

Dunes
Community Development District

February 10, 2017

Dunes Community Development District Agenda

Friday
February 10, 2017
9:30 a.m.

Dunes CDD Administrative Office
101 Jungle Hut Road
Palm Coast, Florida
Call In #: 800-264-8432
Passcode: 704298

- I. Roll Call & Agenda
- II. Audience Comments
- III. Approval of the Minutes
 - A. January 13, 2017 Meeting
 - B. January 25, 2017 Special Meeting
- IV. Reports and Discussion Items
 - C. Community Projects Report
 - Final Status Report on HDP and Jungle Hut Road Intersection Project
 - D. Review and Take Action as the Board Deems Appropriate on the Settlement Agreement Regarding Capacity Fees Matter
 - Status Report on New Toll Collection System
 - E. Discuss CPH Engineering Proposal for Evaluating Stormwater Utilization and Additional Reclaimed Water from Palm Coast
 - Request for the Board to Consider Approving DCDD Community Project Funds Towards the County Dune Restoration Project
 - F. Acceptance of the Fiscal Year 2016 Audit Report
- V. Staff Reports
 - Attorney

- Engineer

G. Manager - Bridge Reports and Traffic Comparison for January

VI. Supervisors' Requests and Audience Comments

VII. Financial Reports

H. Balance Sheet & Income Statement

I. Construction Schedule

J. Special Assessment Receipts Schedule

K. Approval of Check Register

VIII. Next Meeting Scheduled for March 10, 2017 @ 9:30 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

IX. Adjournment

A.

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, January 13, 2017 at 9:30 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida.

Present and constituting a quorum were:

John G. Leckie, Jr.	Chairman
Gary M. Crahan	Vice Chairman
Dennis Vohs	Treasurer
Charles Swinburn	Assistant Secretary
Rich DeMatteis	Assistant Secretary

Also present were:

Richard M. Ryan	District Manager
Michael Chiumento, III	General Counsel
James Perry	District Representative
Tim Sheahan	Utilities Manager
Christopher Marlow	Golden Lion
Tim Conner	Attorney for Golden Lion
Charlie Faulkner	Golden Lion

The following is a summary of the minutes and actions taken at the January 13, 2017 meeting. A copy of the proceedings can be obtained by contacting the District Representative.

FIRST ORDER OF BUSINESS

Roll Call & Agenda

Mr. Perry called the meeting at 9:30 a.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

Mr. Leckie stated I would like to take an item out of order since we have guests present.

- E. Discuss and Take Any Action the Board Deems Appropriate Regarding the Request for an Easement (License) Over an Existing Easement Held by the City of Palm Coast under the Bridge**

Mr. Ryan stated I talked with Jim Landon and Jim said the city was favorably disposed towards the project going forward. They wouldn't say they would guarantee they are going to approve it but they are favorably disposed towards that but they first would have to see detailed plans on what they are proposing. The issue before us is if the board wants to concur that once the city reviews the plans and if we concur that it is reasonable and appropriate then we could issue a license. The other part of that is what fee we set for that license. The first issue is, does the board wants to approve a license agreement and then whether the board does that now or after the City makes its determination.

Mr. Leckie asked Michael where are you in looking at this?

Mr. Chiumento stated Mr. Conner shared with me the license, the typical license that we have with only a couple changes that I'm fine with. The legal aspect of it is fine. Part of that license would be a sketch that shows the area over which we would grant a license and the only other thing we would need is just a simple email or letter from the city that says we don't believe that granting a license to these gentleman would interfere with our easement. Other than that the legalities would be taken care of. I recommend that at some point Exhibit A to the license would have a defined area.

Mr. Leckie asked will you bring us up to date as to what has happened since the last meeting?

Mr. Conner stated I took Dick's template, the license agreement that you used with European Village. I originally proposed an easement that looks like the easement you have with the city for the actual use area that we are talking about. It was my understanding from the board the preference was to use a license agreement rather than the easement agreement you have with the city so we took the template that Dick gave me and put that in a form consistent with what we are looking for which is a driveway rather than a parking lot. There are also some other differences. That is an existing facility, we put that license agreement together with a parking lot under the bridge over here at European Village was already in place and we changed the language in the document to reflect that we are talking about something we are going to build in the future consistent with what Dick just said about the city's position and that is in line with our understanding that what we do is going to have to be permitted and approved by the city according to their normal regulatory scheme. We already have that in the works. That is anticipated in the agreement that I propose so all the things that have been said so far by Mike

and Dick are consistent with what we have in the agreement and consistent with our understanding.

What we would like to see and Chris is here with some overlays that give a more detailed understanding, one of the things that you will see when you look at the revised sketches such as we are now looking at a bifurcated road one way in and one way out. The one way in would traverse the existing concrete area and then cut off into my client's property. The one way out would circle to the north of that above the retention ponds that are in the grassy area north of the concrete now and come along the fence that is built next to the timeshare units. The city's engineering department suggested that it would be a better way in and out and our transportation guy adopted the city's idea of the best way and it lends itself to landscaping and doesn't interfere with the existing stormwater control mechanisms and that sort of thing and you will see that in the exhibit. Other than that what we are looking for is approval from you conditioned on us working with the city and getting their approvals for whatever we do, us working with staff getting your approvals for whatever we do but with an agreement to move forward. We bought the land, we closed before the end of the year so we are entitled to the property and we are ready to go forward with the project.

Mr. Leckie asked on the one-way coming out where do you come out?

Mr. Conner gave an overview of the layout on the sketches and stated it comes out at the same place and we will come back with fully generated plans before we move forward.

Mr. Marlow stated the City of Palm Coast land development code requires complete construction drawings before they approve the site plan. These schematics basically represent the thoughts of how various elements of the plan that will be necessary to pull the whole thing together.

Mr. Crahan asked is Mr. Landon empowered to express holistically for the city?

Mr. Ryan responded no. I talked to Jim Landon and he said obviously it will have to be reviewed by the engineering department and approved by the city council. He cannot say this is a go this is good we can do it. He can say that they are in favor of it but he like me is not empowered to make a decision for the board.

Mr. Crahan asked are we aware of any restrictions or caveats they would put on this such as a lighting caveat?

Mr. Chiumento stated no, they will have lighting and landscaping requirements.

Mr. Crahan asked is that property already zoned for the intended use?

Mr. Ryan stated it has nothing to do with us if it is or is not.

Mr. Crahan stated I know but it is moot if not.

Mr. Faulkner stated the property is currently zoned what the city calls MPD a lot of us call it a PUD and originally in the 1990's it was purchased with the thought of being part of the existing timeshare project and through economic bad times and bankruptcies there was a lot of turmoil. The bank ended up taking this piece of land back so currently it isn't owned by the timeshare it is owned by the Golden Lion but as far as zoning it is still zoned MPD, which is slated heavy towards residential. We have had a total of three meetings with city staff including the city manager and they were enthusiastic. It is a lot easier to modify an MPD to include a restaurant use rather than if it was zoned out and out residential. It will require a modification to the MPD but staff was very supportive of going in this direction.

One of the reasons we are hoping that we can get a license approved is the next step will be to line up financing and when you are talking to a bank having legal access to the parcel is pretty important.

Mr. Leckie stated that gives you the idea they are going to let you use the easement because we have to have that approval also I believe.

Mr. Faulkner stated yes.

Mr. Swinburn stated I assume the bottom line is the road end. How does that affect the current parking and current cement roadway?

Mr. Faulkner stated it doesn't have any adverse impacts. Again, I was thinking more of a traditional two-lane road and when I showed my thoughts as far as the layout to the city traffic engineer and this was in a meeting with the city traffic engineer and Ray Tyner, the development director. They knew what the meeting was about and as soon as I laid it out the city engineer said I would rather see you do it this way so that was his preference to have one direction coming in utilizing the existing concrete and on the exit keep it further to the north so you have those dry retention ponds separating the traffic. He said basically he thought it would be safer for pedestrians and users of the trail on the Intracoastal. It would also aesthetically look better and after I sketched it out I have to agree with him.

Mr. Swinburn stated my question is the current entrance pathway for cars will the same and veers off at the end.

Mr. Faulkner stated it will be significantly set back but people will come in and either make a right and park under the bridge or continue into the Golden Lion restaurant.

Mr. Leckie stated this makes sense to me the way it is being laid out. We need approval from the city before we are going to be able to do anything. I think what we can do today is basically say to you we would back this if the city backs it and give you that approval and that would be as far as we can go. We have not had a discussion about the license fee and we will probably have that later. I'm fairly impressed with this and if we get approval from the city we would look at granting them a license to get to this property and I want a sense of the board so they have a feel where we are coming from.

Mr. Vohs stated I agree with your position.

Mr. Swinburn stated I agree.

Mr. Crahan stated I agree.

Mr. DeMatteis stated yes.

Mr. Leckie stated you have a sense of the board that it is 5-0 that we are saying you get the city to go and we are here. I don't see a hold up of getting what the license is going to be.

Mr. Ryan stated a caveat on the license. We have not looked at this license it is a format we would probably change and the dollar amount is obviously not in there and would need to be discussed by the board.

Mr. Leckie asked is it basic things?

Mr. Ryan stated yes, things like maintenance, price and so forth.

Mr. Leckie stated I understand the money part but you sent them a license and your feeling is the license is not that far out.

Mr. Chiumento stated the license is substantially fine. You probably want to add a paragraph about it is their obligation to maintain the landscaping and plan of development or whatever, stuff that is typical. It just needs a little bit of tweaking.

Mr. Swinburn stated there is in this license agreement a fee amount of \$2,000 a year. Is that a proposal you are making to us?

Mr. Faulkner stated yes that was our general offer, we think that would be reasonable. Just to take into consideration existing license agreements and this proposed one there wouldn't be any parking in this agreement it is solely for a driveway.

Mr. Conner stated I'm not an appraiser I'm an attorney but the way the law works on easements is if you have to enforce an easement right through the statutory code then one of the provisos is that you buy it and pay fair market value of what the value of the easement would be. What we tried to do was based on case law we reviewed in terms of how the courts have treated these kinds of cases when it came to litigation and then backed out the term of how long we expected to use this space and converted it into an annual fee. There was some analysis where we derived that number but we didn't pull it out of the air. It is something that is manageable by the restaurant operation in terms of the business plan we are talking over a 10 year term it would be a \$20,000 payment. It was something that we thought was reasonable in terms of the value of the use particularly since my client will absorb the cost of the improvement and all the maintenance associated with the easement use.

Mr. Leckie stated does anyone have any questions for them at this point?

Mr. Sheahan asked what is this depicted in brown?

Mr. Faulkner stated that is an elevated pedestrian walkway that would take folks who park under the bridge and get them directly to the path adjacent to the water. It is a concept it is a safety issue to try to keep pedestrians away from vehicular traffic.

Mr. Leckie asked are you okay Tim?

Mr. Sheahan stated like you I would like to see final plans or some plans that had some input on how they are going to handle existing stormwater system in relation to what the roadway looks like.

Mr. Ryan stated you can't encumber the dry retention, access to that. You can't prevent stormwater from running into it so those kinds of details would have to be shown and the city is going to require that in any event.

Mr. Faulkner stated so will the water management district.

Mr. Leckie stated I'm good at this point if everybody else is. You know where we stand and when the city approves it we are ready to go as soon as we work out these things.

Mr. Ryan stated we will put together some numbers with the board and get those to you as soon as practical what we anticipate for a license fee.

Messrs. Marlow, Conner and Faulkner left the meeting at this time.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the December 16, 2016 Meeting

Mr. Leckie stated next is approval of the minutes of the December 16, 2016 meeting. Are there any additions or corrections?

Mr. DeMatteis made an amendment on page 13 that will be incorporated into the final document.

On MOTION by Mr. Vohs seconded by Mr. DeMatteis with all in favor the minutes of the December 16, 2016 meeting were approved as amended on page 13.

FOURTH ORDER OF BUSINESS

Reports and Discussion Items

A. Community Projects Report

Mr. Ryan stated you have a revised community project report from the office in Fort Lauderdale and we are now in sync with all our numbers. The highlighted numbers show that her report is as of November 30th my report is as of December. The difference in the interest rates is a little higher and the payout under what is now Hammock Dunes Safety Street lighting and Traffic Control that is higher and ours is \$225,525 theirs was \$172,164. Our numbers are now in sync and we balanced the books as of September 30th for the auditors by clearing up the cost allocations issues.

Mr. Crahan asked has there been any discussion about the Malacompra by the county?

Mr. Ryan responded I think we can start addressing it now that they are getting away from all the projects they had and the hurricane damage. From our standpoint when it rains the drainage ditch works fine, storm surge is another issue.

B. Status of Capacity Fees Matter

Mr. Chiumento stated yesterday I talked to the attorney for Milo and his entities lost their appeal against the county for vacation rentals. Now, there will not be any vacation rentals in Ocean Hammock except for in Cinnamon Beach. According to my discussion with their attorney I guess the business of the short-term vacation rentals has dried up and people's homes are now turning over including Mr. Milo who we are told intends to stop doing that business. As a result of that they made an offer to the district, which essentially is we will drop our lawsuit if Dunes agrees to reimburse all short term vacation rentals that were charged the additional

capacity fee, we agree to reimburse that to them in consideration for some type of covenant signed by each and every single one of those property owners that they will not do short term vacation rentals and if they do the fee will be charged proactively and they would waive their rights to challenge the rule. It doesn't work for me it is very cumbersome. Now we are dealing with 20 people.

Mr. Crahan stated not only that you have made a special class.

Mr. Chiumento stated I agree with that. Under sunshine laws you can have a private meeting to discuss litigation strategy and settlement discussions. The first thing is the entity's attorney shall advise the entity at a public meeting that he or she desires to give advice concerning litigation. That part of the statute was just given to you, we should have a shade meeting. A shade meeting we have to notice it and the earliest we can have it is the following Wednesday so 10 days from now. At that meeting it will be private, we would have a court reporter, we would open the public meeting, talk about what we are going to talk about, then all our discussions are confined to the room, the transcript is sealed until closure and finalization of the litigation at which time it becomes a public record. We are limited as to what we can talk about in that discussions and they are confined to settlement negotiations or strategy sessions related to litigation expenditures. That is what we are planning to talk about. I would suggest that we are going to talk about litigation strategy, strategy associated with maybe entering into a settlement agreement. If you choose to have a shade meeting we will need a motion to direct staff to get that implemented for the following Wednesday. We have depositions scheduled for that week and one of the other things they wanted to do was they have asked to go to mediation next week before they incur all the expenses of the depositions to see if we can't get that resolved but until we have an opportunity to sit down and talk about the potential settlement if at all then we can't do that until ten days from now. We will not be able to go to mediation next week as they requested.

Mr. Crahan stated unless they are willing to move the deposition date back.

Mr. Chiumento stated he asked that and here is the issue. Right now let's assume that we never get to a settlement we are on a very tight court mandated timeline as to when things, motions, all kinds of things have to happen in preparation for the trial on April 2nd. If we were to reschedule all the depositions it just compresses everything into the last five weeks prior to trial. For me it is almost impossible because right now I have another trial scheduled for the middle of

February so I'm not inclined to advise that we move the depositions. Your depositions will have to be taken anyway and they should only be an hour to two hours each as they are presently scheduled. To move the depositions is very problematic and in my opinion it gives them some breathing room to get serious about dropping the case or whatever the settlement negotiations are going to be.

Mr. DeMatteis asked are you allowed to send out materials that don't lose their privacy in preparation for the meeting?

Mr. Chiumento stated any and all documents are always public record. Our discussions that we have at that shade meeting are private. There aren't any documents that I have that aren't already been produced or aren't already subject to public records. I may have attorney work product that is my own, my notes and things like that I can share with you but any documents that aren't created by myself are a public record.

Mr. DeMatteis stated in any settlement there are economic considerations, how much it costs if you do and how much it costs if you don't. It is an analysis I would like to see if we are going to have a discussion.

Mr. Chiumento stated I can bring that all to the meeting and have it part of the discussion and share it with you. I don't know specifically the letter I sent to you today was considered a work product, I don't believe it is and I would be concerned that it would fall into that gray area. I prefer to bring my notes to that meeting and have that financial discussion.

Mr. Ryan stated there is one other option and that is the board decides that we are not interested in settling let's just move forward. There are side issues that you will talk about at the shade meeting that a settlement of this nature would infringe upon other people's potential rights. The option still remains that you say no. That could be the outcome after the shade meeting as well.

Mr. Chiumento stated Dick and I talked last night and this concept just comes at you so quick that it really requires some thought and probably a little bit of research and conversation amongst ourselves including probably other lawyers in my business who do this and kind of brainstorm because we have some ideas to present to you that we need to flesh out three steps down the road we don't know what the unintended consequence might be.

Mr. DeMatteis stated it is interesting that they bring this up now because they have known about this date.

Mr. Ryan stated I will give you an outside piece of information that may help explain why. Voss who owned 28 properties now has sold 25 of those, he has three remaining properties they are rental properties. Milo has just sold 2 lots in Cinnamon Beach, which is the only area you can lease so they don't seem to be as interested in this as they once were. I think that is probably the driving force of what's going on here; the business has become cumbersome. I think there is as much if not more desire on their part to end this thing.

Mr. Chiumento stated my personal mixed with professional advice is it would not surprise me if they just dismissed the suit and they have that option at any time up until the judge reaches his verdict. Any time they can file a document of voluntary dismissal.

Mr. Crahan stated are they aware of this offer?

Mr. Chiumento stated they are. There is in the evidence code as to what becomes evidence in a trial or court case settlement discussions are not admissible as evidence but it doesn't mean you can't talk it just can't be evidence. The judge would be aware of this he is not supposed to consider that as evidence. We would never be able to put it forth at the trial.

Mr. Leckie stated it looks like they are trying to recoup what they can by offering this and the money they spent they are trying to recoup some of it.

Mr. Chiumento stated in addition to that they are trying to get all their short-term rental vacation brethren their money back.

On MOTION by Mr. Leckie seconded by Mr. Vohs with all in favor staff was authorized to notice an attorney/client meeting in regards to Capacity Fee litigation for January 25, 2017 at 9:30 a.m. in the same location.

C. Status Report on HDP and Jungle Hut Road Intersection Construction Schedule

Mr. Sheahan stated that is complete and I have asked the engineer to relook at the placement of that pedestrian crosswalk sign that is getting battered.

Mr. Ryan stated trucks making the turn run over it.

D. Status Report on New Toll System

Mr. Ryan stated the new toll collection system has been held up because the contractor could not get a treadle. This is a device that goes in the roadway and counts axles and it comes

from Germany. It is scheduled to come here the last week of January. With that installed they are going to be working down here until everything is complete and hopefully we can do a turnover at the end of February.

Mr. Crahan asked the discussion of the discount is that taken off the top?

