# VERANDAH WEST
## COMMUNITY DEVELOPMENT DISTRICT

**REGULAR MEETING**
**AGENDA**

**May 9, 2018**

# Verandah West Community Development District
## OFFICE OF THE DISTRICT MANAGER
**2300 Glades Road, Suite 410W•Boca Raton, Florida 33431**
**Phone: (561) 571-0010•Fax: (561) 571-0013•Toll-free: (877) 276-0889**

May 2, 2018

**ATTENDEES:**
**Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.**

Board of Supervisors
Verandah West Community Development District

Dear Board Members:

A Regular Meeting of the Verandah West Community Development District's Board of Supervisors will be held on Wednesday, May 9, 2018 at 1:30 p.m., at the Verandah Sales Office, 11571 Verandah Blvd., Ft. Myers, Florida 33905. The agenda is as follows:

1. Call to Order/Roll Call

2. Public Comments [3 minutes per person]

3. Presentation of Audited Financial Report for Fiscal Year Ended September 30, 2017, Prepared by Grau & Associates

4. Consideration of Resolution 2018-01, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2017

5. Consideration of Resolution 2018-02, Approving Proposed Budgets for Fiscal Year 2018/2019 and Setting a Public Hearing Thereon Pursuant to Florida Law; Addressing Transmittal, Posting and Publication Requirements; and Providing an Effective Date

6. Consideration of Award of Contract for Lake and Wetland Maintenance

7. Consideration of Resolution 2018-03, Implementing Section 190.006(3)(A)(2)(c), Florida Statutes, and Instructing the Lee County Supervisor of Elections to Conduct the District's General Election

8. Updates: Lake F

9. Acceptance of Unaudited Financial Statements as of March 31, 2018

10. Approval of January 10, 2018 Regular Meeting Minutes

11. Staff Reports
    A. District Counsel: *Hopping Green & Sams, P.A.*
    B. District Engineer: *Johnson Engineering, Inc.*

C. District Manager: *Wrathell, Hunt and Associates, LLC*

i. 844 Registered Voters in District as of April 15, 2018

ii. NEXT MEETING DATE: August 8, 2018 at 1:30 P.M.

12. Supervisors' Requests

13. Adjournment

Should you have any questions, please do not hesitate to contact me directly at (239) 464-7114.

Sincerely,

District Manager

**FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE**

**CALL IN NUMBER: 1-888-354-0094**

**CONFERENCE ID: 8593810**

# VERANDAH WEST
## COMMUNITY DEVELOPMENT DISTRICT

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# VERANDAH WEST
# COMMUNITY DEVELOPMENT DISTRICT
# LEE COUNTY, FLORIDA
# FINANCIAL REPORT
# FOR THE FISCAL YEAR ENDED
# SEPTEMBER 30, 2017

**VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT**
**LEE COUNTY, FLORIDA**

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Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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# INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Verandah West Community Development District
Lee County, Florida

## Report on the Financial Statements

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

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

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

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

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

## Opinions

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

## Other Matters

*Required Supplementary Information*

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

## Report on Other Legal and Regulatory Requirements

We have also issued our report dated March 28, 2018, on our consideration of the District's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

March 28, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Verandah West Community Development District, Lee County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets plus deferred outflows of resources at the close of the most recent fiscal year resulting in a deficit net position balance of ($2,521,682).

- The change in the District's total net position in comparison with the prior fiscal year was $231,039 an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.

- At September 30, 2017, the District's governmental funds reported combined ending fund balances of $857,332 an increase of $16,229 in comparison with the prior fiscal year. A portion of fund balance is restricted for debt service and the remainder is unassigned fund balance which is available for spending at the District's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

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

#### Government-Wide Financial Statements

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

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

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

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

#### Fund Financial Statements

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

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

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

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

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

NET POSITION
SEPTEMBER 30,

| | 2017 | 2016 |
|---|---|---|
| Current and other assets | $ 873,622 | $ 860,141 |
| Capital assets, net of depreciation | 9,946,363 | 10,272,801 |
| Total assets | 10,819,985 | 11,132,942 |
| Deferred outflows of resources | 535,098 | 569,620 |
| Total assets and deferred outflows of resources | 11,355,083 | 11,702,562 |
| Current liabilities | 287,144 | 299,558 |
| Long-term liabilities | 13,589,621 | 14,155,725 |
| Total liabilities | 13,876,765 | 14,455,283 |
| Net position | | |
| Net investment in capital assets | (3,108,160) | (3,313,304) |
| Restricted | 505,364 | 487,441 |
| Unrestricted | 81,114 | 73,142 |
| Total net position | $ (2,521,682) | $ (2,752,721) |

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which the ongoing program revenues exceeded cost of operations and depreciation expense.

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

CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

| | 2017 | 2016 |
|---|---|---|
| Revenues: | | |
| Program revenues | | |
| Charges for services | $ 981,331 | $ 982,945 |
| Operating grants and contributions | 473,642 | 471,591 |
| General revenues | | |
| Unrestricted investment earnings | 89 | 86 |
| Miscellaneous | 5,473 | 3,000 |
| Total revenues | 1,460,535 | 1,457,622 |
| Expenses: | | |
| General government | 114,116 | 121,734 |
| Maintenance and operations | 408,929 | 402,627 |
| Interest | 706,451 | 734,639 |
| Total expenses | 1,229,496 | 1,259,000 |
| Change in net position | 231,039 | 198,622 |
| Net position - beginning | (2,752,721) | (2,951,343) |
| Net position - ending | $ (2,521,682) | $ (2,752,721) |

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2017 was $1,229,496. The majority of the costs of the District's activities were paid by program revenues. As in the prior fiscal year, program revenues are comprised primarily of assessments. The majority of the change in expenses results from the decrease in interest. Based on the amortization schedule of the Bonds, as the balance outstanding of the Bonds decreases over time, the portion of each debt service payment allocated to principal increases accordingly thereby decreasing the amount allocated to interest.

GENERAL BUDGETING HIGHLIGHTS

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

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2017, the District had $14,452,417 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of $4,506,054 has been taken, which resulted in a net book value of $9,946,363. More detailed information about the District's capital assets is presented in the notes of the financial statements.

### Capital Debt

At September 30, 2017, the District had $13,805,000 in Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major infrastructure projects for the subsequent fiscal year. It is anticipated that the general operations and maintenance of the District will remain fairly constant.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Verandah West Community Development District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida, 33431.

**VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT**
**LEE COUNTY, FLORIDA**
**STATEMENT OF NET POSITION**
**SEPTEMBER 30, 2017**

| | Governmental Activities |
|---|---|
| ASSETS | |
| Cash | $ 88,000 |
| Due from other governments | 5,758 |
| Assessments receivable | 687 |
| Prepaids | 3,188 |
| Restricted assets: | |
| Investments | 775,989 |
| Capital assets: | |
| Nondepreciable | 5,587,688 |
| Depreciable, net | 4,358,675 |
| Total assets | 10,819,985 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred charge on refunding | 535,098 |
| Total deferred outflows of resources | 535,098 |
| LIABILITIES | |
| Accounts payable | 8,944 |
| Due to other government | 7,346 |
| Accrued interest payable | 270,854 |
| Non-current liabilities: | |
| Due within one year | 605,000 |
| Due in more than one year | 12,984,621 |
| Total liabilities | 13,876,765 |
| NET POSITION | |
| Net investment in capital assets | (3,108,160) |
| Restricted for debt service | 505,364 |
| Unrestricted | 81,114 |
| Total net position | $ (2,521,682) |

See notes to the financial statements

**VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT**
**LEE COUNTY, FLORIDA**
**STATEMENT OF ACTIVITIES**
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Governmental Activities |
|---|---|---|---|---|
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | $ 114,116 | $ 114,116 | $ - | $ - |
| Maintenance and operations | 408,929 | 48,817 | 36,084 | (324,028) |
| Interest on long-term debt | 706,451 | 818,398 | 437,558 | 549,505 |
| Total governmental activities | 1,229,496 | 981,331 | 473,642 | 225,477 |
| General revenues: | | | | |
| Investment earnings | | | | 89 |
| Other | | | | 5,473 |
| Total general revenues | | | | 5,562 |
| Change in net position | | | | 231,039 |
| Net position - beginning | | | | (2,752,721) |
| Net position - ending | | | | $ (2,521,682) |

See notes to the financial statements

**VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT**
**LEE COUNTY, FLORIDA**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**SEPTEMBER 30, 2017**

| | Major Funds | | Total |
|---|---|---|---|
| | General | Debt Service | Governmental Funds |
| ASSETS | | | |
| Cash | $ 88,000 | $ - | $ 88,000 |
| Investments | - | 775,989 | 775,989 |
| Due from other governments | 5,758 | - | 5,758 |
| Assessments receivable | 458 | 229 | 687 |
| Prepaids | 3,188 | - | 3,188 |
| Total assets | $ 97,404 | $ 776,218 | $ 873,622 |
| LIABILITIES | | | |
| Liabilities: | | | |
| Accounts payable | $ 8,944 | $ - | $ 8,944 |
| Due to other government | 7,346 | - | 7,346 |
| Total liabilities | 16,290 | - | 16,290 |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Prepaid items | 3,188 | - | 3,188 |
| Restricted for: | | | |
| Debt service | - | 776,218 | 776,218 |
| Unassigned | 77,926 | - | 77,926 |
| Total fund balances | 81,114 | 776,218 | 857,332 |
| Total liabilities and fund balances | $ 97,404 | $ 776,218 | $ 873,622 |

