

***Waterford Estates  
Community Development District***

***December 2, 2019***

# **Waterford Estates**

## **Community Development District**

---

**5385 N. Nob Hill Road, Sunrise, Florida 33351**  
**Phone: 954-721-8681 - Fax: 954-721-9202**

November 22, 2019

**Board of Supervisors**  
**Waterford Estates**  
**Community Development District**

Dear Board members:

The regular meeting of the Board of Supervisors of Waterford Estates Community Development District will be held on **December 2, 2019 at 11:00 a.m. at the First Presbyterian Church of Punta Gorda, 25250 Airport Rd., Punta Gorda, FL 33950.** Following is the advance agenda:

1. Roll Call
2. Organizational Matters
  - A. Acceptance of Resignation(s)
  - B. Consideration of Appointment of Supervisor(s) to Unexpired Term(s) of Office
  - C. Oath of Office for Newly Appointed Supervisor(s)
  - D. Election of Officers
3. Approval of the Minutes of the August 5, 2019 Meeting
4. Ratification of Fourth Amendment to Temporary Construction and Access Easement Agreement
5. Discussion of Road Ownership, HOA Parking Enforcement, and Allowance of Golf Cart Usage
6. Consideration of Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2019
7. Staff Reports
  - A. Attorney
  - B. Engineer
  - C. Manager
8. Financial Reports
  - A. Approval of Check Run Summary
  - B. Approval of Combined Balance Sheet
9. Supervisors Requests and Audience Comments
10. Adjournment

*Meetings are open to the public and maybe continued to a time, date and place certain. For more information regarding this CDD please visit the website: <http://www.waterfordestatescdd.com>*

**MINUTES OF MEETING  
WATERFORD ESTATES  
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Waterford Estates Community Development District was held on Monday, August 5, 2019 at 11:00 a.m. at the First Presbyterian Church of Punta Gorda, 25250 Airport Road, Punta Gorda, Florida.

Present and constituting a quorum were:

Bob Bishop	Chairman (by phone)
Rebecca Sarver	Vice Chairman
John Blakely	Assistant Secretary
Adam Lerner	Assistant Secretary
Debra Thomas	Assistant Secretary

Also present were:

Gerry Knight	District Counsel (by phone)
Paul Winkeljohn	District Manager
John DeMarkey	Resident
Several residents	

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Winkeljohn called the meeting to order and called the roll.

**SECOND ORDER OF BUSINESS**

**Approval of Minutes of the  
May 6, 2019 Meeting**

Mr. Winkeljohn: The first action from the Board are the minutes of the May 6th meeting, and if anyone didn't get it, there's a copy of the agenda on this table, as well as a sign in sheet. So, the minutes from your May 6th meeting were circulated and if those are in order, a motion to approve would be welcomed.

On MOTION by Mr. Blakely seconded by Mr. Lerner with all in favor, the Minutes of the May 6, 2019 Meeting were approved.
--

**THIRD ORDER OF BUSINESS**

**Consideration of First  
Amendment to Temporary  
Construction and Access  
Agreement**

Mr. Winkeljohn: We have two housekeeping items in terms of some temporary easements on our agenda today, and just for audience background, DR Horton doesn't own any of the District property, the District owns them. So, it's not unusual for some of the finished construction activities to require us to give an easement. In that process we can define some terms and just make sure we all have a good understanding of what the work is. One is the easement over the roads to do lifts of asphalt and to work on the roads, as they've already been technically transferred to the District, none of this is a cost to the District, and the second one is, there's some lake excavation and some fill moving that's still due to be completed so we're granting an easement into a lake to finish the excavation, and it's fairly routine. At this time, I would ask the Board to authorize execution of both those temporary construction agreements and authorize the chairman to execute as well.

On MOTION by Mr. Blakely seconded by Ms. Thomas with all in favor, accepting the First Amendment to Temporary Construction and Access Agreement and authorizing the proper District officials to execute the document was approved.

**FOURTH ORDER OF BUSINESS**

**Consideration of Third  
Amendment to Temporary  
Construction and Access  
Agreement**

Mr. Winkeljohn: And that motion applies to both amendments.

On MOTION by Mr. Lerner seconded by Mr. Blakely with all in favor, accepting the Third Amendment to Temporary Construction and Access Agreement and authorizing the proper District officials to execute the document was approved.

Mr. Winkeljohn: The other item today is, actually I have two and if you don't mind, I probably would take them out of order, and then we can spend more time probably on the budget.

## **SIXTH ORDER OF BUSINESS**

### **Appointment of Audit Selection Committee**

Mr. Winkeljohn: This one is a fairly quick process, and so I'm going to move item No. 6 if there is no objection up on the agenda to now, and this is the audit selection committee. The State of Florida requires for good guesses why an audit be performed annually. Any District in business has to do that, and it's a very specialized audit in terms of the fact that there's bonds and the way the bonds are carried in the accounting world. There's not very many firms that actually do this and today's committee meeting you'll see that we only had one respondent which is not unusual, especially in the last 6 months in the business but, the weird thing is that the State of Florida asks that we set up a committee to conduct the audit selection, so we're going to go through some procedural weirdness to meet the State Statutes but it's really a meeting within a meeting so it will be a little bit weird but I just want to forewarn you.

#### **Audit Selection Committee Meeting**

- A. Opening the Audit Selection Committee Meeting**
- B. Roll Call**
- C. Ratification of Criteria for Evaluation**
- D. Ratification of RFP**
- E. Ranking of Respondents to the RFP**
- F. Adjournment**

Mr. Winkeljohn: So, at this time I would like, and we've already set up the public audit committee which is the Board itself, so at this time I'm going to call the order the audit selection committee meeting and I have already taken the roll that all the members of the Board are here today in the roll call. Item C is to ratify one of the past actions of staff, and the State Statutes call for 4 criteria to evaluate your auditor, with a 5th criteria to be optional. Traditionally and historically most CDD Boards really want to know that optional one which is price, including all of the other characteristics of the Statutes which include personnel, overall experience, ability to understand the scope of work, item #4 is

the ability to furnish the required services, and the 5th one like I mentioned was price. So, I'd like the committee to ratify that criteria for the selection process.

On MOTION by Mr. Blakely seconded by Ms. Sarver with all in favor, ratifying the criteria for evaluation was approved.

Mr. Winkeljohn: The second action that you'll be ratifying is, to get it all done and ready for you today my staff puts the ad in the paper well in advance of this meeting so that we're able to take care of business because we don't meet that often, it's sort of an advanced effort on your part. The RFP is a standard statutory RFP, there's nothing interesting about it other than we do exactly what the Statute says, so that's already been done for you according to the Statutes so I'd like a motion ratifying that action.

On MOTION by Mr. Lerner seconded by Ms. Sarver with all in favor, ratifying the RFP was approved.

Mr. Winkeljohn: Alright, so here's the meat of the order. The respondents are asked to send back in plenty of time for today's meeting the list of criteria and how they meet this criteria, and also their pricing for up to 5 years, which is really good from a business standpoint because you get to lock them in at least in this agreement for those future years but, actually you only hire them one year at a time. So, should a Board choose not to keep that auditor they can go through this process every year if they so choose, however, in this business once an auditor tends to get a good feel for your audit, it's very specialized like I said, so sometimes Boards prefer to keep them but they have that choice. Today, the committee has before them the professional qualifications and other details of one firm, Grau & Associates with a price proposal ranging for the first year \$4,400 to \$4,800. If any of you are familiar with audits you can see that it's a very competitive and very inexpensive audit by any standard, that's the nature of CDD audits, and I can talk later about that but for this committee's purposes I think they're familiar. Our current auditor is Grau & Associates, they've met all of our guidelines and deadlines and have had sufficient professionalism that there's no objection from staff with this auditor and I've had no objections in previous Boards. So, with this you can review their 5

criteria, and rank them, and you rank them through a motion, you would just say, I would move that firm "A" is the number ranked firm. If we had five firms you would list them in numerical order, 1 through 5.

Mr. Blakely: Well, since they're the only applicant, do we even need to rank them, do we still need to satisfy the Statute?

Mr. Winkeljohn: Yes sir.

Mr. Blakely: Ok.

Mr. Winkeljohn: So, I just need a motion from the committee ranking the firms. Is there a motion?

On MOTION by Mr. Blakely seconded by Mr. Lerner with all in favor, ranking the respondents to the RFP, ranking Grau & Associates as the #1 audit firm was approved.

Mr. Winkeljohn: Then at this time we can adjourn the audit selection committee meeting by motion.

## **SEVENTH ORDER OF BUSINESS**

### **Selection of Audit Firms**

Mr. Winkeljohn: Now we're back into the regular CDD meeting, and the next item on the agenda is the selection of the audit firms. Obviously, the Statute requires that a committee be set up like I just described, and that committee has reported that Grau & Associates is the #1 ranked firm, and not just in the light that we didn't get any other respondents but they were the first choice as well. So, with that I just need a motion authorizing an engagement letter with Grau & Associates for the next annual audit.

On MOTION by Mr. Blakey seconded by Ms. Thomas with all in favor, selecting Grau & Associates as the District's auditing firm and authorizing staff to bring back an engagement letter to the next meeting was approved.

Mr. Winkeljohn: Sorry for that procedural boredom but it is required and we do have excellent results so far.

**FIFTH ORDER OF BUSINESS**

**Public Hearing to Adopt  
the Fiscal Year 2020  
Budget**

**A. Motion to Open the Public Hearing**

Mr. Winkeljohn: Moving back to the public hearing for today's 2020 budget adoption, I'd like to ask from the Board a motion to open today's public hearing.

