

Magic Reserve Community Development District

12051 Corporate Boulevard, Orlando, FL 32817; 407-382-3256

The following is the proposed agenda for the Board of Supervisors' Meeting for the Magic Reserve Community Development District ("District"), scheduled to begin at 10:00 a.m. on July 23, 2018 in the offices located at the Historic Courthouse, 3 Courthouse Square, 3rd Floor Conference Room #315, Kissimmee, Florida 34741. If you have questions or comments on the Board Meeting, please contact the District Manager's office at (407) 382-3256. A quorum consisting of at least three of the five Board Members will be confirmed prior to the start of the Board Meeting.

For those unable to attend in person, you may participate by telephone:

Call in number: 1-877-864-6450

Passcode: 974058

BOARD OF SUPERVISORS' MEETING PROPOSED AGENDA

Organizational Matters

- Roll call to confirm a quorum
- Public Comment Period (*During which time any member of the public may speak on a specific agenda item before the item is considered by the Board of Supervisors.*)
- 1. Consideration of Minutes of the June 25, 2018 Board of Supervisors' Meeting
- 2. Consideration of Resolution 2018-03, Election of Officers
- 3. Public Hearing on the Adoption of the District's Annual Budget
 - a. Public Comments and Testimony
 - b. Board Comments
 - c. Consideration of Resolution 2018-04, Adopting the Fiscal Year 2019 Budget and Appropriating Funds
- 4. Consideration of Resolution 2018-05, Imposing Special Assessments and Certifying an Assessment Roll (*under separate cover*)

General Business Matters

- 5. Review and Acceptance of 2017 Audit
- 6. Consideration of Payment Authorization No. 2
- 7. Review of District's Financial Position

Other Business

- A. Staff Reports

1. District Counsel-
 2. District Manager- *Setting Fiscal Year 2019 Meeting Schedule – The First Monday of Every Month starting October 4, 2018 thru September 2, 2019 at 10:00 AM at the Historic Courthouse, 3 Courthouse Square, 3rd Floor Conference Room #315, Kissimmee, Florida 34741.*
 3. District Engineer-
- B. Audience Comments
- C. Supervisor Requests

Adjournment

**MAGIC RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

**Consideration of Minutes
of the
June 25, 2018
Board of Supervisors' Meeting**

**MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT
BOARD OF SUPERVISORS' MEETING MINUTES**

FIRST ORDER OF BUSINESS

The Board of Supervisors' Meeting for the Magic Reserve Community Development District was called to order on Monday, June 25, 2018 at 10:10 a.m. in the offices located at the Historic Courthouse, 3 Courthouse Square, 3rd Floor Conference Room 315, Kissimmee, Florida 34741. Members listed below constituted a quorum.

Hector Lizasuain	Board Member
Stacey Stuck	Board Member
Nayara Longaray	Board Member

Also attending:

Vivian Carvalho	District Manager- Fishkind & Associates, Inc.
Steve Boyd	Boyd Civil Engineering- District Engineer
Dennis Swick	
Carol Harris	Fishkind & Associates, Inc. (via phone)

SECOND ORDER OF BUSINESS

Public Comment Period

There were no public comments at this time.

THIRD ORDER OF BUSINESS

**Consideration of Minutes of the
May 7, 2018 Board of Supervisors'
Meeting**

The Board reviewed the minutes from the May 7, 2018 Board of Supervisors' Meeting. There were no edits.

On Motion by Mr. Lizasuain, second by Ms. Longaray, with all in favor, the Board of Supervisors for the Magic Reserve Community Development District approved the Minutes of the May 7, 2018 Board of Supervisors' Meeting.

FOURTH ORDER OF BUSINESS

**Appointing A Supervisor for Seat 5
& Administering Oath of Office**

Ms. Carvalho asked for recommendations for a replacement for Seat 5.

On Motion by Mr. Lizasuain, second by Ms. Stuck, with all in favor, the Board of Supervisors for the Magic Reserve Community Development District Appointed Dennis Swick to Seat 5.

Ms. Carvalho administered the oath of office to Mr. Swick. Mr. Swick chose to waive compensation.

FIFTH ORDER OF BUSINESS

**Consideration of Draft Agreement
Between the Magic Reserve
Community Development District
and the Magic Village Resort 2
Owners Association, Inc for
Infrastructure Management and
Maintenance**

Mr. Lizasuain explained that this is an agreement between the HOA and Magic Village Resort 2 Owners Association, Inc. for the overall maintenance responsibility of the common areas currently in the project. Ms. Carvalho asked if District Counsel reviewed the agreement prior to the meeting today. Mr. Lizasuain responded that he did not know. Ms. Carvalho suggested approving the agreement subject to final review by District Counsel before execution.

On Motion by Mr. Lizasuain, second by Ms. Longaray, with all in favor, the Board of Supervisors for the Magic Reserve Community Development District approved the Agreement between the Magic Reserve Community Development District and the Magic Village Resort 2 Owners Association, Inc for Infrastructure Management and Maintenance subject to District Counsel review.

SIXTH ORDER OF BUSINESS

**Consideration of the Agreement
Between Magic Reserve
Community Development District
and the Osceola County Tax
Collector**

Ms. Carvalho explained this is required for the record keeping and this is the first year that the District is going to be going on the tax roll. She noted that this is an agreement between the District and the Tax Collector. Ms. Carvalho requested a motion to approve the agreement as presented.

On Motion by Mr. Lizasuain, second by Ms. Stuck, with all in favor, the Board of Supervisors for the Magic Reserve Community Development District approved the Agreement between the Magic Reserve Community Development District and the Osceola County Tax Collector.

SEVENTH ORDER OF BUSINESS

**Ratification of Funding Request
Number 27**

The Board reviewed Funding Request Number 27, which are typical District Budget Operations and Maintenance expenditures.

On Motion by Mr. Lizasuain, second by Ms. Stuck, with all in favor, the Board of Supervisors for the Magic Reserve Community Development District Ratified Funding Requests Nos. 27, as presented.

EIGHTH ORDER OF BUSINESS

**Consideration of Payment
Authorization 1**

The Board reviewed Payment Authorization 1.

On Motion by Mr. Lizasuain, second by Ms. Stuck, with all in favor, the Board of Supervisors for the Magic Reserve Community Development District Ratified Payment Authorization 1.

NINTH ORDER OF BUSINESS

**Review of District's Financial
Statements and Budget to Actual
Year to Date.**

The Board reviewed the financial statements of the District. There was no action required by the Board on these documents.