See notes to the financial statements

**VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT**
**LEE COUNTY, FLORIDA**
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**
**TO THE STATEMENT OF NET POSITION**
**SEPTEMBER 30, 2017**

| | | |
|---|---|---|
| Fund balance - governmental funds | | $ 857,332 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of accumulated depreciation, in the assets of the government as a whole. | | |
| Cost of capital assets | 14,452,417 | |
| Accumulated depreciation | (4,506,054) | 9,946,363 |
| Deferred outflows of resources resulting from current or advancerefundings are reported in the government-wide financial statements but not on the fund financial statements | | 535,098 |
| Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements. | | |
| Accrued interest payable | (270,854) | |
| Bond discounts | 215,379 | |
| Bonds payable | (13,805,000) | (13,860,475) |
| Net position of governmental activities | | $ (2,521,682) |

See notes to the financial statements

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

| | Major Funds | | Total |
|---|---|---|---|
| | General | Debt Service | Governmental Funds |
| REVENUES | | | |
| Assessments | $ 162,933 | $ 818,398 | $ 981,331 |
| Developer assessments | 36,084 | 435,192 | 471,276 |
| Interest | 89 | 2,366 | 2,455 |
| Miscellaneous income | 5,473 | - | 5,473 |
| Total revenues | 204,579 | 1,255,956 | 1,460,535 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 114,115 | - | 114,115 |
| Maintenance and operations | 82,491 | - | 82,491 |
| Debt service: | | | |
| Principal | - | 580,000 | 580,000 |
| Interest | - | 667,700 | 667,700 |
| Total expenditures | 196,606 | 1,247,700 | 1,444,306 |
| Excess (deficiency) of revenues over (under) expenditures | 7,973 | 8,256 | 16,229 |
| Fund balances - beginning | 73,141 | 767,962 | 841,103 |
| Fund balances - ending | $ 81,114 | $ 776,218 | $ 857,332 |

See notes to the financial statements

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

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds | $ | 16,229 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities. | | (326,438) |
| Bond disounts and deferred amounts on refunding are amortized over the lives of the bonds in the statement of activities, but are recorded as expenditures in the governmental funds. | | (48,418) |
| Repayments of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities. | | 580,000 |
| The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements. | | 9,666 |
| Change in net position of governmental activities | $ | 231,039 |

See notes to the financial statements

**VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT**
**LEE COUNTY, FLORIDA**
**NOTES TO FINANCIAL STATEMENTS**

## NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Verandah West Community Development District ("District") was created on April 2, 2002 by Ordinance 02-13 of Lee County, Florida, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by registered voters living within the boundaries of the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2017 all of the Board members are registered voters within the District.

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

The District is related to Verandah West Community Development District and shares the same Developer and two common Board members.

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

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Government-Wide and Fund Financial Statements**
The basic financial statements include both government-wide and fund financial statements.

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

Assessments

Assessments are non-ad valorem assessments on certain land and all platted lots within the District. Assessments are levied each November 1 on property of record as of the previous January. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. For debt service assessments, amounts collected as advance payments are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments.

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

The District reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position or Equity**

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

Deposits and Investments
The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

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

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

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, unspent Bond proceeds are required to be held in investments as specified in the Bond Indentures.

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

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

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

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

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|---|---|
| Infrastructure | 20 - 30 |
| Improvements | 10 - 20 |

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position or Equity (Continued)**

Refunding of Debt
For current refunding and advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources/deferred inflow of resources and recognized ratably as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. In connection with the refunding, $34,522 was recognized as a component of interest expense in the current fiscal year.

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

Long-Term Obligations
In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are reported as an expense in the year incurred.

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

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

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

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

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

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position or Equity (Continued)**

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

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

**Other Disclosures**

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

**NOTE 3 – BUDGETARY INFORMATION**

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

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

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

**NOTE 4 – DEPOSITS AND INVESTMENTS**

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

**NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

**Investments**

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

| | Amortized Cost | Credit Risk | Maturities |
|---|---|---|---|
| Money Market Mutual Funds - First American Government Obligations Class Y | $ 775,989 | S&P AAAm | Weighted average of the fund portfolio: 23 days |
| | $ 775,989 | | |

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

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

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

However, the Bond Indentures limit the type of investments held using unspent proceeds.

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

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

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

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

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

## NOTE 5 – CAPITAL ASSETS

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

| | Beginning Balance | Additions | Reductions | Ending Balance |
|---|---|---|---|---|
| Governmental activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land and land improvements | $ 5,587,688 | $ - | $ - | $ 5,587,688 |
| Total capital assets, not being depreciated | 5,587,688 | - | - | 5,587,688 |
| Capital assets, being depreciated | | | | |
| Improvements other than buildings | 338,418 | - | - | 338,418 |
| Infrastructure | 8,526,311 | - | - | 8,526,311 |
| Total capital assets, being depreciated | 8,864,729 | - | - | 8,864,729 |
| Less accumulated depreciation for: | | | | |
| Improvements other than buildings | 287,459 | 13,294 | - | 300,753 |
| Infrastructure | 3,892,157 | 313,144 | - | 4,205,301 |
| Total accumulated depreciation | 4,179,616 | 326,438 | - | 4,506,054 |
| Total capital assets, being depreciated, net | 4,685,113 | (326,438) | - | 4,358,675 |
| Governmental activities capital assets, net | $ 10,272,801 | $ (326,438) | $ - | $ 9,946,363 |

Depreciation expense was charged to maintenance and operations function.

## NOTE 6 – LONG-TERM LIABILITIES

On March 6, 2013, the District issued $15,920,000 of Capital Improvement Revenue Refunding Bonds, Series 2013. The Series 2013 Bonds were applied together with other legally available funds to currently refund the Series 2003 Capital Improvement Revenue Bonds. The Series 2013 consists of $6,130,000 Term Bond due May 1, 2023 with a fixed interest rate of 4%, and $9,790,000 Term Bond due May 1, 2033 with a fixed interest rate of 5.0%. Interest is paid semiannually on each May 1 and November 1, commencing November 1, 2013. Principal on the Series 2013 Bonds is paid serially and commences on May 1, 2014. The Bonds mature at various dates through May 1, 2033.

Some or all of the Series 2013 Bonds are subject to optional, mandatory and extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

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

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

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Governmental activities | | | | | |
| Bonds payable: | | | | | |
| Series 2013 | $ 14,385,000 | $ - | $ 580,000 | $ 13,805,000 | $ 605,000 |
| Less: bond discount | 229,275 | - | 13,896 | 215,379 | - |
| Total | $ 14,155,725 | $ - | $ 566,104 | $ 13,589,621 | $ 605,000 |

**NOTE 6 – LONG-TERM LIABILITIES (Continued)**

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

| Year ending September 30: | Governmental Activities | | |
|---|---|---|---|
| | Principal | Interest | Total |
| 2018 | $ 605,000 | $ 650,050 | $ 1,255,050 |
| 2019 | 630,000 | 625,850 | 1,255,850 |
| 2020 | 655,000 | 600,650 | 1,255,650 |
| 2021 | 680,000 | 574,450 | 1,254,450 |
| 2022 | 710,000 | 547,250 | 1,257,250 |
| 2023-2027 | 4,070,000 | 2,236,600 | 6,306,600 |
| 2028-2032 | 5,240,000 | 1,116,000 | 6,356,000 |
| 2033 | 1,215,000 | 60,750 | 1,275,750 |
| Total | $ 13,805,000 | $ 6,411,600 | $ 20,216,600 |

**NOTE 7 – DEFICIT NET POSITION**

The District has a government-wide net position deficit of ($2,521,682) as of September 30, 2017. There is no such deficit reflected in the governmental fund financial statements. The deficit in the government-wide statement of net position primarily relates to the excess of the amount of long-term debt outstanding over the amount of capital assets, net of accumulated depreciation. In a prior year various infrastructure improvements necessary to complete the District were financed through the issuance of long-term debt but were conveyed to other entities for maintenance. Those capital assets are not included in the assets of the District; however, the long-term debt associated with those assets remains a liability of the District.

**NOTE 8 – DEVELOPER TRANSACTIONS**

For the fiscal year ended September 30, 2017, Developer assessments in the general and debt service funds were $36,084 and $435,192, respectively.

**NOTE 9 – CONCENTRATION**

A significant portion of the District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

**NOTE 10 – MANAGEMENT AGREEMENTS**

The District has contracted with Wrathell, Hunt and Associates to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

**NOTE 11 – CONSERVATION AREA MAINTENANCE AGREEMENT**

On February 28, 2014, the District and Verandah East Community Development District, ("the Districts") entered into a conservation area maintenance agreement with Heritage Willow LLC. Heritage Willow LLC which grants to the Districts a non-exclusive maintenance easement for the installation and maintenance of certain improvements. The Districts shall use all due care to protect the easement area from damage resulting from the Districts' use of the easement area.

**NOTE 12 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations.

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

| | Budgeted Amounts Original and Final | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|
| REVENUES | | | |
| Assessments | $ 161,193 | $ 162,933 | $ 1,740 |
| Developer assessments | 36,084 | 36,084 | - |
| Interest | 317 | 89 | (228) |
| Miscellaneous revenue | - | 5,473 | 5,473 |
| Total revenues | 197,594 | 204,579 | 6,985 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 133,759 | 114,115 | 19,644 |
| Maintenance and operations | 63,835 | 82,491 | (18,656) |
| Total expenditures | 197,594 | 196,606 | 988 |
| Excess (deficiency) of revenues over (under) expenditures | $ - | 7,973 | $ 7,973 |
| Fund balance - beginning | | 73,141 | |
| Fund balance - ending | | $ 81,114 | |

See notes to required supplementary information

**VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT**
**LEE COUNTY, FLORIDA**
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

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

Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Supervisors
Verandah West Community Development District
Lee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Verandah West Community Development District, Lee County, Florida (the "District") as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated March 28, 2018.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

March 28, 2018

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

To the Board of Supervisors
Verandah West Community Development District
Lee County, Florida

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

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

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

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

March 28, 2018

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

To the Board of Supervisors
Verandah West Community Development District
Lee County, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Verandah West Community Development District ("District") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated March 28, 2018.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 2018, should be considered in conjunction with this management letter.