On MOTION by Mr. Blakely seconded by Mr. Lerner with all in favor, opening the Public Hearing was approved.
---

**B. Public Comment and Discussion**

Mr. Winkeljohn: At this time, we would discuss the proposed increase to the budget, the proposed budget that assigns to that increase and take comment from the public. Since most of you look really familiar from the last time we were here, I do have a few updates for the good of the public from our last meeting. I did confirm that the previous platting of 701 units was altered to 603 units, that is almost 95% of why this is happening. The other percentage of increase is, after we adopted a budget last year, we identified some additional swale and landscape areas that were not in the contract. Those were brought to us this year and so we had to basically add that to the budget, could we have absorbed it, I wouldn't have recommended another \$10,000 be found in the budget, we'd have to take it from somewhere. In CDDs the professional approach is the term "placeholder" budgeting often, and you'll see in your budget and in your financials over the years there are line items that are set, let's say engineering at \$10,000 or \$12,000 a year. You'll have several years where you don't spend \$10,000 or \$12,000 a year but I know, and we know in this business that in the next 5 years at the finish of the construction there's going to be a lot more engineering so we don't want to artificially lower our assessment because it's a slow period and then it's going to go right back up. Although, I'd really like you to have a static steady state assessment level so you don't have to keep wondering what's going on, or doubting whether you have the funds. As long as your service levels are identified, your contracts are generally in place to match them, most contracts for your service levels have a very low if any CPI factor to them, they tend to stay fairly static for 5 to even 10 years. So, all



that said, the goal of your budget as it's presented is to meet that multi-year window and I believe, even though you've probably heard me say this two years ago, that this would cover all of our expenses, barring any unusual or additional service areas that's not anticipated, that would be the goal of this budget. So, there was a slight increase to a few of the landscape lines, the actual contract that's in place now is a little higher than what was adopted prior year, this budget cures that. The bigger piece, the 90% some odd percent of increase that this budget cures is the platting change, and platting is very simple, when your property was in default and previously owned by TOUSA, you may remember this story, a special entity was created by the bondholders because the bondholders essentially became the owners of this entire property when there was nobody living there and it was just pipe in the ground and some roads and some lakes. The bondholders have an obligation to try to get the property moving again, and so they were successful and found DR Horton to be a qualified buyer and builder, and so when DR Horton picked up the property they evaluated it and identified a shift in the modern market which was to reduce the number of multi-family units and change that to more single family and that's a big chunk of why you have a little over 100 in change in property count. Well, in operations and maintenance, the standard for your community because it's all essentially equal, there's no greater benefit to one or another in terms of maintenance, it's divided evenly. Well, if you lower your divisor by 100, you have to raise the assessment and it's just that simple, so today's situation is fairly standard. Details about operations, details about the budget, we can take those questions, but from staff's recommendation to propose this budget, nothing has changed to ask the Board to alter the proposal and staff's recommendation is to adopt as presented, and we take comments. I have had several email conversations with some residents and a lot of what I just said was basically what I've been explaining and trying to help educate as much as possible so everyone is clear. I have a couple of comments here about some drainage, those are operations and maintenance, those are normal ongoing items, they don't change the scope of our budget. Yes ma'am?

A resident: Could you specify exactly what ground maintenance is versus the lake bank mowing versus lake maintenance, what exactly is ground maintenance?

Mr. Winkeljohn: Sure. They're often split by who the contractor is, and what the technical service is. Landscapers don't usually like to maintain around a lake bank so sometimes that's separated out. In your case I think Juniper does that for you guys, and in some cases they're not licensed to go near the water, or insured I should have said, not licensed, their insurance doesn't let them do that, so you have to find a lake company that will cut the grass there, and that's one of the reasons that's split out. The lake maintenance is a technical profession, its job is to meet the requirements of the state permit which we are the holder of, the greater community, which ultimately ends up being the CDD, and grounds maintenance is usually another term for landscape maintenance.

A resident: Ok, so we're paying phase 1 and phase 2 a total of \$62,000 for ground maintenance but, then on top of that we also pay for lake bank mowing.

Mr. Winkeljohn: Yes, and that's the contractual comment, they were split up where just the lake banks are counted under one contract, and then the general common areas are under phase 1 and phase 2 contracts.

A resident: But we pay for common area maintenance through our HOA.

Mr. Winkeljohn: For things owned by the HOA, these are things owned by the CDD.

A resident: How far does that go because it appears that when they're mowing our properties, Juniper, they're also mowing the lake banks?

Mr. Winkeljohn: They do it altogether, and I'll walk it back, here's how it happened. You take the total maintenance map and you color code HOA and CDD, hand that to them, they give you a bid, and you ask them to keep it segregated so the right bill goes to the right place, so it's all one purchase.

A resident: Do you have a copy of that contract so maybe we can see, are they supposed to be mowing every week, every two weeks, or what?

Mr. Winkeljohn: I mean I could give you a little more detail than that, but the way the profession works is you usually buy a certain number of cuts per year, and you get the benefit in the winter because it's not growing as fast and you try to make up for it in the summer and of course there's this magic thing called tons of rain, and you miss lots

of cuts and so it's a moving target, so you usually buy 30 to 32 cuts a year, and that's what's in the contract.

A resident: Ok, so can we obtain a copy of that contract so we can compare it with what we're paying for our common areas?

Mr. Winkeljohn: Yes, sure and the point I made is that they're together, so they might be two separate contracts but the maintenance map is one, so you can see the picture all at once. It's better that way, that way there isn't a debate of a doubt as to an overlap or an overspending, we do it that way on purpose.

A resident: Ok, and who actually then goes down and takes care of the vegetation in the ponds?

Mr. Winkeljohn: Right, and that's one of the reasons there's an insurance point, the technical ability to work in a lake is a different license than a landscape license.

A resident: Ok, so Juniper does not have that license?

Mr. Winkeljohn: Juniper does not touch that, no, and I don't know if they have that license but we're not contracted with them to do that.

A resident: Ok, so we have a whole different company that does the lakes?

Mr. Winkeljohn: Yes, the lake treatment, and the goals of a lake are very different than the goals of the common area landscaping, you may not like that but they are different.

A resident: Right.

Mr. Winkeljohn: They're not as cosmetically driven, there's a fine balance about what they're allowed to do in a lake.

A resident: Well, we do see Juniper going around the lake.

Mr. Winkeljohn: Yes, they are the contractor to do the cutting but they got to what is called the water line, like sometimes it can be like 5' or 2' near the water line, they're not allowed to go in the lake obviously. So, that's where the lake contractor comes in, they're allowed to use chemical treatment, the mechanical treatment is usually outside, meaning pulling or weeding, or mowing or hitting with some kind of machinery, that's usually outside their scope of work. Should that be necessary, it has to be dealt with in their permit world and they're only allowed to do so much, so much chemicals, so much damage to natural vegetation versus noxious.

A resident: Right, and do you have the name of that company that does the spraying then?

Mr. Winkeljohn: Yes, I think its Allstate for you guys I believe, but I don't remember off the top of my head but I have it.

A resident: We don't have anybody doing that, that's what you're responsible for.

Mr. Winkeljohn: Yes, we definitely do that.

A resident: And you don't know who that company is?

Mr. Winkeljohn: I believe it's Allstate, I have a lot a clients so don't quote me on that but I can get it for you definitely.

A resident: Ok.

Mr. Winkeljohn: And one of the benefits of the lake contractor is that it's different than others because they treat to what they think is best to hit it, and they come back for free.

A resident: Right, and that's my concern because we had Juniper in there spraying.

Mr. Winkeljohn: Right, so extra visits per month are free, they're part of the contract, so they don't have a 30 cut standard, they have to keep it within regulatory standard, and so good communication from the community to our onsite folks at the HOA, that's the ideal situation, they say hey this month they're not keeping up, like it doesn't look right, and usually they'll let me know or somebody know, hey we need to do an extra treatment, and then they say to me, we already did it, so that's how good they usually are. So, it's a pretty easy business to be honest with you, it works pretty smoothly because the threshold of what they're allowed to do per month is easy to get to and they're not allowed to go past it.

A resident: Ok, so if you're using our HOA to contact your vendors, then why are we paying you, what do we have?

Mr. Winkeljohn: Ok, so the way you're structured is because the CDD does not own a building, the CDD does not own any property like an office space, or have any real day to day activities like a HOA would. The HOA would have fines, they would have inspections, they would have lots in common areas that are a little different like mailboxes, and things like that, and often there's a clubhouse with a manager in it.

CDDs often don't do that specific of a role, so what we do is we develop a business relationship where the party that really needs somebody there every day, and this if for simple financial efficiency, handles the day to day things, and the CDD is its best at writing a check and balancing the books and maintaining a bond in your case, and so that's what I do is that part, and conduct these meetings, and conduct the regulatory requirements to keep the District tax exempt legal which is really important. HOAs are really good at what the residents want in terms of enforcement, architectural, covenants and all of those things which is a whole other body of work, but a different profession but they're there all the time, so their eyes and ears are the key.

A resident: Ok.

Mr. Winkeljohn: Yes sir?

A resident: I have a question, I guess my biggest concern and I think relatively a lot of people's concern is, ok you have a budget and you want to increase because it dropped a number of units but, when I look at this budget and I see 55% of cost go under administrative costs, that's a huge problem. I've been in business a long time, and if I had 55% administrative costs I'd be fired.

Mr. Winkeljohn: Right, well there are different definitions of administrative costs and the ones before you include a lot of other things, they include the audit, they include all the regulatory requirements.

A resident: I see it all laid out, however, when are you going to look at cutting some of the fat out of there before you start grazing the individual costs, plus I see a contribution from the developer last year, but I see no contribution this year at all.

Mr. Winkeljohn: Right, let's get our terms right ok, their contribution is their assessment for those parcels, your assessment is 1, and I assume you only own 1 property, so the developer owns a bunch of them. So, the developer pays in one check directly to the District.

A resident: Ok, fair enough, thank you.

Mr. Winkeljohn: So, they're paying the same you are, and they will be paying on the tax bill just like you after this year.

A resident: Right, and you have the ability to assess liens on our property as well if we don't pay the assessment.

Mr. Winkeljohn: As does their property as well.

A resident: Ok.

Mr. Winkeljohn: They're identical, it's just how to handle the bill, that's the only difference.

A resident: Ok, then if we're paying this assessment into your origination, the CDD, and I haven't been familiar with this before, I just move from PA so this is a whole different animal and quite frankly, I'm real concerned with some of these costs and some of the maintenance costs because your contract with Juniper, to me they're a useless firm.

***At this point several people were talking at one time, and no one conversation could be heard)***

A resident: Ok, now the HOA basically, and we're in phase II and DR Horton is still overseeing phase II HOA, and the work is just not being done, we talk about all these maintenance costs that are going up this year, so when are we I guess going to have a say before the costs start increasing on what contractor and when somebody is going to make a damn decision on moving and putting these contracts out for bid because they're not cutting it.

Mr. Winkeljohn: Ok. There's multiple parts to that obviously but this District Board can choose to do business a different way. Currently the close relationship with the HOA and the ownership of those lands makes sense to do it the way they're doing it. The feedback you're giving with Juniper I don't have that information to tell you why or what.

A resident: And we have given several feedback, and they don't even respond, our HOA responds that they're going to contact Juniper. We haven't had the sprinkler system now for 3 months, and cost-wise, administrative costs, everybody likes to get paid but you have to cut somewhere, you have to cut some of the administrative costs out.