TENTH ORDER OF BUSINESS

Staff Reports

District Counsel - Not Present

District Engineer – Mr. Boyd stated that he has a replat in progress that the CDD may need to sign. Mr. Lizasuain responded that he spoke with Johnson Engineering and they requested a Resolution. Mr. Lizasuain got with Mr. Watts and District Staff and mentioned that the Chair has authorization to sign it on behalf of the District. He noted that the Resolution will be sent to Emily and if it is sufficient then they will submit it and it will be completed by tomorrow. Ms. Carvalho stated that the District has the resolution with the election of officers naming Mr. Lizasuain as the Chair for the District and the Bond resolution as well. She noted that Ms. Harris is in the process of sending that to Mr. Watts to review it to make sure that it is the one that the District needs to proceed with providing to Emily. There is no action required by the Board at this time.

Ms. Stuck mentioned that the name of the HOA in the agreement is incorrect. Ms. Carvalho stated that Mr. Watts is going to review the agreement and she asked for an email to be sent to Mr. Watts to confirm what the legal entity of the HOA is. Mr. Lizasuain asked if it would be a conflict if Ms. Stuck set it up and he asked Mr. Watts to get with her to verify the name. Ms. Carvalho asked Ms. Stuck to send her the information and Mr. Lizasuain will be out of the loop to avoid any conflict. Ms. Stuck stated that the name is Magic Village Resort 2 Owners Association, Inc. Ms. Carvalho will send Mr. Watts the email to approve the agreement subject to his review with the correct entities name and she will copy Ms. Stuck.

Ms. Carvalho asked if the Developers will be the contact until they hire a management company and Ms. Stuck replied yes.

Mr. Lizasuain asked if Mr. Swick received anything regarding the Sunshine Law. Ms. Carvalho stated that she will give him the packet and she reminded the Board that the Form 1 is due July 1, 2018 for all Board Members. Ms. Carvalho stated that if someone was on the Board during the FY 2018 they must fill out the Form 1. In addition to the Form 1 there is a Form 1 F that when a Board Member resign from Board they must fill out as well. Mr. Lizasuain asked if he needs to contact a former Board Member of a \$425.00 fine because she filed late when she was a Board member. Ms. Carvalho stated that it is not up to the Board because the Board does not

have the authority to make that determination or not but as an individual you are holding an officers position with the District and that particular individual is responsible for completing the Form. Mr. Lizasuain asked if he can call her and tell her she is on the hook for the fees. Ms. Carvalho responded that he can call her and if she has any questions to contact District Management's office. Ms. Stuck stated that Ms. Harris sent her the forms on Friday for this year to remove herself from the Board and Ms. Stuck gave Ms. Harris her personal email because Ms. Harris had sent the email to the company email and now she has both of their personal email so they file the proper paperwork.

District Manager - Ms. Carvalho noted that the next meeting is scheduled for July 23, 2018 at 10:00 a.m. at this location. Ms. Carvalho asked if there was anything that the Board needed to discuss about the budget. She noted that the budget that was proposed is being sent to Osceola County. She noted that District staff had a discussion of having a meeting early one in May but that the Board decided to proceed with the Budget as Proposed. Mr. Lizasuain responded that is correct. Mr. Lizasuain stated that the Developer's finance team has been working closely with the District Management office. Ms. Carvalho stated that this year the District will send out the assessment notice because the Public Hearing is scheduled before the TRIM notice is sent by the tax collector.

ELEVENTH ORDER OF BUSINESS

**Supervisor and Audience
Comments & Adjournment**

There was no further business to discuss. Ms. Carvalho requested a motion to adjourn.

On Motion by Mr. Lizasuain, second by Ms. Stuck, with all in favor, the June 25, 2018 meeting of the Board of Supervisors for the Magic Reserve Community Development District was adjourned.

Secretary/Assistant Secretary

Chair/Vice Chair

**MAGIC RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

**Consideration of Resolution 2018-03,
Election of Officers**

**RESOLUTION 2018-03
ELECTION OF OFFICERS**

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE MAGIC RESERVE ELECTING THE OFFICERS OF THE DISTRICT, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT (the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes; and

WHEREAS, pursuant to Section 190.006(6), Florida Statutes, as soon as practicable after each election or appointment to the Board of Supervisors (the "Board"), the Board shall organize by electing one of its members as chair and by electing a secretary, and such other officers as the Board may deem necessary.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF MAGIC RESERVE:

Section 1. _____ is elected Chairman.

Section 2. _____ is elected Vice Chairman.

Section 3. Vivian Carvahlo is elected Secretary.
 _____ is elected Assistant Secretary.
 _____ is elected Assistant Secretary.
 Carol L. Harris _____ is elected Assistant Secretary.

Section 4. Hank Fishkind is elected Treasurer.

Section 5. Jennifer Glasgow is elected as Assistant Treasurer.

Section 6. All Resolutions or parts of Resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 7. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED THIS 23rd DAY of JULY 2018.

**MAGIC RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

CHAIR/VICE-CHAIRMAN

ATTEST:

SECRETARY/ASSISTANT SECRETARY

**MAGIC RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

**Public Hearing on the
Adoption of the District's Annual Budget**

**MAGIC RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

Public Comments and Testimony

**MAGIC RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

Board Comments

**MAGIC RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

**Consideration of Resolution 2018-04,
Adopting the Fiscal Year 2019 Budget and
Appropriating Funds**

RESOLUTION 2018-04

THE ANNUAL APPROPRIATION RESOLUTION OF THE MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2018, submitted to the Board of Supervisors (“**Board**”) of the Magic Reserve Community Development District (“**District**”) proposed budget (“**Proposed Budget**”) for the fiscal year beginning October 1, 2018 and ending September 30, 2019 (“**Fiscal Year 2018-2019**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, at least sixty (60) days prior to the adoption of the Proposed Budget, the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), *Florida Statutes*; and

WHEREAS, the Board set July 23, 2018, as the date for a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing; and

WHEREAS, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1st of each year, the Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

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

SECTION 1. BUDGET

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Local Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.
- b. The Proposed Budget, attached hereto as **Exhibit “A,”** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.
- c. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District’s Local Records Office and identified as “The Budget for the Magic Reserve Community Development District for the Fiscal Year Ending September 30, 2019.”
- d. The Adopted Budget shall be posted by the District Manager on the District’s official website within thirty (30) days after adoption, and shall remain on the website for at least 2 years.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the Magic Reserve Community Development District, for Fiscal Year 2018-2019, the sum of \$_____ to be raised by the levy of assessments and otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$ _____
TOTAL DEBT SERVICE FUND	\$ _____
TOTAL ALL FUNDS	\$ _____

SECTION 3. BUDGET AMENDMENTS

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within Fiscal Year 2018-2019 or within 60 days following the end of the Fiscal Year 2018-2019 may amend its Adopted Budget for that fiscal year as follows:

- a. The Board may authorize an increase or decrease in line item appropriations within a fund by motion recorded in the minutes if the total appropriations of the fund do not increase.