**Purpose of this Letter**

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

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

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

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

March 28, 2018

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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

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

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

   There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2016.

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

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

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

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

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2017 financial audit report.

6. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

7. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2017. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

# VERANDAH WEST
## COMMUNITY DEVELOPMENT DISTRICT

# 4

**RESOLUTION 2018-01**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT HEREBY ACCEPTING THE AUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

WHEREAS, the District's Auditor, Grau & Associates, has heretofore prepared and submitted to the Board, for accepting, the District's Audited Financial Report for Fiscal Year 2017;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT;**

1. The Audited Financial Report for Fiscal Year 2017, heretofore submitted to the Board, is hereby accepted for Fiscal Year 2017, for the period ending September 30, 2017; and

2. A verified copy of said Audited Financial Report for Fiscal Year 2017 shall be attached hereto as an exhibit to this Resolution, in the District's "Official Record of Proceedings".

**PASSED AND ADOPTED** this ____ day of _____, 2018.

**VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair

# VERANDAH WEST
## COMMUNITY DEVELOPMENT DISTRICT

# 5

**RESOLUTION 2018-02**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT APPROVING PROPOSED BUDGETS FOR FISCAL YEAR 2018/2019 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; ADDRESSING TRANSMITTAL, POSTING AND PUBLICATION REQUIREMENTS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the District Manager has heretofore prepared and submitted to the Board of Supervisors ("**Board**") of the Verandah West Community Development District (**"District"**) prior to June 15, 2018, proposed budgets (**"Proposed Budget"**) for the fiscal year beginning October 1, 2018 and ending September 30, 2019 (**"Fiscal Year 2018/2019"**); and

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

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT:**

1. **PROPOSED BUDGET APPROVED.** The Proposed Budget prepared by the District Manager for Fiscal Year 2018/2019 attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said Proposed Budget.

2. **SETTING A PUBLIC HEARING.** A public hearing on said approved Proposed Budget is hereby declared and set for the following date, hour and location:

| | |
|---|---|
| DATE: | August 8, 2018 |
| HOUR: | 1:30 P.M. |
| LOCATION: | Verandah Sales Office<br>11571 Verandah Blvd.<br>Ft. Myers, Florida 33905 |

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

4. **POSTING OF PROPOSED BUDGET.** In accordance with Section 189.016, *Florida Statutes*, the District's Secretary is further directed to post the approved Proposed Budget on the District's website at least two days before the budget hearing date as set forth in Section 2, and shall remain on the website for at least 45 days.

5. **PUBLICATION OF NOTICE.** Notice of this public hearing shall be published in the manner prescribed in Florida law.

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

**PASSED AND ADOPTED THIS ____ DAY OF _____, 2018.**

ATTEST:

**VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT**

_____
Secretary

By:_____
Its:_____

# Exhibit A

# VERANDAH EAST & VERANDAH WEST
# COMMUNITY DEVELOPMENT DISTRICTS
# PROPOSED BUDGET
# FISCAL YEAR 2019
# UPDATED MAY 01, 2018

**VERANDAH EAST & VERANDAH WEST**
**COMMUNITY DEVELOPMENT DISTRICTS**
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**VERANDAH EAST & VERANDAH WEST**
**COMMUNITY DEVELOPMENT DISTRICTS**
**COMBINED GENERAL FUND BUDGETS**
**FISCAL YEAR 2019**

| | Fiscal Year 2018 | | | | |
|---|---|---|---|---|---|
| | Adopted FY 2018 Budget | Actual through 3/31/2018 | Projected through 9/30/2018 | Total Revenue and Expenditures | Proposed FY 2019 Budget |
| **REVENUES** | | | | | |
| Assessment levy: on-roll - gross | $ 236,026 | | | | $ 335,332 |
| Allowable discounts (4%) | (9,441) | | | | (13,413) |
| Assessment levy: on-roll - net | 226,585 | $ 257,874 | $ 13,904 | $ 271,778 | 321,919 |
| Assessment levy: off-roll | 145,517 | 58,381 | 41,184 | 99,565 | 66,273 |
| Interest and miscellaneous | 600 | 126 | 474 | 600 | 600 |
| Total revenues | 372,702 | 316,381 | 55,562 | 371,943 | 388,792 |
| | | | | | |
| **EXPENDITURES** | | | | | |
| **Professional & admin** | | | | | |
| Supervisors | 5,000 | 3,128 | 1,872 | 5,000 | 5,000 |
| Management and accounting | 124,960 | 62,480 | 62,480 | 124,960 | 124,960 |
| Audit | 14,300 | 14,655 | - | 14,655 | 14,900 |
| Legal | 10,000 | 1,380 | 5,000 | 6,380 | 10,000 |
| Field management | 21,163 | 10,582 | 10,581 | 21,163 | 21,163 |
| Engineering | 5,000 | 3,791 | 1,209 | 5,000 | 5,000 |
| Trustee | 10,000 | 5,375 | 4,625 | 10,000 | 10,000 |
| Dissemination agent | 8,280 | 4,140 | 4,140 | 8,280 | 8,280 |
| Arbitrage rebate calculation | 3,000 | 396 | 2,604 | 3,000 | 3,000 |
| Assessment roll preparation | 24,000 | 24,000 | - | 24,000 | 24,000 |
| Telephone | 775 | 387 | 388 | 775 | 775 |
| Postage | 500 | 352 | 148 | 500 | 500 |
| Insurance | 13,030 | 12,084 | 946 | 13,030 | 13,030 |
| Printing & binding | 1,614 | 807 | 807 | 1,614 | 1,614 |
| Legal advertising | 1,500 | 476 | 1,024 | 1,500 | 1,500 |
| Office expenses & supplies | 250 | 265 | - | 265 | 250 |
| Website | 1,200 | 616 | 584 | 1,200 | 1,200 |
| Contingencies | 1,500 | 563 | 937 | 1,500 | 1,500 |
| Annual district filing fee | 350 | 350 | - | 350 | 350 |
| Total professional & admin | 246,422 | 145,827 | 97,345 | 243,172 | 247,022 |
| | | | | | |
| **Water management** | | | | | |
| Contractual services | 115,000 | 48,785 | 55,000 | 103,785 | 115,000 |
| Aquascaping/pipe cleanout | 5,000 | - | - | - | 5,000 |
| Contingencies | 1,000 | 5,773 | - | 5,773 | 15,000 |
| Hurricane clean up | - | 7,223 | - | 7,223 | - |
| Total water management | 121,000 | 61,781 | 55,000 | 116,781 | 135,000 |

**VERANDAH EAST & VERANDAH WEST**
**COMMUNITY DEVELOPMENT DISTRICTS**
**COMBINED GENERAL FUND BUDGETS**
**FISCAL YEAR 2019**

| | Fiscal Year 2018 | | | | |
|---|---|---|---|---|---|
| | Adopted FY 2018 Budget | Actual through 3/31/2018 | Projected through 9/30/2018 | Total Revenue and Expenditures | Proposed FY 2019 Budget |
| **Other fees and charges** | | | | | |
| Property appraiser | 1,740 | - | 1,238 | 1,238 | 1,740 |
| Tax collector | 3,540 | 1,806 | 1,734 | 3,540 | 5,030 |
| Total other fees and charges | 5,280 | 1,806 | 2,972 | 4,778 | 6,770 |
| Total expenditures | 372,702 | 209,414 | 155,317 | 364,731 | 388,792 |
| Net increase/(decrease) of fund balance | - | 106,967 | (99,755) | 7,212 | - |
| Fund balance - beginning (unaudited) | 100,058 | 109,408 | 216,375 | 109,408 | 116,620 |
| Fund balance - ending (projected) | $ 100,058 | $ 216,375 | $ 116,620 | $ 116,620 | $ 116,620 |

| Combined Assessment Summary | | | | |
|---|---|---|---|---|
| Description | Units | FY 2018 Assessment | Proposed Assessment | Total Revenue |
| On-roll | 1,438.00 | $ 216.94 | $ 233.20 | $335,341.60 |
| Off-roll | 302.40 | 203.41 | 219.16 | 66,273.98 |
| Total units: | 1,740.40 | | Total revenue: | 401,615.58 |

**VERANDAH EAST & VERANDAH WEST**
**COMMUNITY DEVELOPMENT DISTRICTS**
**DEFINITIONS OF GENERAL FUND EXPENDITURES**

**EXPENDITURES**

| | |
|---|---|
| Supervisors | $ 5,000 |
| Statutorily set at $200 for each meeting of the Board of Supervisors not to exceed $4,800 for each fiscal year. The District anticipates four (4) meetings and all five (5) Board Members receiving fees. | |
| Management and accounting | 124,960 |
| **Wrathell, Hunt and Associates, LLC** specializes in managing Community Development Districts in the State of Florida by combining the knowledge, skills and experience of a team of professionals to ensure compliance with all governmental requirements of the Districts, develop financing programs, oversee the issuance of tax exempt bonds, and operate and maintain the assets of the community. | |
| Audit Fees | 14,900 |
| The Districts are required to complete annual, independent examinations of their accounting records and procedures. These audits are conducted pursuant to Florida law and the rules of the Florida Auditor General. | |
| Legal | 10,000 |
| The District's attorney provides on-going general counsel and legal representation. He handles issues relating to public finance, public bidding, rulemaking, open meetings, public records, real property dedications, conveyances and contracts. | |
| **Field management** | 21,163 |
| **Wrathell, Hunt & Associates, LLC** is responsible for day-to-day field operations. These responsibilities include, but are not limited to, preparing and bidding services, contract administration, hiring and maintaining qualified personnel, preparing operating schedules and policies, ensuring compliance with operating permits, preparing and implementing field operating budgets, providing District-related information to the public and attending board meetings. | |
| Engineering | 5,000 |
| Johnson Engineering provides an array of engineering and consulting services to the Districts, assisting in developing infrastructure and improvement-related solutions for them in addition to advising the Districts on facility maintenance. | |
| Trustee | 10,000 |
| Annual fees paid to U.S. Bank for acting as trustee, paying agent and registrar. | |
| Dissemination agent | 8,280 |
| The Districts must annually disseminate financial information in order to comply with the requirements of Rule 15c2-12 under the Securities & Exchange Act of 1934. | |
| Arbitrage rebate calculation | 3,000 |
| To ensure the Districts' compliance with all tax regulations, annual computations are necessary to calculate arbitrage rebate liability. | |
| Assessment roll preparation | 24,000 |
| The Districts have contracts with AJC Associates, Inc., to prepare the annual assessment rolls. | |
| Telephone | 775 |
| Telephone and fax machine services. | |
| Postage | 500 |
| Mailing of agenda packages, overnight deliveries, correspondence, etc. | |
| Insurance | 13,030 |
| The Districts carry public officials liability and general liability insurance. Each District has a general liability insurance limit of $1,000,000 ($2,000,000 general aggregate) and a public officials liability limit of $1,000,000. | |