Mr. Ryan responded yes, basically what will show is actually that you pay. If you pay \$2 in cash it shows \$2, if your card is scanned it will show 50¢. It simplifies our reports.

E. Discuss and Take Any Action the Board Deems Appropriate Regarding the Request for an Easement (License) Over an Existing Easement Held by the City of Palm Coast Under the Bridge

Mr. Leckie asked do we want to talk about the money for the license?

Mr. Ryan stated it isn't a big deal but it is costing us a significant part of the right of way the way it is shown now. It is taking up more room so my sense is probably \$5,000 or something is reasonable.

Mr. Leckie stated I had the same number in mind. Does anybody else have a number in mind? The main thing is we don't want the hassle that we had with European Village regardless of what the amount is because it is not worth it in that kind of situation.

Mr. Ryan stated if the board has the sense that it is something beneficial for the area fine, then a reasonable amount is reasonable.

Mr. Chiumento stated I would also personally like to have a little more formal engineered sketch. The planned pedestrian movements and traffic are all important to you because you do have underlying liability although there is insurance. That and landscape maintenance obligations and repair and in the event the district had to come in and replace or maintain landscaping that is what your choice was there used to be some type of lien or penalty clause.

Mr. Crahan stated also restoration if for some reason they failed and vacated.

Mr. Chiumento stated the license terminates that way.

Mr. Ryan stated the city is going to be pretty restrictive about asking for very specific plans and we are saying we are not going to grant a license until we see the details and the city approves them. I think it is good protection that it goes in properly then the issue of maintenance comes as part of the license agreement.

Mr. Crahan asked they would pay for that elevated walkway?

Mr. Ryan responded yes.

Mr. Leckie stated I have heard people who live close by are concerned about noise and I think the city is going to get some objection when they go to pass this.

Mr. Chiumento stated they also have to a public meeting on rezoning.

Mr. Leckie stated I got the sense that \$5,000 is a reasonable amount.

Mr. Ryan stated I will send a note back to them and tell them what the decision was.

F. Discussion of Salt Water Impact on Stormwater Lakes North of Jungle Hut Road

Mr. Ryan stated staff has tested most the lakes in the system and Tim has put together a map. The numbers you see are called conductivity, which is a relative measure of total solids in the water. Some percentage of those are chlorides so when the conductivity is over 1,500 we don't like to use it because it has a deleterious affect on landscaping. You will see on the south end the levels are much lower with one exception, which was that marsh that is up because of saltwater intrusion through the breach. On the north end it is still very high. We have data from right after the storm surge first occurred and we are taking them now on a routine basis so over three months there hasn't been a very significant reduction in the conductivity of the salt levels.

Mr. Sheahan stated the only way it will change is if we get enough rain.

Mr. Ryan stated the reason for presenting this is one of the major things we are looking at this is we are considering putting a permanent installation to pump down the lakes during the summer when we have high water demand to augment our irrigation system. Tim just received a permit from DEP, we already have one from St. Johns and now we have everything in place to do this except the water is not suitable. We can go on the south side of Jungle Hut and do the same thing, which we already talked about.

G. Discussion of Palm Coast's Interest in Having the DCDD Participate in Expanding Their/Our Reclaimed Water Capacity by Putting in a New or Parallel Force Main to the Intracoastal Waterway

Mr. Ryan stated in the past week we received a query from the consulting engineer that was doing our wastewater treatment plant and they also do a lot of work for Palm Coast and they asked if we were interested in joining Palm Coast in expanding the reclaimed line that runs from Palm Coast's treatment plant where we get our reclaimed water from that runs down to the Intracoastal. From there it runs under the Intracoastal to feed our system here. We called and talked to Richard Adams who is the head of their utilities and he explained they are going to

either parallel with another main or put in a new large main and discontinue the one we own. It all comes down to the cost and their question to us is are we interested in participating and I said we are interested in participating if you give us a long term agreement to take X gallons a week. Their reason for doing this is they can't pump enough water out of their treatment plant during what is called wet weather discharge. During certain times of the year they can pump wastewater effluent out rather than putting it into their rapid infiltration basins (RIBs). Pumping treatment plant effluent to the Intracoastal would be a much cheaper way ultimately for them to get rid of wastewater. The advantage we have now is we have options open to us to guaranteed long-term reclaimed water supply. One, we participate with Palm Coast, two, we go south, go north into the stormwater ponds and lakes and take supply from there. Between those two I think we can guaranty long-term supplies for reclaimed water. We have the option to take it from Palm Coast or take it from the lakes, whichever is cost effective for us.

It is a benefit to us to investigate the two options. It turns out that the engineer that we have is the same engineer doing the work for Palm Coast so what we are proposing is to ask them to do a study on the costs of the different options.

Mr. Vohs stated they would be looking at the cost of our arranging to pump from the south, which we don't currently have and from the north we will be waiting for the salt reduction.

Mr. Ryan stated it could be a few months it could be a year.

Mr. Vohs stated versus whatever costs were associated with a long-term agreement.

Mr. Ryan stated yes, I think an agreement with Palm Coast could be quite extended depending on how much we participate it is going to reduce their cost.

Mr. DeMatteis stated the real reason we would be doing that is to get a long-term agreement rather than get additional capacity.

Mr. Ryan stated the greater capacity is important too. Remember taking from the lakes is not a guaranteed situation.

Mr. Vohs asked what has our history been of having reclaimed water from Palm Coast?

Mr. Ryan responded we have not had an issue. Our agreements say they will give us up to 1,800 gallons per minute and the problem is we can't get that much water through the piping system. By expanding the size of the pipe or putting in a second pipe then we can get whatever capacity we want. I think we would request a larger capacity and a longer time such as a 25 or

40 year period. Part of the analysis would be we have a certain size main that runs under the Intracoastal to us now and if we had 50 pounds higher pressure how much more water would we get through that existing pipe. Those are the kinds of analysis that will be done to determine whether you could use the existing pipe only with higher pressure or whether you need to put in a second pipe and get more water.

We are requesting that we get a proposal from CPH Engineers for doing an evaluation of the options and locations for size of main, benefit we would get from the different options and looking at taking water from the southern lakes. We will get a proposal and bring that back to the board to approve any action to do the work. If the board concurs we would issue a contract to them.

Mr. Crahan stated I would be concerned that they would bill both the city and us for the same work.

Mr. Ryan stated ours is a little different. The city is going to have certain requirements and they want a big pipe simply because they can dump far more water in a short period of time and that is what they are looking to do. They are looking to significantly increase the size of that main because it is to their benefit to do so. Whatever they decide may be more than adequate for our needs but we need to verify that.

FIFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Mr. Sheahan stated we got the permit for the wastewater plant and it includes the stormwater supplemental water for irrigation. I haven't heard anything about the marsh.

Mr. Vohs stated I know they met with St. Johns but that was before the last meeting but I don't think they have heard back from St. Johns.

C. Manager – Bridge Reports and Traffic Comparison for December

Mr. Ryan gave an overview of the bridge reports for December along with the traffic comparison.

SIXTH ORDER OF BUSINESS**Supervisor's Requests and Audience Comments**

Mr. Swinburn stated in reading though the minutes of the meeting I didn't attend there was a discussion initiated by Rich about the possibility of drawing down the lakes before a significant event supplemented by Gary talking about doing after a storm analysis of what was done and what might have been done differently, etc. The discussion just stopped and I didn't find any conclusions as to either of those suggestions. Is there one?

Mr. Sheahan stated as part of this study that we already talked about with CPH doing I think part of the analysis is to look if it is feasible to draw the lakes down during the hurricane season prior to an event and what size pump station and what do we resize that weir to make it an adjustable weir. That will be part of that analysis.

Mr. Ryan stated I think to be clear because I think I tried to be clear the stormwater system is designed for rain water it was never intended or designed for storm surge. The storm surge was so tremendous there is no way to funnel the storm surge anywhere it is going to go where it is going to go and it is going to go to the lowest point it can find. You can't direct storm surge down Malacompra Road or down Malacompra drainage ditch. The question about dropping the level of the stormwater ponds prior to a potential event is not necessary if you are dealing strictly with stormwater because we have had some very significant storm events and the system works fine. The only time it has not worked fine is when we had a storm surge. We cannot design for that storm surge we don't have the capability. The only way to prevent that is don't allow the water to flow down Malacompra or Jungle Hut and 16th Road and prevent the dunes from breaching. We can't do any of that. The concept of dropping the lake levels prior to an event is probably a wasted effort. We will look at putting in what we discussed and probably the simplest thing is to having an adjustable weir or putting in a new weir system that is adjustable.

Mr. Vohs asked is there anything we can do to protect the plant itself? The only reason I ask is there are discussions going on the dune restoration of areas putting in facilities that will have mesh to hold the sand. When the government agencies get through approving what they are going to be doing there may be something we want to supplement to protect the plant itself. I'm not sure what that would be. Getting salt into all of our water might create a bigger disaster. I don't know how protected we are now.

Mr. Ryan stated not very. If you have significant storm surge greater than we had with Matthew you can't protect this plant. We would be in horrific shape and out of service for a number of months and there is nothing we can do to prevent that if we get storm surges far worse than we had with Hurricane Matthew. We talked about moving equipment and getting some of the trucks and compressors and different things moved to higher ground. In an emergency we can put them on the berms that will give them 7 or 8 feet over where they are now. We also talked about going to Palm Coast or the county and getting a parcel of land that had some elevation. We have discussed it and we will put in place a plan to get the moveable vehicles and equipment out of here prior to the storm.

Mr. Crahan asked why didn't we get anything down Jungle Hut?

Mr. Ryan stated because the elevation of Jungle Hut is probably 2 or 3 feet higher than 16th Road.

Mr. Vohs stated I think the storm restoration will solve Jungle Hut and 16th Road issues.

Mr. Ryan stated it is the county's responsibility and it is not within our capabilities to take on that task.

Mr. DeMatteis stated I am a big proponent of trying to do something with these lakes and if we have a viable solution for something that you don't think we need to do but you have a solution for an adjustable weir why don't you pursue that?

Mr. Ryan stated we are, we are putting it all together with the Palm Coast analysis.

Mr. DeMatteis stated the other thing I wanted to mention is as part of the intersection work we painted the stripes because some of it once you go past the much brighter yellow it gets faded. Should we consider continuing to stripe the road?

Mr. Ryan stated we are probably going to redo the whole road surface, resurfacing it in two years. I think Ocean Hammock had it scheduled for 2018 and we just don't see the wear that bad but it will be soon. We have a set aside of \$280,000 to do that.

SEVENTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet & Income Statement

B. Construction Schedule

C. Special Assessment Receipt Schedule

D. Approval of Check Register

On MOTION by Mr. Crahan seconded by Mr. Swinburn with all in favor the check register was approved.

EIGHTH ORDER OF BUSINESS

**Next Meeting Scheduled for Friday,
February 10, 2017 @ 9:30 a.m. at the Dunes
CDD Administrative Office, 101 Jungle Hut
Road, Palm Coast, Florida**

Mr. Leckie stated the next meeting is February 10, 2017 and a shade meeting is scheduled for January 25, 2017.

On MOTION by Mr. Vohs seconded by Mr. Swinburn with all in favor the meeting adjourned at 11:05 a.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman

B.

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

A special meeting of the Board of Supervisors of the Dunes Community Development District was held Wednesday, January 25, 2017 at 9:30 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida.

Present and constituting a quorum were:

John G. Leckie, Jr.	Chairman
Dennis Vohs	Treasurer
Charles Swinburn	Assistant Secretary
Rich DeMatteis	Supervisor by telephone

Also present were:

Richard M. Ryan	District Manager
Michael Chiumento, III	General Counsel
Court Reporter	

The following is a summary of the minutes and actions taken at the January 25, 2017 meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Leckie called the meeting to order at 9:30 a.m.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Closing the Public Meeting

On MOTION by Mr. Vohs seconded by Charles Swinburn with all in favor the public session of the special meeting was closed.
--

FOURTH ORDER OF BUSINESS

Board went into a Closed Session

The Board went into an attorney-client session, which is closed to the public, relating to pending litigation and is being held pursuant to Section 286.011(8), Florida Statutes. The

verbatim minutes of the attorney-client session were taken by the court reporter and will be made public at the conclusion of the litigation discussed.

FIFTH ORDER OF BUSINESS

Board goes back into Public Session

SIXTH ORDER OF BUSINESS

**Next Meeting Scheduled for Friday,
February 10, 2017 @ 9:30 a.m. at the Dunes
CDD Administrative Office, 101 Jungle Hut
Road, Palm Coast, Florida**

On MOTION by Mr. Vohs seconded by Charles Swinburn with all in favor the meeting adjourned at 10:55 a.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman

C.

FLAGLER COUNTY/DUNES CDD COMMUNITY PROJECTS STATUS REPORT

REVISED 1/31/17

Project Funding	Date	Amount
2012 Initial Contribution	10/31/13	\$ 1,000,000
2013 Contribution	10/31/13	\$ 200,000
2014 Contribution	10/1/14	\$ 200,000
2015 Contribution	10/1/15	\$ 200,000
2016 Final Contribution	11/1/16	\$ 200,000
Total Funded to Date		\$ 1,800,000
Accumulated Interest	1/31/17	\$ 15,224
Total Funds Available to Date		\$ 1,815,224

Community Project Description	BOCC Approved Date	DCDD Approved Date	Project Budget	Project Status % Complete	Project Cost
Camino Del Mar Sidewalk	6/3/13	3/15/13	\$ 105,000	100% Complete	\$ 112,685
Landscaping A1A Medians	7/7/2014*1	7/12/13	\$ 46,900	100% Complete	\$ 43,658
Ocean Rescue Equipment & Storage	6/3/13	7/12/13	\$ 130,000	100% Complete	\$ 100,432
MalaCompra Drainage Improvements	6/3/2013*	11/21/13	\$ 900,000	No activity, 0% Complete	
HDP Saftey, Street Lighting, Traffic Signs, & Landscaping	12/8/15	8/21/15	\$ 255,685	87% Complete	\$ 223,525

Total to Date **\$ 1,437,585** **\$ 480,300**

Balance **\$ 1,334,924**

Potential Community Projects **Project
Budget**

Total **\$ -**

NOTES

* Projects initially approved then revised by First Amendment to the Interlocal Agreement Dated 11/21/2013

*1 BOCC approved this C P at their meeting on 7/7/14, DCDD Board approved on 8/15/14

D.

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT, (the “Agreement”), made as of this ____ day of _____, 2017, by and between THE DUNES COMMUNITY DEVELOPMENT DISTRICT (the “Defendant”) and 30 CINNAMON BEACH WAY, LLC, ELEVEN OCEAN OAKS, LLC, and 108 OCEAN WAY NORTH, LLC (the “Plaintiffs”) (Plaintiffs and Defendant and collectively the “Parties”) as follows:

WHEREAS, on or about August 11, 2014 a dispute arose between the Parties and Plaintiffs subsequently filed a lawsuit against Defendant in the Circuit Court, Seventh Judicial Circuit, Flagler County, Florida, Case No. 2014-CA-000555 (the “Lawsuit”).

WHEREAS, Plaintiffs and Defendant desire to settle the Lawsuit.

NOW THEREFORE the Parties in consideration of the mutual covenants contained herein the sufficiency of which is hereby acknowledged, do agree as follows:

1. Recitals. The aforementioned recitals are taken as true, incorporated by reference, and made a material part of this Agreement.
2. Compromise and Settlement.
 - a. Defendant agrees to pay to all, not each, of the Plaintiffs one lump sum payment of Twenty Thousand and 00/100 DOLLARS \$20,000.00 (the “Settlement Amount”) in full settlement within three (3) business days of execution of this Agreement with Plaintiffs determining how to divide the Settlement Amount amongst themselves.
 - b. Plaintiffs agree to file a Notice of Voluntary Dismissal with Prejudice of the Lawsuit within two (2) business days of receipt of the Settlement Amount.
 - c. Plaintiffs and Defendant agree to bear their own attorneys fee and costs associated with the Lawsuit.
3. Confidentiality. This Agreement shall not be recorded by any party in the official public records of any jurisdiction. The Parties agree that subject to the Sunshine Law, the Parties, their employees, owners, and officers agree that the financial terms of this Agreement shall be treated as confidential and shall not be voluntarily disclosed to anyone except as may be compelled by law or as necessary for the purpose of receiving legal or financial advice.
4. Mutual Release. In consideration of performance of this Agreement, the Parties further agree that Plaintiffs do hereby remise, release, acquit, satisfy and forever discharge Defendant, and their respective predecessors, successors, assigns, employees, agents and former employees agents, officers and directors, from any and all contracts, controversies, agreements or promises, claims and demands whatsoever in law or in equity, arising out of the Lawsuit. Also, Defendant does hereby remise, release, acquit,

satisfy, and forever discharge Plaintiffs, and their respective predecessors, successors, assigns, employees, agents and former employees agents, officers and directors, from any and all contracts, controversies, agreements or promises, claims and demands whatsoever in law or in equity, arising out of the claims which were asserted or could have been asserted in the Lawsuit.

5. Severability. If any one or more of the covenants or provisions of this Agreement shall be held to be contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall, for any reason whatever, be held invalid, then such covenants or provisions shall be null and void, shall be deemed separable from the remaining covenants or provisions of this Agreement, and shall, in no way, affect the validity of the remaining covenants or provisions of this Agreement.
6. Effective Date. This Agreement shall take effect on the date that this Agreement is fully executed by the Parties.
7. Entire Agreement/Modification. This Agreement constitutes the complete, integrated and entire agreement between the parties with respect to the subject matter hereof, and supersedes any and all prior agreements, arrangements, contracts or understandings, whether oral or written, between the parties. This Agreement may not be amended, changed, or modified and material provisions hereunder may not be waived, except by a written document, of equal dignity herewith and signed by all parties to this Agreement.
8. Construction or Interpretation of the Agreement. This Agreement is the result of a bona fide arm's length negotiation between the parties and all parties have contributed substantially and materially to the preparation of the Agreement. Accordingly, this Agreement shall not be construed or interpreted more strictly against any one (1) party than against any other party, both parties having participated in the drafting of this Agreement.
9. Interpretation/Applicable Law/Venue. The laws of the State of Florida shall govern this Agreement. Any legal action necessary arising out of the Agreement will have its venue in the Seventh Judicial Circuit Court in and for Flagler County, Florida and the Agreement will be interpreted according to the laws of Florida.
10. Reasonable Approval. In those instances, in this Agreement in which a party's approval, consent or satisfaction is required, then it shall be implied that such action shall be exercised in a reasonable manner and within a reasonable time frame.