Mr. Winkeljohn: Well, I'll back up and I appreciate your business approach to it but this profession and this situation and the goal of giving you a straight assessment, you get your money once a year in this business, so you don't cut \$5,000 hoping that

you're going to save \$5,000 because in 6 months if you were wrong, where are you going to get it from, and so that's why the budget is constructed with those placeholders because you get your check once a year, and you get to ask for money over a 6 month process, so you're actually deciding money, you actually set the ceiling on money before June that will start all the way next October and you actually, you don't even get that money until next January. So, we are almost a year and a half out projecting our costs and expenses and applying that reality to this budget, this is the right way to budget it.

A resident: Of the line items that I see, management fees of \$40,000 now and \$41,200, now that's a separate management company, correct?

Mr. Winkeljohn: Yes, that's your District regulatory management, the administrative, public records, maintenance, bond management, it's basically a full accountant, it's a pretty good deal actually.

A resident: I can see that those lines items, I guess it's pretty set down to the deal it is, especially when we know assessments on our property is going to go up, and possibly go up on an annual basis.

Mr. Winkeljohn: Well, what I'm describing for this Board who makes the decision for the next year or so easily.

A resident: I don't see any costs on any of these lines coming down, or even being eliminated or consolidated, or going out for bids to get it at a cheaper cost. I guess you have to look at the business perspective when you're looking at a budget. I've done budgets for 35 years and I could not continue to put the same line items costs year after year.

Mr. Winkeljohn: Well, I think I made my point, and my background is public administration and I manage or my firm manages almost 300 of these budgets and this is our advice.

Mr. Blakely: Just to give you a little bit of perspective though, I agree with you, some of these costs, and you can put them out to bid, you'll probably get pretty much the same, it's the same companies that are involved just like any other business that you tend to go out and you're going to get bids from. Now, they're all going to be in like a pack, you're not going to see somebody breakaway and be 50% lower, or 20% lower,

I've not seen it, and I've served on 11 different Boards, and we put a number of these things out. The other thing to keep in mind is, a lot of this administrative section is dictated by Statute, unlike a business where you have discretion over literally anything you're doing administratively, a lot of these things are not up to discretion they're required.

A resident: Well, then where do you go to that, do you go to the county commissioners, or where do you go?

Mr. Blakely: The state, it's a state law.

Mr. Winkeljohn: Yes, these CDDs are regulated by the State of Florida.

Mr. Blakely: And if anything, the regulatory burden gets worse every year, you don't get unburdened, you get burdened. Right now, one of the concerns I've got is, for instance there's ADA compliance issues with regard to the website. The newest one is that there's law firms that are out suing municipalities, and CDDs, it's beginning on the basis that these things are not computer friendly to people that can't see, so now there has to be a whole new technological term to your website to be able to meet those compliances otherwise, the Districts run the risk of getting sued. So, you have things like that which in the private sector you don't deal with that, in the public sector it's a reality.

A resident: Well, I was in the government sector.

Mr. Blakely: Then you know what I'm talking about, those costs don't go down.

A resident: It's not that you cannot reduce costs just so you know.

Mr. Blakely: I'm not saying that, I'm just saying that many of these items are dictated by Statute and there's no way around them.

A resident: Well, the expense costs, there is.

Mr. Blakely: Sure.

A resident: Because if the ground maintenance is not getting performed to the adequate standards that were set, then something needs to be changed.

Mr. Blakely: It's usually not a matter of going down in price, it's a matter of firing the company and getting a new one, which would most likely cost more, usually.

Mr. Winkeljohn: It's a risk.



Mr. Blakely: Sure, and I agree with you, it's the single hardest thing in all of these Boards, every one of these I hear the same thing, the community I live in, the biggest complaint is landscape maintenance, and I don't know what it is in the industry, I think it's turnover, you have all kinds of different crews, you have different crew chiefs, you might be good for a while and then they fall off, but it's a constant problem. I have no problem putting the thing out to bid, and if they're not getting the job done, I'd say replace them.

A resident: Then you have to withhold some of the funds if they're not completely done correct.

Mr. Winkeljohn: And you're in a little bit of a limbo, that is not helping and that will get better, the limbo you're in is the direct onsite management, when you get both of your homeowner associations all turned over, then you'll have a single point probably of management. When you have that, a lot of that or that person will have the day to day and they'll know way before it shows up in your grass that there's a problem with the landscaper.

Mr. Blakely: You'll still have the same issues.

Mr. Winkeljohn: But it will improve.

A resident: Well, there has to be an accountability piece to go along with that.

Mr. Blakely: Of course but you're always going to face the thing, are you improving by changing, you'll probably change, and then 6 months later you'll find out that company has some of the same weaknesses, and I'm not just saying that, it's like a continuum, that goes over and over and over again, it's a profession that gets a high degree of turnover.

Mr. Winkeljohn: We've got a lot of questions we need to help get to.

Mr. Blakely: Yes, let's move.

Mr. Winkeljohn: Yes sir?

Mr. DeMarkey: Yes, my name is John DeMarkey, and I'm a newbie here, all of 3 weeks, and I came from North Fort Myers where there was also a CDD, and the Sunshine Laws are something else, and you fight them all the time, I understand a lot of your issues, and I'm sure most people in this room don't. I've lived in 2 other CDD communities, as well as here, so 3 in total. You're talking about lawn maintenance, we

went through the same issues, you fire somebody, you hire somebody, and they do a fantastic job for 6 months, and they're already back to the way it was before with the other guy, and you change them and there's not a lot of them out there, a lot of them have gotten out of the business, they're going to work for municipalities because municipalities don't check up on them.

Mr. Winkeljohn: And I'm sorry to cut you off, but because we're in a public hearing, we have to get to your question, do you have a question or are you just helping?

Mr. DeMarkey: Well, I can help you a little bit, as understanding but your point is well taken, yes, expenses could be cut, so you have to be very careful, you have to keep an eye on them, and I appreciate what you're looking at, what you're bringing up and I totally agree and I think we all have to be aware of that. So, just a statement, and it's nice to be here.

Mr. Winkeljohn: I appreciate it, thank you.

A resident: So, if you can clarify for me the reason that we're having this increase where we went from 700 units to 600 units, is that correct?

Mr. Winkeljohn: 701 to 603 to be exactly.

Mr. Blakely: It's part of that, that's the biggest part.

A resident: Ok, so we own so much land correct?

Mr. Winkeljohn: The same amount of land.

A resident: So, if I order a pizza and I tell the pizza cutter to cut it into 18 pieces versus 6 pieces then, so who owns all the land, DR Horton or you guys?

Mr. Winkeljohn: No, either an individual property owner or DR Horton, the CDD only owns lakes and drainage areas.

A resident: Because someone said, I want 16 pieces instead of 18 pieces, so you're passing on the cost to the people that already bought the property. We have no extra liability as far as we're concerned.

Mr. Winkeljohn: No, it's the same.

A resident: Right, it's the exact same so why are we going up on our costs, I don't understand?

Mr. Winkeljohn: Because originally there were a larger number of players.

A resident: So, it's all based on land, it's not based on how many houses or developments you would put.

Mr. Blakely: It's based on lots.

Mr. Winkeljohn: It's on the platted units.

A resident: So, if this next year, DR Horton says you know what, we want to pair-down to 350, we're going to eat that also?

Mr. Winkeljohn: Well, after it's already platted, you can only amend it before it's built and it's built, so it was a onetime amendment that they could do. I mean in theory, you as homeowners could amend your plat, and buy up 50 homes and turn it into a park, if you wanted to buy those homes and do that, guess what, your assessment would have to fix that, wouldn't it? Now, I've said this at our previous public hearings, this is only dealing with operations and maintenance, the debt is not allowed to do that. The developer has to pay the new divisor and they did that, they bought up the debt on the loss of 102 parcels, they actually wrote a check to the bondholders and said, that debt is paid off. So, your debt doesn't go up like your operations and maintenance because that's protected because that is divided up by the benefit you got, specifically to your parcel, and then if you divide it by less, that would raise yours, and you're not allowed to do that. So, that part is fixed perfectly, but operations and maintenance, some communities have differential maintenance, meaning they have an amenity of something on their side of the community that the other side doesn't get, like one has a clubhouse, and the other is not allowed to use it. In that situation you would have separate operations and maintenance, and say the new section put a clubhouse in and the old section wasn't allowed to use it, only the new section would pay it. Your community is all one entity, it doesn't have any differentiation in terms of amenities or like what we're maintaining so that part is still spread out evenly, and so that won't change.

Mr. Blakely: If you had 100 guys that were going to pay a bill, and all at once there weren't 100 guys, there were only 90 guys, so the bill is the bill, so the 90 guys are going to have to pay a little bit more if the mathematics were based on 100, that's all this is.

A resident: Not if the costs decrease.

Mr. Winkeljohn: Right, he thinks costs are going to go down.

Mr. Blakely: Right, I understand that, but let's say the bill is the bill, whatever the bill is, whether it's \$250,000 or \$150,000, so I'm just trying to make a point about how this thing is structured.

Mr. Winkeljohn: Yes sir?

A resident: I'm just curious, you said earlier about an area that is not built, the person that owns that area, whoever it is, DR Horton or whatever, they have to pay their share of?

Mr. Winkeljohn: Right, starting in 2020, well they've always paid it, it's just how they sent the check in.

A resident: Ok, so they pay their share and then every homeowner pays his share, so you have less homeowners but the share that DR Horton pays, why should they pay less because there's going to be less homeowners? In other words, you have one guy that owns the whole pizza, and it sells it to 5 guys, he's still paying the rest of it, do you understand what I'm saying?

Ms. Sarver: DR Horton pays exactly the same amount that you pay.

Mr. Winkeljohn: Per year.

A resident: For the things that are not built.

Ms. Sarver: Yes, we get billed by the CDD and it is the exact same amount of operations and maintenance that you as an individual homeowner pay, and they define it because we have addresses, they define it by the addresses and the plat lot, so we pay identical amounts.

A resident: So, the bill actually goes up with the more plats you have.

Mr. Winkeljohn: The more units you own, yes. So, if you own 5 units, your bill would be going up the same percentage as everyone else, times that number of units, it would not be any different. DR Horton is paying a bill and the developer argument would be, but they're not using any of the resources, theoretically, but they have to pay it, it's not a debate.

A resident: Right, they own it, they have to pay.

Mr. Winkeljohn: Right, and it's always been like that, when they owned 700 units they had to pay by acreage and then until the platting got split up the bill was always

divided by some denominator, either by acreage or units as they're platted, that's how the rules are.

A resident: I just don't get that, if they're platted it's going to go up, it's still the same amount of land.

Mr. Winkeljohn: Well, the maintenance requirements are different.