**VERANDAH EAST & VERANDAH WEST**
**COMMUNITY DEVELOPMENT DISTRICTS**
**DEFINITIONS OF GENERAL FUND EXPENDITURES**

| | |
|---|---|
| **EXPENDITURES (continued)** | |
| Printing & binding | 1,614 |
| Letterhead, envelopes, copies, etc. | |
| Legal advertising | 1,500 |
| Required advertisements for monthly meetings, special meetings, public hearings, bidding, etc. | |
| Office expenses & supplies | 250 |
| Administrative and accounting supplies. | |
| Website | 1,200 |
| Contingencies | 1,500 |
| Bank charges and miscellaneous expenses incurred throughout the year. | |
| Annual district filing fee | 350 |
| Annual fee paid to the Department of Economic Opportunity. | |
| Contractual services | 115,000 |
| Contracts entered into by the Districts for water management related professional services. | |
| Aquascaping/pipe cleanout | 5,000 |
| Expenses incurred relating to supplemental lake littoral plantings and lake interconnect pipe cleanout. | |
| Contingencies | 15,000 |
| Miscellaneous water management expenses incurred throughout the year. | |
| Property appraiser | 1,740 |
| The property appraiser's fee is $1.00 per parcel. | |
| Tax collector | 5,030 |
| The tax collector's fee is 1.5% of assessments collected. | |
| Total expenditures | $388,792 |

**VERANDAH EAST**
**COMMUNITY DEVELOPMENT DISTRICT**
**GENERAL FUND BUDGET**
**FISCAL YEAR 2019**

| | Fiscal Year 2018 | | | | |
|---|---|---|---|---|---|
| | Adopted FY 2018 Budget | Actual through 3/31/2018 | Projected through 9/30/2018 | Total Revenue and Expenditures | Proposed FY 2019 Budget |
| **REVENUES** | | | | | |
| Assessment levy: on-roll - gross | $ 68,118 | | | | $ 128,955 |
| Allowable discounts (4%) | (2,725) | | | | (5,158) |
| Assessment levy: on-roll - net | 65,393 | $ 89,111 | $ 2,728 | $ 91,839 | 123,797 |
| Assessment levy: off-roll | 109,432 | 47,901 | 33,887 | 81,788 | 47,119 |
| Interest and miscellaneous | 283 | 57 | 226 | 283 | 265 |
| Total revenues | 175,108 | 137,069 | 36,841 | 173,910 | 171,181 |
| | | | | | |
| **EXPENDITURES** | | | | | |
| **Professional & admin** | | | | | |
| Supervisors | 2,362 | 1,756 | 606 | 2,362 | 2,206 |
| Management and accounting | 59,036 | 29,518 | 29,518 | 59,036 | 55,142 |
| Audit | 6,756 | 7,110 | - | 7,110 | 6,575 |
| Legal | 4,724 | 652 | 2,200 | 2,852 | 4,413 |
| Field management | 9,998 | 4,999 | 4,999 | 9,998 | 9,339 |
| Engineering | 2,362 | 1,791 | 571 | 2,362 | 2,206 |
| Trustee | 4,724 | 2,539 | 2,185 | 4,724 | 4,413 |
| Dissemination agent | 3,912 | 1,956 | 1,956 | 3,912 | 3,654 |
| Arbitrage rebate calculation | 1,417 | - | 1,417 | 1,417 | 1,324 |
| Assessment roll preparation | 11,339 | 11,338 | - | 11,338 | 10,591 |
| Telephone | 366 | 183 | 183 | 366 | 342 |
| Postage | 236 | 166 | 70 | 236 | 221 |
| Insurance | 6,156 | 5,708 | 448 | 6,156 | 5,750 |
| Printing & binding | 763 | 382 | 381 | 763 | 712 |
| Legal advertising | 709 | 225 | 484 | 709 | 662 |
| Office expenses & supplies | 118 | 125 | - | 125 | 110 |
| Website | 567 | 291 | 276 | 567 | 530 |
| Contingencies | 709 | 304 | 405 | 709 | 662 |
| Annual district filing fee | 165 | 165 | - | 165 | 154 |
| Total professional & admin | 116,419 | 69,208 | 45,699 | 114,907 | 109,006 |
| | | | | | |
| **Water management** | | | | | |
| Contractual services | 54,331 | 22,931 | 24,200 | 47,131 | 50,747 |
| Aquascaping/Pipe Cleanout | 2,362 | - | - | - | 2,206 |
| Contingencies | 472 | 1,931 | - | 1,931 | 6,619 |
| Hurricane clean up | - | 2,386 | - | 2,386 | - |
| Total water management | 57,165 | 27,248 | 24,200 | 51,448 | 59,572 |

**VERANDAH EAST**
**COMMUNITY DEVELOPMENT DISTRICT**
**GENERAL FUND BUDGET**
**FISCAL YEAR 2019**

| | Fiscal Year 2018 | | | | |
|---|---|---|---|---|---|
| | Adopted FY 2018 Budget | Actual through 3/31/2018 | Projected through 9/30/2018 | Total Revenue and Expenditures | Proposed FY 2019 Budget |
| **Other fees and charges** | | | | | |
| Property appraiser | 502 | - | - | - | 669 |
| Tax collector | 1,022 | 521 | 501 | 1,022 | 1,934 |
| Total other fees and charges | 1,524 | 521 | 501 | 1,022 | 2,603 |
| Total expenditures | 175,108 | 96,977 | 70,400 | 167,377 | 171,181 |
| Net increase/(decrease) of fund balance | - | 40,092 | (33,559) | 6,533 | - |
| Fund balance - beginning (unaudited) | 27,803 | 28,293 | 68,385 | 28,293 | 34,826 |
| Fund balance - ending (projected) | $ 27,803 | $ 68,385 | $ 34,826 | $ 34,826 | $ 34,826 |

Assessment Summary

| Description | Units | FY 2018 Assessment | Proposed Assessment | Total Revenue |
|---|---|---|---|---|
| On-roll | 553.00 | $ 216.93 | $ 233.19 | $ 128,954.07 |
| Off-roll | 215.00 | 203.40 | 219.16 | 47,119.40 |
| Total units: | 768.00 | | Total revenue: | $ 176,073.47 |

**VERANDAH WEST**
**COMMUNITY DEVELOPMENT DISTRICT**
**GENERAL FUND BUDGET**
**FISCAL YEAR 2019**

| | Fiscal Year 2018 | | | | |
|---|---|---|---|---|---|
| | Adopted FY 2018 Budget | Actual through 3/31/2018 | Projected through 9/30/2018 | Total Revenue and Expenditures | Proposed FY 2019 Budget |
| **REVENUES** | | | | | |
| Assessment levy: on-roll - gross | $ 167,909 | | | | $ 206,377 |
| Allowable discounts (4%) | (6,716) | | | | (8,255) |
| Assessment levy: on-roll - net | 161,193 | $ 168,763 | $ 11,176 | $ 179,939 | 198,122 |
| Assessment levy: off-roll | 36,084 | 10,480 | 7,297 | 17,777 | 19,154 |
| Interest and miscellaneous | 317 | 69 | 248 | 317 | 335 |
| Total revenues | 197,594 | 179,312 | 18,721 | 198,033 | 217,611 |
| | | | | | |
| **EXPENDITURES** | | | | | |
| **Professional & admin** | | | | | |
| Supervisors | 2,638 | 1,372 | 1,266 | 2,638 | 2,794 |
| Management and accounting | 65,924 | 32,962 | 32,962 | 65,924 | 69,818 |
| Audit | 7,544 | 7,545 | - | 7,545 | 8,325 |
| Legal | 5,276 | 728 | 2,800 | 3,528 | 5,587 |
| Field management | 11,165 | 5,583 | 5,582 | 11,165 | 11,824 |
| Engineering | 2,638 | 2,000 | 638 | 2,638 | 2,794 |
| Trustee | 5,276 | 2,836 | 2,440 | 5,276 | 5,587 |
| Dissemination agent | 4,368 | 2,184 | 2,184 | 4,368 | 4,626 |
| Arbitrage rebate calculation | 1,583 | 396 | 1,187 | 1,583 | 1,676 |
| Assessment roll preparation | 12,661 | 12,662 | - | 12,662 | 13,409 |
| Telephone | 409 | 204 | 205 | 409 | 433 |
| Postage | 264 | 186 | 78 | 264 | 279 |
| Insurance | 6,874 | 6,376 | 498 | 6,874 | 7,280 |
| Printing & binding | 851 | 425 | 426 | 851 | 902 |
| Legal advertising | 791 | 251 | 540 | 791 | 838 |
| Office expenses & supplies | 132 | 140 | - | 140 | 140 |
| Website | 633 | 325 | 308 | 633 | 670 |
| Contingencies | 791 | 259 | 532 | 791 | 838 |
| Annual district filing fee | 185 | 185 | - | 185 | 196 |
| Total professional & admin fees | 130,003 | 76,619 | 51,646 | 128,265 | 138,016 |
| | | | | | |
| **Water management** | | | | | |
| Contractual services | 60,669 | 25,854 | 30,800 | 56,654 | 64,253 |
| Aquascaping/Pipe Cleanout | 2,638 | - | - | - | 2,794 |
| Contingencies | 528 | 3,842 | - | 3,842 | 8,381 |
| Hurricane clean up | - | 4,837 | - | 4,837 | - |
| Total water management | 63,835 | 34,533 | 30,800 | 65,333 | 75,428 |

