

**Legends Bay Community
Development District**

ANNUAL FINANCIAL REPORT

September 30, 2018

Legends Bay Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2018

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Legends Bay Community Development District
Manatee County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Legends Bay Community Development District as of and for the year ended September 30, 2018, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 Accounting Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Fort Pierce / Stuart

To the Board of Supervisors
Legends Bay Community Development District

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and each major fund of Legends Bay Community Development District as of September 30, 2018, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Legends Bay Community Development District's internal control over financial reporting and compliance.



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

June 20, 2019

**Legends Bay Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

**Legends Bay Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2018.

- ◆ The District's total assets exceeded total liabilities by \$17,458,132 (net position). The District's net investment in capital assets was \$16,746,530. Restricted net position was \$606,758. Unrestricted net position was \$104,844.
- ◆ Governmental activities revenues totaled \$1,380,739 while governmental activities expenses totaled \$1,222,051.

**Legends Bay Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2018	2017
Current assets	\$ 172,961	\$ 235,405
Restricted assets	1,107,042	844,487
Capital assets	22,224,838	22,786,370
Total Assets	23,504,841	23,866,262
Current liabilities	331,709	331,818
Non-current liabilities	5,715,000	6,235,000
Total Liabilities	6,046,709	6,566,818
Net investment in capital assets	16,746,530	16,840,507
Net position - restricted	606,758	175,415
Net position - unrestricted	104,844	283,522
Total Net Position	\$ 17,458,132	\$ 17,299,444

The decrease in current assets and unrestricted net position is related to expenditures exceeding revenues in the General Fund in the current year.

The decrease in capital assets was primarily due to depreciation in the current year.

The decrease in non-current liabilities was primarily the result of the current year principal payments.

The increase in net position – restricted is related to prepayments made in the current year.

**Legends Bay Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change in Net Position		
	Governmental Activities	
	2018	2017
Program Revenues		
Charges for services	\$ 1,367,469	\$ 948,997
General Revenues		
Investment earnings	13,270	3,828
Total Revenues	<u>1,380,739</u>	<u>952,825</u>
Expenses		
General government	79,487	120,276
Physical environment	782,058	708,027
Interest on long-term debt	360,506	380,847
Total Expenses	<u>1,222,051</u>	<u>1,209,150</u>
Change in Net Position	158,688	(256,325)
Net Position - Beginning of Year	<u>17,299,444</u>	<u>17,555,769</u>
Net Position - End of Year	<u><u>\$ 17,458,132</u></u>	<u><u>\$ 17,299,444</u></u>

The decrease in general government expenses is related to decreased legal fees and management fees in the current year.

The increase in physical environment expenses is primarily related to the increased landscape maintenance expenses incurred during the current year.

**Legends Bay Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2018 and 2017.

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Land	\$ 15,925,747	\$ 15,925,747
Infrastructure	11,352,879	11,352,879
Less: accumulated depreciation	(5,053,788)	(4,492,256)
Total Capital Assets	<u>\$ 22,224,838</u>	<u>\$ 22,786,370</u>

Capital asset activity for the current year consisted of depreciation of \$561,532.

General Fund Budgetary Highlights

Budgeted expenditures were exceeded by actual expenditures primarily due to higher landscape maintenance, lake maintenance, utility, reclaimed water and wall repair costs than were anticipated in the current year.

The budget was amended for an increase in repairs and maintenance.

Debt Management

Governmental Activities debt includes the following:

- ◆ In June 2007, the District issued \$7,475,000 Series 2007A Capital Improvement Revenue Bonds. These bonds were issued to finance the acquisition and construction of certain improvements within the District. The balance outstanding at September 30, 2018 was \$5,870,000.

Economic Factors and Next Year's Budget

Legends Bay Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2019.

Request for Information

The financial report is designed to provide a general overview of Legends Bay Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Legends Bay Community Development District, Fishkind & Associates, Inc., 12051 Corporate Blvd., Orlando, FL 32817.

Legends Bay Community Development District
STATEMENT OF NET POSITION
September 30, 2018

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 121,822
Interest receivable	1,564
Assessments receivable	30,779
Due from other governments	4,083
Prepaid expenses	14,713
Total Current Assets	172,961
Non-current Assets	
Restricted assets	
Investments, at fair value	1,107,042
Capital assets, not being depreciated	
Land	15,925,747
Capital assets, being depreciated	
Infrastructure	11,352,879
Less: accumulated depreciation	(5,053,788)
Total Non-current Assets	23,331,880
Total Assets	23,504,841
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	33,016
Accrued interest	143,693
Bonds payable	155,000
Total Current Liabilities	331,709
Non-current liabilities	
Bonds payable	5,715,000
Total Liabilities	6,046,709
NET POSITION	
Net investment in capital assets	16,746,530
Restricted for:	
Debt service	476,928
Capital projects	129,830
Unrestricted	104,844
Total Net Position	\$ 17,458,132

See accompanying notes to financial statements.