- b. The District Manager or Treasurer may authorize an increase or decrease in line item appropriations within a fund if the total appropriations of the fund do not increase and if the aggregate change in the original appropriation item does not exceed \$10,000 or 10% of the original appropriation.
- c. By resolution, the Board may increase any appropriation item and/or fund to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.
- d. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must establish administrative procedures to ensure that any budget amendments are in compliance with this Section 3 and Section 189.016, *Florida Statutes*, among other applicable laws. Among other procedures, the District Manager or Treasurer must ensure that any amendments to budget under subparagraphs c. and d. above are posted on the District's website within 5 days after adoption and remain on the website for at least 2 years.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 23rd DAY OF JULY, 2018.

ATTEST:

**MAGIC RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

By: _____

Its: _____

EXHIBIT A
 Magic Reserve Community Development District
 Proposed Fiscal Year 2019 Annual Operations & Maintenance Budget

	YTD Actual Through 03/31/2018	Anticipated 04/2018 - 09/2018	Anticipated FY 2018 Total	FY 2018 Adopted Budget	FY 2019 Proposed Budget
<u>Revenues</u>					
Developer Contributions	\$31,121.03	\$114,528.97	\$145,212.56	\$145,650.00	\$145,650.00
Net Revenues	\$31,121.03	\$114,528.97	\$145,212.56	\$145,650.00	\$145,650.00
<u>General & Administrative Expenses</u>					
Trustee Services	\$3,407.60	\$0.00	\$3,407.60	\$0.00	\$4,000.00
District Management Fees	12,499.98	12,500.02	25,000.00	25,000.00	25,000.00
Engineering Fees	2,860.17	2,860.17	5,720.34	10,000.00	10,000.00
Dissemination Agent	0.00	5,000.00	5,000.00	5,000.00	5,000.00
District Counsel	1,014.00	23,986.00	25,000.00	25,000.00	25,000.00
Assessment Administration	5,000.00	0.00	5,000.00	5,000.00	5,000.00
Audit	23.00	3,477.00	3,500.00	0.00	3,600.00
Telephone	12.90	77.40	90.30	1,000.00	500.00
Postage	9.72	58.32	68.04	300.00	300.00
Copies	70.20	421.20	491.40	500.00	500.00
Legal Advertising	118.57	711.42	829.99	2,000.00	1,679.00
Miscellaneous	0.00	0.00	0.00	1,575.00	1,575.00
Dues, Licenses & Fees	175.00	0.00	175.00	175.00	175.00
Property Appraiser	319.89	0.00	319.89	0.00	325.00
Irrigation	0.00	10,000.00	10,000.00	10,000.00	10,000.00
General Insurance	5,610.00	0.00	5,610.00	5,100.00	6,171.00
Lake Maintenance	0.00	10,000.00	10,000.00	10,000.00	6,825.00
Landscaping Maintenance and Material	0.00	32,500.00	32,500.00	32,500.00	30,000.00
Streetlights	0.00	12,500.00	12,500.00	12,500.00	10,000.00
Total General & Administrative Expenses	\$31,121.03	\$114,091.53	\$145,212.56	\$145,650.00	\$145,650.00

Magic Reserve CDD
Proposed Debt Service Fund Budget
Series 2016A Special Assessment Bonds FY 2019
"Exhibit B"

	<u>Proposed FY 2019</u> <u>Budget</u>
<u>Revenues:</u>	
Special Assessments	\$554,859
Total Revenues	<u><u>\$554,859</u></u>
<u>Expenditures:</u>	
Series 2016A - Interest 11/1/18	\$131,153
Series 2016A - Principal 11/1/18	\$80,000
Series 2016A - Interest 5/1/19	\$129,353
Total Expenditures	<u><u>\$340,506</u></u>
Excess Revenues / (Expenditures)	<u><u>\$214,353</u></u>
Series 2016A Principal and Interest 11/1/19	\$214,353

**MAGIC RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

**Consideration of Resolution 2018-05,
Imposing Special Assessments
and
Certifying an Assessment Roll**
(provided under separate cover)

**MAGIC RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

**Review and Acceptance
of
2017 Audit**

**MAGIC RESERVE
COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017**

**MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Magic Reserve Community Development District
Osceola County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Magic Reserve Community Development District, Osceola County, Florida ("District") as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund, of the District as of September 30, 2017, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated June 26, 2018, on our consideration of the District's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

June 26, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Magic Reserve Community Development District, Osceola County, Florida ("District") would like to offer the readers of the District's financial statements this discussion and analysis of the District's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

The District was established pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes and created by Ordinance No. 2016-28 of Osceola County, Florida enacted on March 21, 2016, effective on March 23, 2016 and no audit was required for the prior period. As a result, the balances as of and for the period ended September 30, 2016 are for less than a twelve month period and are unaudited.

FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position deficit balance of (\$542,716).
- The change in the District's total net position in comparison with the prior fiscal year was (\$541,567), a decrease. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2017, the District's governmental funds reported combined ending fund balances of \$152,414 an increase of \$153,563 in comparison with the prior fiscal year. The total fund balance is restricted for debt service, non-spendable for prepaid items, and the remainder is unassigned deficit fund balance.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

The government-wide financial statements include all governmental activities that are principally supported by Developer contributions. The District does not have any business-type activities. The governmental activities of the District include the general government (management) function.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	NET POSITION SEPTEMBER 30,	
	2017	2016 (Unaudited)
Current and other assets	\$ 492,039	14,289
Capital assets, not being depreciated	4,577,287	-
Total assets	5,069,326	14,289
Current liabilities	452,042	15,438
Long-term liabilities	5,160,000	-
Total liabilities	5,612,042	15,438
Net Position		
Net investment in capital assets	(582,713)	-
Restricted for debt service	363,407	-
Unrestricted	(323,410)	(1,149)
Total net position	\$ (542,716)	\$ (1,149)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position decreased during the most recent fiscal year. The majority of the decrease was due to the cost of issuance and interest on the Bonds issued during the current fiscal year.

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

	CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,	
	2017	2016 (Unaudited)
Revenues:		
Program revenues		
Operating grants and contributions	\$ 43,707	\$ 22,344
General revenues		
Unrestricted investment earnings	-	-
Total revenues	<u>43,757</u>	<u>22,344</u>
Expenses:		
General government	40,089	23,493
Interest	251,585	-
Bond issuance costs	293,650	-
Total expenses	<u>585,324</u>	<u>23,493</u>
Change in net position	<u>(541,567)</u>	<u>(1,149)</u>
Net position - beginning	<u>(1,149)</u>	-
Net position - ending	<u>\$ (542,716)</u>	<u>\$ (1,149)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2017 was \$585,324. The costs of the District's activities were partially funded by program revenues. Program revenues are comprised of Developer contributions. Expenses increased in the current year due to the District issuing Bonds.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2017.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2017, the District had \$4,577,287 invested in capital assets for its governmental activities. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2017, the District had \$5,160,000 Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District anticipates that the general operations of the District will increase as the infrastructure is built out.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide property owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Magic Reserve Community Development District's Finance Department at 12051 Corporate Boulevard, Orlando, Florida 32817.

**MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

	Governmental Activities
ASSETS	
Cash	\$ 2,772
Due from Developer	2,502
Prepays and deposits	5,000
Restricted assets:	
Investments	481,686
Interest receivable	79
Capital assets:	
Nondepreciable	4,577,287
Total assets	5,069,326
 LIABILITIES	
Accounts payable	2,502
Retainage payable	332,123
Accrued interest payable	112,417
Unearned revenue	5,000
Non-current liabilities:	
Due in more than one year	5,160,000
Total liabilities	5,612,042
 NET POSITION	
Net investment in capital assets	(582,713)
Restricted for debt service	363,407
Unrestricted	(323,410)
Total net position	\$ (542,716)

See notes to the financial statements

**MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 40,089	\$ 42,861	\$ -	\$ 2,772
Interest on long-term debt	251,585	846	-	(250,739)
Bond issuance costs	293,650	-	50	(293,600)
Total governmental activities	585,324	43,707	50	(541,567)
				Change in net position (541,567)
				Net position - beginning (1,149)
				Net position - ending \$ (542,716)

See notes to the financial statements

**MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
ASSETS				
Cash	\$ 2,772	\$ -	\$ -	\$ 2,772
Investments	-	475,746	5,940	481,686
Due from Developer	2,502	-	-	2,502
Interest receivable	-	78	1	79
Prepays and deposits	5,000	-	-	5,000
Total assets	<u>\$ 10,274</u>	<u>\$ 475,824</u>	<u>\$ 5,941</u>	<u>\$ 492,039</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,502	\$ -	\$ -	\$ 2,502
Retainage payable	-	-	332,123	332,123
Unearned revenue	5,000	-	-	5,000
Total liabilities	<u>7,502</u>	<u>-</u>	<u>332,123</u>	<u>339,625</u>
Fund balances:				
Nonspendable:				
Prepaid items	5,000	-	-	5,000
Restricted for:				
Debt service	-	475,824	-	475,824
Capital projects	-	-	-	-
Unassigned	(2,228)	-	(326,182)	(328,410)
Total fund balances	<u>2,772</u>	<u>475,824</u>	<u>(326,182)</u>	<u>152,414</u>
Total liabilities and fund balances	<u>\$ 10,274</u>	<u>\$ 475,824</u>	<u>\$ 5,941</u>	<u>\$ 492,039</u>

See notes to the financial statements

**MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

Total fund balances - governmental funds	\$	152,414
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Amounts reported for governmental activities in the statement of net position are different because:

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

Cost of capital assets		4,577,287
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Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Accrued interest payable		(112,417)
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Bonds payable		(5,160,000)
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Net position of governmental activities	\$	<u>(542,716)</u>
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See notes to the financial statements

**MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
REVENUES				
Developer contributions	\$ 42,861	\$ -	\$ -	\$ 42,861
Interest income	-	846	50	896
Total revenues	<u>42,861</u>	<u>846</u>	<u>50</u>	<u>43,757</u>
EXPENDITURES				
Current:				
General government	40,089	-	-	40,089
Debt service:				
Interest	-	139,168	-	139,168
Bond issue costs	-	-	293,650	293,650
Capital outlay	-	-	4,577,287	4,577,287
Total expenditures	<u>40,089</u>	<u>139,168</u>	<u>4,870,937</u>	<u>5,050,194</u>
Excess (deficiency) of revenues over (under) expenditures	2,772	(138,322)	(4,870,887)	(5,006,437)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	614,146	4,545,854	5,160,000
Total other financing sources (uses)	<u>-</u>	<u>614,146</u>	<u>4,545,854</u>	<u>5,160,000</u>
Net change in fund balances	2,772	475,824	(325,033)	153,563
Fund balances - beginning	-	-	(1,149)	(1,149)
Fund balances - ending	<u>\$ 2,772</u>	<u>\$ 475,824</u>	<u>\$ (326,182)</u>	<u>\$ 152,414</u>

See notes to the financial statements

**MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

Net change in fund balances - total governmental funds	\$ 153,563
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 eliminated and is capitalized in the statement of net position as capital assets.	4,577,287
Governmental funds report the face amount of Bonds issued as financial resources when debt is first issued, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.	(5,160,000)
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.	<u>(112,417)</u>
Change in net position of governmental activities	<u><u>\$ (541,567)</u></u>

See notes to the financial statements

**MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Magic Reserve Community Development District ("District") was created on March 23, 2016 by Ordinance No. 2016-28 of Osceola County and established pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are presently elected on an at large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre. The Board exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2017 all of the Board members are affiliated with Magic Village 2, LLC. ("Developer").

The Board has the final responsibility for, among other things:

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Assessments

Assessments are non-ad valorem assessments levied on all assessable property within the District. Assessments are levied to pay for the operations and maintenance and debt service of the District. The fiscal year for which annual assessments are levied begins on October 1 and, if collected using the Uniform Method of Collection, with discounts available for payments through February 28 and become delinquent on April 1. Alternatively, the District adopts a resolution providing for the collection dates and directly collects the assessments.

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

The District's operations for the fiscal year ended September 30, 2017 were funded by Developer contributions.

The District reports the following major governmental funds:

General Fund

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

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity

Restricted Assets

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

Deposits and Investments

The District's cash on hand and demand deposits are considered to be cash and cash equivalents.

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

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

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured and any unspent Bond proceeds are required to be held in investments as specified in the Bond Indenture.

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

Inventories and Prepaid Items

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

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

Capital Assets

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

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

No depreciation has been taken in the current fiscal year as the District's infrastructure and other capital assets are under construction.

Unearned Revenue

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

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

Deferred Outflows/Inflows of Resources

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

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

Fund Equity/Net Position

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

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

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Disclosures

Use of Estimates

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

NOTE 3 – BUDGETARY INFORMATION

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

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

Investments

The District's investments were held as follows at September 30, 2017:

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
US Bank Money Market	\$ 481,686	N/A	N/A
Total Investments	<u>\$ 481,686</u>		

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

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Investments (Continued)

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

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

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

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

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

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 4,577,287	\$ -	\$ 4,577,287
Total capital assets, not being depreciated	-	4,577,287	-	4,577,287
Governmental activities capital assets	\$ -	\$ 4,577,287	\$ -	\$ 4,577,287

The infrastructure intended to serve the District has been estimated at a total cost of approximately \$10,255,693 ("2016 Project"). The infrastructure will include a master roadway system, a water distribution system, a reclaimed water distribution system, a wastewater collection system, an electrical distribution system, landscaping, hardscape, signage, recreation facilities, conservation areas, and a stormwater management system. All water and wastewater infrastructure will be constructed by the Magic Reserve CDD, and subsequently dedicated to Toho Water Authority for perpetual operation and maintenance. All of the current year additions were acquired from the Developer. The Developer has entered into a Completion Agreement that will obligate the Developer to complete the portion of the project not funded from Bond proceeds.