**VERANDAH WEST**
**COMMUNITY DEVELOPMENT DISTRICT**
**GENERAL FUND BUDGET**
**FISCAL YEAR 2019**

| | Fiscal Year 2018 | | | | |
|---|---|---|---|---|---|
| | Adopted FY 2018 Budget | Actual through 3/31/2018 | Projected through 9/30/2018 | Total Revenue and Expenditures | Proposed FY 2019 Budget |
| **Other fees and charges** | | | | | |
| Property appraiser | 1,238 | - | 1,238 | 1,238 | 1,071 |
| Tax collector | 2,518 | 1,285 | 1,233 | 2,518 | 3,096 |
| Total other fees and charges | 3,756 | 1,285 | 2,471 | 3,756 | 4,167 |
| Total expenditures | 197,594 | 112,437 | 84,917 | 197,354 | 217,611 |
| Net Increase/(decrease) of fund balance | - | 66,875 | (66,196) | 679 | - |
| Fund balance - beginning (unaudited) | 72,255 | 81,115 | 147,990 | 81,115 | 81,794 |
| Fund balance - ending (projected) | $ 72,255 | $ 147,990 | $ 81,794 | $ 81,794 | $ 81,794 |

Assessment Summary

| Description | Units | FY 2018 Assessment | Proposed Assessment | Total Revenue |
|---|---|---|---|---|
| On-roll | 885.00 | $ 216.94 | $ 233.20 | $ 206,382.00 |
| Off-roll | 87.40 | 203.41 | 219.16 | 19,154.58 |
| Total units: | 972.40 | | Total revenue: | $ 225,536.58 |

**VERANDAH EAST**
**COMMUNITY DEVELOPMENT DISTRICT**
**DEBT SERVICE FUND - SERIES 2016 BONDS**
**FISCAL YEAR 2019**

| | Fiscal Year 2018 | | | | |
|---|---|---|---|---|---|
| | Adopted FY 2018 Budget | Actual through 3/31/2018 | Projected through 9/30/2018 | Total Revenue & Expenditures | Proposed FY 2019 Budget |
| **REVENUES** | | | | | |
| Assessment levy: on-roll - gross | $ 928,825 | | | | $ 1,148,597 |
| Allowable discounts (4%) | (37,153) | | | | (45,944) |
| Assessment levy: on-roll - net | 891,672 | $ 858,801 | $ 59,834 | $ 918,635 | 1,102,653 |
| Assessment levy: off-roll | 565,569 | 262,952 | 274,825 | 537,777 | 346,060 |
| Prepaid assessments | - | 20,491 | - | 20,491 | - |
| Interest | - | 3,244 | - | 3,244 | - |
| Total revenues | 1,457,241 | 1,145,488 | 334,659 | 1,480,147 | 1,448,713 |
| **EXPENDITURES** | | | | | |
| **Debt service** | | | | | |
| Principal | 695,000 | - | 695,000 | 695,000 | 710,000 |
| Interest | 783,994 | 391,997 | 391,997 | 783,994 | 759,825 |
| Prepayment | - | - | 20,000 | 20,000 | - |
| Total debt service | 1,478,994 | 391,997 | 1,106,997 | 1,498,994 | 1,469,825 |
| Excess/(deficiency) of revenues over/(under) expenditures | (21,753) | 753,491 | (772,338) | (18,847) | (21,112) |
| Fund balance: | | | | | |
| Net increase/(decrease) in fund balance | (21,753) | 753,491 | (772,338) | (18,847) | (21,112) |
| Beginning fund balance (unaudited) | 1,040,407 | 846,104 | 1,599,595 | 846,104 | 827,257 |
| Ending fund balance (projected) | $1,018,654 | $ 1,599,595 | $ 827,257 | $ 827,257 | 806,145 |
| **Use of fund balance** | | | | | |
| Debt service reserve account balance (Required) | | | | | (375,000) |
| Interest expense - November 1, 2019 | | | | | (367,931) |
| Projected fund balance surplus/(deficit) as of September 30, 2019 | | | | | $ 63,214 |

**Verandah East**

Community Development District
Series 2016
$20,615,000

# Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I |
|---|---|---|---|---|
| 11/01/2017 | - | - | 391,996.88 | 391,996.88 |
| 05/01/2018 | 695,000.00 | 3.375% | 391,996.88 | 1,086,996.88 |
| 11/01/2018 | - | - | 379,912.50 | 379,912.50 |
| 05/01/2019 | 710,000.00 | 3.375% | 379,912.50 | 1,089,912.50 |
| 11/01/2019 | - | - | 367,931.25 | 367,931.25 |
| 05/01/2020 | 735,000.00 | 3.375% | 367,931.25 | 1,102,931.25 |
| 11/01/2020 | - | - | 355,528.13 | 355,528.13 |
| 05/01/2021 | 760,000.00 | 3.375% | 355,528.13 | 1,115,528.13 |
| 11/01/2021 | - | - | 342,703.13 | 342,703.13 |
| 05/01/2022 | 785,000.00 | 3.750% | 342,703.13 | 1,127,703.13 |
| 11/01/2022 | - | - | 327,984.38 | 327,984.38 |
| 05/01/2023 | 820,000.00 | 3.750% | 327,984.38 | 1,147,984.38 |
| 11/01/2023 | - | - | 312,609.38 | 312,609.38 |
| 05/01/2024 | 850,000.00 | 3.750% | 312,609.38 | 1,162,609.38 |
| 11/01/2024 | - | - | 296,671.88 | 296,671.88 |
| 05/01/2025 | 880,000.00 | 3.750% | 296,671.88 | 1,176,671.88 |
| 11/01/2025 | - | - | 280,171.88 | 280,171.88 |
| 05/01/2026 | 915,000.00 | 3.750% | 280,171.88 | 1,195,171.88 |
| 11/01/2026 | - | - | 263,015.63 | 263,015.63 |
| 05/01/2027 | 950,000.00 | 4.000% | 263,015.63 | 1,213,015.63 |
| 11/01/2027 | - | - | 244,015.63 | 244,015.63 |
| 05/01/2028 | 985,000.00 | 4.000% | 244,015.63 | 1,229,015.63 |
| 11/01/2028 | - | - | 224,315.63 | 224,315.63 |
| 05/01/2029 | 1,025,000.00 | 4.000% | 224,315.63 | 1,249,315.63 |
| 11/01/2029 | - | - | 203,815.63 | 203,815.63 |
| 05/01/2030 | 1,065,000.00 | 4.000% | 203,815.63 | 1,268,815.63 |
| 11/01/2030 | - | - | 182,515.63 | 182,515.63 |
| 05/01/2031 | 1,105,000.00 | 4.000% | 182,515.63 | 1,287,515.63 |
| 11/01/2031 | - | - | 160,415.63 | 160,415.63 |
| 05/01/2032 | 1,155,000.00 | 4.125% | 160,415.63 | 1,315,415.63 |
| 11/01/2032 | - | - | 136,593.75 | 136,593.75 |
| 05/01/2033 | 1,200,000.00 | 4.125% | 136,593.75 | 1,336,593.75 |
| 11/1/2033 | | | 111,843.75 | 111,843.75 |
| 5/1/2034 | 1,250,000.00 | 4.125% | 111,843.75 | 1,361,843.75 |
| 11/1/2034 | | | 86,062.50 | 86,062.50 |
| 5/1/2035 | 1,305,000.00 | 4.250% | 86,062.50 | 1,391,062.50 |
| 11/1/2035 | | | 58,331.25 | 58,331.25 |
| 5/1/2036 | 1,355,000.00 | 4.250% | 58,331.25 | 1,413,331.25 |
| 11/1/2036 | | | 29,537.50 | 29,537.50 |
| 5/1/2037 | 1,390,000.00 | 4.250% | 29,537.50 | 1,419,537.50 |
| **Total** | **$19,240,000.00** | - | **$8,727,950.12** | **$27,967,950.12** |