A resident: I don't think everybody understands where did the difference come from, they were originally going to build what they called 4-plexes, so it was going to be one building on one lot with 4 owners, and they decided not to do that.

Mr. Winkeljohn: It's good to remember that, and in the debt world the debt does change with a 4-plex but in the operations and maintenance it doesn't, they're just treated differently.

A resident: I got it, but it's interesting though, none of that was disclosed at the purchase time.

Mr. Winkeljohn: I don't know anything about what was disclosed or not.

A resident: Those 4-plexes I was told hadn't been on the books for 2 or 3 years.

Mr. Winkeljohn: They were the original plat, that's all I remember and the original division of costs, and the original budgets were based on it, and when that finally caught up and got to the CDD, we were like ok we have to change, it was simple paperwork getting where it belonged, and when they record those plats, when the county decides to let them record those plats, that's who dictates this, and that's when we get it and we have to pay the bills, this Board.

A resident: Ok.

Mr. Winkeljohn: So, we're not in the developer cycle necessarily, like obviously there are people on this Board that would be, but the District lives in a very straight narrow scope of what was the engineering methodology, and assessment methodology and until a fact changes then we apply it, and it's just really simple in that respect. Yes sir?

A resident: What is the new CDD annual charge?

Mr. Winkeljohn: It's \$429.83 annually.

Mr. Blakely: For the operations and maintenance, the bond payment is separate.

A resident: I mean I just looked at my CDD charge and it was like \$1,098.

Mr. Winkeljohn: Right.

Mr. Blakely: That's counting the bond payment, there's two parts to it, there's a repayment of the bond that's on each lot, and then the operations and maintenance which is an annual charge that's basically the services that are provided and called for in this budget.

A resident: So, what's the total?

Mr. Winkeljohn: The debt payments range from \$750 to \$600, and the \$600 ones are gone, so it's \$750 and \$745, so everybody pays that amount, they're slightly different.

A resident: So, you're talking about \$1,098 and \$1,400?

Mr. Winkeljohn: Yes sir, it's a little bit less than that, it's \$700 plus \$400 so, it's like \$1,200.

A resident: Ok.

Mr. Blakely: Right, it's a little under \$1,200 I think just real quick.

A resident: So now that phase 1 has its own HOA program, and our own maintenance on landscaping, how does that coordinate with this?

Mr. Winkeljohn: Well, right now there is an existing contract with the various contractors, should the HOA want to take this gentleman's advice and say no, we want to use a different landscaper for our areas, they could do that. The District contract would survive but, the advice I would give just hypothetically speaking would be to be in alignment, and to the economy of scale and the efficiency of one contractor is significant because they'll be pointing at each if there's an issue, and it would be ugly. So, if I get that information from the new HOA I would start the dialogue and we would come up with a way to make that as efficient and effective as possible.

A resident: So, should it be that we find a more competitive landscaper or whatever, it could be any other thing than what's working now.

Mr. Winkeljohn: Exactly.

A resident: Would that be adjusted then in the future?

Mr. Winkeljohn: Right, hopefully yes, and I doubt it would be a significant savings, I'm just being realistic, it's not likely you're going to get a huge discount out of nowhere that actually works. This is reasonably competitive by any standard that I

know and I really do this every day, everywhere across the State of Florida, these are reasonable numbers, they're not going to change that much, and if they do change dramatically lower put your seatbelts on and brace for impact because it's not going to go well.

A resident: And the management fees that were determined to pay you guys, does that go out to bid?

Mr. Winkeljohn: It's a professional service agreement, I serve at the luxury of the Board, they could replace me with another company.

A resident: So how do we get you to say we would like to have this competitively bid out?

Mr. Blakely: Well, I'm going to make a decision based on what I think is best, I'll take advice, but I know most of the companies that are in this business, not just his company, I do business with 2 to 3 others, and they're all in the same price range and they perform basically the same services, so I'd have to hear something pretty compelling to change somebody that's familiar with the whole history of this community going forward to accomplish what?

A resident: Well, how do you even know that unless you competitively look?

Mr. Blakely: We do.

Ms. Sarver: The management for a CDD is a very specialized management, you can't go to John Q. Public Management Company in Punta Gorda and ask them to do CDD management, they're not qualified to do that. It is a specialty qualification that they have to have and stay compliant with Florida Statutes, and I agree with John, I deal with other CDD management companies as well and this fee is very competitive with what those other CDD management companies charge.

A resident: Ok, thanks.

Mr. Blakely: Yes sir?

A resident: Just a quick question, once all of this transpires and we have the pools, we have the pickleball courts and all the other amenities out there hopefully, who ends up being charged on those? Is it going to come under the homeowner's association?

Mr. Winkeljohn: Yes, do you have a master association?

A resident: So, there's not going to be a separate recreation District?

Mr. Blakely: No, it will still be a HOA but it will be manned by the residents. As far as the CDD goes, I don't know where we are, we have to be getting close to the process. There's a timeframe and a number of rooftops that dictate that the Board transitions from a developer Board, let's call it, to a resident Board. So, whatever the timing is you guys will be sitting here and you'll make the same decisions we're making, and you'll deal with the same complaints that we're hearing, I promise you.

Mr. Winkeljohn: In 2020 three of the seats on the CDD Board will be up for election, and they'll be on the general too.

A resident: Thank you.

Mr. Blakely: Most Boards that I've turned over, people will come and they'll cite some of the same things that we've been hearing about but when the time comes and it's time to step up and be on the Board, they don't want any part of it, they'd rather sit out there, that's the way it works.

Mr. Winkeljohn: Alright, so how are we doing, can we move on or do you have more questions? Yes sir?

A resident: I looked at the budget and I'm wondering, are you on a calendar or fiscal year?

Mr. Blakely: It's fiscal.

Mr. Winkeljohn: It's an annual budget starting October 1st.

A resident: Ok, and one final question, I noticed that lake maintenance actually went down but is that because it actually went down or did you over budget?

Mr. Winkeljohn: It was misidentified, one of the contracts was actually a maintenance contract and it was put in the lake maintenance at some point in time, in the lake line item, so we got the titles corrected and it goes where it goes.

A resident: So, the new number reflects more of the actual.

Mr. Winkeljohn: Yes, you can see the actual is tracking differently than the original budget and it's just a cleanup item. Yes sir?

A resident: I've been here since 2015 and when I bought a house in the CDD I was told by DR Horton that I'd be paying \$989 a year for 20 years. So, management was never told about any other management fees, any other items, so I was just



wondering if everybody that's moving in after me, have they been told that there was going to be additional fees, or is this just a selling tool that DR Horton uses to pull people in because I thought I had missed something.

Mr. Blakely: Well, you have two fees, you have a CDD fee, and you have a HOA fee, there's no management fee that separate, it's incorporated within those budgets. In other words, this CDD budget has a management component to it but, you're not paying a separate management fee, you're paying a management fee that's part of the CDD budget, the O&M budget, the operations and maintenance, and you have a bond that's repayment, that's fixed. The O&M is going to move up, down and sideways, but the bond is constant, but the HOA fee is a separate entity. So, you're actually paying two management fees if you really want to talk about it, there's a management fee associated with the HOA, and there's a management fee associated with the administration of the CDD.

A resident: Right, and I understood the management fee with the HOA but nothing was ever said that there was going to be a management fee with the CDD.

Mr. Blakely: Well, they probably told you a CDD fee but to a person that's trying to explain it, they're not going to go through each line item, it's just one cost of this overall budget. It would be the same thing to say, I didn't know I was going to get charged for lake maintenance, so it's all one thing to keep the railroad running here.

Mr. Winkeljohn: Yes ma'am?

A resident: I had one of our residents ask me a question and I know the answer but, I just want to hear you say it. They were questioning stormwater management, when we had Hurricane Irma, we had flooding in the streets and I think it was within a day or two that the water went down, but it wasn't just because it couldn't handle that much water?

Mr. Blakely: Right, that was a 100 year event, there's no stormwater system in Florida that's going to handle that.

Mr. Winkeljohn: Right, and it actually exceeded the 100 year event to be technically correct, and you're lucky you were further north because it got worse as you went south. If you drove back down I-75 you saw areas that have never seen water in a foot of water, and I grew up on both coasts as a child and still do, I have property on

both coasts and the east coast drains completely different. All of my projects over there go into a lake and they go into the groundwater and they're gone, but over here you have two-directional drainage, you have it into your lakes, and then your lakes transfer I think towards the south I would assume.

A resident: Is that an automatic or manual?

Mr. Winkeljohn: It varies, there's a combination of all of the above, you have a lot of gravity but you have a natural terrain elevation shift. So, what happened was the way this storm hit, the direction it came is it came from the south, and it put so much water south of you that nothing of it had anywhere to go, and it was just simply a pressure damming effect is the way the engineers put it. So, Tuscany Reserve, or Talis Park now, is one of my clients as well, which has 15 lakes or whatever and they had water in their living rooms, and that's the gold standard, and it sounds weird to say that but that's how it's designed is to keep it out of your living room. It may be in your yard, the street is a collection area for worse storms.

Mr. Blakely: And that's what is supposed to happen.

Mr. Winkeljohn: Right.

Mr. Blakely: You won't get water from the lake, if you live on a lake you're not going to get water from that lake coming up the back, you're going to get it in the front because there's outfall structures on all the lakes, meaning that it's like in your wash basin, there's a point where the water is being dispersed, it won't get above a certain level and it's getting dispersed into wetlands or whatever, and then it's going to back up through the storm sewer system. I was in a community one time where we had one of these events and there was water in the streets up to the headlights of the cars but that's what the engineering is designed to do. Now, obviously if it goes beyond that it's going to start creeping up your driveway, not your back.

Mr. Winkeljohn: Right, and I'll just give you the big picture, the engineering community is changing what is now a 100 year storm, so new developments have to have even a higher standard because they're wrong, we've had one that's worse, so, what is now a 100 year storm is more water sadly, but we have to keep on it. CDDs greatest responsibility in the State of Florida is stormwater management, without it

these storm drains don't get cleaned, they get broken and they back up and then a 50 year storm looks like a 100 year storm so, that's what a District does best. Yes ma'am?

A resident: On the same subject, behind our homes we have the conservation side, there are swales in there that are completely filled with trees and different plant material, is that going to be cleaned out so that the water will flow to the swales to the pond?

