



Rizzetta & Company

Town of Kindred Community Development District II

Board of Supervisors' Regular Meeting June 08, 2023

District Office:
8529 South Park Circle, Suite 330
Orlando, Florida 32819
407.472.2471

www.townofkindredcdd2.org

**TOWN OF KINDRED
COMMUNITY DEVELOPMENT DISTRICT II**

1 Courthouse Square, Suite 4700 (BCC TOHO Conference Room) Kissimmee,
Florida 34741

Board of Supervisors	John Valantasis Louis Avelli Matthew Stolz Anthony Benitez	Board Supervisor Board Supervisor Board Supervisor Board Supervisor Board Supervisor
District Manager	Scott Brizendine	Rizzetta & Company, Inc.
District Counsel	Michelle Rigoni Sarah Sandy	Kutak Rock, LLP. Kutak Rock, LLP.
District Engineer	Xabier Guerricagoitia	Boyd Civil Engineering

All cellular phones must be placed on mute while in the meeting room.

The Audience Comment portion of the agenda is where individuals may make comments on matters that concern the District. Individuals are limited to a total of three (3) minutes to make comments during this time.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting/hearing/workshop is asked to advise the District Office at least forty-eight (48) hours before the meeting/hearing/workshop by contacting the District Manager at (407) 472-2471. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) 1-800-955-8770 (Voice), who can aid you in contacting the District Office.

A person who decides to appeal any decision made at the meeting/hearing/workshop with respect to any matter considered at the meeting/hearing/workshop is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based.

TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II
District Office · Orlando, Florida · (407) 472-2471
Mailing Address · 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614

www.townofkindredcdd2.org

June 1, 2023

Board of Supervisors
**Town of Kindred Community
Development District II**

AGENDA

Dear Board Members:

The special meeting of the Board of Supervisors of the Town of Kindred Community Development District II will be held on **Thursday, June 08, 2023, at 10:00 a.m.** located at **1 Courthouse Square, Suite 4700, (BCC TOHO Conference Room) Kissimmee, FL 34741.** The following is the agenda for the meeting:

- 1. CALL TO ORDER/ROLL CALL**
- 2. PUBLIC COMMENT**
- 3. BUSINESS ADMINISTRATION**
 - A. Consideration of Operation and Maintenance Expenditures for the month of April 2023 Tab 1
 - B. Consideration of Revised Minutes of Board of Supervisors' Meeting held on February 9, 2023, Tab 2
 - C. Consideration of Minutes held on April 13, 2023.....Tab 3
- 4. BUSINESS ITEMS**
 - A. Presentation of the Proposed Budget for FY 2023-2024 Tab 4
 - B. Consideration of Resolution # 2023 -15, Approving a Proposed Budget and Setting a Public Hearing Theron.....Tab 5
 - C. Consideration of Resolution # 2023-16, Amending Resolution 2023-14 to Reset the Date, Time and Location of the Public Hearing regarding the Districts intent to use the Uniform Method for the Levy, Collection and Enforcement of Non-Ad Valorem Special Assessment..... Tab 6
 - D. Ratification of Agreement between Town of Kindred CDD II and D.R. Horton, Inc..... Tab 7
 - E. Review and Acceptance of the Audit for Fiscal Year End 2022.....Tab 8
- 5. STAFF REPORTS**
 - A. District Counsel
 - B. District Engineer
 - C. District Manager
- 6. SUPERVISOR REQUESTS AND COMMENTS**
- 7. ADJOURNMENT**

We look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call us at (407) 472-2471.

Very truly yours,

Scott Brizendine

Scott Brizendine
District Manager

cc: Sarah Sandy and Michelle Rigoni, Kutak Rock LLP

Tab 1

TOWN OF KINDRED II COMMUNITY DEVELOPMENT DISTRICT

District Office · Orlando, FL 32819

MAILING ADDRESS · 3434 COLWELL AVENUE, SUITE 200 · TAMPA, FLORIDA 33614

WWW.TOWNOFKINDREDCDD2.ORG

Operation and Maintenance Expenditures April 2023 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from April 1, 2023 through April 30, 2023. This does not include expenditures previously approved by the Board.

The total items being presented: **\$75,008.58**

Approval of Expenditures:

_____ Chairperson

_____ Vice Chairperson

_____ Assistant Secretary

Town of Kindred II Community Development District

Paid Operation & Maintenance Expenditures

April 1, 2023 Through April 30, 2023

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Amazon Capital Services, Inc.	100112	1FWT-W4WC-GTHT	Janitorial Supplies 04/23	\$ 187.13
Amazon Capital Services, Inc.	100112	1LKL-N3K6-1GVD	Janitorial Services 04/23	\$ 49.99
Amazon Capital Services, Inc.	100112	1XY6-VQPK-4WT3	Hardware, Janitorial Supplies 04/23	\$ 33.36
Amazon Capital Services, Inc.	100117	IRTB-6FL6-NMRL	Janitorial Supplies 04/23	\$ 77.08
Aquatic Weed Management, Inc	100107	15836	Pond Maintenance 03/23	\$ 350.00
Aquatic Weed Management, Inc	100110	15836-1	Pond Maintenance 03/23	\$ 350.00
Boyd Civil Engineering, Inc.	100113	3641	Engineering Services 03/23	\$ 67.50
Kissimmee Utility Authority	100108	002388214-123577540 02/23	Electric Services 02/23	\$ 297.54
Kissimmee Utility Authority	100108	002388214-123577540 03/23	Electric Services 03/23	\$ 544.77
Kissimmee Utility Authority	100108	002388214-123577550 0/23	Electric Services 02/23	\$ 50.74
Kissimmee Utility Authority	100108	002388214-123577550 03/23	Electric Services 03/23	\$ 520.47

Town of Kindred II Community Development District

Paid Operation & Maintenance Expenditures

April 1, 2023 Through April 30, 2023

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Kissimmee Utility Authority	EFT		Monthly Summary 03/23 Autopay 552	
			Electric Services 03/23	\$ 9,646.22
Orlando Sentinel Communications	100111	70402619000	Account #CU00160414 Legal Advertising 03/23	\$ 2,307.93
Rizzetta & Company, Inc.	100106	INV0000078862	District Management Fees 04/23	\$ 3,950.00
		0080745032123 03/23		
Spectrum	EFT	Autopay 552	Cable & Internet Services 03/23	\$ 107.96
SSS Down To Earth Opco, LLC	100114	INV135937	Contract Price Corrections 06/01/22-07/01/22	\$ 34,864.24
SunScape Landscape Management Services, Inc.	100115	11318	Landscape Maintenance 04/23	\$ 957.00
		002717301033437089-01 04/23 EFT	Account #033437089 Meter Installation 04/23	\$ 1,025.00
Toho Water Authority	100109			
		002717301033437109-01 EFT	Account #033437109 Meter Installation 04/23	\$ 1,025.00
Toho Water Authority	100109			
		002717301033437119-01 EFT	Account #002717301 Meter Installation 04/23	\$ 1,025.00
Toho Water Authority	100109			
		002717301033437129-01 EFT	Account #033437129 Meter Installation 04/23	\$ 1,025.00

Town of Kindred II Community Development District

Paid Operation & Maintenance Expenditures

April 1, 2023 Through April 30, 2023

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
United Land Services	100116	21915	Landscape Maintenance 04/23	\$ 15,831.00
United Land Services	100116	23717	Trim Trees 4/23	\$ 450.00
Waste Connections of Florida	EFT	1444373W46 Autopay 552	Waste Disposal Services 04/23	<u>\$ 265.65</u>
Report Total				<u>\$ 75,008.58</u>

Tab 2

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**TOWN OF KINDRED
COMMUNITY DEVELOPMENT DISTRICT II**

The special meeting of the Board of Supervisors of the **Town of Kindred Community Development District II** was held on **Thursday, February 9, 2023, 2022, at 10:30 a.m.** at the **Osceola County Courthouse, located at 1 Courthouse Square, Kissimmee, Florida 34741.**

Present and constituting a quorum:

John Valantasis	Board Supervisor, Chairman
Louis Avelli	Board Supervisor, Vice Chairman
Anthony Benitez	Board Supervisor, Assistant Secretary
Matthew Stolz	Board Supervisor, Assistant Secretary

Also present were:

Richard Hernandez	District Manager, Rizzetta & Company, Inc.
Kayla Connell	Assessment Consultant, Rizzetta & Company, Inc. (<i>via phone</i>)
Sarah Sandy	District Counsel, Kutak Rock LLP (<i>via phone</i>)
Xabier Guerricagoitia	District Engineer, Boyd Civil Engineering
Audience	None

FIRST ORDER OF BUSINESS

Call to Order

Mr. Hernandez called the meeting to order and read the roll.

SECOND ORDER OF BUSINESS

Audience Comments on the Agenda Items

There were no audience comments at this time.

THIRD ORDER OF BUSINESS

Consideration of the Minutes of the Board of Supervisors' Meeting held on December 15, 2022

On Motion by Mr. Avelli, seconded by Mr. Benitez, with all in favor, the Board of Supervisors approved the meeting minutes for meeting held on December 15, 2022, for the Town of Kindred Community Development District II.
--

42 **FOURTH ORDER OF BUSINESS**

**Consideration of Operation and
Maintenance for September-December 2022**

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44
45 Under Separate Cover/ This Item was discussed and noted it would be brought back. This item
46 was tabled.
47

On Motion by Mr. Avelli, seconded by Mr. Benitez, with all in favor, the Board of Supervisors approved the meeting minutes for meeting held on December 15, 2022, for the Town of Kindred Community Development District II.