Legends Bay Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
General government	\$ (79,487)	\$ 42,188	\$ (37,299)
Physical environment	(782,058)	137,592	(644,466)
Interest on long-term debt	(360,506)	1,187,689	827,183
Total Governmental Activities	<u>\$ (1,222,051)</u>	<u>\$ 1,367,469</u>	<u>145,418</u>
General Revenues			
	Investment earnings		13,270
	Change in Net Position		158,688
	Net Position - October 1, 2017		17,299,444
	Net Position - September 30, 2018		<u>\$ 17,458,132</u>

See accompanying notes to financial statements.

Legends Bay Community Development District
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash	\$ 121,822	\$ -	\$ -	\$ 121,822
Interest receivable	-	1,367	197	1,564
Assessments receivable	3,953	26,826	-	30,779
Due from other funds	-	6,711	-	6,711
Due from other governments	4,083	-	-	4,083
Prepaid expenses	14,713	-	-	14,713
Restricted assets				
Investments, at fair value	-	977,409	129,633	1,107,042
Total Assets	\$ 144,571	\$1,012,313	\$ 129,830	\$ 1,286,714
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued expenses	\$ 33,016	\$ -	\$ -	\$ 33,016
Due to other funds	6,711	-	-	6,711
Total Liabilities	39,727	-	-	39,727
 Deferred Inflows of Resources				
Deferred revenues	3,953	-	-	3,953
 Fund Balances				
Nonspendable - prepaid expenses	14,713	-	-	14,713
Restricted for debt service	-	1,012,313	-	1,012,313
Assigned for capital projects	-	-	129,830	129,830
Unassigned	86,178	-	-	86,178
Total Fund Balances	100,891	1,012,313	129,830	1,243,034
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 144,571	\$1,012,313	\$ 129,830	\$ 1,286,714

See accompanying notes to financial statements.

**Legends Bay Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2018**

Total Governmental Fund Balances	\$ 1,243,034
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets not being depreciated, land, used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	15,925,747
Capital assets being depreciated, infrastructure \$11,352,879, net of accumulated depreciation \$(5,053,788), used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	6,299,091
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported at the fund level.	(5,870,000)
Deferred inflows of resources do not provide current resources at the fund level, however, at the government-wide level revenues are recognized when earned.	3,953
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the fund level.	<u>(143,693)</u>
Net Position of Governmental Activities	<u><u>\$ 17,458,132</u></u>

See accompanying notes to financial statements.

Legends Bay Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	General	Debt Service	Capital Projects	Totals Governmental Funds
REVENUES				
Special assessments	\$ 175,827	\$ 1,187,689	\$ -	\$ 1,363,516
Interest income	-	11,563	1,707	13,270
Total Revenues	<u>175,827</u>	<u>1,199,252</u>	<u>1,707</u>	<u>1,376,786</u>
EXPENDITURES				
Current				
General government	67,616	11,871	-	79,487
Physical environment	220,526	-	-	220,526
Debt service				
Principal	-	525,000	-	525,000
Interest	-	373,357	-	373,357
Total Expenditures	<u>288,142</u>	<u>910,228</u>	<u>-</u>	<u>1,198,370</u>
Excess of revenues over/(under) expenditures	<u>(112,315)</u>	<u>289,024</u>	<u>1,707</u>	<u>178,416</u>
OTHER FINANCING SOURCES/(USES)				
Transfers in	-	-	60,485	60,485
Transfers out	(2,678)	(57,807)	-	(60,485)
Total other financing sources/(uses)	<u>(2,678)</u>	<u>(57,807)</u>	<u>60,485</u>	<u>-</u>
Net Change in Fund Balances	(114,993)	231,217	62,192	178,416
Fund Balances - October 1, 2017	<u>215,884</u>	<u>781,096</u>	<u>67,638</u>	<u>1,064,618</u>
Fund Balances - September 30, 2018	<u>\$ 100,891</u>	<u>\$ 1,012,313</u>	<u>\$ 129,830</u>	<u>\$ 1,243,034</u>

See accompanying notes to financial statements.

**Legends Bay Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018**

Net Change in Fund Balances - Total Governmental Funds	\$	178,416
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period.		(561,532)
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At the fund level revenues are recognized as revenues when they are measurable and available, but at the government-wide level revenues are recognized when earned.		3,953
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Repayments of bond principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position		525,000
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In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net amount between the prior year and current year accruals.		12,851
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Change in Net Position of Governmental Activities	\$	<u>158,688</u>
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See accompanying notes to financial statements.