Mr. Winkeljohn: Yes, this area also has the ditch concept, really one of the least efficient and affective and confusing systems for water management, a lot of times it's not even there for that, it's just that they didn't come up with a way to merge the two elevations so they just left it. I have a note for that area from another one of your neighbors, and I will take that to the engineer, and what happens here is, who owns it is the first question and then this is where it's a problem in your area as well, and I had this in all down south of you is, there are parties next to you, and I don't know who they are and I can't say this for sure but it's very likely that don't do any of their work. I have a bit of a forward lean, professionally speaking, and if it affects your drainage, I'm happy to own it, and work on it for you, and if we as a community have to pay to take care of somebody else's problem and we can't get them to do it, you might have to because it's better than a flood. So, that's been my approach, and my favorite one is my next door neighbor at a community is the post office owned by the school board, and you try to figure out how to get somebody on the phone for that, and if you let me know I'll hire you tomorrow. They haven't maintained their drainage ditch, just like this, in the 15 years I've worked on it and the Board members just got together, we wrote a check and we fixed it, so sometimes that's what you have to do. Let's hope it takes 15 years of research and effort and we don't have to do that here, but if it does, I'm willing because that's important. Now the CDD, as much as I love my friends from DR Horton, we switch hats and I'm doing this today with 3 DR Horton properties and 3 Lennar properties, I become with their engineering the advocate for you, in terms of District property, because that's who I work for, I work for the residents and the Board, and I put that hat on and I say, look my engineer says it's not done, and so I write to the county and I say don't pay them, and I put that out loud, and that's the approach, and usually 99% of the time it gets handled easily and it's not that big of a deal. The bad news for

you is that it usually happens closer to the end of construction for efficiency reasons. Yes sir?

A resident: When that walk through happens, of the final inspection, is it public knowledge, do we get a notification?

Mr. Winkeljohn: Actually, I don't think there's an official notification but that becomes an agenda item and the HOA is usually the bigger player in that.

A resident: For whose agenda, the HOA's agenda or the CDD's?

Mr. Winkeljohn: It's usually more prevalent on the HOA side because there's just more detail, and your District is designed to meet less frequently than a HOA so you won't see it as much but ultimately it will get here, it will be on our agenda, and we have a website and you can see it's there.

A resident: Ok.

Mr. Winkeljohn: And I don't know this county's construction laws that well but, it's usually after the building, and the last thing that you'll see to tell you it's almost done is another road application, and we'll talk about one a little bit today. So, when you see that, that's the big red flag, ok I probably have another two months left.

A resident: Ok.

Mr. Winkeljohn: So, we have to wrap up budget questions, and get through this meeting today, so if we're about done with budget questions we can move on, and I just want to give you reality expectation management kind of thing, and a lot of the stuff we could list won't get touched until the end, so we'll work on it.

Mr. Blakely: Ok, are we ready to move on?

Mr. Winkeljohn: Yes, so I'd like to close the public comment on the budget hearing, if that's ok with everyone. Any other CDD items could be dealt with later in the agenda. Is there a motion to close the public comment portion?

On MOTION by Mr. Blakely seconded by Mr. Lerner with all in favor, closing the public comment and discussion was approved.
--

**C. Consideration of Resolution #2019-04 Annual Appropriation Resolution**

Mr. Winkeljohn: At this time resolution #2019-04 is the annual appropriation budget, which has been discussed in great detail, and I would ask for a motion to approve that resolution.

On MOTION by Mr. Blakely seconded by Ms. Sarver with all in favor, Resolution #2019-04 the Annual Appropriation Resolution was approved.

**D. Consideration of Resolution #2019-05 Levy of Non Ad Valorem Assessments**

Mr. Winkeljohn: Now that we know the assessment and the budget that we would like the collection method for that is encompassed in resolution #2019-05 which is the Non Ad Valorem Assessments levy, is there a motion?

On MOTION by Mr. Blakely seconded by Mr. Lerner with all in favor, Resolution #2019-05 levy of Non Ad Valorem Assessments was approved.

**E. Motion to Close the Public Hearing**

Mr. Winkeljohn: With that, we've concluded the public hearing for the adoption of the 2020 budget, is there a motion to close the hearing?

On MOTION by Mr. Lerner seconded by Ms. Sarver with all in favor, closing the Public Hearing was approved.

**SIXTH ORDER OF BUSINESS**

**Appointment of Audit Selection Committee (Cont.)**

*This item was discussed earlier at this meeting.*

**SEVENTH ORDER OF BUSINESS**

**Selection of Audit Firms (Cont.)**

*This item was discussed earlier at this meeting.*

## **EIGHTH ORDER OF BUSINESS**

### **Staff Reports**

Mr. Winkeljohn: So, we've already covered items No. 6 and 7, so under staff report, Gerry are you still there? Did you have anything specific for our friends today? I know you have your legislative update but that's self-explanatory right?

#### **A. Attorney – Discussion of 2019 Legislative Update Memorandum**

Mr. Knight: Yes, and in spite of the other matters that have consumed a lot of time on the agenda, I'm not going to spend any time on this except to ask you to read it. If you have any questions about anything in it, please give me a call and we'll talk about it. The one item, I just really quickly will point out is there's a change in the law and really goes into effect in 2023 but the legislation has taken affect already, and starting by 2023 they're going to phase this in I guess. The Form 1 and Form 6 documents that you file or that you've been filing to the Supervisor of Elections you're going to start filing electronically and they get filed with the Commission on Ethics. So again, that will be phased in I guess over the next few years and will finally become effective in 2023. The other things on there, I'm just going to let you read and call me if you have any questions.

Mr. Blakely: Gerry, are you comfortable that the District is on sound footing with the ADA compliance issues that have come up?

Mr. Knight: I'd have to defer to the manager, I can tell you that as far as I know they've been bringing the websites into compliance with ADA requirements as they become knowledgeable about them, they've brought them into compliance, and we've informed all of our Districts what those requirements are.

Mr. Winkeljohn: Right, and the latest on that Gerry is, and just for everyone's purposes, and obviously for the audience, the website has to meet this standard because of several lawsuits, and the lawsuits gave an 18 month window so that future items on the website would meet and be in compliance. Since that order came out, other lawsuits have settled and a couple of them have lowered the standard, so unfortunately it's a little bit of wiggly moving target. For your purposes, and for this community's purposes, we did everything in the first wave of legal outcomes, we added capabilities on our sites, we've removed non-readable documents, particularly PDFs are very difficult to be read by an electronic reader, we've switched to a different format for

future documents. One of the tactics is to basically simplify the documents, like Board packages, we used to put everything in the Board package that we could think of to scan it, and maybe some of that isn't necessary because some of that is impossible to make compliant. So, it's an ongoing thing, and just for the Board's purposes I already mentioned this to John, I've contracted multiple municipal website designers to start some long term design techniques that are easier to manage, my firm is funding one of them and another District has offered to share it with any other District as a free template, so those are being tested right now, beta tested, and if we like them we'll convert your site to that inclusive of your current agreement. So, we're not planning to come back to you and say, hey I'm handing this off to a third party, here's a \$10,000 bill, we're not doing that to our clients. What we're doing is managing it as I just described.

Mr. Blakely: Ok.

Mr. Winkeljohn: Anything else Gerry?

Mr. Knight: Well, one other thing on that, if this District doesn't own like clubhouses or something like that, so it's a fairly simple question on this District but, there's other Districts that become more complicated because they do own public facilities that people access, and so that becomes more problematic.

Mr. Winkeljohn: Yes, that's right. Ok, thank you.

#### **B. Engineer**

Mr. Winkeljohn: I've already covered any of the engineer items. I've got a to do list with some drainage questions which I'll report back to the Board, and if I get anything formal of use, I'll put it on your website, and I'll let your onsite manager know so she can communicate that. That's my normal procedure, if I have anything I think is interesting I send it to the HOA and I put it on our website, and usually that works.

#### **C. Manager**

##### **1) Consideration of Proposed Fiscal Year 2020 Meeting Schedule**

##### **2) Discussion of Financial Disclosure Report from the Commission on Ethics – *everyone has filed***

Mr. Winkeljohn: Under the manager's report, we do have our 2020 meeting schedule to approve. Just so you know, we set a whole year's meeting schedule to meet the requirements, we can set meetings at any time as long as we have proper notice

given but, typically this is our rhythm, we usually meet 3 to 4 times a year, and this meeting schedule allows us to meet up to 12 times a year but, like I just said, we can change and we can add pretty much with 20 days notice any of those. So, for statutory purposes I'd ask that you approve the meeting scheduled for fiscal year 2020.

On MOTION by Mr. Blakely seconded by Ms. Sarver with all in favor, accepting the proposed Fiscal Year 2020 Meeting Schedule was approved.

Mr. Winkeljohn: Item No. 2 is the financial disclosure forms, and everyone has filed so congratulations and I know they're moving to the electronic system that Gerry mentioned but a lot of them also taking it by email now which saves you the postage, but it gives you a good tracking capability.

## **NINTH ORDER OF BUSINESS**

### **Financial Reports**

#### **A. Approval of Check Run Summary**

#### **B. Approval of the Combined Balance Sheet**

Mr. Winkeljohn: Moving on to the financial reports which are in your packets, a check run summary and combined balance sheet for the Board to accept by motion, if in order.

On MOTION by Mr. Blakely seconded by Ms. Thomas with all in favor, the Check Run Summary and the Combined Balance Sheet were approved.

## **TENTH ORDER OF BUSINESS**

### **Supervisors Requests and Audience Comments**

Mr. Winkeljohn: Then the next item is other Supervisors requests, or other audience comments.

Mr. Blakely: Just a question, did you research when this Board is scheduled to turn over the first 2 seats?

Mr. Winkeljohn: There's 3 seats actually, and 2 of them will be up for general election in 2020, so next November, not this coming one, but the one after that.

Mr. Blakely: Ok, so November, 2020.



Mr. Winkeljohn: Yes.

Mr. Blakely: And you have to file just like you're going to run for office because it's an election.

Mr. Winkeljohn: Yes, with the Supervisor of Elections. So, I can stay after the meeting for individual questions, but if there is anything else for the good of the order, I'll take them now. Yes sir?

A resident: The two main lakes coming into the front gate, are very clean, they look nice, they have a very nice presentation, as you travel through the neighborhood there's 2 lakes not quite as large, the vegetation on those lakes is closing in those lakes and they're disappearing, and we paid extra money to be on a lake, so before it gets out of hand and you can't remove some of that vegetation, I'd like to see it removed. I would like all the lakes to look like the lakes in the front of the community because when I drove in, and I saw the water fountains and the grass, that's what I liked, and that's just me personally.

Mr. Winkeljohn: Alright.

A resident: So, before it's to a point where, oh this is a mature whatever plant, or whatever.

Mr. Winkeljohn: I know what you're worried about, I get it.