11. Remedies. Each party shall have any and all remedies as permitted by law; provided, however, that the parties agree to provide for positive dialogue and communication if disputes or disagreements arise as to the interpretation or implementation of this Agreement.
12. Time is of the Essence. Time is of the essence for the lawful performance of the duties and obligations contained in this Agreement. The parties covenant and agree that they shall diligently and expeditiously pursue their respective obligations set forth in this Agreement.
13. Headings. All sections and descriptive headings in this Agreement are inserted for convenience only, and shall not affect the construction or interpretation hereof.
14. Knowing and Voluntary Waiver. The undersigned parties hereby expressly warrant and represent that, before executing this Agreement, they have fully informed themselves of its terms, contents, conditions, and effect; that they have relied solely and completely upon their own judgment in entering this Agreement; that they are competent to enter into this Agreement; that they have had adequate opportunity to consult with legal counsel concerning this Agreement and the terms thereof; that they fully understand that this Agreement includes a full, complete, and final release of the matters set forth herein; and that they are voluntarily entering into this Agreement.
15. Execution. This Agreement may be executed in one or more counterparts, all of which will be considered the same instrument. Fax or electronic copies of signatures on this Agreement shall have the same effect as original signatures.
16. Attorney Fees. In case suit be brought by either of the Parties for enforcement of any of the terms and conditions of this Agreement, the prevailing party shall be entitled to all expenses incurred, including reasonable attorney's fees (including on appeal), and court costs.
17. Authority. Each Party executing this Agreement hereby warrants that they have full authority to execute said Agreement on behalf of each corresponding Party.

(SIGNATURES ON THE FOLLOWING PAGES)

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

**THE DUNES COMMUNITY DEVELOPMENT
DISTRICT**

By: _____

_____ as _____

Dated this ____ day of _____ 2017

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned office, duly authorized to administer oaths, personally appeared, _____, as _____ of THE DUNES COMMUNITY DEVELOPMENT DISTRICT who is personally known to me or has produced _____ as identification, and who executed the foregoing Settlement Agreement and he acknowledged before me that he executed the same freely and voluntarily for the uses and purposes therein expressed after having first obtained advise from counsel of his own choosing, and who (did/did not) take an oath.

WITNESS my hand and official seal at _____, in the County and State aforesaid this _____ day of _____, 2017.

NOTARY PUBLIC, STATE OF FLORIDA

(Print)

My Commission Expires:

30 CINNAMON BEACH WAY, LLC

By: _____

_____ as _____

Dated this ____ day of _____ 2017

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned office, duly authorized to administer oaths, personally appeared, _____, as _____ of 30 CINNAMON BEACH WAY, LLC who is personally known to me or has produced _____ as identification, and who executed the foregoing Settlement Agreement and he acknowledged before me that he executed the same freely and voluntarily for the uses and purposes therein expressed after having first obtained advise from counsel of his own choosing, and who (did/did not) take an oath.

WITNESS my hand and official seal at _____, in the County and State aforesaid this _____ day of _____, 2017.

NOTARY PUBLIC, STATE OF FLORIDA

(Print)

My Commission Expires:

ELEVEN OCEAN OAKS, LLC

By: _____

_____ as _____

Dated this ____ day of _____ 2017

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned office, duly authorized to administer oaths, personally appeared, _____, as _____ of ELEVEN OCEAN OAKS, LLC who is personally known to me or has produced _____ as identification, and who executed the foregoing Settlement Agreement and he acknowledged before me that he executed the same freely and voluntarily for the uses and purposes therein expressed after having first obtained advise from counsel of his own choosing, and who (did/did not) take an oath.

WITNESS my hand and official seal at _____, in the County and State aforesaid this _____ day of _____, 2017.

NOTARY PUBLIC, STATE OF FLORIDA

(Print)

My Commission Expires:

108 OCEAN WAY NORTH, LLC

By: _____

_____ as _____

Dated this ____ day of _____ 2017

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned office, duly authorized to administer oaths, personally appeared, _____, as _____ of 108 OCEAN WAY NORTH, LLC who is personally known to me or has produced _____ as identification, and who executed the foregoing Settlement Agreement and he acknowledged before me that he executed the same freely and voluntarily for the uses and purposes therein expressed after having first obtained advise from counsel of his own choosing, and who (did/did not) take an oath.

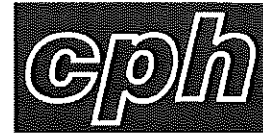
WITNESS my hand and official seal at _____, in the County and State aforesaid this _____ day of _____, 2017.

NOTARY PUBLIC, STATE OF FLORIDA

(Print)

My Commission Expires:

E.



**SCOPE OF SERVICES
REUSE STORM WATER SUPPLEMENT & EFFLUENT TRANSMISSION ANALYSIS
FLAGLER COUNTY, FLORIDA**

PROJECT DESCRIPTION

The Dunes Community Development District (DCDD) recently obtained the permits from FDEP and SJRWMD which allow the utilization of up to 0.925 MGD of stormwater to supplement the reuse irrigation system for the Hammock Dunes and Ocean Hammock Golf Courses and the residential communities and landscaped areas within the District. This Scope of Services is prepared to assist the DCDD in developing an analysis of existing storm water system parameters and hydraulic function in order to maximize this use of the stormwater within the limitations of the permits.

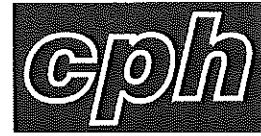
This Scope also includes an analysis of the existing Effluent Transmission Main from the City of Palm Coast in order to increase the hydraulic capacity of the reuse water the City has available.

SCOPE OF SERVICES

I. SUPPLEMENTAL/ADDITIONAL RECLAIMED WATER SUPPLY ANALYSIS

CPH shall review existing plans, documents and current permits associated with the existing stormwater facilities and systems within the Dunes Community Development District in order to ascertain the stormwater quantity that could be applied to supplement the reuse irrigation system. CPH will complete the following tasks:

- a. Identify the location of recommended withdrawal points and prepare a conceptual design of the pump station including required pumping rates and head pressures, and associated transmission piping and equipment to operate the system.
- b. Identify and analyze existing weir structures that could be used to facilitate drawdown of the existing Lakes and water body levels in advance of a major climatic event such as a hurricane or tropical storm.
- c. Prepare an opinion of probable cost to support the pumping system and weir structure improvements recommended.
- d. Analyze the water quality in the lakes, primarily with respect to salt content and its potential for future use as irrigation.
- e. Estimate the time it will take for the currently elevated salt levels to return to levels that are safe for irrigation use. The dilution needed for recovery could be variable and this recovery time will be based only on typical annual rainfall events for this region, total stored water volumes in the lake systems, and anticipated lake discharges and the estimated time could be very general.



- f. Investigate the causes for elevated salinity in the stormwater system after hurricane Matthew and identify potential measures to keep the salt water from getting into the storm water system.
- g. Identify the annual available stormwater for reclaimed water supplement based on the above analysis.
- h. Prepare a Technical Memorandum (TM) to summarize the findings from the above tasks.

II. EFFLUENT TRANSMISSION MAIN (FROM PALM COAST) ANALYSIS

CPH shall perform a detailed analysis of the effluent transmission piping from the City of Palm Coast (CITY) which shall include the following task:

- a. Perform hydraulic modeling of the existing reclaimed transmission system to identify the piping size needed to accommodate the needs of the DCDD for the receiving of reuse water and the CITY for discharge of reuse water. WaterCAD will be used for the modeling efforts. CPH will discuss the results with DCDD.
- b. Identify and recommend the most efficient and economical pipe routing plan in order to facilitate the increased capacity transmission to the DCDD properties. CPH will prepare conceptual piping plans identifying recommended piping alignment, sizes, and connections.
- c. Provide an assessment of a potential second crossing of the Intracoastal Waterway. CPH will prepare and identify the crossing location, materials construction methods and opinion of probable cost for the crossing.
- d. CPH will assist DCDD in amending the existing utility agreements associated with the above items II. a., b., & c. tasks.

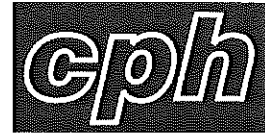
The conceptual plans will be prepared in accordance with the DCDD requirements. Plans will be supplied to DCDD in reproducible form at a suitable scale to fit on a twenty-four inch by thirty-six inch (24" x 36") plan sheet and will be accurate, legible, and complete in design.

III. SERVICES NOT INCLUDED

The following services are not included in this Agreement:

- Survey Services
- Geotechnical Studies and Testing
- Environmental Services
- Water samples testing lab services

Should work be required in any of these areas, or areas not previously described in this contract, at the Client's request, CPH will prepare an Extra Work Authorization (EWA) scope of services and fee based on Standard Hourly Rates (Exhibit B), which is understood as an addition to this contract.



IV. COMPENSATION

CPH will perform the Scope of Services contained in this Agreement for a not-to-exceed fee of \$62,775.00 developed based on the hourly rate as listed in the Plan of Study. CPH will invoice the District based on actual time and expenses incurred and the total amount invoiced shall not exceed the not-to-exceed fee of \$62,775.00, except as separately authorized by the District as additional services.

V. Schedule

CPH proposes to complete the tasks listed in this Scope of Services within 180 days of receipt of Work Order.



Dunes Community Development District, Flagler County

Reuse Stormwater Supplement and Effluent Transmission Analysis

Plan of Study

ITEM	DESCRIPTION	Principal	P.E.	Design Tech	Clerical II	Expenses	Cost by Task
Hourly Rates (Per Current CPH Rates)		\$150	\$140	\$95	\$55		\$
1 - Technical Memorandum							
A	Conceptual Pump Station Design	16	30	24	4	350	\$ 9,450.00
B	Weir Structure Analysis	16	24	16	4	350	\$ 7,850.00
C	Engineers Estimate of Cost		8	10			\$ 2,070.00
D	Water Quality Analysis of Stormwater System	2	10				\$ 1,700.00
E	Recovery Analysis	8	16	16	4		\$ 5,180.00
F	Salinity Elevation Investigation and Identify Measures for Prevention	8	16				\$ 3,440.00
G	Estimate Annual Availability of Stormwater for Irrigation	8	24	16	4		\$ 6,285.00
H	Preparation of the Technical Memorandum	4	40	8	8	550	\$ 7,950.00
Sub-Total		62	160	90	24	1250	\$43,925.00
2 - Effluent Transmission Main Analysis							
A	Hydraulic Modeling of Transmission Main	8	30	10			\$ 6,350.00
B	Establish Transmission Route	8	10	10			\$ 3,550.00
C	Assessment of Additional Intra-Ccoastal Waterway Crossing	8	20	10			\$ 4,950.00
D	Coordination on Agreement Amendment	8	20			500	\$ 4,000.00
Sub-Total		32	68	30		500	\$18,850.00
GRAND TOTAL		188	476	240	48	3,500	\$62,775.00

F.

**DUNES COMMUNITY DEVELOPMENT DISTRICT
FLAGLER COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2016**

**DUNES COMMUNITY DEVELOPMENT DISTRICT
FLAGLER COUNTY, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Dunes Community Development District, Flagler County, Florida ("District") as of and for the fiscal year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District as of September 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2017, 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 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 January 25, 2017, 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.

January 25, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Dunes Community Development District, Flagler County, Florida's ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2016. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the fiscal year ended September 30, 2016 by \$50,556,551 (net position), an increase of \$708,259 in comparison with the prior fiscal year.
- At September 30, 2016, the District's governmental funds reported combined ending fund balances of \$194,843, an increase of \$19,132 in comparison with the prior fiscal year. A portion of the total fund balance is non-spendable for prepaid items, assigned for subsequent year's expenditures and the remainder is unassigned fund balance which is available for spending at the District's discretion.
- During fiscal year 2016, the District implemented Governmental Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Please see New Accounting Standards Adopted in Note 2 of the financial statements for additional information

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.

Both the government-wide financial statements distinguish functions of the District that are principally supported by assessments (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general (management) and maintenance functions. The business-type activities of the District include the water and sewer operations and the toll bridge operations.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

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

Governmental Funds

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

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

The District maintains one individual governmental fund. 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, which is considered to be a major fund.

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.

Proprietary Funds

The District maintains one type of proprietary fund, enterprise fund. The District maintains two enterprise funds. An enterprise fund is used to report the same function presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of the water and sewer utility services within the District. The District also uses an enterprise fund to account for the operations of the toll bridge within the District. Both funds are considered to be major funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget to actual comparison for the general fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	NET POSITION SEPTEMBER 30,					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets, excluding capital assets	\$ 206,512	\$ 180,014	\$21,581,691	\$19,882,459	\$21,788,203	\$20,062,473
Capital assets, net of depreciation	107,700	107,621	31,653,109	32,792,176	31,760,809	32,899,797
Total assets	314,212	287,635	53,234,800	52,674,635	53,549,012	52,962,270
Liabilities, excluding long-term liabilities	11,669	4,303	2,970,792	3,099,675	2,982,461	3,103,978
Total liabilities	11,669	4,303	2,970,792	3,099,675	2,982,461	3,103,978
Net position						
Investment in capital assets	107,700	107,621	31,653,109	32,792,176	31,760,809	32,899,797
Restricted for:						
Parkway maintenance and community projects	-	-	1,437,807	1,400,943	1,437,807	1,400,943
Unrestricted	194,843	175,711	17,173,092	15,381,841	17,367,935	15,557,552
Total net position	\$ 302,543	\$ 283,332	\$50,264,008	\$49,574,960	\$50,566,551	\$49,858,292

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

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

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

Governmental activities

As noted below and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2016 was \$316,115. The majority of the costs of the District's activities were paid by program revenues. As in the prior fiscal year, program revenues are comprised primarily of assessments. In addition, surplus funds were transferred from the enterprise funds to fund certain operating expenses. The majority of the change in expenses results from increases in certain maintenance and operations expenses.

Business-type activities

For the fiscal year ended September 30, 2016, the cost of the business-type activities was \$4,739,778. The costs of those activities were paid for by program revenues which consisted primarily of user fees and charges. The majority of the decrease in program revenues is due to nonrecurring receipts of \$691,690 from St. Johns River Water Management District relating to a cost share agreement, and a contribution of roadways from the Ocean Hammock Property Owners Association totaling \$1,873,188; along with \$279,912 to offset the cost of future maintenance in the prior fiscal year. The decrease in expenses is primarily the result of extensive nonrecurring bridge repairs that were undertaken in the prior fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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,					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues						
Charges for services	\$ 161,231	\$ 194,443	\$ 5,495,680	\$ 5,272,626	\$ 5,656,911	\$ 5,467,069
Capital grants and contributions	-	-	-	2,844,790	-	2,844,790
General revenues						
Miscellaneous	1,095	722	106,146	49,350	107,241	50,072
Total revenues	162,326	195,165	5,601,826	8,166,766	5,764,152	8,361,931
Expenses:						
General government	183,385	177,029	-	-	183,385	177,029
Maintenance and operations	132,730	102,949	-	-	132,730	102,949
Water and sewer	-	-	3,408,822	3,199,238	3,408,822	3,199,238
Toll bridge operations	-	-	1,330,956	2,369,109	1,330,956	2,369,109
Total expenses	316,115	279,978	4,739,778	5,568,347	5,055,893	5,848,325
Transfers	173,000	135,000	(173,000)	(135,000)	-	-
Change in net position	19,211	50,187	689,048	2,463,419	708,259	2,513,606
Net position - beginning	283,332	233,145	49,574,960	47,111,541	49,858,292	47,344,686
Net position - ending	\$ 302,543	\$ 283,332	\$ 50,264,008	\$ 49,574,960	\$ 50,566,551	\$ 49,858,292

GENERAL FUND 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, 2016.

Actual general fund expenditures for the fiscal year ended September 30, 2016 were less than appropriations due primarily to anticipated costs which were not incurred.

CAPITAL ASSETS

At September 30, 2016, the District had \$123,282 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$15,582 has been taken, which resulted in a net book value of \$107,700. The District's business-type activities reported net capital assets of \$31,653,109. More detailed information about the District's capital assets is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District anticipates some capital improvement projects in fiscal year 2017. The design of improvements to the wastewater treatment plant that will increase the plant capacity from its current 0.5 million gallons per day (MGD) to 1.0 MGD has commenced and is expected to be completed in fiscal year 2017. Construction of the improvements necessary to increase the plant capacity is anticipated to take place in fiscal year ended September 30, 2017. Other capital improvement projects scheduled for fiscal year 2017 include improvements to the water distribution system, wastewater collection system and reuse distribution system.

The District has entered into an inter-local agreement with Flagler County to contribute a total of \$1.8 million in surplus funds from the bridge fund for certain community projects, commencing on October 1, 2013 and ending on October 1, 2016 – see Note 8 for additional details. Based on the agreement, contributions through September 30, 2015 totaled \$1.6M. Approved projects completed in the current and prior fiscal years totaled \$165,012 and \$258,650, respectively, for a restricted balance on this commitment of approximately \$1,178 million at September 30, 2016. An additional \$200,000 in contribution was reserved subsequent to year end.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide 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 Dunes Community Development District's Finance Department at 5385 N. Nob Hill Road, Sunrise, Florida, 33351.