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49 **FIFTH ORDER OF BUSINESS**

**Consideration of Proposal for amendment of
Phase 2 Landscape and irrigation
Landscape Agreement**

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53 Mr. Hernandez presented an amendment for Phase 2 landscape and irrigation agreement.
54 Discussed ensured. Board members had questions that Mr. Hernandez had to follow up on. Mr.
55 Hernandez stated that they could table the proposal for now and he would bring answers to the
56 board members' questions back to the board.
57

58 Mr. Hernandez also stated included under this item in tab 2of the agenda was an executed copy
59 of the Districts Landscape and Irrigation Maintenance Agreement with United Land Services,
60 which was executed already and effective as of January 1, 2023, and was being presented for
61 the board's ratification.
62

On Motion by Mr. Valantasis, seconded by Mr. Stolz, with all in favor, the Board of Supervisors ratified the Landscape and Irrigation Maintenance Agreement dated January 1, 2023 with United Land services, for the Town of Kindred Community Development District II.

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64 **SIXTH ORDER OF BUSINESS**

**Memorandum Regarding Transitory
Records and Electronic Records;
Consideration of Resolution
Regarding 2023-09 Transitory Records
and electronic Records.**

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On Motion by Mr. Valantasis, seconded by Mr. Stolz, with all in favor, the Board of Supervisors approved the resolution 2023-09 Transitory Records and Electronic Records, for the Town of Kindred Community Development District II.

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71 **SEVENTH ORDER OF BUSINESS**

**Ratification of Notice of Boundary
Amendment Records.**

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On Motion by Mr. Valantasis, seconded by Mr. Stolz, with all in favor, the Board of Supervisors ratified the Notice of Boundary Amendment, for the Town of Kindred Community Development District II.

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EIGHTH ORDER OF BUSINESS

**Consideration of Fee Proposal letter
from Kutak Rock Regarding Series
2023 Bond Issuance and Series 2023
Project**

Ms. Sandy noted the fee proposal was in line with the district's current fee agreement with Kutak Rock. This Proposal letter just memorializes the upcoming bond issuance and acquisition work and the rates that each will be billed at.

On Motion by Mr. Stolz, seconded by Mr. Valantasis, with all in favor, the Board of Supervisors approved the Kutak Rock Fee Proposal Letter, for the Town of Kindred Community Development District II.

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NINTH ORDER OF BUSINESS

**Consideration of Amended and
Restated Master Engineer Report**

Mr. Guerricagoitia provided a summary of the updated report for the Board, outlining the changes in the CIP, the addition of the expansion area lands, and the CIP associated with it, and that the Master CIP associated with the expansion areas is estimated to cost \$61,362,138. Ms. Sandy asked Mr. Guerricagoitia if, in his professional opinion, the costs associated with the Master CIP for the expansion area were reasonable and proper. Mr. Guerricagoitia answered yes. Ms. Sandy asked Mr. Guerricagoitia if, in his professional opinion, there was any reason the District could not carry out the CIP for the expansion area. Mr. Guerricagoitia answered no.

On Motion by Mr. Valantasis, seconded by Mr. Stolz, with all in favor, the Board of Supervisors approved the Amended and Restated Master Engineer Report in substantial form, for the Town of Kindred Community Development District II.

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TENTH ORDER OF BUSINESS

**Consideration of Master Special
Assessment Allocation Report
(Phases 3 &5)**

Ms. Connell provided a summary of the report for the Board, noting that an updated version of the report from the version provided in the agenda was provided to Board members. Ms. Connell also noted the total par amount for the master assessments to be levied over the expansion area, based on the CIP costs for the expansion area, would be \$81, 465, 000. Ms. Sandy asked Ms. Connell to answer the following questions based on her professional opinion: Ms. Sandy asked if the expansion area would receive a special benefit from the expansion area CIP. Ms. Connell answered yes. Ms. Sandy asked if the special assessments were

107 reasonably and fairly allocated to the lands subject to them? Ms. Connell answered yes. Ms.
108 Sandy asked if it is reasonable, proper & just to assess the costs of the expansion area CIP
109 against the expansion area in accordance with your methodology? Ms. Connell answered yes.
110 Ms. Sandy asked will the assessed lands receive special benefits equal to or in excess of the
111 special assessments as levied under the methodology? Ms. Connell answered yes.
112

113 On Motion by Mr. Stolz, seconded by Mr. Valantasis, with all in favor, the Board of
114 Supervisors approved the Master Special Assessment Allocation Report (Phases 3 and
115 5) in substantial form, for the Town of Kindred Community Development District II.

116
117 **ELEVENTH ORDER OF BUSINESS**

117 **Consideration of Resolution 2023-**
118 **10 Declaring Special Assessments**
119 **(Phases 3 and 5)**
120

121 Ms. Sandy noted for the record that the blank in Section 5 should be filled in with \$81,465,000.
122 Ms. Sandy explained to the Board that this resolution declares the District's intent to levy a master
123 debt assessment in the amount of \$81,465,000 over the expansion area recently added to the
124 District.

125 On Motion by Mr. Valantasis, seconded by Mr. Stolz, with all in favor, the Board of
126 Supervisors approved Resolution 2023-10 Declaring Special Assessments (Phases
127 3 and 5), subject to updating as noted on the record, for the Town of Kindred
128 Community Development District II.

129
130 **TWEFTH ORDER OF BUSINESS**

130 **Consideration of Resolution 2023-11**
131 **Setting Public Hearing on Special**
132 **Assessments (Phases 3 and 5)**
133

134 On Motion by Mr. Valantasis, seconded by Mr. Stolz, with all in favor, the Board of
135 Supervisors approved Resolution 2023-11 Setting Public hearing on Special
136 Assessments (Phases 3 and 5), subject to filing in the hearing date and time for April
137 13th, 2023, at 10:30 a.m., for the Town of Kindred Community Development District II.

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139 **THIRTEENTH ORDER OF BUSINESS**

139 **Consideration of Acquisition**
140 **Agreement (Series 2023 Project)**
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143 On Motion by Mr. Valantasis, seconded by Mr. Avelli, with all in favor, the Board of Supervisors
approved to authorize district counsel to prepare and finalize an acquisition agreement for the
series 2023 project in the same form as the district's prior acquisition agreements, for the Town
of Kindred Community Development District II.

144 **Staff Reports**

145 A. District Counsel
146 No Report.

147
148 B. District Engineer
149 Not Present.

150
151 C. District Manager
152 No Report.

153 **FOURTEENTH ORDER OF BUSINESS** **Supervisor Requests & Audience**
154 **Comments**

155
156 Mr. Hernandez opened the floor to Supervisor requests and audience comments.

- 157
158 1. The board reviewed resumes submitted.

159
160 **FIFTEENTH ORDER OF BUSINESS** **Adjournment**

161

On a motion by Mr. Avelli, seconded by Mr. Benitez, with all in favor, the Board of Supervisors adjourned the meeting at 12:26 p.m., for the Town of Kindred Community Development District II.

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165 _____

166 Assistant Secretary

Chairman/Vice Chairman

Tab 3

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**TOWN OF KINDRED
COMMUNITY DEVELOPMENT DISTRICT II**

The special meeting of the Board of Supervisors of the **Town of Kindred Community Development District II** was held on **Thursday, April 13, 2023, 2023, at 10:30 a.m.** at the **Osceola County Courthouse, located at 1 Courthouse Square, Kissimmee, Florida 34741.**

Present and constituting a quorum:

John Valantasis	Board Supervisor, Chairman
Anthony Benitez	Board Supervisor, Vice Chairman
Matthew Stolz	Board Supervisor, Assistant Secretary
	Board Supervisor, Assistant Secretary

Also present were:

Richard Hernandez	District Manager, Rizzetta & Company, Inc.
Kayla Connell	Assessment Consultant, Rizzetta & Company, Inc (<i>Via Phone</i>)
Sarah Sandy	District Counsel, Kutak Rock LLP (<i>via phone</i>)
Xabier Guerricagoitia	District Engineer, Boyd Civil Engineering (<i>via phone</i>)
Audience	None

FIRST ORDER OF BUSINESS

Call to Order

Mr. Hernandez called the meeting to order and read the roll.

SECOND ORDER OF BUSINESS

Audience Comments on the Agenda Items

There were no audience comments at this time.

THIRD ORDER OF BUSINESS

Consideration of the Minutes of the Board of Supervisors' Meeting held on February 9, 2023

On Motion by Mr. Valantasis, seconded by Mr. Stolz, with all in favor, the Board of Supervisors approved the meeting minutes for meeting held on February 9, 2023, for the Town of Kindred Community Development District II.

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EIGHTH ORDER OF BUSINESS

**Consideration of the Acquisition of Phase 3
Lift Station**

On Motion by Mr. Stolz, seconded by Mr. Valantasis, with all in favor, the Board of Supervisors approved to not exceed \$700,00, for the Town of Kindred Community Development District II.

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**Public Hearing on the Imposition of Special Assessments on the expansion area
(Phases 3&5)**

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NINTH ORDER OF BUSINESS

**Consideration of Resolution 2023-13
Levying Special Assessments**

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77

Motion To Open:

On Motion by Mr. Stolz, seconded by Mr. Valantasis, with all in favor, the Board of Supervisors opened the public hearing, for the Town of Kindred Community Development District II.

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Motion To Close:

On Motion by Mr. Valantasis seconded by Mr. Stolz, with all in favor, the Board of Supervisors closed the public hearing, for the Town of Kindred Community Development District II.

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TENTH ORDER OF BUSINESS

**Consideration of Resolution 2023-14 Setting
date of public Hearing Expressing he
Districts Intent to Utilize the Uniform Method
of Levying, Collecting, and Enforcing non-
ad-Valorem Assessments**

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On Motion by Mr. Valantasis, seconded by Mr. Stolz, with all in favor, the Board of Supervisors approved Resolution 2023-14 Setting date of public Hearing Expressing he Districts Intent to Utilize the Uniform Method of Levying, Collecting, and Enforcing non-ad-Valorem Assessments, for the Town of Kindred Community Development District II.

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ELEVENTH ORDER OF BUSINESS

**Master Special Assessment Allocation
Report (Expansion Area) 02-09-2023 FINAL**

On Motion by Mr. Valantasis, seconded by Mr. Stolz, with all in favor, the Board of Supervisors approved the Master Special Assessment Allocation Report (Expansion Area) 02-09-2023 FINAL, for the Town of Kindred Community Development District II.