A resident: So that's my concern, so I'd like some clarification on how that's going to be handled moving forward because we have other lakes that are undeveloped, so as the community gets developed, you have to get a permit and everything.

Mr. Winkeljohn: Well, the District is the governmental agency overseeing those lakes, and we have regulatory limits and within those limits, yes, we can do what you just described, outside of those limits we would have a mechanism to request permission from the South Florida Water Management District.

A resident: Ok, and I'm just speaking about my opinion, that's just my opinion.

Mr. Winkeljohn: Yes, I appreciate it, and some people like the lakes to look like a postcard, so I've got it noted, and this is how it's handled, I will talk to the onsite folks, find out what they think is going on and I can talk to Allstate and I have the history of it, I

**August 5, 2019**

**Waterford Estates CDD**

remember some of it off the top of my head but, sometimes we have to mechanically remove it but that's all contracted and if it's not, this District will take care of it.

A resident: Ok.

**ELEVENTH ORDER OF BUSINESS**

**Adjournment**

Mr. Winkeljohn: If there's nothing else, a motion to adjourn would be in order.

On MOTION by Mr. Blakely seconded by Mr. Lerner with all in favor, the Meeting was adjourned.
--

\_\_\_\_\_  
Secretary / Assistant Secretary

\_\_\_\_\_  
Chairman / Vice Chairman

This instrument was prepared by and  
upon recording should be returned to:  
Christopher B. Roemer, Esq.  
Nelson Mullins Broad and Cassel  
Lynn Financial Center  
1905 NW Corporate Boulevard, Suite 310  
Boca Raton, FL 33434

(This space reserved for Clerk)

[space above for recording purposes]

**FOURTH AMENDMENT TO TEMPORARY CONSTRUCTION AND  
ACCESS EASEMENT AGREEMENT**

**THIS FOURTH AMENDMENT TO TEMPORARY CONSTRUCTION AND ACCESS  
EASEMENT AGREEMENT (“Amendment”)** is made and entered into this \_\_\_\_ day of  
\_\_\_\_\_, 2019, by and between:

**WATERFORD ESTATES COMMUNITY DEVELOPMENT DISTRICT**, a local unit of  
special-purpose government established pursuant to Chapter 190, Florida  
Statutes, being situated in Charlotte County, Florida, and whose mailing address  
is 5385 N. Nob Hill Road, Sunrise, Florida 33351 (the “**District**” or the “**District  
Grantor**”);

**MAXCY DEVELOPMENT GROUP HOLDINGS – WATERFORD ESTATES, INC.**, a  
Florida corporation, whose address is 3014 W. Palmira Avenue, Suite 301,  
Tampa, Florida 33629, Attention: Harry Lerner (the “**SPE Grantor**,” and  
together with the District Grantor, the “**Grantor**”); and

**D.R. HORTON, INC.**, a Delaware corporation, whose address is 10541 Ben C.  
Pratt Six Mile Cypress Parkway, Suite 100, Fort Myers, Florida 33966, Attention:  
Justin A. Robbins (the “**Grantee**,” and together with the Grantor, the “**Parties**”).

**RECITALS:**

**WHEREAS**, the Grantor and Grantee entered into that certain Temporary Construction and  
Access Easement Agreement, recorded November 13, 2017 in Official Records Book 4254, Page  
169, as amended by that certain First Amendment to Temporary Construction and Access  
Easement Agreement, recorded July 3, 2018 in Official Records Book 4333, Page 1595, further  
amended by that certain Second Amendment to Temporary Construction and Access Easement  
Agreement, recorded September 13, 2018 in Official Records Book 4357, Page 2178, and further  
amended by that certain Third Amendment to Temporary Construction and Access Easement  
Agreement, recorded September 11, 2019 in Official Records Book 4481, Page 612, all in the  
Public Records of Charlotte County, Florida (collectively, the  
“**Easement Agreement**”);

**WHEREAS**, Grantor and Grantee agree to execute and record this Amendment in the Charlotte County Public Records in order to amend certain provisions of the Easement Agreement.

**NOW, THEREFORE**, in consideration of the sum of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration and the mutual covenants of the Parties, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. The recitals stated above are true and correct and are incorporated by reference as a material part of this Amendment.
2. The first sentence of Section 2.D of the Easement Agreement is hereby deleted and replaced with the following: "This Easement Agreement shall automatically terminate, unless extended in writing by mutual agreement of Grantor and Grantee, on earlier of (i) the date which the Replacement Re-Plat Surety (as defined in the Contract) delivered by Grantee to Charlotte County to secure performance of certain of the Re-Plat Work (as defined in the Contract) has been fully released from Charlotte County to Grantee, or (ii) November 6, 2021."
3. In the event of any conflict between the terms of the Easement Agreement and the terms of this Amendment, the terms of this Amendment shall control. Except as otherwise specifically modified herein, the terms of the Easement Agreement shall remain in full force and effect.
4. This Amendment may be executed in counterparts, each of which in the aggregate shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties, with intent to be legally bound hereby, have caused this Amendment to be executed by their undersigned lawful representatives, hereunto duly authorized, as of the date set forth above.

**"DISTRICT GRANTOR"**

Signed, sealed and delivered  
in the presence of:

**WATERFORD ESTATES COMMUNITY  
DEVELOPMENT DISTRICT**, a local unit of  
special-purpose government established pursuant to  
Chapter 190, *Florida Statutes*

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**STATE OF FLORIDA** )  
 )  
**COUNTY OF** \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_ of **WATERFORD ESTATES COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, on behalf of the District. He/She is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
(Signature of Notary Public)

\_\_\_\_\_  
(Typed name of Notary Public)  
Notary Public, State of Florida  
Commission No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**"SPE GRANTOR"**

Signed, sealed and delivered  
in the presence of:

**MAXCY DEVELOPMENT GROUP  
HOLDINGS – WATERFORD  
ESTATES, INC.**, a Florida corporation

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**STATE OF FLORIDA** )  
 )  
**COUNTY OF** \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
2019, by \_\_\_\_\_, as \_\_\_\_\_ of **MAXCY  
DEVELOPMENT GROUP HOLDINGS – WATERFORD ESTATES, INC.**, a Florida  
corporation, on behalf of the corporation. He/She is personally known to me or has produced  
\_\_\_\_\_ as identification.

\_\_\_\_\_  
(Signature of Notary Public)

\_\_\_\_\_  
(Typed name of Notary Public)  
Notary Public, State of Florida  
Commission No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**"GRANTEE"**

Signed, sealed and delivered  
in the presence of:

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

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Justin A. Robbins, Vice President

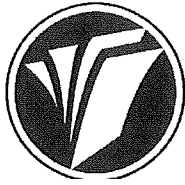
\_\_\_\_\_  
Print Name: \_\_\_\_\_

**STATE OF FLORIDA**                   )  
  )  
**COUNTY OF LEE**                   )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2019,  
by Justin Robbins, as Vice President of **D.R. HORTON, INC.**, a Delaware corporation, on behalf  
of the corporation. He/She is personally known to me or has produced  
\_\_\_\_\_ as identification.

\_\_\_\_\_  
(Signature of Notary Public)

\_\_\_\_\_  
(Typed name of Notary Public)  
Notary Public, State of Florida  
Commission No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_



# Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280  
Boca Raton, Florida 33431  
(561) 994-9299 • (800) 299-4728  
Fax (561) 994-5823  
www.graucpa.com

August 14, 2019

Board of Supervisors  
Attn: Joni Hayworth  
Waterford Estates Community Development District  
5385 N. Nob Hill Road  
Sunrise, FL 33351

We are pleased to confirm our understanding of the services we are to provide Waterford Estates Community Development District, Charlotte County, Florida (the "District") for the fiscal year ended September 30, 2019, with the option of four (4) additional one-year renewals. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of Waterford Estates Community Development District for the fiscal year ended September 30, 2019, with the option of four (4) additional one-year renewals. In addition, we will examine the District's compliance with the requirements of Section 218.415 Florida Statutes.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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.

The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedule

## Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.



**Examination Objective**

The objective of our examination is the expression of an opinion as to whether the District is in compliance with Florida Statute 218.415 in accordance with Rule 10.556(10) of the Auditor General of the State of Florida. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and will include tests of your records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our examination of the District's compliance. The report will include a statement that the report is intended solely for the information and use of management, those charged with governance, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the District's compliance is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

**Management Responsibilities**

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. Further, management is responsible for compliance with Florida Statute 218.415 and will provide us with the information required for the examination. The accuracy and completeness of such information is also management's responsibility. As part of the audit, we will assist with preparation of your financial statements and related notes in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. In addition, you will be required to make certain representations regarding compliance with Florida Statute 218.415 in the management representation letter. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. As part of our engagement, we may propose standard adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of the proposed entries and the impact they have on the financial statements.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to using the audit's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Controls**

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, if applicable. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Audit Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Grau & Associates and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request.

If requested, access to such audit documentation will be provided under the supervision of Grau & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. Notwithstanding the foregoing, the parties acknowledge that various documents reviewed or produced during the conduct of the audit may be public records under Florida law. The District agrees to notify Grau & Associates of any public record request it receives that involves audit documentation.

This agreement provides for a contract period of one (1) year with the option of four (4) additional, one-year renewals upon the written consent of both parties. Our fee for these services will not exceed \$4,400 for the September 30, 2019 audit. The fees for the fiscal years 2020, 2021, 2022, and 2023 will not exceed \$4,500, \$4,600, \$4,700, and \$4,800, respectively, unless there is a change in activity by the District which results in additional audit work or if Bonds are issued.

We will complete the audit within prescribed statutory deadlines, which requires the District to submit its annual audit to the Auditor General no later than nine (9) months after the end of the audited fiscal year, with the understanding that your employees will provide information needed to perform the audit on a timely basis.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices will be submitted in sufficient detail to demonstrate compliance with the terms of this agreement. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate.

We will provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2016 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Waterford Estates Community Development District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Grau & Associates



\_\_\_\_\_  
Antonio J. Grau

RESPONSE:

This letter correctly sets forth the understanding of Waterford Estates Community Development District.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## PEER REVIEW PROGRAM

is proud to present this

Certificate of Recognition

to

# Grau & Associates

For having a system of quality control for its accounting and auditing practice in effect for the year ended June 30, 2016 which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

A handwritten signature in cursive script, reading "Anita Ford", written over a horizontal line.