NOTE 6 – LONG-TERM LIABILITIES

Series 2016

On October 5, 2016, the District issued \$5,160,000 of Special Assessment Revenue Bonds, Series 2016 consisting of \$865,000 Term Bonds Series 2016 due on November 1, 2026 with a fixed interest rate of 4.500%, \$1,685,000 Term Bonds Series 2016 due on November 1, 2037 with a fixed interest rate of 5.125%, and \$2,610,000 Term Bonds Series 2016 due on November 1, 2047 with a fixed interest rate of 5.250%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing November 1, 2018 through November 1, 2047.

The Series 2016 Bonds are subject to redemption at the option of the District prior to their maturity. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

NOTE 6 – LONG-TERM LIABILITIES (Continued)

Series 2016 (Continued)

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2017.

Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2017 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Series 2016 Bonds	\$ -	\$ 5,160,000	\$ -	\$ 5,160,000	\$ -
Total	<u>\$ -</u>	<u>\$ 5,160,000</u>	<u>\$ -</u>	<u>\$ 5,160,000</u>	<u>\$ -</u>

At September 30, 2017, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2018	\$ -	\$ 262,306	\$ 262,306
2019	80,000	260,506	340,506
2020	85,000	256,794	341,794
2021	85,000	252,969	337,969
2022	90,000	249,031	339,031
2023-2027	525,000	1,178,219	1,703,219
2028-2032	655,000	1,036,059	1,691,059
2033-2037	835,000	846,434	1,681,434
2038-2042	1,080,000	600,216	1,680,216
2043-2047	1,400,000	276,938	1,676,938
2048	325,000	8,531	333,531
	<u>\$ 5,160,000</u>	<u>\$ 5,228,003</u>	<u>\$ 10,388,003</u>

NOTE 7 – DEVELOPER TRANSACTIONS AND CONCENTRATION

The Developer has agreed to fund the general operations of the District. In connection with that agreement, Developer contributions to the general fund were \$42,861, which includes a receivable of \$2,502 at September 30, 2017.

The District's activities are dependent on the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

NOTE 8 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

NOTE 9 – RISK MANAGEMENT

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

**MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original & Final		
REVENUES			
Developer contribution	\$ 140,800	\$ 42,861	\$ (97,939)
Total revenues	140,800	42,861	(97,939)
EXPENDITURES			
Current:			
General government	69,300	40,089	29,211
Maintenance and operations	71,500	-	71,500
Total expenditures	140,800	40,089	100,711
Excess (deficiency) of revenues over (under) expenditures	\$ -	2,772	\$ 2,772
Fund balance - beginning		-	
Fund balance - ending		\$ 2,772	

See notes to required supplementary information

**MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2017.



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

To the Board of Supervisors
Magic Reserve Community Development District
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 of the governmental activities and the major fund of Magic Reserve Community Development District, Osceola County, Florida ("District") as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 26, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

June 26, 2018



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

To the Board of Supervisors
Magic Reserve Community Development District
Osceola County, Florida

We have examined Magic Reserve Community Development District, Osceola County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2017. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2017.

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

June 26, 2018



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

To the Board of Supervisors
Magic Reserve Community Development District
Osceola County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Magic Reserve Community Development District, Osceola County, Florida ("District") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated June 26, 2018.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 26, 2018, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

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

June 26, 2018

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Not applicable. First year audit

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

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

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

There were no significant findings and recommendations made in the preceding annual financial audit report for the period ended September 30, 2016 as no audit was done.

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

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2017.

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

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2017.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2017 financial audit report.
6. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
7. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2017. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

**MAGIC RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

Consideration of Payment Authorization #2

**MAGIC RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

Payment Authorization #002

6/25/2018

Item No.	Vendor	Invoice Billing #	General Fund
1	Fishkind & Associates, Inc.		
	DM Fees and Reimbursables - 2018.06	22852	\$2,143.89
	2016A Dissemination Services Thru 10/1/2017 - 9/30/2018	22917	\$5,000.00
2	Osceola Gazette		
	Legal Advertising 2018.06.16	300127774	\$53.83
	Legal Advertising 2018.05.26	300125435	\$53.83
Total			\$7,251.55

Secretary

Chairperson

Fishkind & Associates, Inc.
12051 Corporate Blvd.
Orlando, FL 32817



Invoice

Invoice #:	22852
6/14/2018	

Magic Reserve CDD
c/o Fishkind & Associates, Inc.
12051 Corporate Blvd
Orlando, FL 32817

File: MagicReserveCDD

Magic Reserve CDD

Services:	Amount
District Management Fee: June 2018	2,083.33
Copies	53.55
Postage	5.33
Conference Calls	1.68
PA 002	

**Please include the invoice
number on your remittance
and submit to:**

**Fishkind & Associates, Inc.
12051 Corporate Blvd.
Orlando, FL 32817
Ph: 407-382-3256
Fax: 407-382-3254
www.fishkind.com**

Balance Due

\$2,143.89

Copy Count

Account: Magic Reserve

Amount of Copies: 357

Total \$: 53.55

Month: May

Account Summary Report

Date Range: April 1, 2018 to April 30th, 2018
 Meter Group: All Meters
 Meter 1W00 - 1376538 OLD at ORLANDO, FL
 Meter 4W00 - 0347354 at ORLANDO, FL

Meter Details

Location	Meter Name	Serial Number	PbP Account Number
ORLANDO, FL	4W00 - 0347354	0347354	24978470
ORLANDO, FL	1W00 - 1376538 OLD	1376538	24978470

Account Summary

Account	Sub Account	Pieces	Total Charged
Magic Reserve		4	\$5.330
Grand Total			\$5.330

invoice

PAGE 7

INVOICE NUMBER 25777813
 INVOICE DATE 04/30/2018
 ACCOUNT NO. 7945016
 DUE DATE 05/30/2018
 TAX ID
 AMOUNT DUE USD\$1,389.73

