 30, 2019

REVENUES:

	Debt Service Budget	Prorated Budget 4/30/19	Actual 4/30/19	Variance
Special Assessments	\$80,675	\$80,675	\$69,818	(\$10,857)
Interest Income	\$0	\$0	\$250	\$250
TOTAL REVENUES	\$80,675	\$80,675	\$70,069	(\$10,606)

EXPENDITURES:

Interest Expense - 11/01	\$23,275	\$23,275	\$23,275	\$0
Principal Expense - 5/01	\$35,000	\$0	\$0	\$0
Interest Expense - 5/01	\$23,275	\$0	\$0	\$0
TOTAL EXPENDITURES	\$81,550	\$23,275	\$23,275	\$0

OTHER SOURCES/(USES)

Other Debt Service Costs	\$0	\$0	\$0	\$0
TOTAL OTHER	\$0	\$0	\$0	\$0

EXCESS REVENUES/ (EXPENDITURES) AND OTHER SOURCES

	(\$875)	----	\$46,794	----
FUND BALANCE - BEGINNING	\$43,489	----	\$127,070	----
FUND BALANCE - ENDING	\$42,614	----	\$173,863	----

Fund Balance Calculation

Reserve Account	\$80,675
Revenue Account	\$93,188
Total Series 1999A Funds Available	<u>\$173,863</u>

INDIGO COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND

Series 1999C

Statement of Revenues & Expenditures

As of April 30, 2019

REVENUES:

	Debt Service Budget	Prorated Budget 4/30/19	Actual 4/30/19	Variance
Special Assessments - Tax Collector	\$301,980	\$301,980	\$340,759	\$38,779
Settlement Agreement	\$0	\$0	\$33,890	\$33,890
Interest Income	\$0	\$0	\$19,213	\$19,213
TOTAL REVENUES	\$301,980	\$301,980	\$393,862	\$91,882

EXPENDITURES:

Debt Service Obligation	\$301,980	\$301,980	\$228,026	\$73,954
TOTAL EXPENDITURES	\$301,980	\$301,980	\$228,026	\$73,954

OTHER SOURCES/(USES)

Other Debt Service Costs	\$0	\$0	(\$29,760)	(\$29,760)
TOTAL OTHER	\$0	\$0	(\$29,760)	(\$29,760)
EXCESS REVENUES (EXPENDITURES) AND OTHER SOURCES	\$0	----	\$136,076	----
FUND BALANCE - BEGINNING	\$0	----	(\$174,512)	----
FUND BALANCE - ENDING	\$0	----	(\$38,436)	----

Fund Balance Calculation

Reserve Account	\$59,586
Revenue Account	\$556,638
Redemption Account	\$339
Remedial Expenditure	\$0
Accrued Principal Payable	(\$655,000)
Total Series 1999C Funds Available	<u>(\$38,436)</u>

INDIGO COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND

Series 2005

Statement of Revenues & Expenditures

As of April 30, 2019

REVENUES:

	Debt Service Budget	Prorated Budget 4/30/19	Actual 4/30/19	Variance
Special Assessments - Tax Collector	\$87,804	\$219,140	\$219,140	\$0
Settlement Agreement	\$0	\$0	\$69,094	\$69,094
Interest Income	\$0	\$0	\$19,132	\$19,132
TOTAL REVENUES	\$87,804	\$219,140	\$307,366	\$88,226

EXPENDITURES:

Debt Service Obligation	\$87,804	\$0	\$0	\$0
Special Call - 6/15	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$87,804	\$0	\$0	\$0

OTHER SOURCES/(USES)

Other Debt Service Costs	\$0	\$0	(\$30,822)	(\$30,822)
TOTAL OTHER	\$0	\$0	(\$30,822)	(\$30,822)

EXCESS REVENUES (EXPENDITURES) AND OTHER SOURCES

	\$0	----	\$276,544	----
FUND BALANCE - BEGINNING	\$0	----	(\$1,383,948)	----
FUND BALANCE - ENDING	\$0	----	(\$1,107,404)	----