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Staff Reports

95
96 A. District Counsel
97 No Report.

98
99 B. District Engineer
100 Not Present.

101
102 C. District Manager
103 Mr. Hernandez stated that the next meeting of the Board of Supervisors has been
104 scheduled to be held on June 6, 2023, at 10:00 a.m.

105
106 **TWELFTH ORDER OF BUSINESS**

**Supervisor Requests & Audience
Comments**

107
108
109 Mr. Hernandez opened the floor to Supervisor requests and audience comments.

110
111 **THIRTEENTH ORDER OF BUSINESS**

Adjournment

112

On a motion by Mr. Stolz, seconded by Mr. Valantasis, with all in favor, the Board of Supervisors adjourned the meeting at 12:09 p.m., for the Town of Kindred Community Development District.

113
114
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116 _____
117 Assistant Secretary

Chairman/Vice Chairman

Tab 4



Rizzetta & Company

Town of Kindred Community Development District II

Townofkindredcdd2.org

Proposed Budget for Fiscal Year 2023-2024

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Proposed Budget
Town of Kindred Community Development District II
General Fund
Fiscal Year 2023/2024

	Chart of Accounts Classification	Actual YTD through 04/30/23	Projected Annual Totals 2022/2023	Annual Budget for 2022/2023	Projected Budget variance for 2022/2023	Budget for 2023/2024	Budget Increase (Decrease) vs 2022/2023	Comments
1								
2	REVENUES							
3								
4	Special Assessments							
5	Tax Roll*	\$ 715,131	\$ 715,131	\$ 712,915	\$ 2,216	\$ 718,353	\$ 5,438	
7	Off Roll - Unplatted Land				\$ -	\$ 62,106	\$ 62,106	
8								
9	TOTAL REVENUES	\$ 715,131	\$ 715,131	\$ 712,915	\$ 2,216	\$ 780,458	\$ 67,543	
10								
11	Balance Forward from Prior Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
12								
13	TOTAL REVENUES	\$ 715,131	\$ 715,131	\$ 712,915	\$ 2,216	\$ 780,458	\$ 67,543	
14								
15	<i>*Allocation of assessments between the Tax Roll and Off Roll are estimates only and subject to change prior to certification.</i>							
16								
17								
18	EXPENDITURES - ADMINISTRATIVE							
19								
20	Financial & Administrative							
21	Administrative Services	\$ 2,625	\$ 4,500	\$ 4,500	\$ -	\$ 4,680	\$ 180	
22	District Management	\$ 11,725	\$ 20,100	\$ 20,100	\$ -	\$ 20,904	\$ 804	
23	District Engineer	\$ 10,360	\$ 17,760	\$ 6,000	\$ (11,760)	\$ 6,000	\$ -	
24	Disclosure Report	\$ 6,000	\$ 6,000	\$ 5,000	\$ (1,000)	\$ 5,000	\$ -	
25	Trustees Fees	\$ 7,745	\$ 7,745	\$ 3,750	\$ (3,995)	\$ 7,745	\$ 3,995	
26	Assessment Roll	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ 6,240	\$ 1,240	
27	Financial & Revenue Collections	\$ 2,100	\$ 3,600	\$ 3,600	\$ -	\$ 3,744	\$ 144	
28	Accounting Services	\$ 10,500	\$ 18,000	\$ 18,000	\$ -	\$ 18,720	\$ 720	
29	Auditing Services	\$ -	\$ -	\$ 3,325	\$ 3,325	\$ 3,325	\$ -	
30	Arbitrage Rebate Calculation	\$ -	\$ 500	\$ 500	\$ -	\$ 500	\$ -	
31	Public Officials Liability Insurance	\$ 1,625	\$ 1,625	\$ 2,836	\$ 1,211	\$ 2,794	\$ (42)	As per Egis estimate
32	Legal Advertising	\$ 8,862	\$ 15,192	\$ 3,000	\$ (12,192)	\$ 10,000	\$ 7,000	
33	Dues, Licenses & Fees	\$ 643	\$ 1,102	\$ 500	\$ (602)	\$ 500	\$ -	
34	Website Hosting, Maintenance, Backup	\$ 1,341	\$ 2,299	\$ 2,738	\$ 439	\$ 2,738	\$ -	Website required per statute. Incl. website creation, ada compliance, and mitigation.
35	Legal Counsel							
36	District Counsel	\$ 20,839	\$ 35,724	\$ 25,000	\$ (10,724)	\$ 25,000	\$ -	
37	Developer Counsel	\$ 7,689	\$ 13,181	\$ -	\$ (13,181)	\$ -	\$ -	
38								
39	Administrative Subtotal	\$ 97,054	\$ 139,147	\$ 103,849	\$ (35,299)	\$ 117,890	\$ 14,041	
40								
41	EXPENDITURES - FIELD OPERATIONS							
42								
43	Security Operations							
44	Security Services and Patrols	\$ -	\$ 5,000	\$ 15,000	\$ -	\$ 15,000	\$ -	Stationed Security Guard
45	Security & Fire Monitoring Services	\$ -	\$ 800	\$ 1,500	\$ 700	\$ 1,500	\$ -	Security Alarm monitoring @ \$770 yr. & @ \$90 qtr. for fire monitoring.
46	Electric Utility Services							
47	Utility Services	\$ 24,766	\$ 42,456	\$ 41,800	\$ (656)	\$ 43,000	\$ 1,200	
48	Street Lights	\$ 23,100	\$ 39,600	\$ 46,000	\$ 6,400	\$ 46,000	\$ -	
49	Garbage/Solid Waste Control Services							
50	Garbage - Recreation Facility	\$ 2,053	\$ 1,200	\$ 3,000	\$ 1,800	\$ 3,000	\$ -	Weekly
51	Water-Sewer Combination Services							
52	Utility Services	\$ 59,560	\$ 102,103	\$ 80,000	\$ (22,103)	\$ 102,500	\$ 22,500	Est.
53	Stormwater Control							
54	Aquatic Maintenance	\$ 5,250	\$ 9,000	\$ 4,200	\$ (4,800)	\$ 4,200	\$ -	Pond treatment, monthly. 350
55	Fountain Repairs & Maintenance	\$ 4,623	\$ 7,925	\$ 10,000	\$ 2,075	\$ 10,000	\$ -	Utilize for non-warrantable repairs.
56	Other Physical Environment							
57	General Liability/Property Insurance	\$ 21,749	\$ 21,749	\$ 4,318	\$ (17,431)	\$ 39,974	\$ 35,656	GL \$3,416 & Property \$ 36,558
58	Landscape Maintenance	\$ 201,305	\$ 345,094	\$ 189,346	\$ (155,748)	\$ 183,807	\$ (5,539)	As per new contract
59	Irrigation Repairs	\$ -	\$ -	\$ 6,500	\$ 6,500	\$ 6,500	\$ -	
60	Landscape - Mulch	\$ -	\$ -	\$ 17,500	\$ 17,500	\$ 17,500	\$ -	
61	Landscape Replacement Plants, Shrubs, Trees	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	
62	Parks & Recreation							
63	Management Contract	\$ -	\$ -	\$ 66,556	\$ 66,556	\$ 66,556	\$ -	
64	Pool Permits	\$ -	\$ 325	\$ 325	\$ -	\$ 325	\$ -	Annual expense.
65	Pest Control	\$ 130	\$ 223	\$ 1,700	\$ 1,477	\$ 840	\$ (860)	per month
66	Fitness Equipment Maintenance & Repairs	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	repairs.
67	Clubhouse - Facility Janitorial Service	\$ 4,393	\$ 7,531	\$ 20,000	\$ 12,469	\$ 20,000	\$ -	maintenance services \$ 184.00 per
68	Pool/Fountain Service Contract	\$ 9,412	\$ 16,135	\$ 28,800	\$ 12,665	\$ 28,800	\$ -	One Stop Pools \$ 2,025.00 per month
69	Pool Repairs	\$ 300	\$ 514	\$ 2,500	\$ 1,986	\$ 2,500	\$ -	For non-warrantable repairs.

Proposed Budget
Town of Kindred Community Development District II
General Fund
Fiscal Year 2023/2024

	Chart of Accounts Classification	Actual YTD through 04/30/23	Projected Annual Totals 2022/2023	Annual Budget for 2022/2023	Projected Budget variance for 2022/2023	Budget for 2023/2024	Budget Increase (Decrease) vs 2022/2023	Comments
70	Security System Monitoring & Maintenance	\$ 3,193	\$ 5,474	\$ 12,771	\$ 7,297	\$ 12,771	\$ -	Envera Surveillance System and Monitoring \$ 1,064.23.
71	Facility A/C & Heating Maintenance & Repair	\$ -	\$ -	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	
72	Sidewalk Maintenance & Repair	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	Misc. repair.
73	Furniture Repair/Replacement	\$ -	\$ -	\$ 4,000	\$ 4,000	\$ 4,000	\$ -	For non-warrantable repairs.
74	Playground Equipment and Maintenance	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	Misc. repair.
75	Cable Television, Internet & Telephone	\$ 2,294	\$ 3,933	\$ 1,296	\$ (2,637)	\$ 1,296	\$ -	Spectrum @ \$108.00 per month
76	Access Control Maintenance & Repair	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	gates, access system, etc.)
77	Dog Waste Station Supplies	\$ 45	\$ 77	\$ 2,500	\$ 2,423	\$ 2,500	\$ -	
78	Special Events/Lifestyle	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	
79	Contingency		\$ -					
80	Miscellaneous Contingency	\$ 4,777	\$ 8,189	\$ 10,500	\$ 2,311	\$ 10,500	\$ -	Utilized for unforeseen expense
81								
82	Field Operations Subtotal	\$ 366,950	\$ 617,328	\$ 609,612	\$ (17,716)	\$ 662,569	\$ 52,957	
83								
84	Contingency for County TRIM Notice							
85								
86	TOTAL EXPENDITURES	\$ 464,004	\$ 756,475	\$ 713,460	\$ (53,015)	\$ 780,458	\$ 66,998	
87								
88	EXCESS OF REVENUES OVER EXPENDITURES	\$ 251,127	\$ (41,344)	\$ (545)	\$ (50,799)	\$ -	\$ 545	

Town of Kindred II Community Development District

Debt Service

Fiscal Year 2023/2024

Chart of Accounts Classification	Series 2020	Series 2021	Budget for 2023/2024
REVENUES			
Special Assessments			
Net Special Assessments ⁽¹⁾	\$139,120.00	\$320,352.00	\$459,472.00
TOTAL REVENUES	\$139,120.00	\$320,352.00	\$459,472.00
EXPENDITURES			
Administrative			
Debt Service Obligation	\$139,120.00	\$320,352.00	\$459,472.00
Administrative Subtotal	\$139,120.00	\$320,352.00	\$459,472.00
TOTAL EXPENDITURES	\$139,120.00	\$320,352.00	\$459,472.00
EXCESS OF REVENUES OVER EXPENDITURES	\$0.00	\$0.00	\$0.00

Osceola County Collection Costs (2%) and Early Payment Discounts (4%): 6.0%

Gross assessments: \$488,800.00

Notes:

Tax Roll Collection Costs (2%) and Early Payment Discounts (4%) are a total 6.0% of Tax Roll. Budgeted net of tax roll assessments. See Assessment Table.