**DUNES COMMUNITY DEVELOPMENT DISTRICT
FLAGLER COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 9,736	\$ 483,255	\$ 492,991
Investments	183,482	20,443,346	20,626,828
Receivables	994	508,455	509,449
Due from business/governmental type activities	608	-	608
Prepays	11,692	145,635	157,327
Deposits	-	1,000	1,000
Capital assets:			
Nondepreciable	-	1,195,872	1,195,872
Depreciable, net	107,700	30,457,237	30,564,937
Total assets	<u>314,212</u>	<u>53,234,800</u>	<u>53,549,012</u>
LIABILITIES			
Accounts payable	11,669	61,271	72,940
Due to business/governmental type activities	-	608	608
Unearned revenue	-	2,908,913	2,908,913
Total liabilities	<u>11,669</u>	<u>2,970,792</u>	<u>2,982,461</u>
NET POSITION			
Investment in capital assets	107,700	31,653,109	31,760,809
Restricted for:			
Parkway maintenance	-	259,593	259,593
Community projects	-	1,178,214	1,178,214
Unrestricted	194,843	17,173,092	17,367,935
Total net position	<u>\$ 302,543</u>	<u>\$ 50,264,008</u>	<u>\$ 50,566,551</u>

See notes to the financial statements

**DUNES COMMUNITY DEVELOPMENT DISTRICT
FLAGLER COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position		
			Governmental Activities	Business-type Activities	Total
Primary government:					
Governmental activities:					
General government	\$ 183,385	\$ 161,231	\$ (22,154)	\$ -	\$ (22,154)
Maintenance and operations	132,730	-	(132,730)	-	(132,730)
Total governmental activities	316,115	161,231	(154,884)	-	(154,884)
Business-type activities:					
Water and sewer utilities	3,408,822	3,907,237	-	498,415	498,415
Toll bridge operations	1,330,956	1,588,443	-	257,487	257,487
Total business-type activities	4,739,778	5,495,680	-	755,902	755,902
General revenues:					
Unrestricted investment earnings			1,095	106,146	107,241
Total general revenues			1,095	106,146	107,241
Transfers			173,000	(173,000)	-
Change in net position			19,211	689,048	708,259
Net position - beginning			283,332	49,574,960	49,858,292
Net position - ending			\$ 302,543	\$ 50,264,008	\$ 50,566,551

See notes to the financial statements

**DUNES COMMUNITY DEVELOPMENT DISTRICT
FLAGLER COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016**

	<u>Major Fund</u> <u>General Fund</u>
ASSETS	
Cash	\$ 9,736
Investments	183,482
Assessments receivable	994
Due from other funds	608
Prepays	11,692
Total assets	<u>\$ 206,512</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 11,669
Total liabilities	<u>11,669</u>
Fund balances:	
Nonspendable:	
Prepaid items	11,692
Assigned to:	
Subsequent year's expenditures	46,691
Unassigned	136,460
Total fund balance	<u>194,843</u>
Total liabilities and fund balance	<u>\$ 206,512</u>
 Total fund balances - governmental funds	 \$ 194,843
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.	
	<u>107,700</u>
Net position of governmental activities	<u>\$ 302,543</u>

See notes to the financial statements

**DUNES COMMUNITY DEVELOPMENT DISTRICT
FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

	Major Fund General Fund
REVENUES	
Maintenance assessments	\$ 161,231
Interest and other revenues	1,095
Total revenues	<u>162,326</u>
EXPENDITURES	
Current:	
General government	177,074
Maintenance and operations	130,125
Capital outlay	8,995
Total expenditures	<u>316,194</u>
Excess (deficiency) of revenues over (under) expenditures	 (153,868)
OTHER FINANCING (USES)	
Interfund transfers	173,000
Total other financing sources and (uses)	<u>173,000</u>
Net change in fund balance	19,132
Fund balance - beginning	<u>175,711</u>
Fund balance - ending	<u>\$ 194,843</u>
Net change in fund balances - total governmental funds	\$ 19,132
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.	 (6,420)
Governmental funds report capital outlays as expenditures, however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.	 6,499
Change in net position of governmental activities	<u>\$ 19,211</u>

See notes to the financial statements

**DUNES COMMUNITY DEVELOPMENT DISTRICT
FLAGLER COUNTY, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2016**

	Major Funds		
	Water, Sewer and Effluent Reuse Enterprise Fund	Intracoastal Waterway Bridge Enterprise Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 355,405	\$ 127,850	\$ 483,255
Investments	9,555,595	10,887,751	20,443,346
Receivables	508,455	-	508,455
Due from other funds	-	833	833
Noncurrent assets:			
Prepays	84,059	61,576	145,635
Deposits	1,000	-	1,000
Capital assets:			
Capital assets not being depreciated	954,327	241,545	1,195,872
Capital assets being depreciated	43,562,520	13,199,756	56,762,276
Less accumulated depreciation	(20,077,117)	(6,227,922)	(26,305,039)
Total capital assets, net	24,439,730	7,213,379	31,653,109
Total assets	34,944,244	18,291,389	53,235,633
LIABILITIES			
Current liabilities:			
Accounts payable	57,885	3,386	61,271
Due to other funds	1,441	-	1,441
Noncurrent liabilities:			
Unearned revenue	870,673	2,038,240	2,908,913
Total liabilities	929,999	2,041,626	2,971,625
NET POSITION			
Net investment in capital assets	24,439,730	7,213,379	31,653,109
Restricted for parkway maintenance	-	259,593	259,593
Restricted for community projects	-	1,178,214	1,178,214
Unrestricted	9,574,515	7,598,577	17,173,092
Total net position	\$ 34,014,245	\$ 16,249,763	\$ 50,264,008

See notes to the financial statements

**DUNES COMMUNITY DEVELOPMENT DISTRICT
FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

	Major Funds		
	Water, Sewer and Effluent Enterprise Fund	Intracoastal Waterways Bridge Enterprise	Total
OPERATING REVENUES			
Charges for sales and services:			
Water	\$ 1,255,775	\$ -	\$ 1,255,775
Irrigation and effluent	1,448,841	-	1,448,841
Sewer	1,028,825	-	1,028,825
Connection fees	122,829	-	122,829
Meter fees	31,022	-	31,022
Tolls	-	1,588,443	1,588,443
Other	19,945	-	19,945
Total operating revenues	<u>3,907,237</u>	<u>1,588,443</u>	<u>5,495,680</u>
OPERATING EXPENSES			
Personnel services	908,200	464,646	1,372,846
Materials, supplies and services	1,313,763	563,510	1,877,273
Depreciation and amortization	1,186,859	302,800	1,489,659
Total operating expense	<u>3,408,822</u>	<u>1,330,956</u>	<u>4,739,778</u>
Operating income (loss)	<u>498,415</u>	<u>257,487</u>	<u>755,902</u>
NON OPERATING REVENUE (EXPENSES)			
Interest income	48,826	57,320	106,146
Total non operating revenue (expenses)	<u>48,826</u>	<u>57,320</u>	<u>106,146</u>
Income before transfers	547,241	314,807	862,048
Transfers out	<u>(80,000)</u>	<u>(93,000)</u>	<u>(173,000)</u>
Change in net position	467,241	221,807	689,048
Total net position - beginning	<u>33,547,004</u>	<u>16,027,956</u>	<u>49,574,960</u>
Total net position - ending	<u>\$ 34,014,245</u>	<u>\$ 16,249,763</u>	<u>\$ 50,264,008</u>

See notes to the financial statements

**DUNES COMMUNITY DEVELOPMENT DISTRICT
FLAGLER COUNTY, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

	Water, Sewer and Effluent Reuse Enterprise Fund	Intracoastal Waterway Bridge Enterprise Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers, users and other funds	\$ 3,836,096	\$ 1,560,551	\$ 5,396,647
Other operating cash receipts	10,601	-	10,601
Payments to suppliers	(1,497,344)	(668,544)	(2,165,888)
Payments to employees	(896,438)	(457,505)	(1,353,943)
Net cash provided (used) by operating activities	1,452,915	434,502	1,887,417
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	(182,959)	(173,190)	(356,149)
Net cash provided (used) by capital and related financing activities	(182,959)	(173,190)	(356,149)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	48,826	57,320	106,146
Purchase of investments	(1,008,802)	(340,414)	(1,349,216)
Net cash provided (used) by investing activities	(959,976)	(283,094)	(1,243,070)
Net increase (decrease) in cash and cash equivalents	309,980	(21,782)	288,198
Cash and cash equivalents - October 1	45,425	149,632	195,057
Cash and cash equivalents - September 30	\$ 355,405	\$ 127,850	\$ 483,255
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating Income (loss)	\$ 498,415	\$ 257,487	\$ 755,902
Adjustments to reconcile operating income (loss) to net cash provided (used) by Operating Activities:			
Depreciation and amortization	1,186,859	302,800	1,489,659
(Increase)/Decrease in receivables	(60,640)	-	(60,640)
(Increase)/Decrease in interfund receivable	100	242	342
(Increase)/Decrease in prepaids	(1,146)	(32)	(1,178)
Increase/(Decrease) in accounts payable	(59,315)	(97,861)	(157,176)
Increase/(Decrease) in interfund payable	142	-	142
Increase/(Decrease) in unearned revenue	(31,500)	64,866	33,366
Interfund transfer	(80,000)	(93,000)	(173,000)
Total Adjustments	954,500	177,015	1,131,515
Net cash provided (used) by operating activities	\$ 1,452,915	\$ 434,502	\$ 1,887,417

See notes to the financial statements

**DUNES COMMUNITY DEVELOPMENT DISTRICT
FLAGLER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Dunes Community Development District ("District") was created on October 22, 1985, under the "Uniform Community Development District Act of 1980", otherwise known as Chapter 190, Florida Statutes. Chapter 190 provides that a Community Development District with a size of 1,000 acres or more may be established by rule adopted under Chapter 120 by the Florida Land and Water Adjudicatory Commission. The District was established by adopting Rule 42E-1. Chapter 190 provides among other things the power to manage basic services for community development and to levy and assess non-ad valorem assessments for the financing and maintenance of improvements.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by registered voters within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the responsibility for:

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

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District 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*.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 benefitted property within the District. Operating and Maintenance Assessments are based upon adopted budget and levied annually at a public hearing of the District. Debt Service Assessments are levied when Bonds are issued and assessed and collected on an annual basis. The District may collect assessments directly or utilize the uniform method of collection (Chapter 197.3632, 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 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 government reports the following major governmental fund:

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.

The following major proprietary funds are used by the District:

Water and Sewer and Effluent Reuse Fund

This enterprise fund is used to account for the operations of the water and sewer utility services within the District. The costs of providing services to the residents are recovered primarily through user charges.

Intracoastal Waterway Bridge Enterprise Fund

This enterprise fund is used to account for the operations of a toll bridge. The costs of providing services are recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses of the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 POLICES (Continued)

New Accounting Standards Adopted

During fiscal year 2016, the District adopted three new accounting standards as follows:

GASB 72, Fair Value Measurement and Application

The Statement improves financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, *Measurement of Elements of Financial Statements*, and other relevant literature.

GASB 76 - The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments

The Statement identifies—in the context of the current governmental financial reporting environment—the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles.

GASB 79 - Certain External Investment Pools and Pool Participants

This Statement establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement also establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost.

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or 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 Interlocal 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. In addition, surplus funds may be deposited into certificates of deposit which are insured.

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

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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 Contributions

Capital Contributions consists of infrastructure improvements conveyed by the Developer or other entities to the District and cash contributions made by the Developer for infrastructure improvements.

Unearned Revenue

Unearned revenue in the Water and Sewer and Effluent Reuse Enterprise Fund consists of connection fees advanced by one of the Developers. Revenue is considered unearned until the specific unit is connected to the water and sewer system. Unearned revenue in the Intracoastal Waterway Bridge Enterprise Fund consists of amounts collected for toll passes which have not been used up by the customers.

Capital Assets

Capital assets include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items). Assets used for general government activities are reported in the governmental 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>
Infrastructure	25 – 50
Roadways	26
Machinery and equipment	5

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.

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 Bond 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future reporting period(s). For example, the District would record deferred outflows of resources on the statement of net position related to debit amounts resulting from current and advance refundings resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of the old debt).

Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s). For example, when an asset is recorded in the governmental fund financial statements, but the revenue is unavailable, the District reports a deferred inflow of resources on the balance sheet until such times as the revenue becomes available.

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

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

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

Other Disclosures

Use of Estimates

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

NOTE 3 – BUDGETARY INFORMATION

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

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

Investments

The District's investments were held as follows at September 30, 2016:

Investment	Maturities	Fair Value	Credit Risk
Investment in Local Government Surplus Funds	Weighted average of the fund		
Trust Fund (Florida PRIME)	portfolio: 50 days	\$ 20,626,828	S&P AAAm
Total Investments		<u>\$ 20,626,828</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.

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.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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

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

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

As of September 30, 2016, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

NOTE 5 – RECEIVABLES

Receivables at September 30, 2016 are as follows:

	Water, Sewer and Effluent Reuse Enterprise Fund		Totals
Receivables:			
Accounts	\$ 508,455	\$	508,455
	\$ 508,455	\$	508,455

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities</u>				
Capital assets being depreciated:				
Infrastructure	\$ 104,208	\$ -	\$ -	\$ 104,208
Machinery and equipment	12,575	6,499	-	19,074
Total capital assets, being depreciated	116,783	6,499	-	123,282
Less accumulated depreciation for:				
Infrastructure	4,342	2,605	-	6,947
Machinery and equipment	4,820	3,815	-	8,635
Total accumulated depreciation	9,162	6,420	-	15,582
Total capital assets, being depreciated, net	107,621	79	-	107,700
Governmental activities capital assets, net	\$ 107,621	\$ 79	\$ -	\$ 107,700
<u>Business-type Activities</u>				
Capital assets not being depreciated:				
Land	\$ 960,488	\$ -	\$ -	\$ 960,488
Construction in progress	-	235,384	-	235,384
Total capital assets, not being depreciated	960,488	235,384	-	1,195,872
Capital assets being depreciated:				
Infrastructure	51,435,319	36,471	-	51,471,790
Roadways	1,873,188	-	-	1,873,188
Machinery and equipment	3,338,561	78,737	-	3,417,298
Total capital assets, being depreciated	56,647,068	115,208	-	56,762,276
Less accumulated depreciation for:				
Infrastructure	21,571,109	1,354,591	-	22,925,700
Roadways	72,046	72,046	-	144,092
Machinery and equipment	3,172,225	63,022	-	3,235,247
Total accumulated depreciation	24,815,380	1,489,659	-	26,305,039
Total capital assets, being depreciated, net	31,831,688	(1,374,451)	-	30,457,237
Business-type activities capital assets, net	\$ 32,792,176	\$ (1,139,067)	\$ -	\$ 31,653,109

During the current fiscal year, the District began the design and engineering of its Wastewater Treatment Plant Expansion Project and replacement of its toll system.

During the prior fiscal, the District assumed ownership and maintenance responsibility of Hammock Dunes Parkway from the Ocean Hammock Property Owners Association (OHPOA). In conjunction with the conveyance, OHPOA also transferred \$279,912 in reserves to the District for future maintenance on the property. \$259,593 of this amount is included in restricted net position at September 30, 2016.

NOTE 6 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
General government	\$ 2,605
Maintenance and operations	3,815
Total depreciation expense	<u>\$ 6,420</u>
Business-type activities:	
Water and sewer utilities	\$ 1,186,859
Toll bridge operations	302,800
Total depreciation expense	<u>\$ 1,489,659</u>

NOTE 7 – WATER, SEWER, AND EFFLUENT REUSE TRANSACTIONS

In accordance with the Utility Connection Collection and Reimbursement Agreement amounts advanced as connection fees in previous years are reduced by the portion of the connection fees collected from outside customers during the fiscal year. On June 18, 2013, the Developer, HD Associates, LP, transferred its rights under the Utility Connection Collection & Reimbursement Agreement to the Hammock Dunes Owners Association, Inc. (HDOA). The transfer provided that all potential payments made after April 1, 2013 under the Agreements were to be made to the HDOA. During the fiscal year ended September 30, 2016, HDOA received refunds of \$31,320.

NOTE 8 – INTER-LOCAL AGREEMENTS

The District has entered into an Inter-local Agreement with the City of Palm Coast ("City"), Florida pertaining to the provision of utility services whereby the City shall supply and the District shall accept at the point of delivery up to a maximum daily volume of 2.6 million gallons per day of reclaimed water subject to the terms and conditions outlined in the agreement. The City and the District shall obtain, maintain and amend, at their own expense, all permits, consents, and approvals as required by law for performance of their respective obligations outlined in the Inter-local Agreement.

Whenever either the District or the City is confronted by an emergency water condition and desires to purchase available potable water from the other, the requesting party shall notify the selling party, in writing or by phone, and request that up to 0.5 million gallons per day of available potable water be transferred to the requesting party for a continuous period not to exceed 60 days. The selling party shall respond as soon as possible in an emergency condition or within twenty-four hours. The duration of the transfer may be extended by mutual agreement of the parties.

On December 19, 2011, the District entered into an Inter-local Agreement with Flagler County ("County"), whereby the District will make certain surplus bridge funds available to the County for community projects to be approved by the District. The community projects shall be within the boundaries of the District or directly adjacent to the District boundaries. The District agreed to provide an initial contribution of \$1 million, of which \$350,000 is to be used for certain improvements in the Hammock Dunes DRI. In addition, commencing on October 1, 2013 and ending on October 1, 2016, the District shall make available to the County \$200,000 per year for mutually agreed upon beneficial community projects. During the prior fiscal year, the agreement was amended to allow each party, at their sole discretion, to allocate the specific allocation of one half of the total funds or community projects. As a result, during the prior fiscal years, the District completed a sidewalk construction and other projects that were applied to this commitment. During the current fiscal year, additional projects totaling \$165,012 were completed and applied to this commitment. The restricted net position of \$1,178 million at September 30, 2016 in the Intracoastal Waterway Bridge Fund relates to the remaining community projects.

NOTE 9 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2014 were as follows:

Fund	Transfer in	Transfer out
General	\$ 173,000	\$ -
Bridge	-	93,000
Water and sewer	-	80,000
Total	<u>\$ 173,000</u>	<u>\$ 173,000</u>

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers from the enterprise funds to the general fund were approved by the Board in the fiscal year 2016 budget to allocate surplus funds to offset the cost of general operations.

NOTE 10 – RETIREMENT PLAN

The District maintains a defined contribution plan for employees who meet a certain pay requirement. The District's required contribution is 6% of the total salaries of qualified participants. Total salaries of qualified participants for the fiscal year ended September 30, 2016 were \$967,422. Employer contributions for the period were approximately \$56,049.

NOTE 11 – MANAGEMENT COMPANY

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

NOTE 12 – 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. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

The District is involved in various claims and litigation arising in the ordinary course of operations, none of which, in the opinion of the Board of Supervisors and District Manager, will have a material effect on the District's financial position.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

The District is involved in a lawsuit with a landowner relating the District's right to collect certain water capacity charges. No adjustment has been made to the financial statements relating to this matter as the outcome of the case cannot be determined.

As of September 30, 2016, the District had commitment on open contracts for various capital and maintenance projects. The contracts totaled approximately \$825,272, of which approximately \$427,718 was uncompleted at September 30, 2016.

**DUNES COMMUNITY DEVELOPMENT DISTRICT
FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

	Budget Original & Final	Actual	Variance Favorable (Unfavorable)
REVENUES			
Maintenance assessments	\$ 167,000	\$ 161,231	\$ (5,769)
Interest income	-	1,095	1,095
Total revenues	<u>167,000</u>	<u>162,326</u>	<u>(4,674)</u>
EXPENDITURES			
Current			
General government	199,700	177,074	22,626
Maintenance and operations	125,300	130,125	(4,825)
Capital outlay	15,000	8,995	6,005
Total expenditures	<u>340,000</u>	<u>316,194</u>	<u>23,806</u>
Excess (deficiency) of revenues over (under) expenditures	(173,000)	(153,868)	19,132
OTHER FINANCING SOURCES (USES)			
Transfer in	173,000	173,000	-
Total other financing sources and (uses)	<u>173,000</u>	<u>173,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	19,132	<u>\$ 19,132</u>
Fund balance - beginning		<u>175,711</u>	
Fund balance - ending		<u>\$ 194,843</u>	

See notes to required supplementary information

**DUNES COMMUNITY DEVELOPMENT DISTRICT
FLAGLER 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, 2016.

Actual general fund expenditures for the fiscal year ended September 30, 2016 were less than appropriations due primarily to anticipated costs which were not incurred.