Legends Bay Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 173,680	\$ 178,770	\$ 175,827	\$ (2,943)
Expenditures				
Current				
General government	64,775	46,650	67,616	(20,966)
Physical environment	108,905	132,120	220,526	(88,406)
Total Expenditures	<u>173,680</u>	<u>178,770</u>	<u>288,142</u>	<u>(109,372)</u>
Excess of revenues over/(under) expenditures	<u>-</u>	<u>-</u>	<u>(112,315)</u>	<u>(112,315)</u>
Other Financing Sources/(Uses)				
Transfers Out	<u>-</u>	<u>-</u>	<u>(2,678)</u>	<u>(2,678)</u>
Net Change in Fund Balances	-	-	(114,993)	(114,993)
Fund Balances - October 1, 2017	<u>-</u>	<u>-</u>	<u>215,884</u>	<u>215,884</u>
Fund Balances - September 30, 2018	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 100,891</u></u>	<u><u>\$ 100,891</u></u>

See accompanying notes to financial statements.

Legends Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established in on March 19, 2007 by an ordinance of the Board of County Commissioners of Manatee County, Florida, under the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is governed by a five-member Board of Supervisors, who are elected for terms of two or four years. The District operates within the criteria established by Chapter 190, Florida Statutes. The Board has the responsibility for assessing and levying assessments, approving budgets, exercising control over facilities and properties, controlling the use of funds generated by the District, approving the hiring and firing of key personnel, and financing improvements.

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

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

2. Measurement Focus and Basis of Accounting

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

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

Legends Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

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

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

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

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

b. Fund Financial Statements

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

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

Governmental Funds

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

Legends Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

The District has various policies governing the fund balance classifications.

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

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

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

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

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

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

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

Legends Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

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

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

Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

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

Debt Service Fund – Accounts for debt service requirements to retire certain capital improvement revenue bonds which were used to finance the construction of District infrastructure improvements and finance certain additional improvements.

Capital Projects Fund – This fund was established to account for future capital projects of the District.

Legends Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

b. Non-current Governmental Assets/Liabilities

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

4. Assets, Liabilities and Net Position or Equity

a. Cash and Investments

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

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

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

b. Restricted Assets

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

Legends Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

c. Capital Assets

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

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

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

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

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

Infrastructure	15-25 years
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d. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District only has one item that qualifies for reporting in this category. Deferred revenues are reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

e. Budgets

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

Legends Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

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

“Total fund balances” of the District’s governmental funds, \$1,243,034, differs from “net position” of governmental activities, \$17,458,132, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below.

Capital related items

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

Land	\$ 15,925,747
Infrastructure	11,352,879
Less: accumulated depreciation	<u>(5,053,788)</u>
Total	<u>\$ 22,224,838</u>

Long-term debt transactions

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

Bonds payable	<u>\$ (5,870,000)</u>
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Deferred Inflows of Resources

Deferred inflows of resources are recognized at the fund level for receivables that are not available, however, at the government-wide level all receivables are recognized as revenues when earned.

Deferred revenues	<u>\$ 3,593</u>
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Accrued interest

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

Accrued interest	<u>\$ (143,693)</u>
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Legends Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

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

The “net change in fund balances” for government funds, \$178,416, differs from the “change in net position” for governmental activities, \$158,688, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

Depreciation	\$ <u>(561,532)</u>
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Deferred Inflows of Resources

Revenues are recognized when they are measurable and available at the fund level. At the government-wide level revenues are recognized when earned.

Deferred revenues	\$ <u>3,593</u>
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Long-term debt transactions

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

Debt principal payments	\$ <u>525,000</u>
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Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in accrued interest payable	\$ <u>12,851</u>
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**Legends Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE C – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2018, the District's bank balance was \$139,858 and the carrying value was \$121,822. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2018, the District had the following investments and maturities:

Investment	Maturities	Fair Value
Wells Fargo Advantage Government Money Market Fund	35 days*	\$ 1,107,042

* Based on a weighted average maturity

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

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

Based on the criteria in the preceding paragraph, the investment listed above is a Level 1 asset.

Legends Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

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

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2018, the District's investment in Wells Fargo Advantage Government Money Market Fund was rated AAAM by Standard and Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in Wells Fargo Advantage Government Money Market Fund are 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2018 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

NOTE D – SPECIAL ASSESSMENT REVENUES

Assessments are non-ad valorem assessments on benefitted property within the District. Operation and Maintenance Assessments are based upon adopted budget and levied annually at a public hearing by the District. Debt Service Assessments are levied when bonds are issued and collected annually. The District may collect assessments directly or utilize the uniform method of collections (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 due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**Legends Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE E – CAPITAL ASSETS

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

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 15,925,747	\$ -	\$ -	\$ 15,925,747
Capital assets, being depreciated:				
Infrastructure	11,352,879	-	-	11,352,879
Less accumulated depreciation for:				
Infrastructure	(4,492,256)	(561,532)	-	(5,053,788)
Total Capital Assets Depreciated, Net	6,860,623	(561,532)	-	6,299,091
Governmental Activities Capital Assets	<u>\$ 22,786,370</u>	<u>\$ (561,532)</u>	<u>\$ -</u>	<u>\$ 22,224,838</u>

Depreciation, \$561,532, was charged to physical environment.