(1) Maximum Annual Debt Service less any Prepaid Assessments Received

TOWN OF KINDRED II COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2023/2024 O&M & DEBT SERVICE ASSESSMENT SCHEDULE

2023/2024 O&M Budget		\$780,458.34
Collection Costs @	2%	\$16,605.50
Early Payment Discount @	4%	\$33,210.99
2023/2024 Total		<u>\$830,274.83</u>

2022/2023 O&M Budget	\$712,914.19
2023/2024 O&M Budget	\$780,458.34

Total Difference	<u>\$67,544.15</u>
------------------	--------------------

	PER UNIT ANNUAL ASSESSMENT		Proposed Increase / Decrease	
	2022/2023	2023/2024	\$	%
PLATTED				
Series 2020 Debt Service - Townhome (Phases 2A-1 & 2C-1)	\$400.00	\$400.00	\$0.00	0.00%
Operations/Maintenance - Townhome (Phases 2A-1 & 2C-1)	\$508.32	\$406.60	-\$101.72	-25.02%
Total	\$908.32	\$806.60	-\$101.72	-11.20%
Series 2020 Debt Service - Single Family (Phases 2A-1 & 2C-1)	\$800.00	\$800.00	\$0.00	0.00%
Operations/Maintenance - Single Family (Phases 2A-1 & 2C-1)	\$1,270.81	\$1,016.50	-\$254.31	-25.02%
Total	\$2,070.81	\$1,816.50	-\$254.31	-12.28%
Series 2021 Debt Service - Townhome (Phases 2C-2 and 2D)	\$400.00	\$400.00	\$0.00	0.00%
Operations/Maintenance - Townhome (Phases 2C-2 and 2D)	\$508.32	\$406.60	-\$101.72	-25.02%
Total	\$908.32	\$806.60	-\$101.72	-11.20%
Series 2021 Debt Service - Single Family (Phases 2A-2, 2C-2, 2D)	\$800.00	\$800.00	\$0.00	0.00%
Operations/Maintenance - Single Family (Phases 2A-2, 2C-2, 2D)	\$1,270.81	\$1,016.50	-\$254.31	-25.02%
Total	\$2,070.81	\$1,816.50	-\$254.31	-12.28%
Operations/Maintenance - Townhome (Phase 3A) ⁽¹⁾	\$0.00	\$406.60	\$406.60	100.00%
Total	\$0.00	\$406.60	\$406.60	100.00%
Operations/Maintenance - Single Family (Phase 3A) ⁽¹⁾	\$0.00	\$1,016.50	\$1,016.50	100.00%
Total	\$0.00	\$1,016.50	\$1,016.50	100.00%
UNPLATTED				
Operations/Maintenance - Townhome (Phase 3C, 3D, 5) ⁽¹⁾	\$0.00	\$31.57	\$31.57	100.00%
Total	\$0.00	\$31.57	\$31.57	100.00%
Operations/Maintenance - Single Family (Phase 3B, 3C, 3D, 5) ⁽¹⁾	\$0.00	\$78.94	\$78.94	100.00%
Total	\$0.00	\$78.94	\$78.94	100.00%

⁽¹⁾ The District's boundaries were expanded via county ordinance 2023-05, effective January 11, 2023, to include phases 3A, 3B, 3C, 3D, and 5. Therefore, Operations and Maintenance assessments will be levied on this area beginning Fiscal Year 2023-2024.

TOWN OF KINDRED II COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2023/2024 O&M AND DEBT SERVICE ASSESSMENT SCHEDULE

TOTAL ADMIN BUDGET		\$117,889.50	TOTAL FIELD BUDGET		\$662,568.84
COLLECTION COSTS @	2%	\$2,508.29	COLLECTION COSTS @	2%	\$14,097.21
EARLY PAYMENT DISCOUNT @	4%	\$5,016.57	EARLY PAYMENT DISCOUNT @	4%	\$28,194.42
TOTAL ADMIN ASSESSMENT		<u>\$125,414.36</u>	TOTAL FIELD ASSESSMENT		<u>\$704,860.47</u>

LOT SIZE	PHASE	UNITS ASSESSED			ALLOCATION OF O&M ASSESSMENT				ALLOCATION OF O&M ASSESSMENT				PER UNIT ASSESSMENTS			
		O&M	SERIES 2020 DEBT SERVICE ⁽¹⁾	SERIES 2021 DEBT SERVICE ⁽²⁾	EAU FACTOR	TOTAL EAU's	% TOTAL EAU's	TOTAL ADMIN BUDGET	EAU FACTOR	TOTAL EAU's	% TOTAL EAU's	TOTAL FIELD BUDGET	O&M	Series 2020 Debt Service ⁽³⁾	Series 2021 Debt Service ⁽⁴⁾	Total ⁽⁵⁾
PLATTED																
Townhome	2A-1, 2C-1	80	80	0	0.40	32	2.01%	\$2,525.97	0.40	32	4.26%	\$30,002.04	\$406.60	\$400.00	\$0.00	\$806.60
Single Family	2A-1	145	145	0	1.00	145	9.13%	\$11,445.80	1.00	145	19.29%	\$135,946.75	\$1,016.50	\$800.00	\$0.00	\$1,816.50
Townhome	2C-2, 2D	62	0	62	0.40	25	1.56%	\$1,957.63	0.40	25	3.30%	\$23,251.58	\$406.60	\$0.00	\$400.00	\$406.60
Single Family	2A-2, 2C-2, 2D	395	0	395	1.00	395	24.86%	\$31,179.93	1.00	395	52.54%	\$370,337.70	\$1,016.50	\$0.00	\$800.00	\$1,016.50
Townhome	3A	60	0	0	0.40	24	1.51%	\$1,894.48	0.40	24	3.19%	\$22,501.53	\$406.60	\$0.00	\$0.00	\$406.60
Single Family	3A	131	0	0	1.00	131	8.25%	\$10,340.69	1.00	131	17.42%	\$122,820.86	\$1,016.50	\$0.00	\$0.00	\$1,016.50
UNPLATTED																
Townhome	3C, 3D, 5	230	0	0	0.40	92	5.79%	\$7,262.16	0.00	0	0.00%	\$0.00	\$31.57	\$0.00	\$0.00	\$31.57
Single Family	3B, 3C, 3D, 5	745	0	0	1.00	745	46.89%	\$58,807.72	0.00	0	0.00%	\$0.00	\$78.94	\$0.00	\$0.00	\$78.94
TOTAL		1848	225	457		1589	100.00%	\$125,414.36		752	100.00%	\$704,860.47				

LESS: Osceola County Collection Costs (2%) and Early Payment Discounts (4%):

(\$7,524.86)

(\$42,291.63)

Net Revenue to be Collected:

\$117,889.50

\$662,568.84

⁽¹⁾ Reflects the total number of lots with Series 2020 debt outstanding.

⁽²⁾ Reflects the total number of lots with Series 2021 debt outstanding.

⁽³⁾ Annual debt service assessment per lot adopted in connection with the Series 2020 bond issuance. Annual assessment includes principal, interest, and county collection costs.

⁽⁴⁾ Annual debt service assessment per lot adopted in connection with the Series 2021 bond issuance. Annual assessment includes principal, interest, and county collection costs.

⁽⁵⁾ Annual assessment that will appear on November 2023 Osceola County property tax bill for platted lots only. Amount shown includes all applicable collection costs (2%) and early payment discounts (up to 4% if paid early).

GENERAL FUND BUDGET ACCOUNT CATEGORY DESCRIPTION

The General Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all General Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

REVENUES:

Interest Earnings: The District may earn interest on its monies in the various operating accounts.

Tax Roll: The District levies Non-Ad Valorem Special Assessments on all of the assessable property within the District to pay for operating expenditures incurred during the Fiscal Year. The assessments may be collected in two ways. The first is by placing them on the County's Tax Roll, to be collected with the County's Annual Property Tax Billing. This method is only available to land properly platted within the time limits prescribed by the County.

Off Roll: For lands not on the tax roll and that is by way of a direct bill from the District to the appropriate property owner.

Miscellaneous Revenues: The District may receive monies for the sale or provision of electronic access cards, entry decals etc.

Facilities Rentals: The District may receive monies for the rental of certain facilities by outside sources, for such items as office space, snack bar/restaurants etc.

EXPENDITURES – ADMINISTRATIVE:

Supervisor Fees: The District may compensate its supervisors within the appropriate statutory limits of \$200.00 maximum per meeting within an annual cap of \$4,800.00 per supervisor.

