Heron Isles
Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2023

Heron Isles Community Development District

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Heron Isles Community Development District
Nassau County, Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of Heron Isles Community Development District (the "District"), as of and for the year ended September 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Heron Isles Community Development District as of September 30, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for 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.

To the Board of Supervisors
Heron Isles Community Development District

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including currently known information that may raise substantial doubt thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Heron Isles Community Development District

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 September 4, 2024 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Heron Isles Community Development District's internal control over financial reporting and compliance.

Berger Toombs Elam
Gaines + Frank

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

September 4, 2024

Heron Isles Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023

Management's discussion and analysis of Heron Isles 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 interest on long term debt.

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.

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 capital assets 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 the financial activity for the year ended September 30, 2023.

- The District's total liabilities exceeded total assets by $(326,356) (net position). Unrestricted net position for Governmental Activities was $410,342. Net investment in capital assets was $(736,698).

- Governmental activities revenues totaled $658,213 while governmental activities expenses totaled $478,123.

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	
	2023	**2022**
Current assets	$ 505,169	$ 396,070
Prepaid bond insurance	54,408	58,704
Restricted assets	89,423	87,222
Capital assets	1,208,197	1,286,905
Total Assets	1,857,197	1,828,901
Current liabilities	178,892	178,050
Non-current liabilities	2,004,661	2,157,297
Total Liabilities	2,183,553	2,335,347
Net position - net investment in capital assets	(736,698)	(886,509)
Net position - unrestricted	410,342	380,063
Total Net Position	$ (326,356)	$ (506,446)

The increase in current assets is primarily related to revenues exceeding expenditures in the General Fund in the current year.

The decrease in capital assets is primarily related to current year depreciation.

The decrease in total liabilities is related primarily to the principal payments in the current year.

The increase in net position is related to revenues exceeding expenses in the current year.

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	
	2023	2022
Program Revenues		
Charges for services	$ 648,910	$ 649,726
General Revenues		
Investment earnings	9,303	232
Total Revenues	658,213	649,958
Expenses		
General government	111,166	119,504
Physical environment	280,595	239,400
Interest and other charges	86,362	90,725
Total Expenses	478,123	449,629
Change in Net Position	180,090	200,329
Net Position - Beginning of Year	(506,446)	(706,775)
Net Position - End of Year	$ (326,356)	$ (506,446)

The increase in physical environment is related to the increase in landscape and maintenance expenses in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets activity as of September 30, 2023 and 2022:

	Governmental Activities	
Description	2023	2022
Land and improvements	$ 46,653	$ 46,653
Infrastructure	2,273,975	2,273,975
Equipment	6,784	6,784
Accumulated depreciation	(1,119,215)	(1,040,507)
Capital assets, net	$ 1,208,197	$ 1,286,905

Depreciation was $78,708 in the current year.

General Fund Budgetary Highlights

Budgeted expenditures exceeded actual expenditures primarily due to lower capital outlay, legal and facility repair expenditures than were anticipated.

The September 30, 2023 budget was not amended.

Debt Management

Governmental Activities debt includes the following:

- In June 2017, the District issued $2,315,000 Series 2017A-1 Senior Capital Improvement Revenue Refunding Bonds and $850,000 Series 2017A-2 Subordinate Capital Improvement Revenue Refunding Bonds. These bonds were issued to refund and redeem the Series 2005 Capital Improvement Revenue Bonds. The balance as of September 30, 2023 for the Series 2017A-1 and Series 2017A-2 Bonds were $1,575,000 and $595,000, respectively.

Economic Factors and Next Year's Budget

Heron Isles 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 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Request for Information

The financial report is designed to provide a general overview of Heron Isles 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 Heron Isles Community Development District, Governmental Management Services, 475 West Town Place, Suite 114, St. Augustine, Florida 32092.