MODERATOR 4751862 - Christi Blyseth (continued) LOCATION Orlando, FL

BILLING REF# 1 BILLING REF# 2 BILLING REF# 3

BILLING REF# 4

CONF. NO	COST CENTER	CONF. DATE	CONF. TITLE / NAME / ANI	TIME	SERVICE	ACCESS TYPE	PERSONS	UNITS	RATE	CHARGE	TAX	CALL TOTAL	
9008903	<i>MYONE</i>	04/20/2018	14075457500	9:59AM - 10:12AM	GLOBALMEET@ AUDIO	TOLL FREE	1	13	0.09/MIN	1.17	0.29	5.26	
9008903	<i>AWA ONE</i>	04/24/2018	1407562503	10:59AM - 11:05AM	GLOBALMEET@ AUDIO	TOLL FREE	1	6	0.09/MIN	0.54	0.13	1.00	
9008903	<i>celebration</i>	04/24/2018	13867367700	11:00AM - 11:03AM	GLOBALMEET@ AUDIO	TOLL FREE	1	3	0.09/MIN	0.27	0.06	1.00	
9008903	<i>fonte</i>	04/24/2018	1407562503	11:22AM - 11:45AM	GLOBALMEET@ AUDIO	TOLL FREE	1	23	0.09/MIN	2.07	0.50	5.03	
9008903	<i>VIA COO</i>	04/24/2018	13867367700	11:23AM - 11:45AM	GLOBALMEET@ AUDIO	TOLL FREE	1	22	0.09/MIN	1.98	0.48	5.03	
9008903	<i>VIA COO</i>	04/25/2018	1407342952	4:23PM - 4:27PM	GLOBALMEET@ AUDIO	TOLL FREE	1	4	0.09/MIN	0.36	0.09	0.09	
9008903	<i>VIA COO</i>	04/25/2018	1407342952	4:24PM - 4:27PM	GLOBALMEET@ AUDIO	TOLL FREE	1	3	0.09/MIN	0.27	0.06	0.06	
9008903	<i>CLEAN WAY</i>	04/25/2018	1407342952	4:25PM - 4:27PM	GLOBALMEET@ AUDIO	TOLL FREE	1	2	0.09/MIN	0.18	0.04	1.00	
9008903	<i>CLEAN WAY</i>	04/25/2018	1407342952	4:50PM - 6:22PM	GLOBALMEET@ AUDIO	TOLL FREE	1	92	0.09/MIN	8.28	2.01	25.08	
9008903	<i>CLEAN WAY</i>	04/25/2018	16478845774	4:57PM - 6:22PM	GLOBALMEET@ AUDIO	TOLL FREE CANADA	1	85	0.14/MIN	11.90	2.89	29.00	
9008903		04/30/2018		7:59PM	MEET PLUS - MONTHLY			1	29.00/EACH	29.00	0.00	29.00	
TOTAL PRE-TAX 67.36										TOTAL STATE TAX/OTHER 0.00		TOTAL MODERATOR CHARGES USD\$76.66	

MODERATOR 4751862 - Christi Blyseth LOCATION Orlando, FL

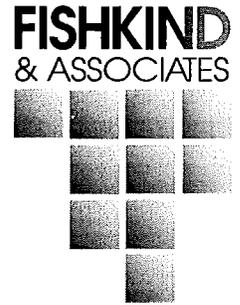
BILLING REF# 1 BILLING REF# 2 BILLING REF# 3

BILLING REF# 4

CONF. NO	COST CENTER	CONF. DATE	CONF. TITLE / NAME / ANI	TIME	SERVICE	ACCESS TYPE	PERSONS	UNITS	RATE	CHARGE	TAX	CALL TOTAL
9008903	<i>MICRO RESOL</i>	04/02/2018	14072128337	10:04AM - 10:19AM	GLOBALMEET@ AUDIO	TOLL FREE	1	15	0.09/MIN	1.35	0.33	1.68
9008903	<i>MICRO RESOL</i>	04/10/2018	14073823256	3:55PM - 4:11PM	GLOBALMEET@ AUDIO	TOLL FREE	1	16	0.09/MIN	1.44	0.35	1.79
9008903	<i>MICRO RESOL</i>	04/10/2018	14073823256	4:09PM - 4:29PM	GLOBALMEET@ AUDIO	TOLL FREE	1	20	0.09/MIN	1.80	0.44	0.44
9008903	<i>MICRO RESOL</i>	04/10/2018	18504252371	4:09PM - 4:29PM	GLOBALMEET@ AUDIO	TOLL FREE	1	20	0.09/MIN	1.80	0.44	0.44
9008903	<i>MICRO RESOL</i>	04/10/2018	18132239400	4:09PM - 4:30PM	GLOBALMEET@ AUDIO	TOLL FREE	1	21	0.09/MIN	1.89	0.45	6.82
9008903	<i>MICRO RESOL</i>	04/20/2018	13215437826	9:54AM - 10:12AM	GLOBALMEET@ AUDIO	TOLL FREE	1	18	0.09/MIN	1.62	0.39	0.39
9008903	<i>MICRO RESOL</i>	04/20/2018	18507974775	9:56AM - 10:12AM	GLOBALMEET@ AUDIO	TOLL FREE	1	16	0.09/MIN	1.44	0.35	0.35

LOCATION Orlando, FL

Fishkind & Associates, Inc.
12051 Corporate Blvd.
Orlando, FL 32817



RECEIVED JUN 19 2018

Magic Reserve CDD
c/o Fishkind & Associates, Inc.
12051 Corporate Blvd
Orlando, FL 32817

Invoice

Invoice #:	22917
6/19/2018	

File: MagicReserveCDD

Magic Reserve CDD

Services:	Amount
Capital Improvement Revenue Bonds 2016A Dissemination Services for the period of 10/1/17 – 9/30/18	5,000.00
PA 002	

Please include the invoice
number on your remittance
and submit to:

Fishkind & Associates, Inc.
12051 Corporate Blvd.
Orlando, FL 32817
Ph: 407-382-3256
Fax: 407-382-3254
www.fishkind.com

Balance Due

\$5,000.00

Legal Invoice

Lakeway Publishers of Florida

1/1

DBA Osceola News-Gazette
108 Church Street
Kissimmee, FL 34741

Phone: 407-846-7600

Fax: 407-846-8515

URL: aroundosceola.com

Jason Venning
Fishkind*Magic Reserve CDD
12051 Corporate Blvd.
Orlando, FL 32817

Acct. #: 00031444
Phone #: (407)382-3256
Date: 06/16/2018
Due Date: 07/27/2018
Invoice #: 300127774
PO #:
Salesperson: ONG08 Ad Taker: ONG08

Ad #	Publication	Start	Stop	Description	Amount
00074844	4021 Sat. Osceola News	06/16/2018	06/16/2018	Magic Reserve/Fishkind(31439) ONG Legal Proof	50.83 3.00

PA002

Please return a copy with payment

Total Due

53.83

PROOF OF PUBLICATION

From



**STATE OF FLORIDA
COUNTY OF OSCEOLA**

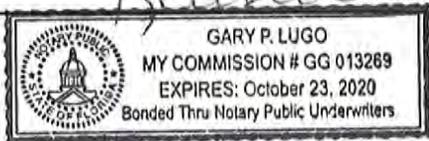
Before me, the undersigned authority, personally appeared Keith Vorse, who on oath says that he is the Legal Clerk of the Osceola News-Gazette, a twice-weekly newspaper published at Kissimmee, in Osceola County, Florida; that the attached copy of the advertisement was published in the regular and entire edition of said newspaper in the following issues:

June 16, 2018

Affiant further says that the Osceola News-Gazette is a newspaper published in Kissimmee, in said Osceola County, Florida, and that the said newspaper has heretofore been continuously published in said Osceola County, Florida, each week and has been entered as periodicals postage matter at the post office in Kissimmee, in said Osceola County, Florida, for a period of one year preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

**Sworn and subscribed before
me by Keith Vorse, who is
personally known to me, this**

18th day of June, 2018



**IN THE MATTER OF:
NOTICE OF MEETING
MAGIC RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

FIRST PUBLICATION: June 16, 2018

LAST PUBLICATION: June 16, 2018

**NOTICE OF MEETING
MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT**

A special meeting of the Board of Supervisors of the Magic Reserve Community Development District will be held Monday, June 25, 2018, at 10:00 a.m. The Historic Courthouse, 3 Courthouse Square, 3rd Floor Conference Room #315, Kissimmee, FL 34741. The meeting is open to the public and will be conducted in accordance with the pertinent provisions of Florida Law for Community Development Districts. The meeting may be continued to a date, time, and place to be specified on the record at the meeting. A copy of the agenda for the meeting may be obtained from Fishkind & Associates, 12051 Corporate Blvd., Orlando, Florida 32817.

There may be occasions when one or more Supervisors will participate by telephone. At the above location there will be present a speaker telephone so that any interested person can attend the meeting at the above location and be fully informed of the discussions taking place either in person or by telephone communication.

Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (407) 382-3256 at least 3 calendar days prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 1-800-955-8770 for aid in contacting the District Office.

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting 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 such appeal is to be based.

Carol L. Harris
Asst. District Manager
June 16, 2018



**Make remittance to: Osceola News-Gazette, 108 Church Street,
Kissimmee, FL 34741
Phone: (407) 846-7600 Fax: (321) 402-2946
Email: legalads@osceolanewsgazette.com
You can also view your Legal Advertising on
www.AroundOsceola.com or www.FloridaPublicNotices.com**

Legal Invoice

Lakeway Publishers of Florida

1/1

DBA Osceola News-Gazette
108 Church Street
Kissimmee, FL 34741

Phone: 407-846-7600

Fax: 407-846-8515

URL: aroundosceola.com

Jason Venning
Fishkind*Magic Reserve CDD
12051 Corporate Blvd.
Orlando, FL 32817

Acct. #: 00031444

Phone #: (407)382-3256

Date: 05/26/2018

Due Date: 06/27/2018

Invoice #: 300125435

PO #:

Salesperson: ONG08

Ad Taker: ONG08

Ad #	Publication	Start	Stop	Description	Amount
00073732	4021 Sat. Osceola News	05/26/2018	05/26/2018	Magic Reserve/Fishkind(31439) ONG Legal Proof	50.83 3.00

PA002

Please return a copy with payment

Total Due

53.83

PROOF OF PUBLICATION

From



**STATE OF FLORIDA
COUNTY OF OSCEOLA**

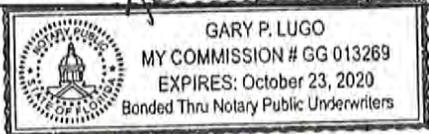
Before me, the undersigned authority, personally appeared Keith Vorse, who on oath says that he is the Legal Clerk of the Osceola News-Gazette, a twice-weekly newspaper published at Kissimmee, in Osceola County, Florida; that the attached copy of the advertisement was published in the regular and entire edition of said newspaper in the following issues:

May 26, 2018

Affiant further says that the Osceola News-Gazette is a newspaper published in Kissimmee, in said Osceola County, Florida, and that the said newspaper has heretofore been continuously published in said Osceola County, Florida, each week and has been entered as periodicals postage matter at the post office in Kissimmee, in said Osceola County, Florida, for a period of one year preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Sworn and subscribed before me by Keith Vorse, who is personally known to me, this

29th day of May, 2018



**IN THE MATTER OF:
NOTICE OF MEETING
MAGIC RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

FIRST PUBLICATION: May 26, 2018

LAST PUBLICATION: May 26, 2018

**NOTICE OF MEETING
MAGIC RESERVE COMMUNITY DEVELOPMENT DISTRICT**

A meeting of the Board of Supervisors of the Magic Reserve Community Development District will be held Monday, June 4, 2018, at 10:00 a.m. The Historic Courthouse, 3 Courthouse Square, 3rd Floor Conference Room #315, Kissimmee, FL 34741. The meeting is open to the public and will be conducted in accordance with the pertinent provisions of Florida Law for Community Development Districts. The meeting may be continued to a date, time, and place to be specified on the record at the meeting. A copy of the agenda for the meeting may be obtained from Fishkind & Associates, 12051 Corporate Blvd., Orlando, Florida 32817.

There may be occasions when one or more Supervisors will participate by telephone. At the above location there will be present a speaker telephone so that any interested person can attend the meeting at the above location and be fully informed of the discussions taking place either in person or by telephone communication.

Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (407) 382-3256 at least 3 calendar days prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 1-800-955-8770 for aid in contacting the District Office.

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting 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 such appeal is to be based.

Carol L. Harris
Asst. District Manager
May 26, 2018



Make remittance to: Osceola News-Gazette, 108 Church Street, Kissimmee, FL 34741
Phone: (407) 846-7600 Fax: (321) 402-2946
Email: legalads@osceolanewsgazette.com
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**MAGIC RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

Review of District's Financial Position

Magic Reserve CDD
Statement of Activities
As of 6/30/2018

	General Fund	Debt Service Fund	Capital Projects Fund	Long Term Debt Group	Total
<u>Revenues</u>					
On-Roll Assessments	\$155,148.36				\$155,148.36
Other Income & Other Financing Sources	219.42				219.42
On-Roll Assessments		\$364,809.90			364,809.90
Total Revenues	<u>\$155,367.78</u>	<u>\$364,809.90</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$520,177.68</u>
<u>Expenses</u>					
Trustee Services	\$3,407.60				\$3,407.60
Management	18,749.97				18,749.97
Engineering	4,161.76				4,161.76
Dissemination Agent	5,000.00				5,000.00
District Counsel	1,014.00				1,014.00
Assessment Administration	5,000.00				5,000.00
Audit	1,023.00				1,023.00
Telephone	14.58				14.58
Postage & Shipping	16.93				16.93
Copies	224.25				224.25
Legal Advertising	280.06				280.06
Dues, Licenses, and Fees	494.89				494.89
General	5,610.00				5,610.00
Interest Payments - A1 bond		\$262,306.26			262,306.26
Engineering			\$11,047.79		11,047.79
Total Expenses	<u>\$44,997.04</u>	<u>\$262,306.26</u>	<u>\$11,047.79</u>	<u>\$0.00</u>	<u>\$318,351.09</u>
<u>Other Revenues (Expenses) & Gains (Losses)</u>					
Interest Income		\$532.65			\$532.65
Interest Income			\$8.40		8.40
Total Other Revenues (Expenses) & Gains (Losses)	<u>\$0.00</u>	<u>\$532.65</u>	<u>\$8.40</u>	<u>\$0.00</u>	<u>\$541.05</u>
Change In Net Assets	\$110,370.74	\$103,036.29	(\$11,039.39)	\$0.00	\$202,367.64
Net Assets At Beginning Of Year	<u>\$2,771.83</u>	<u>\$475,824.21</u>	<u>(\$326,181.91)</u>	<u>\$0.00</u>	<u>\$152,414.13</u>
Net Assets At End Of Year	<u><u>\$113,142.57</u></u>	<u><u>\$578,860.50</u></u>	<u><u>(\$337,221.30)</u></u>	<u><u>\$0.00</u></u>	<u><u>\$354,781.77</u></u>