**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
Dunes Community Development District
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business type activities and each major fund of Dunes Community Development District, Flagler County, Florida ("District") as of and for the fiscal year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated January 25, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

January 25, 2017



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

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

We have examined Dunes Community Development District, Flagler 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, 2016. 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 and, accordingly, included examining, on a test basis, evidence about District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on 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, 2016.

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 Dunes Community Development District, Flagler County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

January 25, 2017



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

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of Dunes Community Development District ("District") as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated January 25, 2017.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 25, 2017, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters described in Rule 10.550 as required by the Rules of the Auditor General of 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 Dunes Community Development District, Flagler County, Florida 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 Dunes Community Development District, Flagler 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.

January 25, 2017

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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

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

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, 2015.

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, 2016.

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, 2016.

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

5. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2016 financial audit report.

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

7. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2016. 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.

G.

**DUNES COMMUNITY DEVELOPMENT DISTRICT
HAMMOCK DUNES TOLL BRIDGE
2016 - 2017 ESTIMATED PER TRIP TOLL RATE
JANUARY 2017 ONE-WAY**

	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Year to date
Veh. trips - 2 axle	121,974	133,323	134,535	135,713									525,545
Veh. trips - 3 axle	1,974	1,933	1,660	1,704									7,271
Veh. trips - 4 axle	1,150	1,055	941	1,077									4,223
Veh. trips - 5 axle	433	296	267	203									1,199
Total Vehicles	125,531	136,607	137,403	138,697	0	0	0	0	0	0	0	0	538,238
Less (prepaid trips)	-89,811	-98,847	-98,933	-103,716									-391,307
Cash Trips	35,720	37,760	38,470	34,981	0	0	0	0	0	0	0	0	146,931
% Cash to Prepaid trips	28%	28%	28%	25%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	27%
Prepaid \$ value-est.	44,277	48,732	48,675	51,028	0	0	0	0	0	0	0	0	192,712
Cash toll \$ value	73,785	77,365	78,477	71,491									301,118
Total est. trip \$	118,062	126,097	127,152	122,519	0	0	0	0	0	0	0	0	\$493,829
% \$ Rev. Cash to Prepaid	62%	61%	62%	58%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	61%
Est. per Trip \$	\$0.940	\$0.923	\$0.925	\$0.883	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0.917
Effective toll for 2 axle vehicles based on current month payments on Prepaid Accounts: This rate times prepaid trips is used to derive monthly "Prepaid \$ value-est"													
Ppd. \$ per trip	\$0.493	\$0.493	\$0.492	\$0.492									\$0.492
Avg. \$ per cash trip	\$2.066	\$2.049	\$2.040	\$2.044	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2.049

NOTE: Trip counts and tolls are actual for one-way collection system.

Insert new data in column or
space

Correction

**DUNES COMMUNITY DEVELOPMENT DISTRICT
HAMMOCK DUNES TOLL BRIDGE
2016-2017 TRAFFIC & REVENUE REPORT
JANUARY 2017 ONE-WAY**

	TRAFFIC DATA				CASH RECEIPTS DATA				
	TOTAL## VEHICLE	AVERAGE## DAILY	% OF BUDGET	% CHANGE TO PRIOR YEAR	CASH TOLLS PAID	PREPAID ACCOUNTS	TOTAL CASH RECEIVED	% OF BUDGET REVENUE	% CHANGE TO PRIOR YEAR
OCTOBER 2016			86.94%	-3.56%	\$73,785.00	\$50,379.50	\$124,164.50	92.26%	-1.68%
NOVEMBER 2016			97.77%	4.90%	\$77,365.00	\$48,737.50	\$126,102.50	93.70%	-1.80%
DECEMBER 2016			95.17%	5.51%	\$78,477.00	\$53,622.00	\$132,099.00	98.15%	2.87%
JANUARY 2017			96.06%	9.73%	\$71,490.50	\$56,785.50	\$128,276.00	95.31%	12.09%
FEBRUARY 2017									
MARCH 2017									
APRIL 2017									
MAY 2017									
JUNE 2017									
JULY 2017									
AUGUST 2017									
SEPTEMBER 2017									
YEAR TO DATE	538,238		93.96%		\$301,117.50	\$209,524.50	\$510,642.00	94.86%	

NOTE: Trip counts and tolls are actual for one-way collection system.

PREPAID ACCOUNT PAYMENT ANALYSIS:

	CHARGE		LESS EST. CH. CARD DISCOUNT	TOTAL	"BONUS" DOLLARS	TOTAL TOLL CREDIT ISSUED	BONUS \$ AS % OF PAYMENT	## EFFECTIVE TOLL FOR 2 AXLES	NUMBER OF ACTIVE
OCTOBER 2016	\$12,603.00	\$37,776.50	(\$1,606.00)	\$48,773.50	\$149,614.00	\$199,993.50	306.75%	\$0.493	18,022
NOVEMBER 2016	\$9,281.00	\$39,456.50	(\$1,677.00)	\$47,060.50	\$144,258.00	\$192,995.50	306.54%	\$0.493	18,166
DECEMBER 2016	\$12,213.00	\$41,409.00	(\$1,760.00)	\$51,862.00	\$159,324.00	\$212,946.00	307.21%	\$0.492	18,307
JANUARY 2017	\$13,201.00	\$43,584.50	(\$1,852.00)	\$54,933.50	\$169,196.00	\$225,981.50	308.00%	\$0.491	18,508
FEBRUARY 2017			\$0.00	\$0.00		\$0.00	#DIV/0!	#DIV/0!	
MARCH 2017			\$0.00	\$0.00		\$0.00	#DIV/0!	#DIV/0!	
APRIL 2017			\$0.00	\$0.00		\$0.00	#DIV/0!	#DIV/0!	
MAY 2017			\$0.00	\$0.00		\$0.00	#DIV/0!	#DIV/0!	
JUNE 2017			\$0.00	\$0.00		\$0.00	#DIV/0!	#DIV/0!	
JULY 2017			\$0.00	\$0.00		\$0.00	#DIV/0!	#DIV/0!	
AUGUST 2017			\$0.00	\$0.00		\$0.00	#DIV/0!	#DIV/0!	
SEPTEMBER 2017			\$0.00	\$0.00		\$0.00	#DIV/0!	#DIV/0!	
YEAR TO DATE	\$47,298.00	\$162,226.50	(\$6,895.00)	\$202,629.50	\$622,392.00	\$831,916.50	307.16%	\$0.492	18,508

	TOTAL VEHICLE TRIPS	AVERAGE DAILY TRIPS	% OF BUDGET TRIP/DAY	% CHANGE TO PRIOR YEAR	CASH TOLLS PAID (FULL FARE)	PREPAID ACCOUNTS CASH REC'D.	TOTAL CASH RECEIVED	Insert new data in column or space
2016 - 2017								
BUDGET REVENUE	\$1,615,000							
MONTH BUDGET	\$134,583							Insert prior year's data in column or space
ANNUAL TRIPS	1,700,000							
DAILY TRIPS	4,658							
Jan-16	126,398	4,077	92	3.37%	\$67,882.00	\$46,556.00	\$114,438.00	Correction

TRAFFIC COMPARISON YEAR/YEAR STARTING 2016

	2015-2016		2016-2017		% INCREASE OR DECREASE MAX MONTH	2017-2018		% INCREASE OR DECREASE MAX MONTH	2018-2019		% INCREASE OR DECREASE MAX MONTH	2019-2020		% INCREASE OR DECREASE MAX MONTH
	TOTAL## VEHICLE TRIPS	AVERAGE## DAILY TRIPS	TOTAL## VEHICLE TRIPS	AVERAGE## DAILY TRIPS		TOTAL## VEHICLE TRIPS	AVERAGE## DAILY TRIPS		TOTAL## VEHICLE TRIPS	AVERAGE## DAILY TRIPS		TOTAL## VEHICLE TRIPS	AVERAGE## DAILY TRIPS	
OCTOBER	130,160	4,199	125,531	4,049	-3.56%			0.00%			0.00%			0.00%
NOVEMBER	123,076	4,103	136,607	4,554	10.99%			0.00%			0.00%			0.00%
DECEMBER	130,222	4,201	137,403	4,432	5.51%			0.00%			0.00%			0.00%
JANUARY	126,398	4,077	138,697	4,474	9.73%			0.00%			0.00%			0.00%
FEBRUARY	134,218	4,628			-100.00%			0.00%			0.00%			0.00%
MARCH	162,643	5,247			-100.00%			0.00%			0.00%			0.00%
APRIL	149,731	4,991			-100.00%			0.00%			0.00%			0.00%
MAY	149,118	4,810			-100.00%			0.00%			0.00%			0.00%
JUNE	142,852	4,762			-100.00%			0.00%			0.00%			0.00%
JULY	154,327	4,978			-100.00%			0.00%			0.00%			0.00%
AUGUST	137,834	4,446			-100.00%			0.00%			0.00%			0.00%
SEPTEMBER	128,440	4,281			-100.00%			0.00%			0.00%			0.00%
YEAR TO DATE	1,669,019	4,560	538,238	5,850	22.05%	0	0		0	0		0	0	

	2020-2021		2021-2022		% INCREASE OR DECREASE MAX MONTH	2022-2023		% INCREASE OR DECREASE MAX MONTH	2023-2024		% INCREASE OR DECREASE MAX MONTH	2024-2025		% INCREASE OR DECREASE MAX MONTH
	TOTAL## VEHICLE TRIPS	AVERAGE## DAILY TRIPS	TOTAL## VEHICLE TRIPS	AVERAGE## DAILY TRIPS		TOTAL## VEHICLE TRIPS	AVERAGE## DAILY TRIPS		TOTAL## VEHICLE TRIPS	AVERAGE## DAILY TRIPS		TOTAL## VEHICLE TRIPS	AVERAGE## DAILY TRIPS	
OCTOBER														
NOVEMBER														
DECEMBER														
JANUARY														
FEBRUARY														
MARCH														
APRIL														
MAY														
JUNE														
JULY														
AUGUST														
SEPTEMBER					0									
YEAR TO DATE	0	0	0	0		0	0		0	0		0	0	

MAXIMUM MONTH

H.

Dunes
Community Development District

Unaudited Financial Statements
as of
December 31, 2016

Board of Supervisors Meeting
February 10, 2017

Dunes Community Development District

BALANCE SHEET

December 31, 2016

	<u>Major Fund</u> <u>General</u>
<u>ASSETS:</u>	
Cash	\$99,570
Assessments Receivable	\$21,191
Due from other Funds	\$16,171
Investments	\$117,102
 TOTAL ASSETS	<u>\$254,035</u>
<u>LIABILITIES AND FUND BALANCES:</u>	
Liabilities:	
Accounts Payable	\$8,073
 TOTAL LIABILITIES	<u>\$8,073</u>
Fund Balances:	
Assigned:	
Current year's expenditures	\$46,691
Unassigned	\$199,271
 TOTAL FUND BALANCES	<u>\$245,962</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$254,035</u>

DUNES COMMUNITY DEVELOPMENT DISTRICT
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Period Ending December 31, 2016

EXPENSE CODE	DESCRIPTION	GENERAL FUND BUDGET	PRORATED BUDGET THRU 12/31/16	ACTUAL THRU 12/31/16	VARIANCE
REVENUES:					
001.300.31900.10000	Maintenance Taxes	\$167,000	\$129,599	\$129,599	\$0
001.300.36100.11000	Interest Income	\$0	\$0	\$342	\$342
TOTAL REVENUES		\$167,000	\$129,599	\$129,940	\$342
EXPENDITURES:					
<i>Administrative</i>					
001.310.51300.11000	Supervisor Fees	\$14,000	\$3,500	\$1,600	\$1,900
001.310.51300.21000	FICA Expense	\$1,071	\$268	\$122	\$145
001.310.51300.31100	Engineering	\$5,000	\$1,250	\$0	\$1,250
001.310.51300.31500	Attorney	\$10,000	\$2,500	\$73	\$2,427
001.310.51300.32000	Collection Fees/Payment Discount	\$12,000	\$7,458	\$7,458	\$0
001.310.51300.32200	Annual Audit	\$4,000	\$1,200	\$1,200	\$0
001.310.51300.34000	Management Fees	\$10,000	\$2,500	\$2,500	\$0
001.310.51300.35100	Computer Time	\$1,000	\$250	\$250	\$0
001.310.51300.40000	Travel Expenses	\$2,400	\$600	\$0	\$600
001.310.51300.42000	Postage & Express Mail	\$3,000	\$750	\$500	\$250
001.310.51300.42500	Printing	\$2,000	\$500	\$290	\$211
001.310.51300.45000	Insurance	\$12,000	\$10,912	\$10,912	\$0
001.310.51300.48000	Advertising Legal & Other	\$1,500	\$375	\$166	\$209
001.310.51300.49000	Bank Charges	\$500	\$125	\$172	(\$47)
001.310.51300.49100	Contingencies	\$4,000	\$1,000	\$0	\$1,000
001.310.51300.51000	Office Supplies	\$2,000	\$500	\$28	\$472
001.310.51300.54000	Dues, Licenses & Subscriptions	\$2,000	\$500	\$175	\$325
001.320.53800.12000	Salaries	\$103,814	\$23,957	\$23,276	\$682
001.320.53800.21000	FICA Taxes	\$8,895	\$2,053	\$2,591	(\$538)
001.320.53800.22000	Pension Expense	\$6,229	\$1,557	\$1,365	\$193
001.320.53800.23000	Health Insurance Benefits	\$14,382	\$3,596	\$3,417	\$178
001.320.53800.24000	Workers Comp Insurance	\$1,600	\$400	\$0	\$400
TOTAL ADMINISTRATIVE		\$221,391	\$65,750	\$56,094	\$9,656
<i>General System Maintenance</i>					
001.320.53800.43000	Electric (7 Aerators)	\$15,000	\$3,750	\$2,938	\$812
001.320.53800.46500	Lake Maintenance	\$26,000	\$6,500	\$3,135	\$3,365
001.320.53800.46200	Landscaping	\$24,000	\$6,000	\$5,454	\$546
001.320.53800.52100	Grass Carp	\$3,000	\$750	\$0	\$750
001.320.53800.46700	Storm Drain System Maintenance	\$40,000	\$10,000	\$6,200	\$3,800
001.320.53800.46000	Building Maintenance	\$15,000	\$3,750	\$2,922	\$828
001.320.53800.46300	Tree & Shrub Removal	\$10,000	\$2,500	\$0	\$2,500
001.320.53800.49200	R&M-Floating Fountains	\$10,300	\$2,575	\$2,078	\$497
001.320.53800.49300	R&R-Equipment	\$5,000	\$1,250	\$0	\$1,250
001.320.53800.64000	Capital Improvements	\$17,000	\$4,250	\$0	\$4,250
TOTAL GENERAL SYSTEM MAINTENANCE		\$165,300	\$41,325	\$22,727	\$18,598
TOTAL EXPENDITURES		\$386,691	\$107,075	\$78,821	\$28,254
<i>Other Sources and Uses</i>					
001.300.58100.10000	Interfund Transfer	\$173,000	\$43,250	\$0	\$43,250
TOTAL OTHER SOURCES AND USES		\$173,000	\$43,250	\$0	\$43,250
EXCESS REVENUES		(\$46,691)		\$51,119	
FUND BALANCE - BEGINNING		\$46,691		\$194,842	
FUND BALANCE - ENDING		\$0		\$245,962	

DUNES COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

December 31, 2016

	Major Funds		
	Water, Sewer and Effluent Reuse Enterprise Fund	Intracoastal Waterway Bridge Enterprise Fund	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents:			
Cash - Operating Account	\$485,708	\$152,929	\$638,637
Cash - On Hand	---	\$2,500	\$2,500
Petty Cash	---	\$1,523	\$1,523
Investments:			
State Board - Surplus Funds	\$9,840,555	\$9,645,999	\$19,486,554
State Board - Community Projects	---	\$1,384,116	\$1,384,116
Receivables			
Utility Billing	\$282,876	---	\$282,876
Due from Other Funds	---	\$1,598	\$1,598
Noncurrent Assets:			
Prepays	\$245	\$23,367	\$23,612
Deposits	\$1,000	---	\$1,000
Capital Assets:			
Land	\$875,488	\$85,000	\$960,488
Plant-Expansion (Net)	\$5,902,693	---	\$5,902,693
Maintenance Building (Net)	\$55,697	---	\$55,697
Equipment (Net)	\$153,039	\$34,932	\$187,971
Roadways (Net)	---	\$1,729,096	\$1,729,096
Bridge Facility (Net)	---	\$5,207,805	\$5,207,805
Improvements Other than Buildings (Net)	\$17,373,977	---	\$17,373,977
Meters in the Field/Inventory (Net)	\$1	---	\$1
Construction in Progress	\$78,839	\$156,545	\$235,385
TOTAL ASSETS	\$35,050,119	\$18,425,411	\$53,475,530
LIABILITIES:			
Current Liabilities:			
Accounts Payable	\$66,380	\$7,914	\$74,294
Retainage Payable	---	---	\$0
Due to Other Funds	\$1,679	\$16,091	\$17,769
Noncurrent Liabilities:			
Utility Deposits	\$1,347	---	\$1,347
Customer Refunds Due	\$3,350	---	\$3,350
Prepaid Connection Fees	\$849,673	---	\$849,673
Deferred Toll Revenue	---	\$2,038,240	\$2,038,240
TOTAL LIABILITIES	\$922,429	\$2,062,245	\$2,984,673
NET POSITION			
Net Invested in Capital Assets	\$24,360,894	\$5,327,738	\$29,688,631
Restricted for Community Projects ⁽¹⁾	---	\$1,543,226	\$1,543,226
Unrestricted	\$9,766,797	\$9,492,202	\$19,258,999
TOTAL NET POSITION	\$34,127,690	\$16,363,166	\$50,490,856

⁽¹⁾ Bridge Interlocal Agreement with County.