Heron Isles Community Development District
STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 450,596
Investments	30,428
Due from other governments	2,194
Prepaid expenses	20,371
Deposits	1,580
Total Current Assets	505,169
Non-current Assets:	
Prepaid bond insurance	54,408
Restricted assets:	
Investments	89,423
Capital assets, not being depreciated	
Land and improvements	46,653
Capital assets, being depreciated	
Infrastructure	2,273,975
Equipment	6,784
Accumulated depreciation	(1,119,215)
Total Non-current Assets	1,352,028
Total Assets	1,857,197
LIABILITIES	
Current Liabilities:	
Accounts payable	11,639
Accrued interest payable	32,253
Bonds payable	135,000
Total Current Liabilities	178,892
Non-current Liabilities:	
Bonds payable, net	2,004,661
Total Liabilities	2,183,553
NET POSITION	
Net investment in capital assets	(736,698)
Unrestricted	410,342
Total Net Position	$ (326,356)

See accompanying notes to financial statements.

Heron Isles Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Net (Expense) Revenues and Changes in Net Position: Governmental Activities
Primary government			
Governmental Activities			
General government	$ (111,166)	$ 148,941	$ 37,775
Physical environment	(280,595)	270,491	(10,104)
Interest and other charges	(86,362)	229,478	143,116
Total Governmental Activities	$ (478,123)	$ 648,910	170,787
	General revenues:		
	Investment earnings		9,303
	Change in Net Position		180,090
	Net Position - October 1, 2022		(506,446)
	Net Position - September 30, 2023		$ (326,356)

See accompanying notes to financial statements.

Heron Isles Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2023

ASSETS	General	Debt Service	Total Governmental Funds
Cash and cash equivalents	$ 450,596	$ -	$ 450,596
Investments	30,428	-	30,428
Due from other governments	1,427	767	2,194
Prepaid expenses	20,371	-	20,371
Deposits	1,580	-	1,580
Restricted assets:			
Investments	-	89,423	89,423
Total Assets	$ 504,402	$ 90,190	$ 594,592
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 11,639	$ -	$ 11,639
FUND BALANCES			
Nonspendable-deposits/prepaid expenses	21,951	-	21,951
Restricted for:			
Debt service	-	90,190	90,190
Assigned for capital reserves	121,670	-	121,670
Unassigned	349,142	-	349,142
Total Fund Balances	492,763	90,190	582,953
Total Liabilities and Fund Balances	$ 504,402	$ 90,190	$ 594,592

See accompanying notes to financial statements.

Heron Isles Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2023

Total Governmental Fund Balances	$	582,953
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, land and improvements, $46,653, infrastructure, $2,273,975, and equipment, $6,784, net of accumulated depreciation, $(1,119,215), used in governmental activities are not current financial resources; and therefore, are not reported at the fund level.		1,208,197
Prepaid bond insurance was recognized as an other debt service cost at the fund level in the year the debt was issued, however, at the government-wide level it is recognized as an asset and amortized over the life of the bonds.		54,408
Long-term liabilities, including bonds payable, $(2,170,000), net of net bond discount, $30,339, are not due and payable in the current period; therefore, are not reported at the governmental fund level.		(2,139,661)
Accrued interest expense for long-term debt is not a current financial use; therefore, it is not reported at the governmental fund level.		(32,253)
Net Position of Governmental Activities	$	(326,356)

See accompanying notes to financial statements.

Heron Isles Community Development District
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

	General	Debt Service	Total Governmental Funds
Revenues			
Special assessments	$ 419,432	$ 229,478	$ 648,910
Investment earnings	4,989	4,314	9,303
Total Revenues	424,421	233,792	658,213
Expenditures			
Current			
General government	111,166	-	111,166
Physical environment	201,887	-	201,887
Debt service			
Principal	-	150,000	150,000
Interest	-	81,491	81,491
Total Expenditures	313,053	231,491	544,544
Net Change in Fund Balances	111,368	2,301	113,669
Fund Balances - October 1, 2022	381,395	87,889	469,284
Fund Balances - September 30, 2023	$ 492,763	$ 90,190	$ 582,953

See accompanying notes to financial statements.

