

VERANDAH EAST

COMMUNITY DEVELOPMENT

DISTRICT

August 12, 2020

BOARD OF SUPERVISORS

VIRTUAL PUBLIC

HEARING AND MEETING

AGENDA

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

August 5, 2020

Board of Supervisors
Verandah East Community Development District

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

Dear Board Members:

The Board of Supervisors of the Verandah East Community Development District will hold a Virtual Public Hearing and Meeting on August 12, 2020 at 1:00 p.m., remotely, via Zoom, at <https://us02web.zoom.us/j/82446166686>, or by dialing **1-929-205-6099**, Meeting ID **824 4616 6686**. 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, 2019, Prepared by Grau & Associates
4. Consideration of Resolution 2020-07, Hereby Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2019
5. Public Hearing on Adoption of Fiscal Year 2020/2021 Budget
 - A. Proof/ Affidavit of Publication
 - B. Consideration of Resolution 2020-08, Relating to the Annual Appropriations and Adopting the Budgets for the Fiscal Year Beginning October 1, 2020, and Ending September 30, 2021; Authorizing Budget Amendments; and Providing an Effective Date
6. Consideration of Resolution 2020-09, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2020/2021; Providing for the Collection and Enforcement of Special Assessments; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date
7. Consideration of Resolution 2020-10, Designating Dates, Times and Locations for Regular Meetings of the Board of Supervisors of the District for Fiscal Year 2020/2021 and Providing for an Effective Date


8. Qualified Elector Candidates for the 2020 General Election Cycle
 - A. Seat 3: Jacqueline Kay Voiles
 - B. Seat 4: No one qualified for this seat
 - C. Seat 5: David Moore
9. Acceptance of Unaudited Financial Statements as of June 30, 2020
10. Approval of May 13, 2020 Virtual Public 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*
12. Supervisors' Requests
13. Adjournment

“Further, please be advised that the Florida Governor’s Office has declared a state of emergency due to the Coronavirus (COVID-19). As reported by the Center for Disease Control and World Health Organization, COVID-19 can spread from person-to-person through small droplets from the nose or mouth, including when an individual coughs or sneezes. These droplets may land on objects and surfaces. Other people may contract COVID-19 by touching these objects or surfaces, then touching their eyes, nose or mouth. Therefore, merely cleaning facilities, while extremely important and vital in this crisis, may not be enough to stop the spread of this virus.”

“That said, the District wants to encourage public participation in a safe and efficient manner. Toward that end, anyone wishing to listen and participate in the meeting may do so, via Zoom, at <https://us02web.zoom.us/j/82446166686> or call **1-929-205-6099**, Meeting ID **824 4616 6686**. Additionally, participants are encouraged to submit questions and comments to the District’s manager at adamsc@whhassociates.com.”

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

Sincerely,



Chesley E. Adams, Jr.
District Manager

OPTIONS FOR MEETING PARTICIPATION

<https://us02web.zoom.us/j/82446166686>

OR

CALL-IN NUMBER: 1-929-205-6099

MEETING ID: 824 4616 6686

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT**

3

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019**

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

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-6
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet – Governmental Funds	9
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Notes to the Financial Statements	13-20
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – General Fund	21
Notes to Required Supplementary Information	22
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	23-24
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	25
MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	26-27



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Verandah East 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 East Community Development District, Lee County, Florida (the "District") as of and for the fiscal year ended September 30, 2019, 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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in conformity 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 May 18, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

B. & Associates

May 18, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Verandah East Community Development District, Lee County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2019. 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 assets plus deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$3,015,069.
- The change in the District's total net position in comparison with the prior year was \$499,656 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, 2019, the District's governmental funds reported combined ending fund balances of \$1,945,431, a decrease of (\$660,987) in comparison with the prior fiscal year. A portion of fund balance is restricted for debt service, capital projects, 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 assessments. 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 three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered major funds.