DUNES COMMUNITY DEVELOPMENT DISTRICT
Water and Sewer Fund-Proprietary Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Period Ending December 31, 2016

EXPENDITURE CODE	DESCRIPTION	WATER/SEWER FUND BUDGET	PRORATED BUDGET THRU 12/31/16	ACTUAL THRU 12/31/16	VARIANCE
OPERATING REVENUES:					
041.300.34300.30000	Water Revenue	\$994,666	\$248,667	\$221,152	(\$27,514)
041.300.34300.50000	Sewer Revenue	\$882,985	\$220,746	\$181,281	(\$39,465)
041.300.34300.76000	Irrigation/Effluent	\$1,096,489	\$274,122	\$290,470	\$16,348
041.300.34300.10000	Meter Fees	\$20,000	\$5,000	\$7,100	\$2,100
041.300.34300.10100	Connection Fees - W, S & I (75 units)	\$36,000	\$9,000	\$4,500	(\$4,500)
041.300.36900.10000	CPC Effluent Agreement	\$40	\$10	\$0	(\$10)
041.300.34900.10200	Backflow Preventor/Misc.	\$100	\$25	\$385	\$360
041.300.36900.10000	Misc. Income / Penalty	\$15,000	\$3,750	\$1,977	(\$1,773)
TOTAL OPERATING REVENUES		\$3,045,280	\$761,320	\$706,866	(\$54,454)
OPERATING EXPENSES					
<i>Administrative</i>					
041.310.51300.31100	Engineering	\$50,000	\$12,500	\$0	\$12,500
041.310.51300.31500	Attorney	\$35,000	\$8,750	\$5,925	\$2,825
041.310.51300.32200	Annual Audit	\$9,000	\$2,700	\$2,700	\$0
041.310.51300.34000	Management Fees	\$19,000	\$4,750	\$4,750	\$0
041.310.51300.40000	Travel Expenses	\$15,000	\$3,750	\$2,548	\$1,202
041.310.51300.42000	Postage & Express Mail	\$6,000	\$1,500	\$1,422	\$78
041.310.51300.42500	Printing & Mailing Utility Bills	\$17,500	\$4,375	\$2,521	\$1,854
041.310.51300.48000	Advertising Legal & Other	\$2,500	\$625	\$0	\$625
041.310.51300.49000	Bank Charges	\$9,000	\$2,250	\$2,644	(\$394)
041.310.51300.49100	Contingencies	\$20,000	\$5,000	\$3,653	\$1,347
041.310.51300.51000	Office Supplies and Equipment	\$15,000	\$3,750	\$3,880	(\$130)
041.310.51300.54000	Dues, Licenses & Subscriptions	\$6,000	\$1,500	\$3,114	(\$1,614)
041.310.51300.54200	Permits Fees WTP & WWTP	\$15,000	\$3,750	\$4,600	(\$850)
041.310.51300.55000	Land Leases & Easement Fees	\$12,000	\$3,000	\$0	\$3,000
041.310.53600.12000	Salaries	\$707,093	\$163,175	\$163,982	(\$806)
041.310.53600.21000	FICA Taxes	\$59,017	\$13,619	\$17,607	(\$3,988)
041.310.53600.22000	Pension Plan	\$32,183	\$8,046	\$7,357	\$689
041.310.53600.23000	Insurance Benefits (Medical)	\$172,781	\$43,195	\$41,425	\$1,770
041.310.53600.24000	Workers Compensation Insurance	\$14,400	\$3,600	\$0	\$3,600
041.310.53600.25000	Unemployment Benefits	\$5,000	\$1,250	\$0	\$1,250
041.310.53600.32480	Bad Debt Expense	\$0	\$0	\$29	(\$29)
041.310.53600.41000	Telephone	\$17,000	\$4,250	\$3,853	\$397
041.310.53600.44000	Equipment Rentals & Leases	\$4,000	\$1,000	\$926	\$74
041.310.53600.45000	Insurance	\$78,000	\$71,527	\$71,527	\$0
041.310.53600.46100	Repair and Maintenance for Vehicles	\$8,000	\$2,000	\$1,139	\$861
041.310.53600.52000	Supplies/Equipment General	\$4,000	\$1,000	\$1,841	(\$841)
041.310.53600.52010	Tools	\$3,000	\$750	\$350	\$400
041.310.53600.52055	Uniforms/Supplies/Services	\$7,000	\$5,697	\$5,697	\$0
041.310.53600.52100	Fuel for Vehicles	\$8,000	\$2,000	\$1,659	\$341
041.310.53600.54100	Training & Travel Expenses	\$8,000	\$2,000	\$1,713	\$287
TOTAL ADMINISTRATIVE		\$1,358,474	\$381,309	\$356,862	\$24,447

DUNES COMMUNITY DEVELOPMENT DISTRICT
Water and Sewer Fund-Proprietary Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Period Ending December 31, 2016

EXPENDITURE CODE	DESCRIPTION	WATER/SEWER FUND BUDGET	PRORATED BUDGET THRU 12/31/16	ACTUAL THRU 12/31/16	VARIANCE
<u>Water System</u>					
041.320.53600.34800	Water Quality Testing	\$20,000	\$5,000	\$5,646	(\$646)
041.320.53600.43000	Electric	\$100,000	\$25,000	\$27,385	(\$2,385)
041.320.53600.43100	Bulk Water Purchases	\$20,000	\$5,000	\$7	\$4,993
041.320.53600.44000	Equipment Rentals & Leases	\$1,000	\$250	\$0	\$250
041.320.53600.46000	Plant Maintenance Repair and Equipment	\$65,000	\$16,250	\$26,803	(\$10,553)
041.320.53600.46050	Distribution System Maintenance Repair and Equipment	\$20,000	\$5,000	\$3,123	\$1,877
041.320.53600.52000	Plant Operating Supplies	\$15,000	\$3,750	\$3,183	\$567
041.320.53600.52200	Chlorine & Other Chemicals	\$160,000	\$40,000	\$36,347	\$3,653
041.320.53600.61000	Meters New & Replacement	\$15,000	\$3,750	\$0	\$3,750
TOTAL WATER SYSTEM		\$416,000	\$104,000	\$102,494	\$1,506
<u>Sewer System</u>					
041.330.53600.34800	Water Quality Testing	\$20,000	\$5,000	\$2,933	\$2,067
041.330.53600.34900	Sludge Disposal	\$15,000	\$3,750	\$1,900	\$1,850
041.330.53600.43000	Electric	\$50,000	\$12,500	\$9,072	\$3,428
041.330.53600.44000	Equipment Rentals & Leases	\$3,000	\$750	\$0	\$750
041.330.53600.46000	Plant Maintenance Repair and Equipment	\$50,000	\$12,500	\$6,633	\$5,868
041.330.53600.46050	Collection System Maintenance Repair and Equipment	\$20,000	\$5,000	\$1,651	\$3,349
041.330.53600.46075	Lift Station Repair and Maintenance	\$35,000	\$8,750	\$17,488	(\$8,738)
041.330.53600.52000	Plant Operating Supplies	\$15,000	\$3,750	\$1,956	\$1,794
041.330.53600.52200	Chlorine & Other Chemicals	\$35,000	\$8,750	\$3,787	\$4,963
TOTAL SEWER SYSTEM		\$243,000	\$60,750	\$45,418	\$15,332
<u>Irrigation System</u>					
041.340.53600.34800	Water Quality Testing	\$5,000	\$1,250	\$0	\$1,250
041.340.53600.43000	Electric	\$36,000	\$9,000	\$27,366	(\$18,366)
041.340.53600.43300	Effluent (Reclaimed Water) Purchases	\$135,000	\$33,750	\$30,574	\$3,176
041.340.53600.44000	Equipment Rentals & Leases	\$1,000	\$250	\$1,012	(\$762)
041.340.53600.46000	Plant Maintenance Repair and Equipment	\$40,000	\$10,000	\$8,878	\$1,122
041.340.53600.46050	Distribution System Maintenance Repair/Equip.	\$20,000	\$5,000	\$98	\$4,902
041.340.53600.61000	Meters New & Replacement	\$10,000	\$2,500	\$0	\$2,500
TOTAL IRRIGATION SYSTEM		\$247,000	\$61,750	\$67,928	(\$6,178)
<u>Contribution to Reserves</u>					
041.310.51300.63100	Renewal and Replacement	\$200,000	\$50,000	\$14,806	\$35,194
TOTAL CONTRIBUTIONS TO RESERVES		\$200,000	\$50,000	\$14,806	\$35,194
TOTAL OPERATING EXPENSES		\$2,464,474	\$657,809	\$587,508	\$70,301
OPERATING INCOME (LOSS)		\$580,806		\$119,358	
<u>NON OPERATING REVENUE (EXPENSES)</u>					
041.300.36900.10200	Non Operating Revenue - Capital Expansion	\$2,636,604	\$659,151	\$0	(\$659,151)
041.300.22300.10000	Connection Fees - W/S	(\$28,000)	(\$7,000)	\$0	\$7,000
041.300.36100.10000	Interest Income	\$40,000	\$10,000	\$21,532	\$11,532
041.310.51300.64000	Capital Improvements	(\$3,149,410)	(\$787,353)	(\$27,448)	\$759,905
041.300.58100.10000	Contribution to General Fund	(\$80,000)	(\$20,000)	\$0	(\$20,000)
TOTAL NON OPERATING REVENUE (EXPENSES)		(\$580,806)	(\$145,202)	(\$5,916)	\$99,286
CHANGE IN NET POSITION		\$0		\$113,442	
RETAINED EARNINGS-BEGINNING		\$0		\$28,156,743	
RETAINED EARNINGS-ENDING		\$0		\$28,270,184	

DUNES COMMUNITY DEVELOPMENT DISTRICT
Bridge Fund - Proprietary Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Period Ending December 31, 2016

EXPENSE CODE	DESCRIPTION	BRIDGE FUND BUDGET	PRORATED BUDGET THRU 12/31/16	ACTUAL THRU 12/31/16	VARIANCE
OPERATING REVENUES:					
042.300.34900.10000	Toll Collections/Book Sales	\$1,615,000	\$403,750	\$382,062	(\$21,689)
042.300.36900.10000	Miscellaneous Income	\$5,000	\$1,250	\$12,000	\$10,750
TOTAL OPERATING REVENUES		\$1,620,000	\$405,000	\$394,061	(\$10,939)
OPERATING EXPENSES					
<i>Administrative</i>					
042.310.51300.31100	Engineering	\$5,000	\$1,250	\$300	\$950
042.310.51300.31500	Attorney	\$10,000	\$2,500	\$0	\$2,500
042.310.51300.32200	Annual Audit	\$7,000	\$2,100	\$2,100	\$0
042.310.51300.34000	Management Fees	\$17,000	\$4,250	\$4,250	(\$0)
042.310.51300.49000	Bank Charges	\$4,000	\$1,000	\$931	\$69
042.310.51300.49100	Contingencies	\$5,000	\$1,250	\$397	\$853
TOTAL ADMINISTRATIVE		\$48,000	\$12,350	\$7,978	\$4,372
<i>Toll Facility</i>					
042.320.54900.12000	Salaries	\$327,741	\$75,633	\$78,739	(\$3,106)
042.320.54900.15000	Special Pay	\$11,620	\$1,900	\$1,900	\$0
042.320.54900.21000	FICA Taxes	\$28,054	\$6,474	\$8,075	(\$1,601)
042.320.54900.22000	Pension Plan	\$13,680	\$3,420	\$2,998	\$422
042.320.54900.23000	Insurance Benefits (Medical)	\$84,630	\$21,158	\$19,307	\$1,851
042.320.54900.24000	Workers Compensation Insurance	\$8,160	\$2,040	\$0	\$2,040
042.320.54900.34500	Payroll Processing Fee	\$6,500	\$1,625	\$1,953	(\$328)
042.320.54900.34600	Credit Card Processing Fee	\$15,000	\$3,750	\$4,437	(\$687)
042.320.54900.40000	Travel Expenses	\$1,000	\$250	\$0	\$250
042.320.54900.41000	Telephone	\$5,000	\$1,250	\$1,851	(\$601)
042.320.54900.42500	Printing	\$3,500	\$875	\$0	\$875
042.320.54900.43000	Utility Services	\$13,000	\$3,250	\$3,466	(\$216)
042.320.54900.45000	Insurance	\$60,000	\$54,558	\$54,558	\$0
042.320.54900.46000	Repairs & Maintenance	\$50,000	\$12,500	\$10,180	\$2,320
042.320.54900.46002	Repairs & Maintenance-Parkway	\$120,000	\$30,000	\$42,511	(\$12,511)
042.320.54900.46100	DOT mandated Bridge Inspection (Required in 2017)	\$19,000	\$4,750	\$0	\$4,750
042.320.54900.51000	Office Supplies	\$3,000	\$750	\$456	\$294
042.320.54900.52000	Operating Supplies	\$15,000	\$3,750	\$2,405	\$1,345
042.320.54900.34300	Contractual Support	\$12,000	\$3,000	\$2,733	\$267
TOTAL TOLL FACILITY		\$796,885	\$230,933	\$235,568	(\$4,635)
<i>Maintenance Reserves & Community Projects</i>					
042.320.54900.65000	Maintenance Reserves	\$85,169	\$21,292	\$0	\$21,292
042.320.54900.64000	Community Projects Transfer from Surplus Revenues	\$200,000	\$50,000	\$61,182	(\$11,182)
042.310.51300.60002	Parkway Capital Expenditures	\$250,000	\$62,500	\$0	\$62,500
TOTAL MAINTENANCE RESERVES & COMMUNITY PROJECTS		\$535,169	\$133,792	\$61,182	\$72,610
TOTAL OPERATING EXPENSES		\$1,380,054	\$377,075	\$304,728	\$72,346
OPERATING INCOME (LOSS)		\$239,946		\$89,333	
NON-OPERATING REVENUE (EXPENSES)					
<i>NON-OPERATING REVENUE (EXPENSES)</i>					
042.300.36100.11000	Interest Income	\$20,000	\$5,000	\$24,070	\$19,070
042.320.54900.64000	Capital Improvements	(\$180,000)	(\$45,000)	\$0	(\$45,000)
042.300.38100.10000	Transfer to General Fund	(\$93,000)	(\$23,250)	\$0	(\$23,250)
042.300.38100.10000	Transfer from Surplus Funds	\$13,054	\$3,264	\$0	\$3,264
TOTAL NON OPERATING REVENUE (EXPENSES)		(\$239,946)	(\$59,986)	\$24,070	(\$45,917)
CHANGE IN NET POSITION		\$0		\$113,403	
RETAINED EARNINGS-BEGINNING		\$0		\$15,572,262	
RETAINED EARNINGS-ENDING		\$0		\$15,685,665	

I.

DUNES
COMMUNITY DEVELOPMENT DISTRICT
BRIDGE FUND

1. Recap of Community Projects Fund Activity Through December 31, 2016

Opening Balance in Community Projects Account	\$0.00
Source of Funds: Interest Earned	\$14,096.32
Community Project Fund Receipts	\$1,800,000.00
Use of Funds:	
Disbursements: Sidewalk Project	(\$112,684.56)
Median Landscape Improvements	(\$43,658.00)
Ocean Rescue Equipment & Storage Project	(\$100,432.17)
HDP Safety, Street Lighting, Traffic Signs	(\$172,164.02)
Professional Fees	\$0.00
Adjusted Balance in Construction Account at December 31, 2016	<u><u>\$1,385,157.57</u></u>

2. Funds Available For Construction at December 31, 2016

Book Balance of Construction Fund at December 31, 2016 \$1,385,157.57

A. S.E. Cline Construction, Inc. - Sidewalk Project			
Contract Amount	\$98,008.36		
Paid to Date	(\$98,008.36)		
Balance on Contract	<u>\$0.00</u>	\$0.00	

Construction Funds available at December 31, 2016 \$1,385,157.57

3. Investments - SBA

December 31, 2016	Type	Yield	Due	Maturity	Principal
Construction Fund:	Overnight	0.90%		\$1,384,029.50	\$1,384,029.50

ADJ: Deposits in Transit	\$0.00
ADJ: Outstanding Requisitions	<u>\$1,128.07</u>
Balance at 12/31/16	<u><u>\$1,385,157.57</u></u>

J.

Dunes CDD
Special Assessment Receipts
Fiscal Year Ending September 30, 2017

<i>Date Received</i>	<i>Gross Assessments Received</i>	<i>Discounts/ Penalties</i>	<i>Commissions Paid</i>	<i>Net Amount Received</i>	<i>\$167,000.00 General Fund 100%</i>	<i>\$167,000.00 Total 100%</i>
11/23/2016	\$ 43,875.26	\$ 1,755.01	\$ 842.41	\$ 41,277.85	\$ 41,277.85	\$ 41,277.85
11/30/2016	\$ 63,876.98	\$ 2,555.08	\$ 1,226.44	\$ 60,095.46	\$ 60,095.46	\$ 60,095.46
12/21/2016	\$ 15,886.05	\$ 476.58	\$ 308.19	\$ 15,101.28	\$ 15,101.28	\$ 15,101.28
12/31/2016	\$ 5,960.64	\$ 178.82	\$ 115.64	\$ 5,666.18	\$ 5,666.18	\$ 5,666.18
	\$ 129,598.93	\$ 4,965.49	\$ 2,492.67	\$ 122,140.77	\$ 122,140.77	\$ 122,140.77
Percent Collected	77.60%					

K.