**VERANDAH WEST**
**COMMUNITY DEVELOPMENT DISTRICT**
**DEBT SERVICE FUND - SERIES 2013 BONDS**

| | Fiscal Year 2018 | | | | |
|---|---|---|---|---|---|
| | Adopted FY 2018 Budget | Actual through 3/31/2018 | Projected through 9/30/2018 | Total Revenue & Expenditures | Proposed FY 2019 Budget |
| **REVENUES** | | | | | |
| Assessment levy: on-roll - gross | $ 849,279 | | | | $ 950,902 |
| Allowable discounts (4%) | (33,970) | | | | (38,036) |
| Assessment levy: on-roll - net | 815,309 | $ 859,125 | $ 54,297 | $ 913,422 | 912,866 |
| Assessment levy: off-roll | 436,776 | 96,220 | 242,085 | 338,305 | 338,582 |
| Assessment Prepayments | - | 5,882 | - | 5,882 | - |
| Interest | - | 2,902 | - | 2,902 | - |
| Total revenues | 1,252,085 | 964,129 | 296,382 | 1,260,511 | 1,251,448 |
| **EXPENDITURES** | | | | | |
| **Debt service** | | | | | |
| Principal | 605,000 | - | 605,000 | 605,000 | 630,000 |
| Interest | 650,050 | 333,850 | 322,250 | 656,100 | 625,600 |
| Prepayment | - | - | 5,000 | 5,000 | - |
| Total expenditures | 1,255,050 | 333,850 | 932,250 | 1,266,100 | 1,255,600 |
| Excess/(deficiency) of revenues over/(under) expenditures | (2,965) | 630,279 | (635,868) | (5,589) | (4,152) |
| Fund balance: | | | | | |
| Net increase/(decrease) in fund balance | (2,965) | 630,279 | (635,868) | (5,589) | (4,152) |
| Beginning fund balance (unaudited) | 771,211 | 767,962 | 1,398,241 | 767,962 | 762,373 |
| Ending fund balance (projected) | $ 768,246 | $ 1,398,241 | $ 762,373 | $ 762,373 | 758,221 |
| **Use of fund balance** | | | | | |
| Debt service reserve account balance (required) | | | | | (448,350) |
| Interest expense - November 1, 2019 | | | | | (300,200) |
| Projected fund balance surplus/(deficit) as of September 30, 2019 | | | | | $ 9,671 |

**Verandah West**

Community Development District

Series 2013

$15,920,000

# Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I |
|---|---|---|---|---|
| 11/01/2017 | - | - | 324,900.00 | 324,900.00 |
| 05/01/2018 | 605,000.00 | 4.000% | 322,250.00 | 927,250.00 |
| 11/01/2018 | - | - | 312,800.00 | 312,800.00 |
| 05/01/2019 | 630,000.00 | 4.000% | 312,800.00 | 942,800.00 |
| 11/01/2019 | - | - | 300,200.00 | 300,200.00 |
| 05/01/2020 | 655,000.00 | 4.000% | 300,200.00 | 955,200.00 |
| 11/01/2020 | - | - | 287,100.00 | 287,100.00 |
| 05/01/2021 | 680,000.00 | 4.000% | 287,100.00 | 967,100.00 |
| 11/01/2021 | - | - | 273,500.00 | 273,500.00 |
| 05/01/2022 | 710,000.00 | 4.000% | 273,500.00 | 983,500.00 |
| 11/01/2022 | - | - | 259,300.00 | 259,300.00 |
| 05/01/2023 | 740,000.00 | 4.000% | 259,300.00 | 999,300.00 |
| 11/01/2023 | - | - | 244,500.00 | 244,500.00 |
| 05/01/2024 | 770,000.00 | 5.000% | 244,500.00 | 1,014,500.00 |
| 11/01/2024 | - | - | 225,250.00 | 225,250.00 |
| 05/01/2025 | 810,000.00 | 5.000% | 225,250.00 | 1,035,250.00 |
| 11/01/2025 | - | - | 205,000.00 | 205,000.00 |
| 05/01/2026 | 855,000.00 | 5.000% | 205,000.00 | 1,060,000.00 |
| 11/01/2026 | - | - | 183,625.00 | 183,625.00 |
| 05/01/2027 | 895,000.00 | 5.000% | 183,625.00 | 1,078,625.00 |
| 11/01/2027 | - | - | 161,250.00 | 161,250.00 |
| 05/01/2028 | 945,000.00 | 5.000% | 161,250.00 | 1,106,250.00 |
| 11/01/2028 | - | - | 137,625.00 | 137,625.00 |
| 05/01/2029 | 995,000.00 | 5.000% | 137,625.00 | 1,132,625.00 |
| 11/01/2029 | - | - | 112,750.00 | 112,750.00 |
| 05/01/2030 | 1,045,000.00 | 5.000% | 112,750.00 | 1,157,750.00 |
| 11/01/2030 | - | - | 86,625.00 | 86,625.00 |
| 05/01/2031 | 1,100,000.00 | 5.000% | 86,625.00 | 1,186,625.00 |
| 11/01/2031 | - | - | 59,125.00 | 59,125.00 |
| 05/01/2032 | 1,155,000.00 | 5.000% | 59,125.00 | 1,214,125.00 |
| 11/01/2032 | - | - | 30,250.00 | 30,250.00 |
| 05/01/2033 | 1,210,000.00 | 5.000% | 30,250.00 | 1,240,250.00 |
| **Total** | **$13,195,000.00** | **-** | **$5,757,800.00** | **$18,952,800.00** |

**Verandah East**
**Community Development District**
**Projected Assessments** ***PRELIMINARY***
**Fiscal Year 2018-2019**
**2016 Series Bonds**

**Lee County**
**18 years remaining**

| Neighborhoods | Parcel # | Bond Designation | Debt Service Assessment | O & M Assessment | Total Assessment | Outstanding Principal after 2018-2019 tax payment |
|---|---|---|---|---|---|---|
| Arlington Oaks | 119 | SF 100-1 | $ 3,755.00 | $ 233.20 | $ 3,988.20 | $ 46,323.05 |
| Brantley Oaks | 117 | SF 100-2 | $ 3,500.00 | $ 233.20 | $ 3,733.20 | $ 43,170.92 |
| Whispering Oaks | 118 | SF-100-2 | $ 3,500.00 | $ 233.20 | $ 3,733.20 | $ 43,170.92 |
| Torey Pines | 127S | SF-85-1 | $ 2,963.00 | $ 233.20 | $ 3,196.20 | $ 36,524.65 |
| Cedar Hammock | 124 | SF 85-2 | $ 2,600.00 | $ 233.20 | $ 2,833.20 | $ 32,069.81 |
| Palmetto Grove | 120 | SF 70-2 | $ 2,000.00 | $ 233.20 | $ 2,233.20 | $ 24,651.44 |
| Sabal Point | 121 | SF 70-3 | $ 1,400.00 | $ 233.20 | $ 1,633.20 | $ 17,268.36 |
| Otter Bend | 123 | Villa 60-1 | $ 1,600.00 | $ 233.20 | $ 1,833.20 | $ 19,735.27 |
| Citrus Creek | 122 | Villa 60-2 | $ 1,300.00 | $ 233.20 | $ 1,533.20 | $ 16,034.91 |
| Woodhaven | 126 | Villa 60-3 | $ 2,000.00 | $ 233.20 | $ 2,233.20 | $ 24,651.44 |
| Willow Bend | 128 | SF 50 | $ 1,616.00 | $ 233.20 | $ 1,849.20 | $ 19,939.82 |
| Amblewind Cove | 132 | SF 50 | $ 1,616.00 | $ 233.20 | $ 1,849.20 | $ 19,939.82 |
| Heritage Preserve | 131 | SF 50 | $ 1,616.00 | $ 233.20 | $ 1,849.20 | $ 19,939.82 |
| Magnolia Pointe | 129/130 | SF 50 | $ 1,616.00 | $ 233.20 | $ 1,849.20 | $ 19,939.82 |
| Edgewater Trace | 127N | SF 50 | $ 1,616.00 | $ 233.20 | $ 1,849.20 | $ 19,939.82 |
| Willow Ridge | 132 | SF 50 | $ 1,616.00 | $ 233.20 | $ 1,849.20 | $ 19,939.82 |
| Fairway Cove | 125 | SF 50 | $ 1,616.00 | $ 233.20 | $ 1,849.20 | $ 19,939.82 |

| | | | | | |
|---|---|---|---|---|---|
| Fiscal Year 2017 - 2018 assessments: | | | | | |
| | SF 100-1 | $ 3,755.00 | $ 216.94 | $ 3,971.94 | $ 48,098.03 |
| | SF 100-2 | $ 3,500.00 | $ 216.94 | $ 3,716.94 | $ 44,825.11 |
| | SF 85-1 | $ 2,963.00 | $ 216.94 | $ 3,179.94 | $ 37,924.18 |
| | SF 85-2 | $ 2,600.00 | $ 216.94 | $ 2,816.94 | $ 33,298.64 |
| | SF 70-2 | $ 2,000.00 | $ 216.94 | $ 2,216.94 | $ 25,596.01 |
| | SF 70-3 | $ 1,400.00 | $ 216.94 | $ 1,616.94 | $ 17,930.04 |
| | Villa 60-1 | $ 1,600.00 | $ 216.94 | $ 1,816.94 | $ 20,491.47 |
| | Villa 60-2 | $ 1,300.00 | $ 216.94 | $ 1,516.94 | $ 16,649.33 |
| | Villa 60-3 | $ 2,000.00 | $ 216.94 | $ 2,216.94 | $ 25,596.01 |
| | SF 50 | $ 1,616.00 | $ 216.94 | $ 1,832.94 | $ 20,703.86 |

**Verandah West**
**Community Development District**
**Projected Assessments** ***PRELIMINARY***
**Fiscal Year 2018-2019**
**2013 Series**