Administrative Services: The District will incur expenditures for the day to today operation of District matters. These services include support for the District Management function, recording and preparation of meeting minutes, records retention and maintenance in accordance with Chapter 119, Florida Statutes, and the District's adopted Rules of Procedure, preparation and delivery of agenda, overnight deliveries, facsimiles and phone calls.

District Management: The District as required by statute, will contract with a firm to provide for management and administration of the District's day to day needs. These services include the conducting of board meetings, workshops, overall administration of District functions, all required state and local filings, preparation of annual budget, purchasing, risk management, preparing various resolutions and all other secretarial duties requested by the District throughout the year is also reflected in this amount.

District Engineer: The District's engineer provides general engineering services to the District. Among these services are attendance at and preparation for monthly board meetings, review of construction invoices and all other engineering services requested by the district throughout the year.

Disclosure Report: The District is required to file quarterly and annual disclosure reports, as required in the District's Trust Indenture, with the specified repositories. This is contracted out to a third party in compliance with the Trust Indenture.

Trustee's Fees: The District will incur annual trustee's fees upon the issuance of bonds for the oversight of the various accounts relating to the bond issues.

Assessment Roll: The District will contract with a firm to maintain the assessment roll and annually levy a Non-Ad Valorem assessment for operating and debt service expenses.

Financial & Revenue Collections: Services include all functions necessary for the timely billing and collection and reporting of District assessments in order to ensure adequate funds to meet the District's debt service and operations and maintenance obligations. These services include, but are not limited to, assessment roll preparation and certification, direct billings and funding request processing as well as responding to property owner questions regarding District assessments. This line item also includes the fees incurred for a Collection Agent to collect the funds for the principal and interest payment for its short-term bond issues and any other bond related collection needs. These funds are collected as prescribed in the Trust Indenture. The Collection Agent also provides for the release of liens on property after the full collection of bond debt levied on particular properties.

Accounting Services: Services include the preparation and delivery of the District's financial statements in accordance with Governmental Accounting Standards, accounts payable and accounts receivable functions, asset tracking, investment tracking, capital program administration and requisition processing, filing of annual reports required by the State of Florida and monitoring of trust account activity.

Auditing Services: The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting firm, once it reaches certain revenue and expenditure levels, or has issued bonds and incurred debt.

Arbitrage Rebate Calculation: The District is required to calculate the interest earned from bond proceeds each year pursuant to the Internal Revenue Code of 1986. The Rebate Analyst is required to verify that the District has not received earnings higher than the yield of the bonds.

Public Officials Liability Insurance: The District will incur expenditures for public officials' liability insurance for the Board and Staff.

Legal Advertising: The District will incur expenditures related to legal advertising. The items for which the District will advertise include, but are not limited to meeting schedules, special meeting notices, and public hearings, bidding etc. for the District based on statutory guidelines

Bank Fees: The District will incur bank service charges during the year.

Dues, Licenses & Fees: The District is required to pay an annual fee to the Department of Economic Opportunity, along with other items which may require licenses or permits, etc.

Miscellaneous Fees: The District could incur miscellaneous throughout the year, which may not fit into any standard categories.

Website Hosting, Maintenance and Email: The District may incur fees as they relate to the development and ongoing maintenance of its own website along with possible email services if requested.

District Counsel: The District's legal counsel provides general legal services to the District. Among these services are attendance at and preparation for monthly board meetings, review of operating and maintenance contracts and all other legal services requested by the district throughout the year.

EXPENDITURES - FIELD OPERATIONS:

Security Services and Patrols: The District may wish to contract with a private company to provide security for the District.

Streetlights: The District may have expenditures relating to streetlights throughout the community. These may be restricted to main arterial roads or in some cases to all streetlights within the District's boundaries.

Garbage - Recreation Facility: The District will incur expenditures related to the removal of garbage and solid waste.

Water-Sewer Utility Services: The District will incur water/sewer utility expenditures related to district operations.

Aquatic Maintenance: Expenses related to the care and maintenance of the lakes and ponds for the control of nuisance plant and algae species.

Fountain Service Repairs & Maintenance: The District may incur expenses related to maintaining the fountains within throughout the Parks & Recreational areas

General Liability Insurance: The District will incur fees to insure items owned by the District for its general liability needs

Property Insurance: The District will incur fees to insure items owned by the District for its property needs

Entry and Walls Maintenance: The District will incur expenditures to maintain the entry monuments and the fencing.

Landscape Maintenance: The District will incur expenditures to maintain the rights-of-way, median strips, recreational facilities including pond banks, entryways, and similar planting areas within the District. These services include but are not limited to monthly landscape maintenance, fertilizer, pesticides, annuals, mulch, and irrigation repairs.

Irrigation Maintenance: The District will incur expenditures related to the maintenance of the irrigation systems.

Irrigation Repairs: The District will incur expenditures related to repairs of the irrigation systems.

Landscape Replacement: Expenditures related to replacement of turf, trees, shrubs etc.

Field Services: The District may contract for field management services to provide landscape maintenance oversight.

Miscellaneous Fees: The District may incur miscellaneous expenses that do not readily fit into defined categories in field operations.

Sidewalk Repair & Maintenance: Expenses related to sidewalks located in the right of way of streets the District may own if any.

General Liability Insurance: The District will incur fees to insure items owned by the District for its general liability needs

Property Insurance: The District will incur fees to insure items owned by the District for its property needs

Entry and Walls Maintenance: The District will incur expenditures to maintain the entry monuments and the fencing.

Landscape Maintenance: The District will incur expenditures to maintain the rights-of-way, median strips, recreational facilities including pond banks, entryways, and similar planting areas within the District. These services include but are not limited to monthly landscape maintenance, fertilizer, pesticides, annuals, mulch, and irrigation repairs.

Irrigation Maintenance: The District will incur expenditures related to the maintenance of the irrigation systems.

Irrigation Repairs: The District will incur expenditures related to repairs of the irrigation systems.

Landscape Replacement: Expenditures related to replacement of turf, trees, shrubs etc.

Field Services: The District may contract for field management services to provide landscape maintenance oversight.

Miscellaneous Fees: The District may incur miscellaneous expenses that do not readily fit into defined categories in field operations.

Sidewalk Repair & Maintenance: Expenses related to sidewalks located in the right of way of streets the District may own if any.

Employees - Salaries: The District may incur expenses for employees/staff members needed for the recreational facilities such as Clubhouse Staff.

Employees - P/R Taxes: This is the employer's portion of employment taxes such as FICA etc.

Employee - Workers' Comp: Fees related to obtaining workers compensation insurance.

Management Contract: The District may contract with a firm to provide for the oversight of its recreation facilities.

Maintenance & Repair: The District may incur expenses to maintain its recreation facilities.

Facility Supplies: The District may have facilities that required various supplies to operate.

Gate Maintenance & Repairs: Any ongoing gate repairs and maintenance would be included in this line item.

Telephone, Fax, Internet: The District may incur telephone, fax and internet expenses related to the recreational facilities.

Office Supplies: The District may have an office in its facilities which require various office related supplies.

Clubhouse - Facility Janitorial Service: Expenses related to the cleaning of the facility and related supplies.

Pool Service Contract: Expenses related to the maintenance of swimming pools and other water features.

Pool Repairs: Expenses related to the repair of swimming pools and other water features.

Security System Monitoring & Maintenance: The District may wish to install a security system for the clubhouse

Clubhouse Miscellaneous Expense: Expenses which may not fit into a defined category in this section of the budget

Athletic/Park Court/Field Repairs: Expense related to any facilities such as tennis, basketball etc.

Trail/Bike Path Maintenance: Expenses related to various types of trail or pathway systems the District may own, from hard surface to natural surfaces.

Special Events: Expenses related to functions such as holiday events for the public enjoyment

Miscellaneous Fees: Monies collected and allocated for fees that the District could incur throughout the year, which may not fit into any standard categories.

Miscellaneous Contingency: Monies collected and allocated for expenses that the District could incur throughout the year, which may not fit into any standard categories.

Capital Outlay: Monies collected and allocated for various projects as they relate to public improvements.

RESERVE FUND BUDGET ACCOUNT CATEGORY DESCRIPTION

The Reserve Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all Reserve Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

REVENUES:

Tax Roll: The District levies Non-Ad Valorem Special Assessments on all of the assessable property within the District to pay for operating expenditures incurred during the Fiscal Year. The assessments may be collected in two ways. The first is by placing them on the County's Tax Roll, to be collected with the County's Annual Property Tax Billing. This method is only available to land properly platted within the time limits prescribed by the County.

Off Roll: For lands not on the tax roll and that is by way of a direct bill from the District to the appropriate property owner.

Developer Contributions: The District may enter into a funding agreement and receive certain prescribed dollars from the Developer to off-set expenditures of the District.

Miscellaneous Revenues: The District may receive monies for the sale or provision of electronic access cards, entry decals etc.

EXPENDITURES:

Capital Reserve: Monies collected and allocated for the future repair and replacement of various capital improvements such as club facilities, swimming pools, athletic courts, roads, etc.

Capital Outlay: Monies collected and allocated for various projects as they relate to public improvements.

DEBT SERVICE FUND BUDGET ACCOUNT CATEGORY DESCRIPTION

The Debt Service Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all Debt Service Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

REVENUES:

Special Assessments: The District may levy special assessments to repay the debt incurred by the sale of bonds to raise working capital for certain public improvements. The assessments may be collected in the same fashion as described in the Operations and Maintenance Assessments.

EXPENDITURES – ADMINISTRATIVE:

Bank Fees: The District may incur bank service charges during the year.

Debt Service Obligation: This would a combination of the principal and interest payment to satisfy the annual repayment of the bond issue debt.

Tab 5

RESOLUTION 2023-15

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II APPROVING PROPOSED BUDGETS FOR FISCAL YEAR 2023/2024 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; ADDRESSING TRANSMITTAL, POSTING AND PUBLICATION REQUIREMENTS; ADDRESSING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has heretofore prepared and submitted to the Board of Supervisors (“**Board**”) of the Town of Kindred Community Development District II (“**District**”) prior to June 15, 2023, proposed budgets (“**Proposed Budget**”) for the fiscal year beginning October 1, 2023 and ending September 30, 2024 (“**Fiscal Year 2023/2024**”); and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II:

1. **PROPOSED BUDGET APPROVED.** The Proposed Budget prepared by the District Manager for Fiscal Year 2023/2024 attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said Proposed Budget.