Dunes Community Development District

Check Run Summary

December 31, 2016

<i>Fund</i>	<i>Check Numbers</i>	<i>Amount</i>
<i>General Fund</i>	<i>5671-5681</i>	<i>\$8,026.00</i>
<i>Water and Sewer</i>	<i>13030-13088</i>	<i>\$94,796.82</i>
<i>Bridge Fund</i>	<i>5876-5912</i>	<i>\$121,300.42</i>
<i>Total</i>		<i>\$224,123.24</i>

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
12/09/16	00218	12/01/16 3677	201612 320-53800-46000	BASIC PEST CONTROL SVC	*	160.00	
				ABOVE THE REST PEST CONTROL			160.00 005671
12/09/16	00014	10/06/16 38232	201610 310-51300-54000	SPECIAL DISTRICT FEE	*	175.00	
				DEPARTMENT OF ECONOMIC OPPORTUNITY			175.00 005672
12/09/16	00020	11/29/16 07558-84	201611 320-53800-43000	SERVICE THRU 10/28-11/29	*	7.95	
		11/29/16 22797-22	201611 320-53800-43000	SERVICE THRU 10/28-11/29	*	192.56	
		11/29/16 39447-00	201611 320-53800-43000	SERVICE THRU 10/28-11/29	*	218.97	
		11/29/16 41566-03	201611 320-53800-43000	SERVICE THRU 10/28-11/29	*	153.67	
		11/29/16 65021-74	201611 320-53800-43000	SERVICE THRU 10/28-11/29	*	515.49	
				FLORIDA POWER & LIGHT CO.			1,088.64 005673
12/09/16	00109	12/02/16 412	201612 310-51300-34000	MANAGEMENT FEES	*	833.33	
		12/02/16 412	201612 310-51300-35100	COMPUTER TIME	*	83.33	
		12/02/16 412	201612 310-51300-51000	OFFICE SUPPLIES	*	2.50	
		12/02/16 412	201612 310-51300-42000	POSTAGE	*	44.85	
		12/02/16 412	201612 310-51300-42500	COPIES	*	118.05	
				GOVERNMENTAL MANAGEMENT SERVICES			1,082.06 005674
12/09/16	00024	11/23/16 1-112320	201611 310-51300-32000	COMMISSIONS	*	842.41	
				SUZANNE JOHNSTON			842.41 005675
12/16/16	00139	12/05/16 1276	201612 320-53800-46200	LAWN MAINTENANCE- DEC 16	*	1,800.00	
				ALL AMERICAN MAINTENANCE			1,800.00 005676
12/16/16	00109	10/03/16 406	201610 310-51300-34000	MANAGEMENT FEES	*	833.33	
		10/03/16 406	201610 310-51300-35100	COMPUTER TIME	*	83.33	
		10/03/16 406	201610 310-51300-51000	OFFICE SUPPLIES	*	25.18	

DUNE -DUNES - SROSINA

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
		10/03/16 406	201610 310-51300-42000		*	54.71	
		POSTAGE					
		10/03/16 406	201610 310-51300-42500		*	142.80	
		COPIES					
		10/03/16 406	201610 310-51300-41000		*	35.46	
		TELEPHONE					
			GOVERNMENTAL MANAGEMENT SERVICES				1,174.81 005677
12/16/16 00014	10/03/16 38232	201612 310-51300-49000			*	25.00	
		FY 17 ANNUAL DISTRICT FEE					
			DEPARTMENT OF ECONOMIC OPPORTUNITY				25.00 005678
12/22/16 00230	12/18/16 1808	201612 320-53800-46000			*	427.54	
		RPLC 2 CANTILEVER WHEELS					
			ADVANCED ACCESS SOLUTIONS, LLC				427.54 005679
12/22/16 00004	12/07/16 2222833	201612 310-51300-48000			*	24.10	
		NOTICE OF MTG 12/07/2016					
			DAYTONA NEWS-JOURNAL				24.10 005680
12/22/16 00024	11/30/16 11302016	201611 310-51300-32000			*	1,226.44	
		COMMISSIONS					
			SUZANNE JOHNSTON				1,226.44 005681
				TOTAL FOR BANK F		8,026.00	
				TOTAL FOR REGISTER		8,026.00	

DUNE -DUNES - SROSINA

CHECK		YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER										RUN 2/02/17		PAGE 1					
DATE		VEND#		.....INVOICE.....				...EXPENSED TO...				VENDOR NAME		STATUS		AMOUNT		.....CHECK.....	
				DATE		INVOICE		YRMO DPT ACCT# SUB		SUBCLASS								AMOUNT #	
12/09/16	01115	11/17/16	4473	201611	310-53600-52000							*		538.00					
					CRUSHED CONCRETE														
									ACET RECYCLING								538.00	013030	
12/09/16	00613	11/30/16	339974	201611	320-53600-34800							*		286.25					
					WWTP WATER TESTING														
		11/30/16	339975	201611	330-53600-34800							*		781.00					
					WWTP WATER TESTING														
									ADVANCED ENVIRONMENTAL LABORATORIES								1,067.25	013031	
12/09/16	01116	12/06/16	12062016	201612	300-34300-30000							*		25.55					
					REFUND CREDIT BAL ON ACCT														
									MARK ALLEMAN								25.55	013032	
12/09/16	00997	11/23/16	01889348	201611	320-53600-52200							*		428.26					
					RESTAURANT LIQ BULK														
									ARC3 GASES								428.26	013033	
12/09/16	00988	11/19/16	32046043	201611	310-53600-41000							*		436.19					
					SERVICE THRU 11/19/2016														
									AT&T								436.19	013034	
12/09/16	00305	11/25/16	12259839	201611	320-53600-43100							*		2.33					
					ACCT NO. 309318-19458														
		11/25/16	12263506	201611	340-53600-43300							*		12,565.05					
					ACCT NO. 324042-36854														
		11/25/16	12267677	201611	340-53600-43000							*		110.96					
					ACCT NO. 7439-77870														
									CITY OF PALM COAST								12,678.34	013035	
12/09/16	00380	12/06/16	12062016	201612	310-51300-42000							*		500.00					
					REFILL POSTAGE														
									CMRS-FP								500.00	013036	
12/09/16	00621	12/02/16	43020	201612	310-51300-51000							*		101.78					
					SUPPLIES														
									COASTAL SUPPLIES								101.78	013037	
12/09/16	00180	11/25/16	1886-112	201612	310-53600-44000							*		37.02					
					SERVICE THRU 01/07/17														
									DISH NETWORK								37.02	013038	
12/09/16	00047	11/22/16	56194230	201611	310-51300-42000							*		45.85					
					DELIVERIES THRU 11/22/16														
									FEDEX								45.85	013039	

DUNE -DUNES - SROSINA

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
12/09/16	00618	12/01/16 26253	201612 310-51300-54200		*	4,600.00	
			CONCENTRATE-FL0355259				
			FLORIDA DEPARTMENT OF ENVIRONMENTAL				4,600.00 013040
12/09/16	00013	11/22/16 04682-11	201611 330-53600-43000	34 ISLANDS ESTATES #PUMP	*	48.40	
		11/22/16 49253-11	201611 330-53600-43000	172 ISLANDS ESTATES #LIFT	*	11.43	
		11/22/16 90108-11	201611 330-53600-43000	3809 N OCEANSHORE BLVD	*	8.77	
		11/22/16 90294-11	201611 330-53600-43000	128 ISLAND ESTATES #LIFT	*	19.33	
		11/22/16 91016-11	201611 330-53600-43000	84 ISLANDS ESTATES #LIFT	*	18.62	
		11/29/16 00180-11	201611 330-53600-43000	200 NORTHSHORE AVE #LS	*	23.34	
		11/29/16 01669-11	201611 330-53600-43000	200 CAMINO DEL REY #PUMP	*	122.23	
		11/29/16 06441-11	201611 330-53600-43000	5 OCEAN CREST WAY #LS	*	156.67	
		11/29/16 06618-11	201611 330-53600-43000	202 CAMINO DEL MAR #B PMP	*	40.21	
		11/29/16 06682-11	201611 330-53600-43000	10 GRANADA DR #BPUMP	*	9.59	
		11/29/16 09639-11	201611 330-53600-43000	20 GRANADA DR #BPUMP	*	15.60	
		11/29/16 09681-11	201611 330-53600-43000	400 CAMINO DEL REY #PUMP	*	46.58	
		11/29/16 10476-11	201611 330-53600-43000	6 YACHT HARBOR DR #LS	*	11.13	
		11/29/16 13564-11	201611 340-53600-43000	200 CAMINO DEL REY #PUMP2	*	7.95	
		11/29/16 31053-11	201611 330-53600-43000	18 RUE GRANDE MER #LIFT	*	10.42	
		11/29/16 35422-11	201611 340-53600-43000	101 JUNGLE HUT RD #PUMP	*	4,358.28	
		11/29/16 38339-11	201611 320-53600-43000	101 JUNGLE HUT RD #WTR PL	*	9,706.67	
		11/29/16 41474-11	201611 330-53600-43000	209 YACHT HARBOR DR #LS	*	19.25	
		11/29/16 54554-11	201611 330-53600-43000	37 SAN GABRIEL LN #LIFT	*	11.05	
		11/29/16 64405-11	201611 330-53600-43000	2 CAMINO DEL MAR #LIFT	*	8.13	
		11/29/16 80187-11	201611 330-53600-43000	78 OCEAN ST #LIFT STATION	*	10.42	

DUNE -DUNES - SROSINA

AP300R	YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER										RUN	2/02/17	PAGE	3
*** CHECK DATES 12/01/2016 - 12/31/2016 ***														
DUNES CDD - WATER/SEWER														
BANK D DUNES - WATER/SEWER														

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK.... AMOUNT #
11/29/16	83014-11	201611	330-53600-43000	300 CAMINO DEL SOL #LIFT	*	82.77	
11/29/16	89460-11	201611	330-53600-43000	101 JUNGLE HUT RD #WWTP	*	2,671.95	
11/29/16	94444-11	201611	330-53600-43000	HAMMOCK DUNES PKWY #LIFT	*	29.26	
							17,448.05 013042

12/09/16	00382	12/02/16	413 201612 310-51300-34000	DEC 2016 - MGMT FEES	*	1,583.33	
							1,583.33 013043

12/09/16	00515	11/25/16	3987207 201611 320-53600-52200	SUPPLIES	*	2,260.60	
							2,260.60 013044

12/09/16	00202	12/01/16	108220-1 201611 310-53600-52000	NOV 2016 - PURCHASES	*	48.39	
		12/01/16	108220-1 201611 310-53600-52000	NOV 2016 - PURCHASES	V	48.39-	
							.00 013045

12/09/16	01117	12/06/16	12062016 201612 300-34300-30000	REFUND CREDIT BAL ON ACCT	*	65.35	
							65.35 013046

12/09/16	00526	12/01/16	U0975-03 201612 320-53600-46000	ENGINEER SVC	*	605.75	
		12/01/16	U0975-03 201612 330-53600-46000	ENGINEER SVC	*	605.75	
							1,211.50 013047

12/09/16	00627	11/30/16	18WE2685 201611 320-53600-46000	RPL MUFFLER	*	12,116.00	
							12,116.00 013048

12/09/16	01118	12/06/16	12062016 201612 300-34300-30100	REFUND CREDIT BAL ON ACCT	*	14.69	
							14.69 013049

12/09/16	00624	1/01/17	JAN 2017 201701 300-13100-10000	JAN 17 INSURANCE REIMB	*	59.26	
		1/01/17	JAN 2017 201701 310-53600-23000	JAN 17 INSURANCE REIMB	*	177.79	
		1/01/17	JAN 2017 201701 320-53800-23000	JAN 17 INSURANCE REIMB	*	59.26	

DUNE -DUNES - SROSINA

AP300R	YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER										RUN	2/02/17	PAGE	4
*** CHECK DATES 12/01/2016 - 12/31/2016 ***														
DUNES CDD - WATER/SEWER														
BANK D DUNES - WATER/SEWER														
CHECK														
DATE	VEND#	.....INVOICE.....	...EXPENSED TO...					VENDOR NAME	STATUS		AMOUNT	....CHECK.....		
		DATE	INVOICE	YRMO	DPT	ACCT#	SUB	SUBCLASS				AMOUNT	#	
		1/01/17	JAN 2017	201701	300	20700	10100		*		59.26-			
			JAN 17	INSURANCE	REIMB			TIMOTHY SHEAHAN				237.05	013050	
12/09/16	00335	12/01/16	002377	201612	340	53600	46050		*		42.80			
								WELD BIT TO HOUSING						
								SIZEMORE WELDING, INC.				42.80	013051	
12/09/16	00163	11/28/16	49335881	201611	310	53600	41000		*		317.47			
								SERVICE THRU 11/24/2016						
								SPRINT				317.47	013052	
12/09/16	00020	9/20/16	50173	201610	310	51300	54000		*		1,998.00			
								ANNUAL MAINT CONTRACT						
								SUNSTATE METER AND SUPPLY, INC.				1,998.00	013053	
12/09/16	00820	12/01/16	108220-1	201611	310	53600	52000		*		48.39			
								NOV 2016 - PURCHASES						
								BLUETARP FINANCIAL, INC.				48.39	013054	
12/16/16	00612	11/30/16	94746257	201611	310	53600	52010		*		18.99			
								GAS CAN						
								ADVANCE AUTO PARTS				18.99	013055	
12/16/16	00355	12/01/16	82140764	201611	310	53600	41000		*		308.39			
								SERVICE THRU 12/01/2016						
								AT&T MOBILITY				308.39	013056	
12/16/16	00423	12/13/16	7710	201612	330	53600	46000		*		774.43			
								ABB SIGNAL CONVERTER REP.						
								CENTRAL FLORIDA CONTROLS, INC.				774.43	013057	
12/16/16	00542	11/11/16	100252	201610	310	51300	64011		*		5,940.00			
								SERVICE THRU 10/16/2016						
								CPH ENGINEERS, INC.				5,940.00	013058	
12/16/16	00115	11/30/16	112265	201611	310	53600	44000		*		112.98			
								NOV 16-LANIER/L MP C2503						
		11/30/16	112473	201611	310	53600	44000		*		192.49			
								NOV 16-LANIER/L LD425CSPF						
								DOCUMENT TECHNOLOGIES				305.47	013059	
12/16/16	00770	12/14/16	30429	201612	320	53600	52000		*		300.00			
								IR LIGHTING INSTALLATION						
								ECONOMY ELECTRIC COMPANY				300.00	013060	

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AP300R	YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER										RUN	2/02/17	PAGE	5
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DUNES CDD - WATER/SEWER														
BANK D DUNES - WATER/SEWER														
CHECK														
DATE	VEND#INVOICE.....	...EXPENSED TO...					VENDOR NAME	STATUS		AMOUNTCHECK.....		
		DATE	INVOICE	YRMO	DPT	ACCT#	SUB	SUBCLASS				AMOUNT	#	
12/16/16	00047	11/29/16	5-626-83	201611	310	51300	42000		*		19.63			
			DELIVERIES THRU 11/29/16											
								FEDEX				19.63	013061	
12/16/16	00246	12/07/16	317310	201612	320	53600	34800		*		115.00			
			COLILERT-18											
								FLOWERS CHEMICAL LABORATORIES, INC.				115.00	013062	
12/16/16	00385	12/05/16	RI103050	201612	310	51300	42000		*		163.00			
			DEC 16-POSTAGE											
								FRANCOTYP-POSTALIA, INC				163.00	013063	
12/16/16	00610	12/08/16	12082016	201612	310	51300	54000		*		90.00			
			RENEWAL MEMBERSHIP											
								FWPCOA				90.00	013064	
12/16/16	00382	10/03/16	407	201610	310	51300	34000		*		1,583.33			
			OCT 16-MGMT FEES											
								GOVERNMENTAL MANAGEMENT SERVICES				1,583.33	013065	
12/16/16	00328	12/01/16	98864685	201612	330	53600	46075		*		346.32			
			SUPPLIES											
								GRAYBAR				346.32	013066	
12/16/16	00515	12/01/16	3989447	201612	320	53600	52200		*		2,118.45			
			SULFURIC ACID 50%											
		12/08/16	3992757	201612	320	53600	52200		*		4,471.65			
			SULFURIC ACID 50%											
								HAWKINS, INC.				6,590.10	013067	
12/16/16	00233	11/21/16	923929	201611	310	53600	52000		*		8.63			
			SUPPLIES											
								LOWES				8.63	013068	
12/16/16	00688	11/28/16	253142	201611	320	53600	52200		*		1,527.46			
			HYPOCHLORITE SOLUTIONS 8											
		11/28/16	253142	201611	330	53600	52200		*		763.73			
			HYPOCHLORITE SOLUTIONS 8											
								ODYSSEY MANUFACTURING COMPANY				2,291.19	013069	
12/16/16	01119	12/15/16	12152016	201612	300	34300	30000		*		45.38			
			CR BLNCE ON CLOSED ACC.											
								RENEE PEPPY				45.38	013070	
12/16/16	01120	12/15/16	12152016	201612	300	34300	30100		*		14.69			
			CR BLNCE ON CLOSED ACC.											
								CINDY ROBERTSON				14.69	013071	

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DUNES CDD - WATER/SEWER														
BANK D DUNES - WATER/SEWER														

DATE CHECK	VEND#INVOICE.....	...EXPENSED TO...	VENDOR NAME		STATUS	AMOUNTCHECK.....	
		DATE	INVOICE	YRMO	DPT ACCT# SUB	SUBCLASS		AMOUNT	#
12/16/16	00624	12/16/16	12162016	201701	300-13100-10000		*	2.10	
			JAN 16-INSURANCE REIMB						
12/16/16		12/16/16	12162016	201701	310-53600-23000		*	6.32	
			JAN 16-INSURANCE REIMB						
12/16/16		12/16/16	12162016	201701	320-53800-23000		*	2.10	
			JAN 16-INSURANCE REIMB						
12/16/16		12/16/16	12162016	201701	300-20700-10100		*	2.10-	
			JAN 16-INSURANCE REIMB						
								TIMOTHY SHEAHAN	8.42 013072

12/16/16	00881	12/02/16	33234396	201612	310-51300-51000		*	145.18	
			SUPPLIES						
								STAPLES ADVANTAGE, DEPT ATL	145.18 013073

12/16/16	00661	11/30/16	145165	201611	310-51300-54000		*	42.93	
			TICKETS TRANSMITTED						
								SUNSHINE STATE ONE CALL OF FLORIDA	42.93 013074

12/16/16	00408	11/29/16	35569324	201611	330-53600-46075		*	6,937.00	
			OPERATING SUPPLIES						
								XYLEM, INC.	6,937.00 013075

12/16/16	00965	12/16/16	121616	201612	300-34300-10100		*	3,500.00	
			REFUND-TERMINATION CONTRC						
12/16/16		12/16/16	121616	201612	300-34300-10200		*	1,000.00	
			REFUND-TERMINATION CONTRC						
12/16/16		12/16/16	121616	201612	300-36900-10000		*	51.99-	
			REFUND-TERMINATION CONTRC						
12/16/16		12/16/16	121616	201612	300-36900-10000		*	45.00-	
			REFUND-TERMINATION CONTRC						
								OCEANSIDE HOMES & REMODELING	4,403.01 013076

12/16/16	00764	12/16/16	121616	201612	310-51300-54000		*	79.10	
			BOAT/TRAILER REGISTRATION						
								SUZANNE JOHNSTON, TAX COLLECTOR	79.10 013077

12/20/16	01121	12/19/16	12192016	201612	310-51300-31500		*	3,000.00	
			INITIAL RETAINER						
		12/19/16	12192016	201612	310-51300-31500		V	3,000.00-	
			INITIAL RETAINER						
		12/19/16	12192016	201612	310-51300-31500		*	3,000.00	
			INITIAL RETAINER						
								GUATELLA ASSOCIATES	3,000.00 013078

12/22/16	00278	12/14/16	240277	201612	320-53600-46050		*	197.98	
			SUPPLIES						
								AMERICAN BACKFLOW PRODUCTS CO.	197.98 013079