**Lee County**
**14 years remaining**

| Neighborhoods | Bond Designation | Debt Service Assessment | O & M Assessment | Total Assessment | Outstanding Principal after 2018-2019 tax payment |
|---|---|---|---|---|---|
| Hammock Creek | River Village | $ 2,245.81 | $ 233.20 | $ 2,479.01 | $ 21,671.46 |
| Oak Bend | River Village | $ 2,245.81 | $ 233.20 | $ 2,479.01 | $ 21,671.46 |
| Sanctuary Pointe | Custom SF 100 | $ 2,245.81 | $ 233.20 | $ 2,479.01 | $ 21,671.46 |
| Shadetree Pointe | Custom SF 100 | $ 2,245.81 | $ 233.20 | $ 2,479.01 | $ 21,671.46 |
| Mossy Oak | Custom SF 100 | $ 2,245.81 | $ 233.20 | $ 2,479.01 | $ 21,671.46 |
| Cypress Marsh | Custom SF 85 | $ 1,641.22 | $ 233.20 | $ 1,874.42 | $ 15,837.34 |
| River Point | Custom SF 85 | $ 1,641.22 | $ 233.20 | $ 1,874.42 | $ 15,837.34 |
| Winding River West | Production 70-1 (NO BUYDOWN) | $ 1,628.14 | $ 233.20 | $ 1,861.34 | $ 15,711.13 |
| Shady Bend | Production 70-2 | $ 1,122.91 | $ 233.20 | $ 1,356.11 | $ 10,835.74 |
| Royal Palm (Lots 1-11, 22-25) | Single Family 65 | $ 1,042.70 | $ 233.20 | $ 1,275.90 | $ 1,061.75 |
| Royal Palm (Lots 12-21) | Single Family 50 | $ 777.43 | $ 233.20 | $ 1,010.63 | $ 7,500.94 |
| Orange Tree Bend | SF 60/Villa 55 | $ 950.17 | $ 233.20 | $ 1,183.37 | $ 9,168.83 |
| Bramble Cove | Villa 50 | $ 777.43 | $ 233.20 | $ 1,010.63 | $ 7,501.94 |
| Lakeview | Villa 50 | $ 777.43 | $ 233.20 | $ 1,010.63 | $ 7,501.94 |
| Preserves Edge | Villa 50 | $ 777.43 | $ 233.20 | $ 1,010.63 | $ 7,501.94 |
| Idlewild | Coach Home - L | $ 580.46 | $ 233.20 | $ 813.66 | $ 5,601.24 |
| Pebblebrook | Coach Home - L | $ 580.46 | $ 233.20 | $ 813.66 | $ 5,601.24 |
| Cottonwood Bend | Town Homes | $ 518.32 | $ 233.20 | $ 751.52 | $ 5,001.60 |

| | | | | | |
|---|---|---|---|---|---|
| Fiscal year 2017 - 2018 assessments: | River Village | $ 2,245.81 | $ 216.94 | $ 2,462.75 | $ 22,758.05 |
| | Custom SF 100 | $ 2,245.81 | $ 216.94 | $ 2,462.75 | $ 22,758.05 |
| | Custom SF 85 | $ 1,641.22 | $ 216.94 | $ 1,858.16 | $ 16,631.41 |
| | Production 70-1 | $ 1,628.14 | $ 216.94 | $ 1,845.08 | $ 16,498.87 |
| | Production 70-2 | $ 1,122.91 | $ 216.94 | $ 1,339.85 | $ 11,379.03 |
| | Single Family 65 | $ 1,042.70 | $ 216.94 | $ 1,259.64 | $ 10,566.24 |
| | Single Family 50 | $ 777.43 | $ 216.94 | $ 994.37 | $ 7,878.08 |
| | SF 60/Villa 55 | $ 950.17 | $ 216.94 | $ 1,167.11 | $ 9,628.55 |
| | Villa 50 | $ 777.43 | $ 216.94 | $ 994.37 | $ 7,878.08 |
| | Coach Home - L | $ 580.46 | $ 216.94 | $ 797.40 | $ 5,882.08 |
| | Town Homes | $ 518.32 | $ 216.94 | $ 735.26 | $ 5,252.38 |

# VERANDAH WEST
## COMMUNITY DEVELOPMENT DISTRICT

# 6

Wrathell, Hunt and Associates, LLC

# MEMORANDUM

Date: May 9, 2018

To: Verandah East & Verandah West Board of Supervisors

From: Cleo Adams – Assistant Regional Manager

Subject: Consideration of Award of Contract – Lake & Wetland Maintenance

Cc: File

Your current lake and wetland contract is set to expire 5/31/18. Staff recently solicited a Request for Proposals (RFP) with three submitting bids, based on the contract specifications provided by the District.

As is typical with the District's contracts, this is a one year contract with a second year option to renew, at the sole discretion of the District. The financial tabulation is as follows:

| Company: | 1st Year Price: | 2nd Year Price: |
|---|---|---|
| • Crosscreek Environmental | $107,520.00 | $110,640.00 |
| • Solitude | $121,260.00 | $121,260.00 |
| • Aquagenix | $126,065.00 | $126,065.00 |

Aquagenix, as well as Solitude, have been in the industry for numerous years and have the capability of maintaining the contract. Your current contractor, Solitude (formally Lake Masters), has been maintaining your Lakes and Wetlands for 12 years with minimal concerns.

Crosscreek Environmental's office is located in Palmetto Florida, just on the North side of Sarasota, with no local presence in Lee or Collier County. Based on their references contacted, they do more shoreline erosion repairs, vegetation control in ditches and littoral plantings projects.

The current contract price is $115,164.00 and Solitude has submitted a proposal of $121,260.00 which is a $6,096.00 increase (approx 5+%). The District's have allocated a combined budget of $115,000 for this service.

# VERANDAH WEST
## COMMUNITY DEVELOPMENT DISTRICT

# 7

**RESOLUTION 2018-03**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT IMPLEMENTING SECTION 190.006(3)(A)(2)(c), FLORIDA STATUTES, AND INSTRUCTING THE LEE COUNTY SUPERVISOR OF ELECTIONS TO CONDUCT THE DISTRICT'S GENERAL ELECTION**

WHEREAS, the Verandah West Community Development District (hereinafter the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes, being situated entirely within Lee County, Florida; and

WHEREAS, the Board of Supervisors of Verandah West Community Development District (hereinafter the "Board") seeks to implement section 190.006(3)(A)(2)(c), Florida Statutes, and to instruct the Lee County Supervisor of Elections to conduct the District's General Elections.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT:**

Section 1. The Board is currently comprised of the following individuals: Jeffrey Jordan, Susie McIntyre, Donald Newman, Paul Zampiceni and Gerald Baldwin.

Section 2. The term of office for each member of the Board is as follows:

| Seat | Supervisor | Term (Including Expiration Date) |
|---|---|---|
| Seat 1 | Jeffrey Jordan | 01/11/2016 - 11/2020 |
| Seat 2 | Susie McIntyre | 11/04/2014 - 11/2018 |
| Seat 3 | Donald Newman | 01/11/2016 - 11/2020 |
| Seat 4 | Paul Zampiceni | 11/04/2014 - 11/2018 |
| Seat 5 | Gerald Baldwin | 11/08/2016 - 11/2020 |

Section 3. Seat 2, currently held by Susie McIntyre and Seat 4, currently held by Paul Zampiceni, are scheduled for the General Election in November 2018.

Section 4. Members of the Board receive $200 per meeting for their attendance and no Board member shall receive more than $4,800 per year.

Section 5. The term of office for the individuals to be elected to the Board in the November 2018 General Election is four years.

Section 6. The new Board members shall assume office on the second Tuesday following their election.

Section 7. The District hereby instructs the Supervisor of Elections to conduct the District's General Elections on the ballot of the 2018 General Election. The District understands that it will be responsible to pay for its proportionate share of the general election cost and agrees to pay same within a reasonable time after receipt of an invoice from the Supervisor of Elections.

**PASSED AND ADOPTED THIS _____ DAY OF _____, 2018.**

**VERANDAH WEST COMMUNITY DEVELOPMENT DISTRICT**

**_____**
**CHAIR/VICE CHAIR**

**ATTEST:**

**_____**
**SECRETARY/ASSISTANT SECRETARY**

# VERANDAH WEST
## COMMUNITY DEVELOPMENT DISTRICT

# 9

# VERANDAH WEST
# COMMUNITY DEVELOPMENT DISTRICT
# FINANCIAL STATEMENTS
# UNAUDITED
# MARCH 31, 2018

**VERANDAH WEST**
**COMMUNITY DEVELOPMENT DISTRICT**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**MARCH 31, 2018**

| | Major Funds | | |
|---|---|---|---|
| | General | Debt Service Series 2013 | Total Governmental Funds |
| **ASSETS** | | | |
| Cash (SunTrust) | $194,320 | $ - | $ 194,320 |
| Investments | | | |
| Revenue account | - | 919,643 | 919,643 |
| Reserve account | - | 448,350 | 448,350 |
| Prepayment | - | 5,882 | 5,882 |
| Due from general fund | - | 35,614 | 35,614 |
| Undeposited funds | - | 8,608 | 8,608 |
| Due from other governments | 3,259 | - | 3,259 |
| Total assets | $ 197,579 | $ 1,418,097 | $ 1,615,676 |
| **LIABILITIES** | | | |
| **Liabilities:** | | | |
| Accounts payable | $ 6,044 | $ - | $ 6,044 |
| Due to debt service fund | 35,614 | - | 35,614 |
| Due to other governments | 7,931 | - | 7,931 |
| Total liabilities | 49,589 | - | 49,589 |
| **Fund balances:** | | | |
| Restricted for: | | | |
| Debt service | - | 1,418,097 | 1,418,097 |
| Unassigned | 147,990 | - | 147,990 |
| Total fund balances | 147,990 | 1,418,097 | 1,566,087 |
| Total liabilities and fund balances | $197,579 | $1,418,097 | $ 1,615,676 |