Heron Isles 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, 2023

Net Change in Fund Balances - Total Governmental Funds	$	113,669
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, at the government-wide level, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current year.		(78,708)
Payment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce long-term liabilities in the Statement of Net Position.		150,000
Prepaid bond insurance was recognized as an expenditure at the fund level the year the bond was issued, at the government-wide level it was recorded as an asset and is amortized over the life of the bond. This is the current year amortization.		(4,296)
Amortization expense of bond discounts does not require the use of current resources and therefore, is not reported at the fund level. This is the amount of amortization in the current period.		(2,364)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas at the fund level, interest expenditures are reported when due. This is the change in accrued interest from the prior year.		1,789
Change in Net Position of Governmental Activities	$	180,090

See accompanying notes to financial statements.

Heron Isles Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	$ 412,343	$ 412,343	$ 419,432	$ 7,089
Miscellaneous revenues	110	110	-	(110)
Interest earnings	-	-	4,989	4,989
Total Revenues	412,453	412,453	424,421	11,968
Expenditures				
Current				
General government	126,353	126,353	111,166	15,187
Physical environment	239,311	239,311	201,887	37,424
Capital outlay	20,000	20,000	-	20,000
Total Expenditures	385,664	385,664	313,053	72,611
Net Change in Fund Balances	26,789	26,789	111,368	84,579
Fund Balances - October 1, 2022	94,111	94,111	381,395	287,284
Fund Balances - September 30, 2023	$ 120,900	$ 120,900	$ 492,763	$ 371,863

See accompanying notes to financial statements.

Heron Isles Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established on September 1, 2004, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes and Nassau County, Florida Ordinance 2005-43. 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 authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or without the boundaries of the Heron Isles Community Development District. The District is governed by a five-member Board of Supervisors who are elected on an at-large basis by registered voters within the District. The District operates within the criteria established by Chapter 190, Florida Statutes.

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

Based upon the application of the above-mentioned criteria as set forth by 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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

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

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

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

b. Fund Financial Statements

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

The District 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.

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 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.

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.

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.

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.

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 are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

General Fund – The General Fund is the 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 the capital improvement bonds which were used to finance the construction of District infrastructure improvements.

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 general obligation 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 will be 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.

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 improvements, infrastructure and equipment are reported in governmental activities.

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

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method over the infrastructure assets' estimated useful lives ranging from 10 to 30 years and equipment 5 years.

d. Bond Discounts

Bond discounts are amortized over the life of the bonds.

e. Prepaid Bond Insurance

Prepaid bond insurance associated with the issuance of refunding bonds are presented on the financial statements as a non-current asset and amortized over the life of the bonds using the straight-line method.

f. 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. Formal budgets are adopted for the general fund. 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 columns of the accompanying financial statements may occur.

g. Net Position

Net position represents the difference between assets and liabilities and is reported in three categories. Net investment in capital assets, represents capital assets, net of accumulated depreciation and any outstanding debt related to those assets. Net position is reported as restricted when there are legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. Unrestricted net position is assets that do not meet definitions of the classifications previously described.

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, $582,953, differs from "net position" of governmental activities, $(326,356), 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 improvements and infrastructure that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Land and improvements	$ 46,653
Infrastructure	2,273,975
Equipment	6,784
Accumulated depreciation	(1,119,215)
Net Capital Assets	$ 1,208,197

Prepaid bond insurance

Prepaid bond insurance is recognized as an asset at the government-wide level and amortized over the life of the long-term debt.

Prepaid bond insurance	$ 54,408

Long-term debt transactions

Long-term liabilities and the deferred amount on refunding applicable to the District's governmental activities are not current uses or resources and accordingly are not reported at the fund level. All uses and resources (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2023 were:

Bonds payable	$ (2,170,000)
Bond discount, net	30,339
Total	$ (2,139,661)

Accrued interest

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

Accrued interest	$ (32,253)

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, $113,669, differs from the "change in net position" for governmental activities, $180,090, 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, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation. As a result, fund balances decrease by the financial resources expended, whereas, net position decreases by depreciation charged.

Depreciation	$ (78,708)

Long-term debt transactions

Repayment of long-term liabilities are reported as expenditures at the fund level but such repayments reduce liabilities at the government-wide level.