2. **SETTING PUBLIC HEARINGS.** Pursuant to Florida law, public hearings on said approved Proposed Budget and related special assessments are hereby declared and set for the following date, hour and location:

DATE:	August 10, 2022
HOUR:	10:00 a.m.
LOCATION:	Osceola County Courthouse 1 Courthouse Square, Suite 4700 (BCC Shared Conference Room #4702) Kissimmee, Florida 34741

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

4. **POSTING OF PROPOSED BUDGET.** In accordance with Section 189.016, *Florida Statutes*, the District’s Secretary is further directed to post the approved Proposed Budget on the

District's website at least two days before the budget hearing date as set forth in Section 2 and shall remain on the website for at least 45 days.

5. **PROVISION OF NOTICE.** Notice of the public hearings shall be provided in the manner prescribed in Florida law.

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

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

PASSED AND ADOPTED THIS 8th day of June 2023.

ATTEST:

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

Secretary / Assistant Secretary

Chair/Vice Chair, Board of Supervisors

Exhibit A: Proposed Budget

Tab 6

RESOLUTION 2023-16

A RESOLUTION OF THE BOARD OF SUPERVISORS OF TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II AMENDING RESOLUTION 2023-14 TO RE-SET THE DATE, TIME AND LOCATION OF THE PUBLIC HEARING REGARDING THE DISTRICT'S INTENT TO USE THE UNIFORM METHOD FOR THE LEVY, COLLECTION, AND ENFORCEMENT OF NON-AD VALOREM SPECIAL ASSESSMENTS AS AUTHORIZED BY SECTION 197.3632, FLORIDA STATUTES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Kindred Community Development District II ("District") was established by an ordinance adopted by the County Commission of Osceola County, Florida, for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure improvements; and

WHEREAS, on April 13, 2023, at a duly noticed public meeting, the District's Board of Supervisors (the "Board") adopted Resolution 2023-14, setting a public hearing regarding the District's intent to use the uniform method for the levy, collection, and enforcement of non-ad valorem special assessments for June 8, 2023, at 10:00 a.m., at 1 Courthouse Square, Suite 4700 (BCC Shared Conference Room #4702), Kissimmee, Florida 34741; and

WHEREAS, due to a publication error, the Board desires to re-set the date, time, and location of the public hearing in order to meet proper noticing requirements.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II:

SECTION 1. PUBLIC HEARING DATE RE-SET. Resolution 2023-14 is hereby amended to reflect that the public hearing as declared in Resolution 2023-14 is re-set to:

August 10, 2023, at 10:00 a.m., at the Osceola County Courthouse, 1 Courthouse Square, Suite 4700 (BCC Shared Conference Room #4702), Kissimmee, Florida 34741.

SECTION 2. RESOLUTION 2023-14 OTHERWISE REMAINS IN FULL FORCE AND EFFECT. Except as otherwise provided herein, all of the provisions of Resolution 2023-14 continue in full force and effect.

SECTION 3. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect upon its passage and adoption by the Board.

PASSED AND ADOPTED this 8th day of June 2023.

ATTEST:

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

Secretary

By:_____

Its:_____

Tab 7

**AGREEMENT BY AND BETWEEN THE TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II AND D.R. HORTON, INC. REGARDING THE DIRECT
COLLECTION OF SPECIAL ASSESSMENTS FOR FISCAL YEAR 2023-2024**

This **Agreement** is made and entered into as of this [REDACTED] day of [REDACTED], 2023, by and between:

TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and located in Osceola County, Florida (hereinafter “**District**”), and

D.R. HORTON, INC., a Delaware corporation and the owner of a portion of the property located within the boundaries of the District (hereinafter, the “**Property Owner**”). For purposes of this agreement, Property Owner’s property is more particularly described in **Exhibit “A”** attached hereto (the “**Property**”).

RECITALS

WHEREAS, the District was established by an ordinance adopted by Osceola County, Florida, for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure; and

WHEREAS, the District, pursuant to Chapter 190, *Florida Statutes*, is authorized to levy such taxes, special assessments, fees and other charges as may be necessary in furtherance of the District's activities and services; and

WHEREAS, the Property will benefit from the timely construction and acquisition of the District's facilities, activities and services and from the continued operations of the District; and

WHEREAS, the Board of Supervisors (“**Board**”) of the District has determined to undertake various operations and maintenance and other activities described in the District’s budget (“**Adopted Budget**”) for the fiscal year beginning October 1, 2023, and ending September 30, 2024 (“**Fiscal Year 2023/2024**”); and

WHEREAS, pursuant to sections 190.021 and 190.022, *Florida Statutes*, the District may fund the Adopted Budget through the levy and imposition of special assessments on benefitted lands within the District (“**O&M Assessments**”), and, regardless of imposition method, and pursuant to sections 190.021, 190.022, and 190.026, and Chapters 170 and 197, *Florida Statutes*, the District may collect such O&M Assessments by direct bill or on the tax roll; and

WHEREAS, Property Owner agrees that the O&M Assessments, which were imposed on the lands within the District, including the Property, have been validly imposed and constitute valid, legal and binding liens upon the lands within the District; and

WHEREAS, pursuant to section 197.3632, *Florida Statutes*, the District intends to utilize the uniform method of levying, collecting and enforcing the O&M Assessments, and previously levied debt services assessments, if any (together, the “**Special Assessments**”), against the Property once platted and collect such Special Assessments on the Osceola County tax roll for platted lots; and

WHEREAS, the District and Property Owner desire to arrange for the direct collection of the District’s Special Assessments prior to platting of the Property; and

WHEREAS, Property Owner desires to provide for the direct payment of Special Assessments.

NOW, THEREFORE, based upon good and valuable consideration and the mutual covenants of the parties, the receipt of which and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **RECITALS.** The recitals so stated are true and correct and by this reference are incorporated into and form a material part of this Agreement.

2. **VALIDITY OF SPECIAL ASSESSMENTS.** Property Owner agrees that the Special Assessments have been validly imposed and constitute valid, legal and binding liens upon the lands within the District. Property Owner hereby waives and relinquishes any rights it may have to challenge, object to or otherwise fail to pay such Series Assessments.

3. **COVENANT TO PAY.** Property Owner agrees to pay the O&M Assessments and its previously levied debt service assessments attributable to the Property, regardless of whether Property Owner owns the Property at the time of such payment. Nothing herein shall prohibit Property Owner from prorating or otherwise collecting these Special Assessments from subsequent purchasers of the Property. The District shall send a bill to Property Owner on or about **November 2023**, indicating the exact amount of the O&M Assessments and its previously levied debt service being certified for collection in Fiscal Year 2023/2024. If Property Owner does not pay such invoice in full prior to **November 30, 2023**, then to the extent permitted by law, Property Owner may pay the Special Assessments in several partial, deferred payments and according to the following schedule: **50% due no later than December 1, 2023, 25% due no later than February 1, 2024, and 25% due no later than May 1, 2024.** The District's decision to collect Special Assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect Special Assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

4. **ENFORCEMENT.** This Agreement shall serve as an alternative method for collection of the Special Assessments. This Agreement shall not affect the District's ability to collect and enforce its Special Assessments by any other method authorized by Florida law. Property Owner acknowledges that the failure to pay the Special Assessments may result in the initiation of a foreclosure action, or, at the District's sole discretion, delinquent assessments may be certified for collection on a future Osceola County tax bill. In the event that an assessment payment is not made in accordance with the schedule stated above, the whole assessment – including any remaining partial, deferred payments for fiscal year 2023-2024, as well as any future installments of special assessments securing debt service – shall immediately become due and payable; shall accrue interest, penalties in the amount of one percent (1%) per month, and all costs of collection and enforcement; and shall either be enforced pursuant to a foreclosure action, or, at the District's sole discretion, collected pursuant to the Uniform Method on a future tax bill, which amount may include penalties, interest, and costs of collection and enforcement. Any prejudgment interest on delinquent assessments shall accrue at the applicable rate of any bonds or other debt instruments secured by the Special Assessments, or, in the case of operations and maintenance assessments, at the applicable statutory prejudgment interest rate. In the event an assessment subject to direct collection by the District shall be delinquent, the District Manager and District Counsel, without further authorization by the Board, may initiate legal proceedings pursuant to Chapter 170, *Florida Statutes*, or other applicable law to collect and enforce the whole assessment, as set forth herein.

5. **NOTICE.** All notices, payments and other communications hereunder (“**Notices**”) shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or telecopied to the parties, as follows:

If to Property Owner: D.R. Horton, Inc.
1341 Horton Circle

Arlington, Texas 76011
Attn: _____

If to the District: Town of Kindred Community Development District II
3434 Colwell Avenue, Suite 200
Tampa, Florida 33614
Attn: District Manager

With a copy to: Kutak Rock LLP
107 West College Avenue
Tallahassee, Florida 32301
Attn: District Counsel

6. **AMENDMENT.** This instrument shall constitute the final and complete expression of the agreement between the parties relating to the subject matter of this Agreement. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both of the parties hereto.

7. **AUTHORITY.** The execution of this Agreement has been duly authorized by the appropriate body or official of all parties hereto, each party has complied with all the requirements of law, and each party has full power and authority to comply with the terms and provisions of this instrument.

8. **ASSIGNMENT.** This Agreement may not be assigned, in whole or in part, by either party except upon the written consent of the other. Any purported assignment without such consent shall be void.

9. **DEFAULT.** A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which shall include, but not be limited to, the right of damages, injunctive relief and specific performance and specifically including the ability of the District to enforce any and all payment obligations under this Agreement through the imposition and enforcement of a contractual or other lien on property owned by the Property Owner.