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities 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,	
	2019	2018
Current and other assets	\$ 1,970,068	\$ 2,615,925
Capital assets, net of depreciation	19,754,399	19,326,661
Total assets	<u>21,724,467</u>	<u>21,942,586</u>
Deferred amount on refunding	108,204	114,215
Current liabilities	330,942	326,101
Long-term liabilities	18,486,660	19,215,287
Total liabilities	<u>18,817,602</u>	<u>19,541,388</u>
Net position		
Net investment in capital assets	2,437,176	1,966,231
Restricted	547,968	537,560
Unrestricted	29,925	11,622
Total net position	<u>\$ 3,015,069</u>	<u>\$ 2,515,413</u>

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 ongoing program revenues exceeded the 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 END SEPTEMBER 30,		
	2019	2018
Revenues:		
Program revenues		
Charges for services	\$ 1,643,002	\$ 1,051,774
Operating grants and contributions	18,827	616,386
Capital grants and contributions	31,250	18,466
General revenues		
Unrestricted investment earnings	70	71
Total revenues	<u>1,693,149</u>	<u>1,686,697</u>
Expenses:		
General government	106,327	115,949
Maintenance and operations	330,612	344,832
Interest	756,554	781,642
Total expenses	<u>1,193,493</u>	<u>1,242,423</u>
Change in net position	<u>499,656</u>	<u>444,274</u>
Net position - beginning	2,515,413	2,071,139
Net position - ending	<u>\$ 3,015,069</u>	<u>\$ 2,515,413</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2019 was \$1,193,493. The majority of the costs of the District's activities were paid by program revenues mostly composed of assessments. In total, expenses decreased this year due to a decrease in interest expenses and maintenance and operations expenses.

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, 2019.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2019, the District had \$22,913,983 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$3,159,584 has been taken, which resulted in a net book value of \$19,754,399. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2019, the District had \$18,510,000 Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations 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 East Community Development District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida, 33431.

**VERANDAH EAST COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	Governmental Activities
ASSETS	
Cash	\$ 47,003
Assessments receivable	1,320
Due from other government	7,139
Restricted assets:	
Investments	1,914,606
Capital assets:	
Nondepreciable	14,458,943
Depreciable, net	5,295,456
Total net position	21,724,467
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	108,204
 LIABILITIES	
Accounts payable	17,213
Accrued interest payable	306,305
Due to other government	7,424
Non-current liabilities:	
Due within one year	730,000
Due in more than one year	17,756,660
Total liabilities	18,817,602
 NET POSITION	
Net investment in capital assets	2,437,176
Restricted for debt service	547,968
Unrestricted	29,925
Total net position	\$ 3,015,069

See notes to the financial statements

**VERANDAH EAST COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

<u>Functions/Programs</u>	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Primary government:					
Governmental activities:					
General government	\$ 106,327	\$ 106,327	\$ -	\$ -	\$ -
Maintenance and operations	330,612	65,924	-	31,250	(233,438)
Interest on long-term debt	756,554	1,470,751	18,827	-	733,024
Total governmental activities	<u>1,193,493</u>	<u>1,643,002</u>	<u>18,827</u>	<u>31,250</u>	<u>499,586</u>
General revenues:					
Unrestricted investment earnings					<u>70</u>
Total general revenues					<u>70</u>
Change in net position					<u>499,656</u>
Net position - beginning					<u>2,515,413</u>
Net position - ending					<u><u>\$ 3,015,069</u></u>

See notes to the financial statements

**VERANDAH EAST COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
ASSETS				
Cash	\$ 47,003	\$ -	\$ -	\$ 47,003
Investments	-	853,373	1,061,233	1,914,606
Assessments receivable	420	900	-	1,320
Due from other government	7,139	-	-	7,139
Total assets	<u>\$ 54,562</u>	<u>\$ 854,273</u>	<u>\$ 1,061,233</u>	<u>\$ 1,970,068</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 17,213	\$ -	\$ -	\$ 17,213
Due to other governments	7,424	-	-	7,424
Total liabilities	<u>24,637</u>	<u>-</u>	<u>-</u>	<u>24,637</u>
FUND BALANCES:				
Restricted for:				
Debt service	-	854,273	-	854,273
Capital projects	-	-	1,061,233	1,061,233
Unassigned	29,925	-	-	29,925
Total fund balances	<u>29,925</u>	<u>854,273</u>	<u>1,061,233</u>	<u>1,945,431</u>
Total liabilities and fund balances	<u>\$ 54,562</u>	<u>\$ 854,273</u>	<u>\$ 1,061,233</u>	<u>\$ 1,970,068</u>