NOTE F – LONG-TERM DEBT

The following is a summary of activity for long-term debt of the District for the year ended September 30, 2018:

Long-term debt at October 1, 2017	\$ 6,395,000
Principal payments	<u>(525,000)</u>
Long-term debt at September 30, 2018	<u>\$ 5,870,000</u>

District debt is comprised of the following at September 30, 2018:

Capital Improvement Revenue Bonds

\$7,475,000 Series 2007A Capital Improvement Revenue Bonds due in annual principal installments through May 1, 2038 at an interest rate 5.875%, payable May 1 and November 1.

\$ 5,870,000

Legends Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE F – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2018 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 155,000	\$ 344,863	\$ 499,863
2020	165,000	335,756	500,756
2021	175,000	326,063	501,063
2022	185,000	315,781	500,781
2023	200,000	304,913	504,913
2024-2028	1,185,000	1,334,506	2,519,506
2029-2033	1,610,000	940,294	2,550,294
2034-2038	<u>2,195,000</u>	<u>403,025</u>	<u>2,598,025</u>
Totals	<u>\$ 5,870,000</u>	<u>\$ 4,305,201</u>	<u>\$ 10,175,201</u>

Summary of Significant Bonds Resolution Terms and Covenants

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

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

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

The bond indenture provides for Debt Service Reserve Funds, which shall be held by the Trustee separate and apart from all other funds. The following is a schedule of reserve requirements and balances in the reserve accounts at September 30, 2018:

Series 2007A Capital Improvement Revenue Bonds	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
	<u>\$ 455,087</u>	<u>\$ 391,692</u>

**Legends Bay Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE G – INTERFUND BALANCES

Interfund balances at September 30, 2018, consisted of the following:

Interfund Receivables	Interfund Payables
Debt Service Fund	General Fund
	\$ 6,711
	Transfers In
Transfers Out	Capital Projects Fund
General Fund	\$ 2,678
Debt Service Fund	57,807
Total	\$ 60,485

Due to and from other funds relate to debt service fund excess fees and transfers between funds relate to transfers between the trust accounts.

NOTE H – RELATED PARTY TRANSACTIONS

In September 2011, the District entered into an agreement with a company affiliated with the original Developer to supply water for irrigation purposes to the District's property in accordance with the terms of Legends Bay Declaration. For the year ended September 30, 2018, services provided to the District amounted to \$50,404. The successor Developer has no beneficial interest in the agreement.

NOTE I – ECONOMIC DEPENDENCY

A significant portion of the District's activity is dependent upon continued involvement of the Developer, the loss which could have a material adverse effect on the District's operations. Two members of the Board of Supervisors for the District were employed by the Developer or its affiliates at September 30, 2018.

NOTE J – RISK MANAGEMENT

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



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

To the Board of Supervisors
Legends Bay Community Development District
Manatee 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 Legends Bay Community Development District, as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2019.

Internal Control Over Financial Reporting

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

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

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

To the Board of Supervisors
Legends Bay Community Development District

Compliance and Other Matters

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



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

June 20, 2019



Berger, Toombs, Elam, Gaines & Frank

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MANAGEMENT LETTER

To the Board of Supervisors
Legends Bay Community Development District
Manatee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Legends Bay Community Development District as of and for the year ended September 30, 2018, and have issued our report thereon dated June 20, 2019.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 20, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

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

Fort Pierce / Stuart

To the Board of Supervisors
Legends Bay Community Development District

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Legends Bay Community Development District. It is management's responsibility to monitor the Legends Bay Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2018.

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we noted the following finding.

2018-01

Finding: The actual expenditures in the General Fund exceeded the budget which is a violation of Section 189.016, Florida Statutes.

Response: Management will review spending to ensure that expenditures do not exceed appropriations in the future.

Purpose of this Letter

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

*Berger Toombs Elam
Gaines & Frank*

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

June 20, 2018



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

To the Board of Supervisors
Legends Bay Community Development District
Manatee County, Florida

We have examined Legends Bay Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2018. Management is responsible for Legends Bay Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Legends Bay Community Development District's compliance based on our examination.

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

In our opinion, Legends Bay Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2018.

*Berger Toombs Elam
Gaines + Frank*

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

June 20, 2019