10. **ATTORNEYS' FEES.** In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the prevailing party shall be entitled to recover from the other all costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

11. **BENEFICIARIES.** This Agreement is solely for the benefit of the formal parties herein and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns.

12. **APPLICABLE LAW.** This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida.

13. **NEGOTIATION AT ARM'S LENGTH.** This Agreement has been negotiated fully between the parties as an arm's length transaction. The parties participated fully in the preparation of this Agreement with the assistance of their respective counsel. In the case of a dispute concerning the interpretation of any

provision of this Agreement, the parties are each deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against any party.

14. **EFFECTIVE DATE.** The Agreement shall take effect as of October 1, 2023.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties execute this agreement the day and year first written above.

Attest:

**TOWN OF KINDRED COMMUNITY DEVELOPMENT
DISTRICT II**

Secretary/Assistant Secretary

By: _____
Its: _____

D.R. HORTON, INC.,
a Delaware corporation

Witness

By: _____
Name: _____
Title: _____

EXHIBIT A Description of the Property

EXHIBIT A

Legal description for off-roll assessment lands owned by developer

Tab 8

**Town of Kindred Community Development
District II**

ANNUAL FINANCIAL REPORT

September 30, 2022

Town of Kindred Community Development District II

ANNUAL FINANCIAL REPORT

September 30, 2022

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Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Town of Kindred Community Development District II
Osceola 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 Town of Kindred Community Development District II (the "District"), as of and for the year ended September 30, 2022, 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 Town of Kindred Community Development District II as of September 30, 2022, 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
Town of Kindred Community Development District II

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 could reasonably be expected to influence the economic decisions of users made on the basis of these 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.

To the Board of Supervisors
Town of Kindred Community Development District II

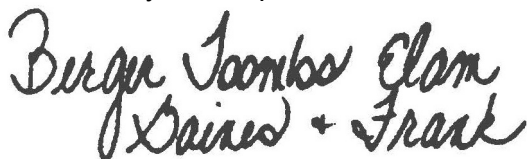
Required Supplementary Information

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 May 25, 2023 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 Town of Kindred Community Development District II's internal control over financial reporting and compliance.



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

May 25, 2023

**Town of Kindred Community Development District II
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

Management's discussion and analysis of Town of Kindred Community Development District II'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, culture/recreation 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.

**Town of Kindred Community Development District II
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

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*, reconciliations are 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, 2022.

- ◆ The District's total assets were exceeded by total liabilities by \$(4,019,625) (net position). Net investment in capital assets for the District was \$(702,767). Unrestricted net position was \$(3,316,858).
- ◆ Revenues from governmental activities totaled \$761,845 and expenses and conveyances from governmental activities totaled \$992,259.

**Town of Kindred Community Development District II
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

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	
	2022	2021
Current assets	\$ 295,116	\$ 16,752
Restricted assets	362,321	534,567
Capital assets	3,841,654	4,137,045
Total Assets	4,499,091	4,688,364
Current liabilities	385,057	164,595
Non-current liabilities	8,133,659	8,312,980
Total Liabilities	8,518,716	8,477,575
Net Position		
Net investment in capital assets	(702,767)	(400,279)
Restricted	-	6,933
Unrestricted	(3,316,858)	(3,395,865)
Total Net Position	\$ (4,019,625)	\$ (3,789,211)

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

The decrease in restricted assets is related to certain interest payments in the current year.

The increase in current liabilities is related to the increase in the current portion of long-term debt and the increase in accrued interest in the current year.

The decrease in non-current liabilities is related to the principal payments on long term debt in the current year.

**Town of Kindred Community Development District II
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

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	
	2022	2021
Program Revenues		
Charges for services	\$ 754,594	\$ 330,772
Grants and contributions	6,025	979,143
Investment income	1,226	9
Total Revenues	<u>761,845</u>	<u>1,309,924</u>
Expenses		
General government	117,101	103,044
Physical environment	581,292	433,429
Culture/recreation	15,843	-
Interest and other charges	<u>278,023</u>	<u>352,108</u>
Total Expenses	<u>992,259</u>	<u>888,581</u>
Conveyance of capital assets	<u>-</u>	<u>(6,223,309)</u>
Change in Net Position	(230,414)	(5,801,966)
Net Position - Beginning of Year	<u>(3,789,211)</u>	<u>2,012,755</u>
Net Position - End of Year	<u>\$ (4,019,625)</u>	<u>\$ (3,789,211)</u>

The increase in charges for services is related to the increase in special assessments in the current year.

The decrease in grants and contributions is related to the increase in special assessments and the decrease in capital projects in the current year.

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

The decrease in conveyance is related to the completion of a capital project and the related conveyance to another entity in the prior year.

The decrease in interest and other charges is related to the issuance of long-term debt in the prior year.

**Town of Kindred Community Development District II
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

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, 2022 and 2021:

	Governmental Activities	
	2022	2021
Infrastructure	\$ 4,544,421	\$ 4,537,324
Less: accumulated depreciation	(702,767)	(400,279)
Governmental Activities Capital Assets	\$ 3,841,654	\$ 4,137,045

During the year, depreciation was \$302,488, additions were \$7,097.

General Fund Budgetary Highlights

The budgeted expenditures exceeded actual expenditures in the current year because contract fees and janitorial expenditures were less than anticipated.

There were no budget amendments in the current year.

Debt Management

Governmental Activities debt includes the following:

In August 2020, the District issued \$2,500,000 Series 2020 Special Assessment Revenue Bonds. These bonds were issued to finance a portion of the cost of acquisition, construction, installation and equipping of a portion of the 2020 Project. As of September 30, 2022, the balance outstanding was \$2,400,000.

In September 2021, the District issued \$5,780,000 Series 2021 Special Assessment Revenue Bonds. These bonds were issued to finance a portion of the cost of acquisition, construction, installation and equipping of a portion of the 2021 Project. As of September 30, 2022, the balance outstanding was \$5,780,000.

**Town of Kindred Community Development District II
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Town of Kindred Community Development District II 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 2023.

Request for Information

The financial report is designed to provide a general overview of Town of Kindred Community Development District II'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 Town of Kindred Community Development District II's Accounting Department, c/o Rizzetta & Company, Inc., at 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614.

Town of Kindred Community Development District II
STATEMENT OF NET POSITION
September 30, 2022

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 270,176
Due from others	7,861
Prepaid expenses	3,642
Deposits	13,437
Total Current Assets	295,116
Non-Current Assets	
Restricted Assets	
Investments	362,321
Capital Assets, Being Depreciated	
Infrastructure	4,544,421
Less: accumulated depreciation	(702,767)
Total Non-Current Assets	4,203,975
Total Assets	4,499,091
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	92,733
Bonds payable	175,000
Accrued interest	117,324
Total Current Liabilities	385,057
Non-Current Liabilities	
Bonds payable, net	8,133,659
Total Liabilities	8,518,716
NET POSITION	
Net investment in capital assets	(702,767)
Unrestricted	(3,316,858)
Total Net Position	\$ (4,019,625)

See accompanying notes to financial statements.

Town of Kindred Community Development District II
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	Governmental Activities
Governmental Activities				
General government	\$ (117,101)	\$ 174,659	\$ -	57,558
Physical environment	(581,292)	415,842	6,025	(159,425)
Culture/recreation	(15,843)	23,630	-	7,787
Interest and other charges	(278,023)	140,463	-	(137,560)
Total Governmental Activities	\$ (992,259)	\$ 754,594	\$ 6,025	(231,640)
General Revenues				
Investment income				1,226
Changes in Net Position				(230,414)
Net Position - Beginning of Year				(3,789,211)
Net Position - End of Year				\$ (4,019,625)

See accompanying notes to financial statements.

Town of Kindred Community Development District II
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash	\$ 270,176	\$ -	\$ -	\$ 270,176
Due from others	7,861	-	-	7,861
Prepaid expenses	3,642	-	-	3,642
Deposits	13,437	-	-	13,437
Restricted assets				
Investments, at fair value	-	359,716	2,605	362,321
Total Assets	\$ 295,116	\$ 359,716	\$ 2,605	\$ 657,437
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	\$ 92,733	\$ -	\$ -	\$ 92,733
FUND BALANCES				
Nonspendable - prepaid expenses/deposits	17,079	-	-	17,079
Restricted:				
Debt service	-	359,716	-	359,716
Capital projects	-	-	2,605	2,605
Unassigned	185,304	-	-	185,304
Total Fund Balances	202,383	359,716	2,605	564,704
Total Liabilities and Fund Balances	\$ 295,116	\$ 359,716	\$ 2,605	\$ 657,437

See accompanying notes to financial statements.

Town of Kindred Community Development District II
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2022

Total Governmental Fund Balances	\$	564,704
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, infrastructure, \$4,544,421, net of accumulated depreciation, \$(702,767), used in governmental activities are not current financial resources, and therefore, are not reported at the fund level.		3,841,654
Long-term liabilities, bonds payable, \$(8,180,000), net of bond discount, \$14,416, and bond premium, \$(143,075), are not due and payable in the current period, and therefore, are not reported at the fund level.		(8,308,659)
Accrued interest expense for long-term debt is not a current financial use, and therefore, is not reported at the fund level.		<u>(117,324)</u>
Net Position of Governmental Activities		<u><u>\$ (4,019,625)</u></u>

See accompanying notes to financial statements.