**VERANDAH WEST**
**COMMUNITY DEVELOPMENT DISTRICT**
**STATEMENT OF REVENUES, EXPENDITURES,**
**AND CHANGES IN FUND BALANCES**
**GENERAL FUND 001**
**FOR THE PERIOD ENDED MARCH 31, 2018**

| | Current Month | Year to Date | Budget | % of Budget |
|---|---|---|---|---|
| **REVENUE** | | | | |
| Special assessment: on-roll | $ 1,568 | $ 168,763 | $ 161,193 | 105% |
| Special assessment: off-roll | 1,481 | 10,480 | 36,084 | 29% |
| Interest & miscellaneous | 7 | 69 | 317 | 22% |
| Total revenue | 3,056 | 179,312 | 197,594 | 91% |
| | | | | |
| **EXPENDITURE** | | | | |
| **Professional & administrative** | | | | |
| Supervisor fees | - | 1,372 | 2,638 | 52% |
| Management and accounting | 5,493 | 32,962 | 65,924 | 50% |
| Audit | 5,434 | 7,545 | 7,544 | 100% |
| Legal | 382 | 728 | 5,276 | 14% |
| Field management | 930 | 5,583 | 11,165 | 50% |
| Engineering | 277 | 2,000 | 2,638 | 76% |
| Trustee | - | 2,836 | 5,276 | 54% |
| Dissemination agent | 364 | 2,184 | 4,368 | 50% |
| Arbitrage | - | 396 | 1,583 | 25% |
| Assessment roll preparation | - | 12,662 | 12,661 | 100% |
| Telephone | 34 | 204 | 409 | 50% |
| Postage | - | 186 | 264 | 70% |
| Insurance | - | 6,376 | 6,874 | 93% |
| Printing & binding | 71 | 425 | 851 | 50% |
| Legal advertising | - | 251 | 791 | 32% |
| Office expenses and supplies | - | 140 | 132 | 106% |
| Website | - | 325 | 633 | 51% |
| Contingencies | 51 | 259 | 791 | 33% |
| Annual district filing fee | - | 185 | 185 | 100% |
| Total professional & admin | 13,036 | 76,619 | 130,003 | 59% |
| | | | | |
| **Water management** | | | | |
| Contractual services | 10,173 | 25,854 | 60,669 | 43% |
| Aquascaping | - | - | 2,638 | 0% |
| Contingencies | 38 | 3,842 | 528 | 728% |
| Hurricane clean-up | - | 4,837 | - | N/A |
| Total water management | 10,211 | 34,533 | 63,835 | 54% |

**VERANDAH WEST**
**COMMUNITY DEVELOPMENT DISTRICT**
**STATEMENT OF REVENUES, EXPENDITURES,**
**AND CHANGES IN FUND BALANCES**
**GENERAL FUND 001**
**FOR THE PERIOD ENDED MARCH 31, 2018**

| | Current Month | Year to Date | Budget | % of Budget |
|---|---|---|---|---|
| **Other fees and charges** | | | | |
| Property appraiser | - | - | 1,238 | 0% |
| Tax collector | - | 1,285 | 2,518 | 51% |
| Total other fees & charges | - | 1,285 | 3,756 | 34% |
| Total expenditures | 23,247 | 112,437 | 197,594 | 57% |
| Excess/(deficiency) of revenues over/(under) expenditures | (20,191) | 66,875 | - | |
| Fund balances - beginning | 168,181 | 81,115 | 72,255 | |
| Fund balances - ending | $ 147,990 | $ 147,990 | $ 72,255 | |

**VERANDAH WEST**
**COMMUNITY DEVELOPMENT DISTRICT**
**STATEMENT OF REVENUES, EXPENDITURES,**
**AND CHANGES IN FUND BALANCES**
**DEBT SERVICE FUND 202 - SERIES 2013**
**FOR THE PERIOD ENDED MARCH 31, 2018**

| | Current Month | Year to Date | Budget | % of Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Special assessment: on-roll | $ 7,960 | $ 859,125 | $ 815,309 | 105% |
| Special assessment: off-roll | - | 96,220 | 436,776 | 22% |
| Assessment prepayments | 5,882 | 5,882 | - | N/A |
| Interest income | 859 | 2,902 | - | N/A |
| Total revenues | 14,701 | 964,129 | 1,252,085 | 77% |
| **EXPENDITURES** | | | | |
| **Debt service** | | | | |
| Principal | - | - | 605,000 | 0% |
| Interest | - | 322,250 | 650,050 | 50% |
| Total debt service | - | 322,250 | 1,255,050 | 26% |
| Excess/(deficiency) of revenues over/(under) expenditures | 14,701 | 641,879 | (2,965) | |
| Fund balances - beginning | 1,403,396 | 776,218 | 771,211 | |
| Fund balances - ending | $ 1,418,097 | $ 1,418,097 | $ 768,246 | |

# VERANDAH WEST
## COMMUNITY DEVELOPMENT DISTRICT

# 10

**MINUTES OF MEETING**
**VERANDAH WEST**
**COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Verandah West Community Development District's Board of Supervisors was held on Wednesday, January 10, 2018 at 1:30 p.m., at the Verandah Sales Office, 11571 Verandah Blvd., Ft. Myers, Florida 33905.

**Present and constituting a quorum were:**

| | |
|---|---|
| Jeffrey Jordan | Chair |
| Susie McIntyre | Vice Chair |
| Gerald Baldwin | Assistant Secretary |
| Donald Newman | Assistant Secretary |
| Paul Zampiceni | Assistant Secretary |

DRAFT

**Also present were:**

| | |
|---|---|
| Chuck Adams | District Manager |
| Cleo Adams | Assistant Regional Manager |
| Robert Rebey | Wrathell, Hunt and Associates, LLC |
| Alyssa C. Willson *(via telephone)* | District Counsel |
| Dave Robson | District Engineer |
| Mallory Clancy | Johnson Engineering, Inc. |

**FIRST ORDER OF BUSINESS** **Call to Order/Roll Call**

Mr. Adams called the meeting to order at 1:33 p.m. All Supervisors were present, in person.

**SECOND ORDER OF BUSINESS** **Public Comments [3 minutes per person]**

There being no public comments, the next item followed.

**THIRD ORDER OF BUSINESS** **Updates: Lake F**

Mr. Adams toured the site several times and thought that the planting was completed and that it looked pretty good. At present, water levels were lower, which was expected during this season, and looked similar to other lakes in the area. Management had not received any calls

from residents regarding this issue. Mr. Jordan stated he received a number of calls from Mr. Schneider but did not return them; before the letter was sent, he told Mr. Schneider that any issues must be addressed before the Board and not outside of a CDD meeting. Mr. Adams stated he was aware that Mr. Schneider was in receipt of the letter that was sent him, advising him that the District, at this time, would not pursue any further remedies. The letter was also distributed to the Board.

**FOURTH ORDER OF BUSINESS** **Acceptance of Unaudited Financial Statements as of November 30, 2017**

Mr. Adams presented the Unaudited Financial Statements as of November 30, 2017. Revenues and expenditures were minimal, as it was just two months into the new fiscal year. Expenditures were at 17%.

**FIFTH ORDER OF BUSINESS** **Approval of October 11, 2017 Regular Meeting Minutes**

Mr. Adams presented the October 11, 2017 Regular Meeting Minutes and asked for any additions, deletions or corrections.

**On MOTION by Mr. Baldwin and seconded by Mr. Newman, with all in favor, the October 11, 2017 Regular Meeting Minutes, as presented, were approved.**

**SIXTH ORDER OF BUSINESS** **Staff Reports**

**A. District Counsel**

Ms. Willson stated her firm was monitoring the current legislative session and would provide updates of any bill that could affect the District.

**B. District Engineer**

Ms. Willson stated that OSQ1A was inspected and baffle plans were provided. Mrs. Adams stated that the modifications were already made and, within the next few weeks, a meeting with residents affected by the flooding would be held to explain why it occurred.

**C. District Manager**

**i. NEXT MEETING DATE: May 9, 2018 at 1:30 pm.**

DRAFT

- **Accept Fiscal Year 2017 Audited Financial Report**
- **Approve Fiscal Year 2018/2019 Proposed Budget**

Mrs. Adams stated the Lake and Wetland Maintenance contract was about to expire. She would advertise a Request for Proposals (RFP) to present at the May meeting. She will email the announcement that LakeMasters Aquatic Weed Control, Inc., merged with SOLitude Lake Management.

Mr. Adams stated the next meeting will be held on May 9, 2018 at 1:30 p.m., at this location. In addition to the two items listed above, the May agenda would include Consideration of Award of Contract for the Lake and Wetland Maintenance and the announcement of the November General Election. A list of the Seats that will be up for election would be emailed and was available on the CDD website.

**SEVENTH ORDER OF BUSINESS** **Supervisors' Requests**

There being no Supervisors' requests, the next item followed.

**EIGHTH ORDER OF BUSINESS** **Adjournment**

There being no further business to discuss, the meeting adjourned.

**On MOTION by Mr. Jordan and seconded by Mr. Newman, with all in favor, the meeting adjourned at 1:47 p.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

DRAFT

109
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114 _____ _____
115 Secretary/Assistant Secretary Chair/Vice Chair

DRAFT

# VERANDAH WEST
## COMMUNITY DEVELOPMENT DISTRICT

# 11Ci

# WRATHELL, HUNT & ASSOCIATES LLC.

2300 GLADES RD, #410W
BOCA RATON FL 33431

**Lee County FL – Community Development Districts** **04/15/2018**

| 2018 PRECINCT | NAME OF CDD | # REG VOTERS |
|---|---|---|
| | Babcock Ranch | 0 |
| 40, 124 | Bayside Improvement | 2,662 |
| 40 | Bay Creek | 803 |
| | Beach Road Golf Estates | 0 |
| | Bonita Landing | 0 |
| 125 | Brooks I of Bonita Springs | 2,239 |
| 125 | Brooks II of Bonita Springs | 1,618 |
| | East Bonita Beach | 0 |
| 80 | Mediterra North | 412 |
| 66 | Miromar Lakes South | 0 |
| 64 | Moody River Estates | 1,065 |
| 25 | Parklands Lee | 473 |
| 25 | Parklands West | 510 |
| 5 | River Hall | 805 |
| 123 | River Ridge | 1,408 |
| 60 | Stoneybrook | 1,671 |
| 5 | Verandah East | 525 |
| 5 | Verandah West | 844 |
| 60 | University Square | 0 |
| 9, 32 | Waterford Landing | 578 |
| | WildBlue | |

**Send to:** Daphne Gillyard gillyardd@whhassociates.com Phone: 561-571-0010 Tammy Lipa – Voice: 239-533-6329
Email: tlipa@lee.vote