Magic Reserve CDD
Statement of Financial Position
As of 6/30/2018

	General Fund	Debt Service Fund	Capital Projects Fund	Long Term Debt Group	Total
<u>Assets</u>					
<u>Current Assets</u>					
General Checking Account	\$153,698.98				\$153,698.98
Prepaid Expenses	309.78				309.78
Debt Service Reserve A1 Bond		\$343,825.00			343,825.00
Revenue A1 Bond		235,035.50			235,035.50
Acquisition/Construction A1 Bond			\$5,091.51		5,091.51
Total Current Assets	<u>\$154,008.76</u>	<u>\$578,860.50</u>	<u>\$5,091.51</u>	<u>\$0.00</u>	<u>\$737,960.77</u>
<u>Investments</u>					
Amount Available in Debt Service Funds				\$578,860.50	\$578,860.50
Amount To Be Provided				4,581,139.50	4,581,139.50
Total Investments	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$5,160,000.00</u>	<u>\$5,160,000.00</u>
Total Assets	<u><u>\$154,008.76</u></u>	<u><u>\$578,860.50</u></u>	<u><u>\$5,091.51</u></u>	<u><u>\$5,160,000.00</u></u>	<u><u>\$5,897,960.77</u></u>
<u>Liabilities and Net Assets</u>					
<u>Current Liabilities</u>					
Accounts Payable	\$40,866.19				\$40,866.19
Retainage Payable			\$332,122.52		332,122.52
Accounts Payable			10,190.29		10,190.29
Total Current Liabilities	<u>\$40,866.19</u>	<u>\$0.00</u>	<u>\$342,312.81</u>	<u>\$0.00</u>	<u>\$383,179.00</u>
<u>Long Term Liabilities</u>					
Revenue Bonds Payable - Long-Term				\$5,160,000.00	\$5,160,000.00
Total Long Term Liabilities	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$5,160,000.00</u>	<u>\$5,160,000.00</u>
Total Liabilities	<u><u>\$40,866.19</u></u>	<u><u>\$0.00</u></u>	<u><u>\$342,312.81</u></u>	<u><u>\$5,160,000.00</u></u>	<u><u>\$5,543,179.00</u></u>
<u>Net Assets</u>					
Net Assets - General Government	\$2,771.83				\$2,771.83
Current Year Net Assets - General Government	110,370.74				110,370.74
Net Assets, Unrestricted		\$475,824.21			475,824.21
Current Year Net Assets, Unrestricted		103,036.29			103,036.29
Net Assets, Unrestricted			(\$130,981.91)		(130,981.91)
Current Year Net Assets, Unrestricted			(11,039.39)		(11,039.39)
Net Assets - General Government			(195,200.00)		(195,200.00)
Total Net Assets	<u><u>\$113,142.57</u></u>	<u><u>\$578,860.50</u></u>	<u><u>(\$337,221.30)</u></u>	<u><u>\$0.00</u></u>	<u><u>\$354,781.77</u></u>
Total Liabilities and Net Assets	<u><u>\$154,008.76</u></u>	<u><u>\$578,860.50</u></u>	<u><u>\$5,091.51</u></u>	<u><u>\$5,160,000.00</u></u>	<u><u>\$5,897,960.77</u></u>

Magic Reserve CDD
Budget to Actual
For the Month Ending 06/30/2018

	Year To Date			
	Actual	Budget	Variance	FY2018 Adopted Budget
<u>Revenues</u>				
On-Roll Assessments	\$155,148.36	\$0.00	\$155,148.36	\$0.00
Developer Contributions	0.00	109,237.50	\$(109,237.50)	145,650.00
Other Income & Other Financing Sources	219.42	0.00	\$219.42	0.00
Net Revenues	<u>\$155,367.78</u>	<u>\$109,237.50</u>	<u>\$46,130.28</u>	<u>\$145,650.00</u>
<u>General & Administrative Expenses</u>				
Trustee Services	\$3,407.60	\$0.00	\$3,407.60	\$0.00
Management	18,749.97	18,750.00	\$(0.03)	25,000.00
Engineering	4,161.76	7,500.00	\$(3,338.24)	10,000.00
Dissemination Agent	5,000.00	3,750.00	\$1,250.00	5,000.00
District Counsel	1,014.00	18,750.00	\$(17,736.00)	25,000.00
Assessment Administration	5,000.00	3,750.00	\$1,250.00	5,000.00
Audit	1,023.00	0.00	\$1,023.00	0.00
Telephone	14.58	750.00	\$(735.42)	1,000.00
Postage & Shipping	16.93	225.00	\$(208.07)	300.00
Copies	224.25	375.00	\$(150.75)	500.00
Legal Advertising	280.06	1,500.00	\$(1,219.94)	2,000.00
Miscellaneous	0.00	1,181.25	\$(1,181.25)	1,575.00
Dues, Licenses, and Fees	494.89	131.25	\$363.64	175.00
Irrigation	0.00	7,500.00	\$(7,500.00)	10,000.00
General	5,610.00	3,825.00	\$1,785.00	5,100.00
Lake Maintenance	0.00	7,500.00	\$(7,500.00)	10,000.00
Landscaping Maintenance & Material	0.00	24,375.00	\$(24,375.00)	32,500.00
Streetlights	0.00	9,375.00	\$(9,375.00)	12,500.00
Total General & Administrative Expenses	<u>\$44,997.04</u>	<u>\$109,237.50</u>	<u>\$(64,240.46)</u>	<u>\$145,650.00</u>
Total Expenses	<u>\$44,997.04</u>	<u>\$109,237.50</u>	<u>\$(64,240.46)</u>	<u>\$145,650.00</u>
Net Income (Loss)	<u>\$110,370.74</u>	<u>\$0.00</u>	<u>\$110,370.74</u>	<u>\$0.00</u>