Fund Balance Calculation

Reserve Account	\$59,154
Escrow Deposit Fund	\$9,676
Prepayment Account	\$1,978
Revenue Account	\$1,903,427
Remedial Expenditure	\$0
Accrued Interest Payable	(\$2,811,639)
Accrued Principal Payable	(\$270,000)
Total Series 2005 Funds Available	<u>(\$1,107,404)</u>

INDIGO COMMUNITY DEVELOPMENT DISTRICT

CAPITAL PROJECTS FUND

Series 1999A

Statement of Revenues & Expenditures

As of April 30, 2019

	Capital Projects Budget	Prorated Budget 4/30/19	Actual 4/30/19	Variance
<u>REVENUES:</u>				
Interest Income	\$0	\$0	\$258	\$258
TOTAL REVENUES	\$0	\$0	\$258	\$258
<u>EXPENDITURES:</u>				
Capital Outlay	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0
EXCESS REVENUES (EXPENDITURES)	\$0	\$0	\$258	\$258
FUND BALANCE - BEGINNING	\$0	----	\$147,677	----
FUND BALANCE - ENDING	\$0	----	\$147,935	----

INDIGO COMMUNITY DEVELOPMENT DISTRICT

Month to Month Income Statement FY2019

	October	November	December	January	February	March	April	May	June	July	August	September	Total
REVENUES:													
Maintenance Assessments	\$0	\$99,341	\$329,698	\$14,972	\$7,655	\$3,507	\$161,420	\$0	\$0	\$0	\$0	\$0	\$616,593
Settlement Agreement	\$0	\$0	\$0	\$0	\$74,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$74,500
Miscellaneous Income	\$0	\$4,275	\$0	\$19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,294
City of Daytona Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income	\$680	\$704	\$687	\$761	\$790	\$712	\$783	\$0	\$0	\$0	\$0	\$0	\$5,117
TOTAL REVENUES	\$680	\$104,319	\$330,385	\$15,753	\$82,945	\$4,218	\$162,203	\$0	\$0	\$0	\$0	\$0	\$700,504
EXPENDITURES:													
ADMINISTRATIVE:													
Supervisor Fees	\$3,000	\$0	\$1,000	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
FICA Expense	\$230	\$0	\$77	\$0	\$0	\$77	\$0	\$0	\$0	\$0	\$0	\$0	\$383
Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Attorney	\$3,274	\$384	\$1,797	\$804	\$731	\$1,382	\$0	\$0	\$0	\$0	\$0	\$0	\$8,370
Annual Audit	\$0	\$0	\$1,500	\$3,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
Arbitrage	\$0	\$0	\$0	\$0	\$1,350	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,350
Trustee	\$0	\$0	\$0	\$4,089	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,089
Dissemination Agent	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$0	\$0	\$0	\$0	\$0	\$1,750
Special Assessment Roll Preparation	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
Management Fees	\$4,708	\$4,708	\$4,708	\$4,708	\$4,708	\$4,708	\$4,708	\$0	\$0	\$0	\$0	\$0	\$32,958
Information Technology	\$233	\$233	\$233	\$233	\$2,483	\$233	\$233	\$0	\$0	\$0	\$0	\$0	\$3,883
Telephone	\$28	\$24	\$42	\$0	\$9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$102
Postage	\$93	\$4	\$102	\$15	\$8	\$60	\$24	\$0	\$0	\$0	\$0	\$0	\$305
Insurance	\$18,387	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,387
Printing & Binding	\$465	\$142	\$0	\$64	\$14	\$9	\$47	\$0	\$0	\$0	\$0	\$0	\$741
Legal Advertising	\$233	\$409	\$0	\$0	\$0	\$233	\$0	\$0	\$0	\$0	\$0	\$0	\$875
Other Current Charges	\$51	\$40	\$39	\$51	\$54	\$34	\$50	\$0	\$0	\$0	\$0	\$0	\$318
Office Supplies	\$23	\$23	\$1	\$23	\$1	\$0	\$23	\$0	\$0	\$0	\$0	\$0	\$93
Foreclosure Costs	\$0	\$0	\$0	\$0	\$2,300	\$3,811	\$0	\$0	\$0	\$0	\$0	\$0	\$6,111
Dues, Licenses, Subscriptions	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
Office Expense	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$0	\$0	\$0	\$0	\$0	\$3,500
TOTAL ADMINISTRATIVE	\$51,649	\$6,715	\$10,249	\$14,238	\$12,406	\$12,298	\$5,835	\$0	\$0	\$0	\$0	\$0	\$113,390