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
12/22/16	00997	12/09/16 01912779	201612 320-53600-52200	RESTAURANT LIQ BULK	*	353.76	
				ARC3 GASES			353.76 013080
12/22/16	00009	12/08/16 1270562	201612 310-53600-41000	TELEPHONE SVC-WWTP OFFICE	*	286.49	
				AT&T			286.49 013081
12/22/16	00047	12/06/16 5-633-78	201611 310-51300-42000	DELIVERIES THRU 12/06/16	*	46.32	
		12/13/16 5-640-78	201612 310-51300-42000	DELIVERIES THRU 10/13/16	*	59.18	
				FEDEX			105.50 013082
12/22/16	01122	12/21/16 12212016	201612 300-34300-30100	REFUND CR BALANCE ON ACC	*	29.38	
				GUILFORD PROPERTY ENTERPRISES LLC			29.38 013083
12/22/16	01024	12/16/16 18579	201612 320-53600-52000	JUNCTION BOX 4 PORTS	*	128.80	
				OPTIMA SCALE MANUFACTURING INC.			128.80 013084
12/22/16	00603	12/13/16 86973	201612 310-53600-44000	RICOH/MP 2352SP 01/14/17	*	33.28	
				SMART TECHNOLOGIES			33.28 013085
12/22/16	00881	11/15/16 10063	201611 300-13100-10000	SUPPLIES	*	144.98-	
		11/15/16 10063	201611 320-54900-52000	SUPPLIES	*	144.98	
		11/15/16 10063	201611 300-20700-10000	SUPPLIES	*	144.98	
		11/16/16 10382	201611 310-51300-51000	SUPPLIES	*	320.99	
		11/16/16 10383	201611 310-51300-51000	SUPPLIES	*	320.99-	
		11/16/16 10384	201611 310-51300-51000	SUPPLIES	*	299.99	
		11/29/16 13014	201611 300-13100-10000	SUPPLIES	*	59.99-	
		11/29/16 13014	201611 320-54900-52000	SUPPLIES	*	59.99	
		11/29/16 13014	201611 300-20700-10000	SUPPLIES	*	59.99	
		11/30/16 13229	201611 300-13100-10000	SUPPLIES	*	21.98-	

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DATE CHECK	VEND#INVOICE.....	...EXPENSED TO...	VENDOR NAME			STATUS	AMOUNTCHECK.....
		DATE INVOICE	YRMO DPT ACCT# SUB SUBCLASS						AMOUNT #
		11/30/16 13229	201611 320-54900-52000				*	21.98	
		SUPPLIES							
		11/30/16 13229	201611 300-20700-10000				*	21.98	
		SUPPLIES							
		12/01/16 17038525	201612 310-51300-51000				*	143.98	
		SUPPLIES							
		12/07/16 15014	201612 310-51300-51000				*	139.91	
		SUPPLIES							
		11/15/16 10063	201611 300-13100-10000				V	144.98	
		SUPPLIES							
		11/15/16 10063	201611 320-54900-52000				V	144.98-	
		SUPPLIES							
		11/15/16 10063	201611 300-20700-10000				V	144.98-	
		SUPPLIES							
		11/16/16 10382	201611 310-51300-51000				V	320.99-	
		SUPPLIES							
		11/16/16 10383	201611 310-51300-51000				V	320.99	
		SUPPLIES							
		11/16/16 10384	201611 310-51300-51000				V	299.99-	
		SUPPLIES							
		11/29/16 13014	201611 300-13100-10000				V	59.99	
		SUPPLIES							
		11/29/16 13014	201611 320-54900-52000				V	59.99-	
		SUPPLIES							
		11/29/16 13014	201611 300-20700-10000				V	59.99-	
		SUPPLIES							
		11/30/16 13229	201611 300-13100-10000				V	21.98	
		SUPPLIES							
		11/30/16 13229	201611 320-54900-52000				V	21.98-	
		SUPPLIES							
		11/30/16 13229	201611 300-20700-10000				V	21.98-	
		SUPPLIES							
		12/01/16 17038525	201612 310-51300-51000				V	143.98-	
		SUPPLIES							
		12/07/16 15014	201612 310-51300-51000				V	139.91-	
		SUPPLIES							
		11/15/16 10063	201611 300-13100-10000				*	144.98-	
		SUPPLIES							
		11/15/16 10063	201611 320-54900-52000				*	144.98	
		SUPPLIES							
		11/15/16 10063	201611 300-20700-10000				*	144.98	
		SUPPLIES							
		11/16/16 10382	201611 310-51300-51000				*	320.99	
		SUPPLIES							
		11/16/16 10383	201611 310-51300-51000				*	320.99-	
		SUPPLIES							

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CHECK DATE	VEND#INVOICE.....	...EXPENSED TO...	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
DATE		INVOICE	YRMO DPT ACCT# SUB SUBCLASS				
12/22/16	00214	12/07/16 127497	201612 330-53600-52000	OPERATING SUPPLIES	*	199.82	
		12/07/16 127562	201612 330-53600-52000	OPERATING SUPPLIES	*	70.98	
		12/08/16 128018	201612 330-53600-52000	OPERATING SUPPLIES	*	41.04	
----- USA BLUEBOOK -----							311.84 013088
						TOTAL FOR BANK D	94,796.82
						TOTAL FOR REGISTER	94,796.82

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		BANK E DUNES - BRIDGE													

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12/01/16	00022	12/01/16 12012016	201612 320-54900-15000	2016 HOLIDAY BONUS	*	1,900.00	
				CASH			1,900.00 005876
12/09/16	00255	12/01/16 3676	201612 320-54900-46000	DEC 2016 - PEST CONTROL	*	45.00	
				ABOVE THE REST PEST CONTROL			45.00 005877
12/09/16	00184	11/28/16 99880-11	201612 320-54900-23000	DEC 2016 - LIFE INS	*	31.46	
		11/28/16 99880-11	201612 310-53600-23000	DEC 2016 - LIFE INS	*	199.32	
		11/28/16 99880-11	201612 300-13100-10000	DEC 2016 - LIFE INS	*	199.32	
		11/28/16 99880-11	201612 300-20700-10000	DEC 2016 - LIFE INS	*	199.32-	
				AMERICAN HERITAGE LIFE INS COMPANY			230.78 005878
12/09/16	00140	1/01/17 01012017	201701 320-54900-23000	JAN 17 INSURANCE REIMB	*	241.64	
		1/01/17 01012017	201701 320-54900-23000	JAN 17 INSURANCE REIMB	V	241.64-	
				SANDY AUSBROOKS			.00 005879
12/09/16	00132	11/25/16 12259468	201611 320-54900-43000	ACCT NO. 308923-19027	*	419.56	
				CITY OF PALM COAST			419.56 005880
12/09/16	00186	11/30/16 161130	201611 320-54900-46000	NOV 2016 - SERVICES	*	250.00	
				COAST PARKING AREA MAINTENANCE CORP			250.00 005881
12/09/16	00189	11/29/16 43001	201611 320-54900-52000	SUPPLIES	*	72.90	
				COASTAL SUPPLIES			72.90 005882
12/09/16	00101	11/28/16 220392-1	201612 320-54900-52000	SERVICE THRU 12/28/2016	*	76.40	
				CULLIGAN WATER PRODUCTS			76.40 005883
12/09/16	00222	12/05/16 12052016	201612 320-54900-52000	REPLENISH PETTY CASH FUND	*	367.18	
		12/05/16 12052016	201510 320-54900-52000	REPLENISH PETTY CASH FUND	V	367.18-	
				DOLPHIN PRINTING & DESIGN, INC.			.00 005884

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*** CHECK DATES 12/01/2016 - 12/31/2016 ***
DUNES CDD - BRIDGE FUND
BANK E DUNES - BRIDGE

DATE CHECK	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
12/09/16	00014	11/28/16	02998-11 201611 320-54900-43000 5000PLM COAST PKWY NAV LT		*	162.67	
		11/28/16	04979-11 201611 320-54900-43000 5000PALM COAST PKWY #LTS		*	7.95	
		11/28/16	05950-11 201611 320-54900-43000 5000PALM COAST PKWY TOLL		*	436.21	
		11/29/16	06601-11 201611 320-54900-43000 BON TERRE #NS 100E AIA LT		*	97.61	
		11/29/16	07438-11 201611 320-54900-46002 400 HAMMOCK DUNES PKWY		*	24.89	
		11/29/16	25021-11 201611 320-54900-46002 5800 HAMMOCK DUNES PKWY		*	37.56	
		11/29/16	56431-11 201611 320-54900-46002 300 HAMMOCK DUNES PKWY		*	22.71	
		11/29/16	84435-11 201611 320-54900-46002 18 BLUE HERON LN #STLT		*	23.25	
FLORIDA POWER & LIGHT CO.							812.85 005885
12/09/16	00145	12/02/16	414 201612 310-51300-34000 DEC 16 - MGMT FEES		*	1,416.67	
GOVERNMENTAL MANAGEMENT SERVICES							1,416.67 005886
12/09/16	00294	8/31/16	8313315 201610 310-51300-60001 SERVICE THRU 08/31/2016		*	2,133.48	
		9/30/16	8446934 201610 310-51300-60001 SERVICE THRU 09/30/2016		*	2,348.96	
KIMLEY-HORN AND ASSOCIATES, INC							4,482.44 005887
12/09/16	00204	1/01/17	JAN 2017 201701 320-54900-23000 JAN 17 INSURANCE REIMB		*	390.74	
WILLIAM KOWALOFF							390.74 005888
12/09/16	00256	1/01/17	JAN 2017 201701 320-54900-23000 JAN 16 INSURANCE REIMB		*	326.47	
JON C PETERSON							326.47 005889
12/09/16	00207	1/01/17	JAN 2017 201701 300-13100-10000 JAN 17 INSURANCE REIMB		*	156.30	
		1/01/17	JAN 2017 201701 300-13100-10100 JAN 17 INSURANCE REIMB		*	117.22	
		1/01/17	JAN 2017 201701 310-53600-23000 JAN 17 INSURANCE REIMB		*	156.30	
		1/01/17	JAN 2017 201701 320-54900-23000 JAN 17 INSURANCE REIMB		*	117.22	
		1/01/17	JAN 2017 201701 320-53800-23000 JAN 17 INSURANCE REIMB		*	117.22	

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AP300R	YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER										RUN	2/02/17	PAGE	3
*** CHECK DATES 12/01/2016 - 12/31/2016 ***														
DUNES CDD - BRIDGE FUND														
BANK E DUNES - BRIDGE														
CHECK	VEND#	.....INVOICE.....	...EXPENSED TO...	VENDOR NAME				STATUS	AMOUNT	....CHECK.....			
DATE		DATE	INVOICE	YRMO	DPT	ACCT#	SUB	SUBCLASS			AMOUNT		#	
		1/01/17	JAN 2017	201701	300-	20700-	10000		*		156.30-			
			JAN 17			INSURANCE	REIMB							
		1/01/17	JAN 2017	201701	300-	20700-	10000		*		117.22-			
			JAN 17			INSURANCE	REIMB							
								RICHARD RYAN				390.74	005890	
12/09/16	00167	9/20/16	50173	201610	320-	54900-	34300		*		359.00			
			DEC 2016			SERVICES								
								VANN DATA SERVICES, INC.				359.00	005891	
12/09/16	00307	1/01/17	01012017	201701	320-	54900-	23000		*		241.64			
			JAN 17			INSURANCE	REIMB							
								ROBERT AUSBROOKS				241.64	005892	
12/09/16	00022	12/05/16	12052016	201612	320-	54900-	52000		*		367.18			
						REPLENISH PETTY CASH FUND								
								CASH				367.18	005893	
12/16/16	00114	11/01/16	3067/270	201611	320-	54900-	46000		*		186.00			
						FIRE ALARM MONITORING								
								ALARMPRO, INC.				186.00	005894	
12/16/16	00185	12/05/16	1275	201612	320-	54900-	46000		*		1,100.00			
						LAWN MAINTENANCE								
								ALL AMERICAN MAINTENANCE OF FLAGLER				1,100.00	005895	
12/16/16	00082	12/01/16	386 446-	201612	320-	54900-	41000		*		456.25			
						SERVICE THRU-12/11/16								
								AT&T				456.25	005896	
12/16/16	00286	11/21/16	14304617	201611	320-	54900-	41000		*		75.00			
						SERVICE THRU-12/1/16								
								AT&T				75.00	005897	
12/16/16	00145	10/03/16	408	201610	310-	51300-	34000		*		1,416.67			
						MANAGEMENT FEES								
								GOVERNMENTAL MANAGEMENT SERVICES				1,416.67	005898	
12/16/16	00328	12/02/16	98867022	201612	320-	54900-	46000		*		360.80			
						LIGHTING CONTACTOR								
								GRAYBAR				360.80	005899	
12/16/16	00204	1/01/17	01012017	201701	320-	54900-	23000		*		8.20			
						INSURANCE REIMBURSEMENT								
								WILLIAM KOWALOFF				8.20	005900	

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AP300R	YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER										RUN	2/02/17	PAGE	4
*** CHECK DATES 12/01/2016 - 12/31/2016 ***														
DUNES CDD - BRIDGE FUND														
BANK E DUNES - BRIDGE														

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
12/16/16	00277	12/09/16 361	201612 320-54900-52000		*	71.98	
		UNIFORMS					
		12/09/16 361	201612 300-13100-10000		*	41.63	
		UNIFORMS					
		12/09/16 361	201612 310-53600-52055		*	41.63	
		UNIFORMS					
		12/09/16 361	201612 300-20700-10000		*	41.63-	
		UNIFORMS					
				LIDIA'S EMBROIDERY			113.61 005901
12/16/16	00259	12/03/16 325417	201612 320-54900-52000		*	93.93	
		SUPPLIES					
		12/03/16 386659	201612 320-54900-52000		*	119.99	
		SUPPLIES					
		12/03/16 914970	201612 320-54900-52000		*	15.50	
		SUPPLIES					
				STAPLES ADVANTAGE, DEPT ATL			229.42 005902
12/16/16	00308	12/01/16 82376818	201612 300-13100-10000		*	561.12	
		SUPPLIES					
		12/01/16 82376818	201612 320-54900-52000		*	65.22	
		SUPPLIES					
		12/01/16 82376818	201612 310-51300-51000		*	561.12	
		SUPPLIES					
		12/01/16 82376818	201612 300-20700-10000		*	561.12-	
		SUPPLIES					
				ULINE			626.34 005903
12/16/16	00284	12/01/16 INV-0000	201612 320-54900-46002		*	7,997.00	
		LANDSCAPE MAINTENANCE					
				YELLOWSTONE LANDSCAPE			7,997.00 005904
12/22/16	00120	12/31/16 2016-01	201612 310-51300-60001		*	54,030.12	
		INTERSECTION IMPROVEMENTS					
				BETTER BARRICADES, INC.			54,030.12 005905
12/22/16	00189	12/20/16 43123	201612 320-54900-52000		*	190.75	
		OPERATING SUPPLIES					
				COASTAL SUPPLIES			190.75 005906
12/22/16	00039	12/01/16 14911	201611 310-51300-32200		*	2,100.00	
		AUDIT FYE 09/30/2016					
		12/01/16 14911	201611 300-13100-10000		*	2,700.00	
		AUDIT FYE 09/30/2016					
		12/01/16 14911	201611 300-13100-10100		*	1,200.00	
		AUDIT FYE 09/30/2016					

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK.... AMOUNT #
		12/01/16	14911 201611 310-51300-32200 AUDIT FYE 09/30/2016		*	1,200.00	
		12/01/16	14911 201611 300-20700-10000 AUDIT FYE 09/30/2016		*	1,200.00-	
		12/01/16	14911 201611 310-51300-32200 AUDIT FYE 09/30/2016		*	2,700.00	
		12/01/16	14911 201611 300-20700-10000 AUDIT FYE 09/30/2016		*	2,700.00-	
				GRAU & ASSOCIATES			6,000.00 005907
12/22/16	00180	1/01/17	WC2FL1 0 201701 320-54900-24000 AGREEMENT#WC2FL1 0184401		*	1,876.55	
		1/01/17	WC2FL1 0 201701 300-13100-10000 AGREEMENT#WC2FL1 0184401		*	3,311.55	
		1/01/17	WC2FL1 0 201701 300-13100-10100 AGREEMENT#WC2FL1 0184401		*	331.15	
		1/01/17	WC2FL1 0 201701 320-53800-24000 AGREEMENT#WC2FL1 0184401		*	331.15	
		1/01/17	WC2FL1 0 201701 300-20700-10000 AGREEMENT#WC2FL1 0184401		*	331.15-	
		1/01/17	WC2FL1 0 201701 310-53600-24000 AGREEMENT#WC2FL1 0184401		*	3,311.55	
		1/01/17	WC2FL1 0 201701 300-20700-10000 AGREEMENT#WC2FL1 0184401		*	3,311.55-	
				PREFERRED GOVERNMENTAL INSURANCE			5,519.25 005908
12/22/16	00306	12/01/16	2419 201611 300-13100-10000 NOV 16-IT SERVICES		*	1,000.00	
		12/01/16	2419 201611 300-20700-10000 NOV 16-IT SERVICES		*	1,000.00-	
		12/01/16	2419 201611 310-51300-49100 NOV 16-IT SERVICES		*	1,000.00	
		12/01/16	2419 201611 320-54900-34300 NOV 16-IT SERVICES		*	500.00	
				RL COMPUTER SOLUTIONS INC.			1,500.00 005909
12/22/16	00198	12/22/16	12222016 201612 320-54900-22000 QTRLY PENSION CONTRBUTION		*	2,997.61	
		12/22/16	12222016 201612 300-13100-10000 QTRLY PENSION CONTRBUTION		*	7,356.91	
		12/22/16	12222016 201612 300-13100-10100 QTRLY PENSION CONTRBUTION		*	1,364.55	
		12/22/16	12222016 201612 320-53800-22000 QTRLY PENSION CONTRBUTION		*	1,364.55	
		12/22/16	12222016 201612 300-20700-10000 QTRLY PENSION CONTRBUTION		*	1,364.55-	

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
		12/22/16	12222016 201612 310-53600-22000		*	7,356.91	
			QTRLY PENSION CONTRBUTION				
		12/22/16	12222016 201612 300-20700-10000		*	7,356.91-	
			QTRLY PENSION CONTRBUTION				
				STIFEL, NICOLAUS & COMPANY			11,719.07 005910
12/22/16	00154	12/09/16	00422409 201701 320-54900-23000		*	3,528.72	
			JAN 2017 INSURANCE				
		12/09/16	00422409 201701 300-13100-10000		*	12,192.17	
			JAN 2017 INSURANCE				
		12/09/16	00422409 201701 300-13100-10100		*	768.68	
			JAN 2017 INSURANCE				
		12/09/16	00422409 201701 320-53800-23000		*	768.68	
			JAN 2017 INSURANCE				
		12/09/16	00422409 201701 300-20700-10000		*	768.68-	
			JAN 2017 INSURANCE				
		12/09/16	00422409 201701 310-53600-23000		*	12,192.17	
			JAN 2017 INSURANCE				
		12/09/16	00422409 201701 300-20700-10000		*	12,192.17-	
			JAN 2017 INSURANCE				
				UNITED HEALTHCARE			16,489.57 005911
12/22/16	00298	12/15/16	1067 201612 320-54900-46000		*	1,500.00	
			RPLC BROKEN TILES				
				VALMIK WATERPROOFING SYSTEMS AND			1,500.00 005912
				TOTAL FOR BANK E		121,300.42	
				TOTAL FOR REGISTER		121,300.42	

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