Anita Ford, Chair  
AICPA Peer Review Board  
2016

**Waterford Estates**  
**Community Development District**

Check Run Summary

December 2, 2019

<i><b>Date</b></i>	<i><b>Check Numbers</b></i>	<i><b>Amount</b></i>
07/29/19	655	\$50.00
08/07/19	656-659	\$7,036.15
08/21/19	660-662	\$5,582.57
09/10/19	663-666	\$11,178.53
09/20/19	667-668	\$7,748.11
10/18/19	669-673	\$9,458.58
11/19/19	674-682	\$116,764.61
<i><b>Total</b></i>		<u><u><b>\$157,818.55</b></u></u>

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK.... AMOUNT #
7/29/19	00043	8/05/19 080519	201908 310-51300-44000	MEETING ROOM-DONATION	*	50.00	
				FIRST PRESBYTERIAN CHURCH OF			50.00 000655
8/07/19	00034	7/31/19 1814	201907 320-53800-46800	LAKE MAINTENANCE 7/2019	*	475.00	
				ECOTECH ENVIRONMENTAL LLC			475.00 000656
8/07/19	00001	8/01/19 173	201908 310-51300-34000	MANAGEMENT FEES 8/19	*	3,333.33	
		8/01/19 173	201908 310-51300-35100	COMPUTER TIME	*	83.33	
		8/01/19 173	201908 310-51300-35101	WEBSITE ADMINISTRATION	*	41.67	
		8/01/19 173	201908 310-51300-42000	POSTAGE AND DELIVERY	*	118.30	
		8/01/19 173	201908 310-51300-42500	COPIES	*	71.25	
				GMS - SF, LLC			3,647.88 000657
8/07/19	00037	2/07/19 54641	201901 320-53800-35000	1/19 WET CHECK REPAIRS	*	107.30	
		8/01/19 66495	201908 320-53800-46200	MAINTENANCE CONTRACT 8/19	*	2,600.00	
		8/05/19 66241	201907 320-53800-35000	IRRIGATION REPAIRS 7/30	*	120.17	
				JUNIPER LANDSCAPING OF FL LLC			2,827.47 000658
8/07/19	00004	5/09/19 249951 7	201907 310-51300-48000	CHARLOTTE SUN 7/26/2019	*	85.80	
				SUN NEWSPAPERS			85.80 000659
8/21/19	00033	8/09/19 55463-08	201908 320-53800-43000	ELECTRIC	*	1,854.11	
				FPL			1,854.11 000660
8/21/19	00004	8/13/19 3701313	201908 310-51300-48000	NOTICE OF MEETING	*	115.83	
				SUN NEWSPAPERS			115.83 000661
8/21/19	00018	8/20/19 082019	201908 300-20700-10200	SPECIAL ASSESSMENTS RECEI	*	3,612.63	
				WATERFORD ESTATES CDD			3,612.63 000662
9/10/19	00008	9/04/19 5216	201908 310-51300-31100	SVCS THRU 8/30/19	*	1,815.00	
				ALVAREZ ENGINEERS, INC.			1,815.00 000663
				WATE WATERFORD ESTS SROSINA			

AP300R  
\*\*\* CHECK NOS. 000655-050000

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 11/22/19  
WATERFORD ESTATE-GENERAL FUND  
BANK A GENERAL FUND

PAGE 2

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK.... AMOUNT #
9/10/19	00005	7/31/19 157618	201907 310-51300-31500		*	1,845.00	
		FEES THRU 7/31/19		BILLING, COCHRAN, LYLES, MAURO & RAMSE			1,845.00 000664
9/10/19	00001	9/01/19 174	201909 310-51300-34000		*	3,333.33	
		MANAGEMENT FEES 9/19					
		9/01/19 174	201909 310-51300-35100		*	83.33	
		COMPUTER TIME					
		9/01/19 174	201909 310-51300-35101		*	41.67	
		WEBSITE ADMINISTRATION					
		9/01/19 174	201909 310-51300-51000		*	15.00	
		OFFICE SUPPLIES					
		9/01/19 174	201909 310-51300-42000		*	3.50	
		POSTAGE AND DELIVERY					
		9/01/19 174	201909 310-51300-42500		*	149.80	
		COPIES					
				GMS - SF, LLC			3,626.63 000665
9/10/19	00037	8/31/19 68312	201909 320-53800-35000		*	322.40	
		PLANT REPLACE/IRRIGATION					
		9/03/19 68013	201909 320-53800-46200		*	2,600.00	
		MAINTENANCE 9/19					
		9/03/19 68070	201909 320-53800-46200		*	514.50	
		MULCH REAR ENTRANCE					
		9/03/19 68071	201909 320-53800-46200		*	455.00	
		MULCH FRONT ENTRANCE					
				JUNIPER LANDSCAPING OF FL LLC			3,891.90 000666
9/20/19	00021	9/16/19 9683	201909 300-15500-10000		*	5,894.00	
		INSURANCE ALLIANCE RENEW					
				EGIS INSURANCE ADVISORS, LLC			5,894.00 000667
9/20/19	00033	9/10/19 55463-08	201908 320-53800-43000		*	1,854.11	
		SVCS 08/09 THRU 09/10/19					
				FPL			1,854.11 000668
10/18/19	00005	8/31/19 158179	201908 310-51300-31500		*	585.00	
		SVCS THRU 8/19					
				BILLING, COCHRAN, LYLES, MAURO & RAMSE			585.00 000669
10/18/19	00034	10/26/19 1870	201909 320-53800-46800		*	475.00	
		MAINT 9/19					
				ECOTECH ENVIRONMENTAL LLC			475.00 000670
10/18/19	00033	10/10/19 55463-10	201909 320-53800-43000		*	1,854.11	
		ELECTRIC 9/10-10/10/19					
				FPL			1,854.11 000671
				WATE WATERFORD ESTS SROSINA			

AP300R  
 \*\*\* CHECK NOS. 000655-050000

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER  
 WATERFORD ESTATE-GENERAL FUND  
 BANK A GENERAL FUND

RUN 11/22/19

PAGE 3

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
10/18/19	00001	10/01/19 175	201910 310-51300-34000	MANAGEMENT FEES 10/19	*	3,433.33	
		10/01/19 175	201910 310-51300-35100	COMPUTER TIME	*	83.33	
		10/01/19 175	201910 310-51300-31300	DISSEMINATION AGENT SVCS	*	333.33	
		10/01/19 175	201910 310-51300-35101	WEBSITE ADMINISTRATION	*	83.33	
		10/01/19 175	201910 310-51300-51000	OFFICE SUPPLIES	*	4.40	
		10/01/19 175	201910 310-51300-42000	POSTAGE AND DELIVERIES	*	4.50	
		10/01/19 175	201910 310-51300-42500	COPIES	*	2.25	
				GMS - SF, LLC			3,944.47 000672
10/18/19	00037	10/01/19 70307	201910 320-53800-46200	MAINT 10/19	*	2,600.00	
				JUNIPER LANDSCAPING OF FL LLC			2,600.00 000673
11/19/19	00008	11/13/19 5305	201911 310-51300-31100	SVCS THRU 11/08/19	*	552.50	
				ALVAREZ ENGINEERS, INC.			552.50 000674
11/19/19	00005	9/30/19 158642	201909 310-51300-31500	SVCS THRU 9/19	*	500.00	
				BILLING, COCHRAN, LYLES, MAURO & RAMSE			500.00 000675
11/19/19	00006	10/01/19 74310	201910 310-51300-54000	ANNUAL FEE FY19/20	*	175.00	
				DEPARTMENT OF ECONOMIC OPPORTUNITY			175.00 000676
11/19/19	00043	11/20/19 122019	201912 310-51300-44000	12/2/19 MEETING	*	50.00	
				FIRST PRESBYTERIAN CHURCH OF			50.00 000677
11/19/19	00033	11/08/19 55463-10	201910 320-53800-43000	ELECTRIC 10/10-11/08/19	*	1,837.99	
				FPL			1,837.99 000678
11/19/19	00001	11/01/19 176	201911 310-51300-34000	MANAGEMENT FEES 11/19	*	3,433.33	
		11/01/19 176	201911 310-51300-35100	COMPUTER TIME	*	83.33	
		11/01/19 176	201911 310-51300-31300	DISSEMINATION AGENT SVCS	*	333.33	

WATE WATERFORD ESTS SROSINA



AP300R  
\*\*\* CHECK NOS. 000655-050000

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER  
WATERFORD ESTATE-GENERAL FUND  
BANK A GENERAL FUND

RUN 11/22/19

PAGE 4

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
		11/01/19 176	201911 310-51300-35101		*	83.33	
		WEBSITE ADMINISTRATION					
		11/01/19 176	201911 310-51300-42000		*	.92	
		POSTAGE AND DELIVERY					
		11/01/19 176	201911 310-51300-42500		*	5.25	
		COPIES					
				GMS - SF, LLC			3,939.49 000679
11/19/19 00010		11/11/19 18859	201911 310-51300-31200		*	600.00	
		ARBITRAGE SERIES 2006					
				GRAU & ASSOCIATES			600.00 000680
11/19/19 00037		11/01/19 72584	201911 320-53800-46200		*	2,600.00	
		MAINT 11/19					
		11/05/19 72852	201910 320-53800-35000		*	62.27	
		10/19 WET CHECK REPAIRS					
				JUNIPER LANDSCAPING OF FL LLC			2,662.27 000681
11/19/19 00018		11/20/19 112019	201911 300-20700-10200		*	102,951.25	
		DEBT ASSESS 11/7-9/30/20					
		11/20/19 112019-F	201911 300-20700-10200		*	3,496.11	
		SPECIAL ASSESSMENTS FY19					
				WATERFORD ESTATES CDD			106,447.36 000682
				TOTAL FOR BANK A		157,818.55	
				TOTAL FOR REGISTER		157,818.55	

WATE WATERFORD ESTS SROSINA

## Waterford Estates

## Community Development District

## Special Assessment Receipts

Fiscal Year 2020

TOTAL ASSESSMENT LEVY							\$189,125.20	\$301,700.00	\$490,825.20
DATE	DESCRIPTION	AMOUNT	DISCOUNTS/PENALTIES	COLLECTION FEES	INTEREST	NET RECEIPTS	38.53%	61.47%	100.00%
							O&M Portion	DSF Portion	Total
11/8/2019	06/01/19-10/31/19	\$1,666.71	\$66.67	\$32.00	\$0.00	\$1,568.04	\$604.20	\$963.84	\$1,568.04
TOTAL		\$1,666.71	\$66.67	\$32.00	\$0.00	\$1,568.04	\$604.20	\$963.84	\$1,568.04