INDIGO COMMUNITY DEVELOPMENT DISTRICT

Month to Month Income Statement FY2019

FIELD:

Operating Expenses I-95

	October	November	December	January	February	March	April	May	June	July	August	September	Total
Landscape Maintenance	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$0	\$0	\$0	\$0	\$0	\$29,400
Landscape Contingency	\$0	\$0	\$0	\$0	\$0	\$365	\$0	\$0	\$0	\$0	\$0	\$0	\$365
Irrigation Repairs & Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lakes	\$370	\$385	\$385	\$385	\$385	\$385	\$385	\$0	\$0	\$0	\$0	\$0	\$2,680
Plant Replacement & Annuals	\$0	\$0	\$550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$550
Utilities	\$628	\$657	\$969	\$1,091	\$0	\$1,201	\$3,490	\$0	\$0	\$0	\$0	\$0	\$8,037
Repairs	\$1,322	\$85	\$45	\$904	\$45	\$85	\$443	\$0	\$0	\$0	\$0	\$0	\$2,929
Miscellaneous	\$91	\$109	\$109	\$109	\$109	\$109	\$109	\$0	\$0	\$0	\$0	\$0	\$747
OPERATING EXPENSES I-95	\$6,611	\$5,436	\$6,259	\$6,689	\$4,739	\$6,346	\$8,628	\$0	\$0	\$0	\$0	\$0	\$44,709

Operating Expenses Community Wide

	October	November	December	January	February	March	April	May	June	July	August	September	Total
Site Manager	\$2,650	\$2,650	\$2,650	\$2,650	\$2,650	\$2,650	\$2,650	\$0	\$0	\$0	\$0	\$0	\$18,550
Landscape Maintenance	\$34,907	\$34,907	\$34,907	\$34,907	\$34,907	\$34,907	\$34,907	\$0	\$0	\$0	\$0	\$0	\$244,349
Landscape Contingency	\$525	\$525	\$525	\$525	\$525	\$525	\$525	\$0	\$0	\$0	\$0	\$0	\$3,675
Irrigation Repairs & Maintenance	\$726	\$1,855	\$778	\$1,138	\$0	\$3,672	\$0	\$0	\$0	\$0	\$0	\$0	\$8,168
Lakes	\$3,101	\$3,101	\$3,101	\$3,101	\$3,101	\$3,101	\$3,101	\$0	\$0	\$0	\$0	\$0	\$21,707
Plant Replacement & Annuals	\$450	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$450
Utilities	\$2,604	\$3,003	\$3,193	\$3,210	\$2,885	\$2,873	\$2,775	\$0	\$0	\$0	\$0	\$0	\$20,542
Repairs	\$6,144	\$2,984	\$19,446	\$2,159	\$815	\$852	\$3,192	\$0	\$0	\$0	\$0	\$0	\$35,591
Stormwater System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sidewalks	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Street Lighting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$2,734	\$109	\$109	\$109	\$109	\$1,458	\$109	\$0	\$0	\$0	\$0	\$0	\$4,739
Conservation Easement Maintenance	\$0	\$0	\$7,642	\$0	\$0	\$0	\$7,436	\$0	\$0	\$0	\$0	\$0	\$15,078
Tree Trimming	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$0	\$0	\$0	\$0	\$0	\$25,200
OPERATING EXPENSES COMMUNITY WIDE	\$57,441	\$52,734	\$75,952	\$51,399	\$48,592	\$53,637	\$58,295	\$0	\$0	\$0	\$0	\$0	\$398,049