Town of Kindred Community Development District II
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ 614,131	\$ 140,463	\$ -	\$ 754,594
Developer contributions	-	-	6,025	6,025
Investment income	-	1,219	7	1,226
Total Revenues	<u>614,131</u>	<u>141,682</u>	<u>6,032</u>	<u>761,845</u>
Expenditures				
Current				
General government	117,101	-	-	117,101
Physical environment	278,804	-	-	278,804
Culture/recreation	15,843	-	-	15,843
Capital outlay	-	-	7,097	7,097
Debt service				
Principal	-	50,000	-	50,000
Interest	-	204,352	-	204,352
Total Expenditures	<u>411,748</u>	<u>254,352</u>	<u>7,097</u>	<u>673,197</u>
Excess of revenues over/(under) expenditures	<u>202,383</u>	<u>(112,670)</u>	<u>(1,065)</u>	<u>88,648</u>
Other Financing Sources/(Uses)				
Transfers in	-	-	542	542
Transfers out	-	(542)	-	(542)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(542)</u>	<u>542</u>	<u>-</u>
Net Change in Fund Balances	202,383	(113,212)	(523)	88,648
Fund Balances - Beginning of Year	<u>-</u>	<u>472,928</u>	<u>3,128</u>	<u>476,056</u>
Fund Balances - End of Year	<u>\$ 202,383</u>	<u>\$ 359,716</u>	<u>\$ 2,605</u>	<u>\$ 564,704</u>

See accompanying notes to financial statements.

Town of Kindred Community Development District II
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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$	88,648
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 that capital outlay, \$7,097, was exceeded by depreciation, \$(302,488), in the current period.		(295,391)
Repayment of bond principal is an expenditure at the fund level, but the repayment reduces long-term liabilities at the government-wide level.		50,000
At the government-wide level, interest is accrued on outstanding bonds; whereas at the fund level, interest expenditures are reported when due. This is the change in accrued interest in the current period.		(77,992)
Bond discount is amortized at the government-wide level as interest over the life of the associated bonds payable. This is the current year amount amortized.		(515)
At the fund level, revenues are recognized when they become available, however, revenues are recognized when they are earned at the government-wide level. This is the amount of the change in earned revenue that was not available.		<u>4,836</u>
Change in Net Position of Governmental Activities	\$	<u><u>(230,414)</u></u>

See accompanying notes to financial statements.

Town of Kindred Community Development District II
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 612,120	\$ 612,120	\$ 614,131	\$ 2,011
Expenditures				
Current				
General government	101,988	101,988	117,101	(15,113)
Physical environment	358,730	358,730	278,804	79,926
Culture/recreation	151,402	151,402	15,843	135,559
Total Expenditures	<u>612,120</u>	<u>612,120</u>	<u>411,748</u>	<u>200,372</u>
Net Change in Fund Balances	-	-	202,383	202,383
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,383</u>	<u>\$ 202,383</u>

See accompanying notes to financial statements.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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 January 13, 2020 pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Osceola County Ordinance No 2020 - 16 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 authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Town of Kindred Community Development District II. The District is governed by a five-member Board of Supervisors. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Town of Kindred Community Development District II (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

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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 and developer contributions. 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.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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

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. 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.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

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

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

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

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.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Debt Service Fund – Accounts for debt service requirements to retire the special assessment revenue bonds which were used to finance the construction of District infrastructure improvements.

Capital Projects Fund – The Capital Projects Funds account for construction of infrastructure improvements within the boundaries of the District.

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as infrastructure and improvements, and non-current governmental liabilities, such as general obligation bonds and developer obligations 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.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

a. Cash and Investments (Continued)

Cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

b. Restricted Net Position

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

c. Capital Assets

Capital assets, which includes infrastructure, are reported in the 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 two years. 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 years
----------------	----------

d. Unamortized Bond Discounts/Premiums

Bond discounts and bond premiums associated with the issuance of revenue bonds are amortized according to the straight-line method of accounting. For financial reporting, unamortized bond discounts and premiums are netted with the applicable long-term debt.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 columns of the accompanying financial statements may occur.

NOTE B – 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, 2022, the District's bank balance was \$279,473 and the carrying value was \$270,176. 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.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Investments

As of September 30, 2022, the District had the following investments and maturities:

Investment	Maturities	Fair Value
First American Treasury Obligations	13 Days*	\$ 362,321

*Maturity is a weighted average maturity.

The District categorizes its fair value measurement within the fair value hierarchy 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 realizable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtained quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances which includes the District's own data in measuring unobservable inputs.

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

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, money markets 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, 2022, the District's investments in First American Treasury Obligations was rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in First American Treasury Obligations represent 100% of District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2022 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.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE C – CAPITAL ASSETS

Capital asset activity for the period ended September 30, 2022 was as follows:

	<u>Balance October 1, 2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance September 30, 2022</u>
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Infrastructure	\$ 4,537,324	\$ 7,097	\$ -	\$ 4,544,421
Less: accumulated depreciation	<u>(400,279)</u>	<u>(302,488)</u>	-	<u>(702,767)</u>
Total Capital Assets, being depreciated	<u>\$ 4,137,045</u>	<u>\$ (295,391)</u>	<u>\$ -</u>	<u>\$ 3,841,654</u>

Depreciation of \$302,488 was charged to physical environment.

NOTE D – LONG-TERM DEBT

The following is a summary of debt activity for the District for the period ended September 30, 2022:

Bonds payable at October 1, 2021	\$ 8,230,000
Principal payments	<u>50,000</u>
Bonds payable at September 30, 2022	8,180,000
Bond discount, net	(14,416)
Bond premium, net	<u>143,075</u>
Bonds Payable, Net at September 30, 2022	<u>\$ 8,308,659</u>

District debt is comprised of the following at September 30, 2022:

Special Assessment Revenue Bonds

\$2,500,000 Series 2020 Special Assessment Revenue Bonds maturing through 2050, at various interest rates between 2.625% and 3.75%, payable May 1 and November 1. Current portion is \$55,000. \$ 2,400,000

\$5,780,000 Series 2021 Special Assessment Revenue Bonds maturing through 2052, at various interest rates between 2.2% and 4.00%, payable May 1 and November 1 beginning November 2021. Current portion is \$120,000. \$ 5,780,000

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE D – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2022 are as follows:

Year Ending September 30,	Principal	Interest	Total
2023	\$ 175,000	\$ 281,579	\$ 456,579
2024	180,000	277,496	457,496
2025	180,000	273,302	453,302
2026	190,000	269,108	459,108
2027	195,000	264,448	459,448
2028-2032	1,045,000	1,237,990	2,282,990
2033-2037	1,215,000	1,066,775	2,281,775
2038-2042	1,440,000	854,851	2,294,851
2043-2047	1,730,000	570,064	2,300,064
2048-2052	1,830,000	207,026	2,037,026
Totals	<u>\$ 8,180,000</u>	<u>\$ 5,302,639</u>	<u>\$ 13,482,639</u>

Summary of Significant Bonds Resolution Terms and Covenants

Special Assessment Revenue Bonds, Series 2020 & 2021

Significant Bond Provisions

The Series 2020 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, 2030 a price equal to the par amount of the Series 2020 Bonds thereof, together with accrued interest to the date of redemption. The Series 2020 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 Series 2021 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, 2031 at the redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. The Series 2021 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.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE D – 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 Funds

The Series 2020 Reserve Account was funded from the proceeds of the Series 2020 Bonds in an amount equal to 35 percent of the maximum annual debt service for the Series 2020 Bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

The Series 2021 Reserve Account was funded from the proceeds of the Series 2021 Bonds in an amount equal to 50 percent of the maximum annual debt service for the Series 2021 Bonds.

Monies held in the reserve accounts will be used only for the purposes established in the Trust Indentures.

The following is a schedule of required reserve balances as of September 30, 2022:

	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Special Assessment Revenue Bonds, Series 2020	\$ 48,519	\$ 48,519
Special Assessment Revenue Bonds, Series 2021	\$ 160,100	\$ 160,100

NOTE E – 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. All voting members of the Board of Supervisors are employed by the Developer or a related entity.

NOTE F – 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 coverage since inception.



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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
Town of Kindred Community Development District II
Osceola 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 Town of Kindred Community Development District II, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated May 25, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Town of Kindred Community Development District II'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 Town of Kindred Community Development District II's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Kindred Community Development District II'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.

To the Board of Supervisors
Town of Kindred Community Development District II

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Kindred Community Development District II'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 PL
Fort Pierce, Florida

May 25, 2023



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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MANAGEMENT LETTER

To the Board of Supervisors
Town of Kindred Community Development District II
Osceola County, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Kindred Community Development District II as of and for the year ended September 30, 2022, and have issued our report thereon dated May 25, 2023.

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 May 25, 2023, 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 made in the preceding financial audit report.

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 Town of Kindred Community Development District II 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 Town of Kindred Community Development District II did not meet any of the conditions described in Section 218.503(1) Florida Statutes.

To the Board of Supervisors
Town of Kindred Community Development District II

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 Town of Kindred Community Development District II. It is management's responsibility to monitor the Town of Kindred Community Development District II'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, 2022.

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 Town of Kindred Community Development District II reported:

- 1) The total number of district employees compensated 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: 4
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$0.
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$8,735.
- 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, 2021, together with the total expenditures for such project: There were no capital projects in the current year.
- 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: There were no amendments to the FY 2022 budget.

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

- 7) The rate or rates of non-ad valorem special assessments imposed by the District: General Fund \$20 - \$1,091.14 and the Debt Service Fund \$436.46.
- 8) The amount of special assessments collected by or on behalf of the District: Total on-roll special assessments collected was \$306,322 and off-roll assessments collected were \$754,594.
- 9) The total amount of outstanding bonds issued by the District and the terms of such bonds: \$2,400,000, issued in 2020, matures May, 2050 and \$5,780,000 issued in 2021, matures in 2052.



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

To the Board of Supervisors
Town of Kindred Community Development District II

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

May 25, 2023



**Berger, Toombs, Elam,
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**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Town of Kindred Community Development District II
Osceola County, Florida

We have examined Town of Kindred Community Development District II's compliance with Section 218.415, Florida Statutes during the period ended September 30, 2022. Management is responsible for Town of Kindred Community Development District II's compliance with those requirements. Our responsibility is to express an opinion on Town of Kindred Community Development District II'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 Town of Kindred Community Development District II'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 Town of Kindred Community Development District II's compliance with the specified requirements.

In our opinion, Town of Kindred Community Development District II complied, in all material respects, with the aforementioned requirements during the period ended September 30, 2022.

*Berger Toombs Elam
Gaines + Frank*

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

May 25, 2023