Debt principal payments	$ 150,000

Amortization of the bond discount and prepaid bond insurance does not require the use of current resources and therefore, is not reported at the fund level.

Bond discount	$ (2,364)
Prepaid bond insurance	$ (4,296)

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.

Change in accrued interest payable	$ 1,789

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 follows the provisions of Chapter 280, Florida Statutes regarding deposits and investments to manage custodial credit risk. The District maintains all deposits in a qualified public depository, so that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes. As of September 30, 2023, the District's bank balance was $481,643, and the carrying value was $450,596.

Investments

As of September 30, 2023, the District had the following investments and maturities:

Investment	Maturities	Fair Value
Florida PRIME	35 Days*	$ 4,339
U S Bank Money Market	N/A	115,512
Total		$ 119,851

* 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 District’s investment in the U S Bank Money Market is a level one asset.

The District’s investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. The investment in Florida PRIME is measured at amortized cost. Florida PRIME has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2023, there were no redemption fees, maximum transaction amounts, or any other requirement that would limit daily access to 100 percent of the account value.

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 in treasury funds, commercial paper, and government loans 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, 2023, the District's investment in Florida PRIME was rated AAAm by Standard & Poor's. The District's investment in U S Bank Money Market is not rated.

Concentration of Credit Risk

The District places no limit on the amount it may invest. The investments in U S Bank Money Market represent 96% and the investments in Florida PRIME represent 4% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2023 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. Operating and Maintenance Assessments are based upon adopted general fund budget and levied annually. Debt Service Assessments are levied when bonds are issued and collected annually. 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 the Nassau County Tax Collector on November 1 and due on or before March 31 of each year.

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.

NOTE E – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2023 was as follows:

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023
Governmental Activities:				
Capital assets, not depreciated				
Land and improvements	$ 46,653	$ -	$ -	$ 46,653
Capital assets, being depreciated:				
Infrastructure	2,273,975	-	-	2,273,975
Equipment	6,784	-	-	6,784
Less accumulated depreciation	(1,040,507)	(78,708)	-	(1,119,215)
Total Capital Assets Depreciated, Net	1,240,252	(78,708)	-	1,161,544
Governmental Activities, Capital Assets	$ 1,286,905	$ (78,708)	$ -	$ 1,208,197

Depreciation of $78,708 was charged to physical environment.

NOTE F – LONG-TERM DEBT

The following is a summary of debt activity for the District for the year ended September 30, 2023:

Long-term debt at October 1, 2022	$ 2,320,000
Principal payments	(150,000)
Long-term debt at September 30, 2023	$ 2,170,000
Less: bond discount, net	(30,339)
Total Long-term Debt, Net at September 30, 2023	$ 2,139,661

Long-term debt for Governmental Activities is comprised of the following:

Capital Improvement Revenue Refunding Bonds

$2,315,000 Series 2017A-1 Senior Capital Improvement Revenue Refunding Bonds due in annual principal installments maturing May 2036. Interest is due semi-annually on May 1 and November 1, at various rates between 2% and 3.375%. Current portion is $100,000.	$ 1,575,000
$850,000 Series 2017A-2 Subordinate Capital Improvement Revenue Refunding Bonds due in annual principal installments maturing May 2036. Interest is due semi-annually on May 1 and November 1 with a fixed interest rate of 5%. Current portion is $35,000.	595,000
Bond payable	2,170,000
Bond discount, net	(30,339)
Bonds Payable, Net	$ 2,139,661

NOTE F – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2023 are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	$ 135,000	$ 77,406	$ 212,406
2025	140,000	73,406	213,406
2026	140,000	69,163	209,163
2027	145,000	64,788	209,788
2028	155,000	60,031	215,031
2029-2033	860,000	213,769	1,073,769
2034-2036	595,000	46,438	641,438
Totals	$ 2,170,000	$ 605,001	$ 2,775,001