TOTAL EXPENDITURES

	\$115,701	\$64,885	\$92,459	\$72,326	\$65,738	\$72,280	\$72,759	\$0	\$0	\$0	\$0	\$0	\$556,148
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EXCESS REVENUES/ (EXPENDITURES)

	(\$115,021)	\$39,434	\$237,926	(\$56,573)	\$17,207	(\$68,061)	\$89,444	\$0	\$0	\$0	\$0	\$0	\$144,356
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TAX COLLECTOR

NET TAX ROLL ASSESSED	4,912.20	\$ 811,694.98	\$ 79,064.20	\$ 541,406.55	\$ 213,013.95	\$ 1,645,179.68
TAX ROLL RECEIVED	RECEIPTS	O&M	1999A	1999C	2005A	REVENUE
11/19/18	\$ 80,848.96	\$ 67,993.62	\$ 2,548.73	\$ 9,166.53	\$ 1,140.08	\$ 80,848.96
11/30/18	\$ 66,523.93	\$ 31,347.04	\$ 6,962.50	\$ 23,705.11	\$ 4,509.28	\$ 66,523.93
11/13/18	\$ 9,626.20	\$ 6,129.07	\$ -	\$ 3,497.13	\$ -	\$ 9,626.20
12/5/18	\$ 293,387.27	\$ 145,977.67	\$ 19,005.35	\$ 97,098.10	\$ 31,306.15	\$ 293,387.27
12/14/18	\$ 345,292.29	\$ 170,030.38	\$ 33,043.21	\$ 111,148.09	\$ 31,070.61	\$ 345,292.29
12/27/18	\$ 10,744.40	\$ 7,560.74	\$ 226.18	\$ 1,539.54	\$ 1,417.94	\$ 10,744.40
1/11/19	\$ 6,643.40	\$ 2,869.94	\$ 777.88	\$ 2,426.06	\$ 569.52	\$ 6,643.40
1/14/19	\$ 12,924.60	\$ 6,048.08	\$ 1,033.06	\$ 3,780.99	\$ 2,062.47	\$ 12,924.60
1/23/19	\$ 12,179.32	\$ 6,054.36	\$ 1,524.21	\$ 4,462.69	\$ 138.06	\$ 12,179.32
2/5/19	\$ 13,159.65	\$ 6,080.15	\$ 1,382.20	\$ 4,261.74	\$ 1,435.56	\$ 13,159.65
2/18/19	\$ 3,146.84	\$ 1,574.56	\$ 162.88	\$ 1,121.70	\$ 287.70	\$ 3,146.84
3/5/19	\$ 4,825.54	\$ 2,243.96	\$ 576.60	\$ 2,004.98	\$ -	\$ 4,825.54
3/20/19	\$ 2,735.25	\$ 1,262.93	\$ 238.64	\$ 1,233.68	\$ -	\$ 2,735.25
4/8/19	\$ 70,026.67	\$ 63,848.52	\$ 1,263.40	\$ 4,327.61	\$ 587.14	\$ 70,026.67
4/24/19	\$ 314,245.08	\$ 97,571.83	\$ 1,073.23	\$ 70,984.76	\$ 144,615.26	\$ 314,245.08
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL TAX ROLL RECEIVED	\$ 1,246,309.40	\$ 616,592.85	\$ 69,818.07	\$ 340,758.71	\$ 219,139.77	\$ 1,246,309.40
BALANCE DUE TAX ROLL		\$ 195,102.13	\$ 9,246.13	\$ 200,647.84	\$ (6,125.82)	\$ 398,870.28
PERCENT COLLECTED		75.96%	88.31%	62.94%	102.88%	75.76%