**Assessed on Roll:**

0.34%

	GROSS AMOUNT ASSESSED	PERCENTAGE	ASSESSMENTS COLLECTED	ASSESSMENTS TRANSFERRED	AMOUNT TO BE TFR.
O & M	\$35,915.36	27.9943%	\$604.20	(\$604.20)	\$0.00
DSF	\$92,380.00	72.0057%	\$963.84	\$0.00	\$963.84
<b>TOTAL</b>	<b>\$128,295.36</b>	<b>100.00%</b>	<b>\$1,568.04</b>	<b>(\$604.20)</b>	<b>\$963.84</b>

<b>TRANSFERS TO DEBT SERVICE:</b>		
<u>DATE</u>	<u>CHECK #</u>	<u>AMOUNT</u>
	TOTAL	\$0.00
Amount due:		\$963.84

**Waterford Estates**  
**Community Development District**  
**COMBINED BALANCE SHEET**  
October 31, 2019

	Major Funds			Total
	General	Debt Service	Capital Projects	Governmental Funds
<b>ASSETS:</b>				
Cash	\$60,684	---	---	\$60,684
Assessments Receivable	\$604	\$964	---	\$1,568
Due from Other Funds	---	\$3,496	---	\$3,496
Investment - Default Expenditure	\$3,713	---	---	\$3,713
Investments:				
Reserve A	---	\$164,040	---	\$164,040
Reserve B	---	\$212,973	---	\$212,973
Revenue A	---	\$180,214	---	\$180,214
Revenue B	---	\$76	---	\$76
Interest A	---	\$393,517	---	\$393,517
Interest B	---	\$310,050	---	\$310,050
Prepayment A	---	\$439	---	\$439
Prepayment B	---	\$3,480	---	\$3,480
Construction	---	---	\$91,323	\$91,323
Deposits-Electric	\$2,715	---	---	\$2,715
<b>TOTAL ASSETS</b>	<b>\$67,716</b>	<b>\$1,269,249</b>	<b>\$91,323</b>	<b>\$1,428,288</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$2,575	---	---	\$2,575
Due to Other Funds	\$3,496	---	---	\$3,496
Matured Interest Payable 2006A <sup>(1)</sup>	---	\$1,903,176	---	\$1,903,176
Matured Interest Payable 2006B <sup>(2)</sup>	---	\$1,768,561	---	\$1,768,561
Matured Bonds Payable - Series 2006A <sup>(3)</sup>	---	\$285,000	---	\$285,000
Matured Bonds Payable - Series 2006B <sup>(4)</sup>	---	\$4,555,000	---	\$4,555,000
<b>TOTAL LIABILITIES</b>	<b>\$6,071</b>	<b>\$8,511,737</b>	<b>\$0</b>	<b>\$8,517,808</b>
<b>FUND BALANCES:</b>				
Nonspendable	\$2,715	---	---	\$2,715
Restricted for Capital Projects	---	---	\$91,323	\$91,323
Unassigned	\$58,929	(\$7,242,488)	---	(\$7,183,558)
<b>TOTAL FUND BALANCES</b>	<b>\$61,644</b>	<b>(\$7,242,488)</b>	<b>\$91,323</b>	<b>(\$7,089,520)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$67,716</b>	<b>\$1,269,249</b>	<b>\$91,323</b>	<b>\$1,428,288</b>

<sup>(1)</sup> Includes 2006A Interest Expense Payments not made on 5/1/08, 11/1/08, 5/1/09, 11/1/09, 05/1/10, 11/1/10, 5/1/11, 11/1/11, 5/1/12, 11/1/12, 5/1/13, 11/1/13, 5/1/14, 11/1/14, 5/1/15, 11/1/15, 5/1/16, 11/1/16, 5/1/17, 11/1/17, 5/1/18, 11/1/18, and 5/1/19.

<sup>(2)</sup> Includes 2006B Interest Expense Payments not made on 5/1/08, 11/1/08, 5/1/09, 11/1/09, 05/1/10, 11/1/10, 5/1/11, 11/1/11, 5/1/12, 11/1/12, 5/1/13, 11/1/13, 5/1/14, 11/1/14, 5/1/15, 11/1/15, 5/1/16, 11/1/16, 5/1/17, 11/1/17, 5/1/18, 11/1/18, and 5/1/19.

<sup>(3)</sup> Includes 2006A Principal Expense Payment not made on 5/1/19.

<sup>(4)</sup> Includes 2006B Principal Expense Payment not made on 5/1/13.

# Waterford Estates

## Community Development District

### GENERAL FUND

#### Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Period Ended October 31, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 10/31/19	ACTUAL THRU 10/31/19	VARIANCE
<b><u>REVENUES:</u></b>				
Assessments	\$243,637	\$604	\$604	\$0
<b>TOTAL REVENUES</b>	<b>\$243,637</b>	<b>\$604</b>	<b>\$604</b>	<b>\$0</b>
<b><u>EXPENDITURES:</u></b>				
<u>Administrative</u>				
Supervisors	\$6,000	\$500	\$0	\$500
FICA Expense	\$459	\$38	\$0	\$38
Engineering	\$12,000	\$1,000	\$0	\$1,000
Arbitrage	\$1,200	\$100	\$0	\$100
Dissemination	\$4,000	\$333	\$333	\$0
Attorney	\$30,000	\$2,500	\$0	\$2,500
Attorney-Default	\$15,000	\$1,250	\$0	\$1,250
Annual Audit	\$4,950	\$413	\$0	\$413
Trustee Fees	\$6,500	\$542	\$0	\$542
Management Fees	\$41,200	\$3,433	\$3,433	\$0
Computer Time	\$1,000	\$83	\$83	\$0
Telephone	\$500	\$42	\$0	\$42
Postage	\$500	\$42	\$5	\$37
Printing & Binding	\$1,000	\$83	\$2	\$81
Meeting Room Rental	\$375	\$31	\$0	\$31
Insurance	\$6,003	\$6,003	\$5,894	\$109
Legal Advertising	\$750	\$63	\$0	\$63
Other Current Charges	\$1,000	\$83	\$48	\$35
Office Supplies	\$225	\$19	\$4	\$14
Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0
Website Compliance	\$1,000	\$83	\$83	\$0
<b>TOTAL ADMINISTRATIVE</b>	<b>\$133,837</b>	<b>\$16,816</b>	<b>\$10,062</b>	<b>\$6,754</b>
<u>Field</u>				
Electric	\$18,100	\$1,508	\$1,838	(\$330)
Grounds Maintenance-Phase 1	\$31,200	\$2,600	\$2,600	\$0
Grounds Maintenance-Phase 2	\$31,200	\$2,600	\$0	\$2,600
Irrigation Maintenance	\$2,000	\$167	\$62	\$104
Lake Bank Mowing	\$7,000	\$583	\$0	\$583
Swale Maintenance	\$5,000	\$417	\$0	\$417
Lake Maintenance	\$6,000	\$500	\$0	\$500
Mitigation Monitoring	\$6,500	\$542	\$0	\$542
Exotic Removal	\$2,800	\$233	\$0	\$233
<b>TOTAL FIELD</b>	<b>\$109,800</b>	<b>\$9,150</b>	<b>\$4,500</b>	<b>\$4,650</b>
<b>TOTAL EXPENDITURES</b>	<b>\$243,637</b>	<b>\$25,966</b>	<b>\$14,562</b>	<b>\$11,404</b>
Excess (deficiency) of revenues over (under) expenditures	<b>\$0</b>	<b>(\$25,362)</b>	<b>(\$13,958)</b>	<b>\$11,404</b>
<b>FUND BALANCE - Beginning</b>	<b>\$0</b>		<b>\$75,602</b>	
<b>FUND BALANCE - Ending</b>	<b>\$0</b>		<b>\$61,644</b>	

# Waterford Estates

Community Development District

DEBT SERVICE FUND

SERIES 2006A

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Period Ended October 31, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 10/31/19	ACTUAL THRU 10/31/19	VARIANCE
<b>REVENUES:</b>				
Interest Income	\$0	\$0	\$0	\$0
Special Assessments--Direct	\$128,531	\$0	\$0	\$0
Special Assessments--On Roll	\$275,194	\$964	\$964	\$0
<b>TOTAL REVENUES</b>	<b>\$403,725</b>	<b>\$964</b>	<b>\$964</b>	<b>\$0</b>
<b>EXPENDITURES:</b>				
<b>Series 2006A</b>				
Interest - 11/01	\$125,813	\$0	\$0	\$0
Interest - 5/01	\$125,813	\$0	\$0	\$0
Principal - 5/01	\$155,000	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$406,625</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Excess (deficiency) of revenues over (under) expenditures	<b>(\$2,900)</b>	<b>\$964</b>	<b>\$964</b>	<b>\$0</b>
Net change in fund balance	<b>(\$2,900)</b>	<b>\$964</b>	<b>\$964</b>	<b>\$0</b>
<b>FUND BALANCE - Beginning</b>	<b>\$3,175</b>		<b>(\$1,446,470)</b>	
<b>FUND BALANCE - Ending</b>	<b>\$275</b>		<b>(\$1,445,506)</b>	

# Waterford Estates

## Community Development District

### DEBT SERVICE FUND

#### SERIES 2006B

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Period Ended October 31, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 10/31/19	ACTUAL THRU 10/31/19	VARIANCE
<b>REVENUES:</b>				
Interest Income	\$0	\$0	\$0	\$0
Special Assessments	\$256,250	\$0	\$0	\$0
<b>TOTAL REVENUES</b>	<b>\$256,250</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>EXPENDITURES:</b>				
<b>Series 2006B</b>				
Interest - 11/01	\$128,125	\$0	\$0	\$0
Interest - 05/01	\$128,125	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$256,250</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Excess (deficiency) of revenues over (under) expenditures	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Net change in fund balance	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FUND BALANCE - Beginning</b>	<b>\$0</b>		<b>(\$5,796,982)</b>	
<b>FUND BALANCE - Ending</b>	<b>\$0</b>		<b>(\$5,796,982)</b>	

## Waterford Estates

### Community Development District

#### CAPITAL PROJECTS FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Period Ended October 31, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 10/31/19	ACTUAL THRU 10/31/19	VARIANCE
<b><u>REVENUES:</u></b>				
Interest Income	\$0	\$0	\$0	\$0
<b>TOTAL REVENUES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>EXPENDITURES:</u></b>				
Capital Outlay	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Excess (deficiency) of revenues over (under) expenditures	\$0	\$0	\$0	\$0
Net change in fund balance	\$0	\$0	\$0	\$0
<b>FUND BALANCE - Beginning</b>	<b>\$0</b>		<b>\$91,323</b>	
<b>FUND BALANCE - Ending</b>	<b>\$0</b>		<b>\$91,323</b>	