Summary of Significant Bond Resolution Terms and Covenants

Capital Improvement Revenue Refunding Bonds

Significant Bond Provisions

The Series 2017 Senior and Subordinate Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2027 at a redemption price equal to the principal amount of the Series 2017 Senior and Subordinate Bonds to be redeemed, together with accrued interest to the date of redemption. The Series 2017 Senior and Subordinate Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

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

NOTE F – LONG-TERM DEBT (CONTINUED)

Depository Funds

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

Reserve Fund – The Series 2017A-1 and Series 2017A-2 Reserve Account requirements are equal to 50 percent of the maximum annual debt outstanding for Series 2017A-1 and Series 2017A-2 Bonds. The Series 2017A-1 Bonds Reserves are satisfied by the Reserve Insurance Policy which will terminate on the final maturity date or upon earlier, in full, payment of the Series 2017A-1 Bonds. The Series 2017A-2 Bonds were funded from the proceeds of the Series 2017A-2 Bonds in amounts. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

The following is a schedule of required reserve deposits as of September 30, 2023:

Capital Improvement Revenue Refunding Bonds	Reserve Balance	Reserve Requirement
Senior Series 2017A-1	$ 81,258	$ 81,258
Subordinate Series 2017A-2	$ 32,500	$ 32,250

NOTE G – 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 for which the government carries commercial insurance. There were no claims or settled claims from these risks that exceeded commercial insurance coverage in the last three years.

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INDEPENDENT AUDITORS' 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
Heron Isles Community Development District
Nassau 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, as listed in the table of contents, of Heron Isles Community Development District, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated September 4, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Heron Isles Community Development District's internal control over financial reporting (internal control) as a basis for designing 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 Heron Isles Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Heron Isles Community Development 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 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 or significant deficiencies may exist that have not been identified.

Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Heron Isles Community Development District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Heron Isles 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

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

September 4, 2024

Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

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MANAGEMENT LETTER

To the Board of Supervisors
Heron Isles Community Development District
Nassau County, Florida

Report on the Financial Statements

We have audited the financial statements of the Heron Isles Community Development District as of and for the year ended September 30, 2023, and have issued our report thereon dated September 4, 2024.

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 September 4, 2024, 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 Heron Isles 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 Heron Isles Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Supervisors
Heron Isles Community Development District

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Heron Isles Community Development District. It is management's responsibility to monitor the Heron Isles 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, 2023.

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.

Specific Information

The information provided below was provided by management and has not been audited; therefore, we do not express an opinion or provide any assurance on the information.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Heron Isles Community Development District reported:

1) The total number of district employees compensated for the purposes of the auditing disclosure requirements of employees and independent contractors, Board members that receive statutory compensation are reported herein in the last pay period of the District's fiscal year: 0
2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 7
3) All compensation earned by or awarded to employees, for the purposes of the auditing disclosure requirements of employees and independent contractors, Board members that receive statutory compensation are reported herein, whether paid or accrued, regardless of contingency: $2,216
4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: $293,544
5) Each construction project with a total cost of at least $65,000 approved by the District that is scheduled to begin on or after October 1, 2022, together with the total expenditures for such project: N/A
6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Heron Isles Community Development District reported:

1) The rate or rates of non-ad valorem special assessments imposed by the District: General Fund, $592.75, Debt Service, $447.30.
2) The amount of special assessments collected by or on behalf of the District: Total special assessments collected was $648,910.
3) The total amount of outstanding bonds issued by the District and the terms of such bonds: Series 2017A-1 Bonds, $1,575,000 maturing November 2036 and Series 2017A-2 Bonds, $595,000 maturing November 2036.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Heron Isles Community Development District

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 did not note any such findings.

Purpose of this Letter

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

Berger Toombs Elam Gaines & Frank

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

September 4, 2024

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INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Board of Supervisors
Heron Isles Community Development District
Nassau County, Florida

We have examined Heron Isles Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2023. Management is responsible for Heron Isles Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Heron Isles 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 Heron Isles 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 Heron Isles Community Development District's compliance with the specified requirements.

In our opinion, Heron Isles Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2023.

Berger Toombs Elam Gaines & Frank

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

September 4, 2024