See notes to the financial statements

**VERANDAH EAST COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

Total fund balances - governmental funds \$ 1,945,431

Amounts reported for governmental activities in the statement of net position are different because:

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

Cost of capital assets	22,913,983	
Accumulated depreciation	<u>(3,159,584)</u>	19,754,399

Deferred amounts on refunding are not reported as assets in the governmental funds. The statement of net position includes these costs, net of amortization. 108,204

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	(306,305)	
Bonds payable	<u>(18,486,660)</u>	<u>(18,792,965)</u>
Net position of governmental activities		<u><u>\$ 3,015,069</u></u>

See notes to the financial statements

**VERANDAH EAST COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
REVENUES				
Assessments	\$ 172,251	\$ 1,470,751	\$ -	\$ 1,643,002
Interest Income	70	18,827	31,250	50,147
Total revenues	<u>172,321</u>	<u>1,489,578</u>	<u>31,250</u>	<u>1,693,149</u>
EXPENDITURES				
Current:				
General government	106,327	-	-	106,327
Maintenance and operations	47,691	-	-	47,691
Debt service:				
Principal	-	730,000	-	730,000
Interest	-	759,459	-	759,459
Capital outlay	-	-	710,659	710,659
Total expenditures	<u>154,018</u>	<u>1,489,459</u>	<u>710,659</u>	<u>2,354,136</u>
Excess (deficiency) of revenues over (under) expenditures	18,303	119	(679,409)	(660,987)
Fund balances - beginning	<u>11,622</u>	<u>854,154</u>	<u>1,740,642</u>	<u>2,606,418</u>
Fund balances - ending	<u>\$ 29,925</u>	<u>\$ 854,273</u>	<u>\$ 1,061,233</u>	<u>\$ 1,945,431</u>

See notes to the financial statements

**VERANDAH EAST 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, 2019**

Net change in fund balances - total governmental funds	\$ (660,987)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is eliminated and capitalized as capital assets.	710,659
Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.	(282,921)
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statement but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	730,000
Amortization of the deferred amount on refunding and original issue discount is shown on the statement of activities but not on the fund financial statements.	(7,384)
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.	<u>10,289</u>
Change in net position of governmental activities	<u><u>\$ 499,656</u></u>

See notes to the financial statements

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

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Verandah East Community Development District ("District") was created on December 6, 2005 by Ordinance 05-27 of the 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 Board is elected by qualified electors of the District with one Board member (at 9/30/19) being a landowner elected representative of Kolter. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2019, all of the Board members are affiliated with the Developer, (owned by Kolter Homes), (the "Developer").

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.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Assessments

Assessments are non-ad valorem assessments on all platted lots within the District. Assessments are levied each November 1 on property as of the previous January 1 to pay for the operations and maintenance of the District. 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 all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

Capital Projects Fund

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity

Restricted Assets

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

Deposits and Investments

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

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

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

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

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

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:

<u>Assets</u>	<u>Years</u>
Infrastructure – water management	30

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.

Unearned Revenue

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Refundings of Debt

For current refundings and advance refundings 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 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.

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 ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position (Continued)

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.

Investments

The District's investments were held as follows at September 30, 2019:

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
Money Market Mutual Funds - First American			Weighted average of the fund
Government Obligations Fund Class Y	\$ 1,914,606	S&P AAAm	portfolio: 24 days
Total Investments	<u>\$ 1,914,606</u>		

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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

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

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

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 ending September 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 12,789,435	\$ -	\$ -	\$ 12,789,435
Infrastructure under construction	958,849	710,659	-	1,669,508
Total capital assets, not being depreciated	<u>13,748,284</u>	<u>710,659</u>	<u>-</u>	<u>14,458,943</u>
Capital assets, being depreciated				
Infrastructure	8,455,040	-	-	8,455,040
Total capital assets, being depreciated	<u>8,455,040</u>	<u>-</u>	<u>-</u>	<u>8,455,040</u>
Less accumulated depreciation for:				
Infrastructure	2,876,663	282,921	-	3,159,584
Total accumulated depreciation	<u>2,876,663</u>	<u>282,921</u>	<u>-</u>	<u>3,159,584</u>
Total capital assets, being depreciated, net	<u>5,578,377</u>	<u>(282,921)</u>	<u>-</u>	<u>5,295,456</u>
Governmental activities capital assets	<u>\$ 19,326,661</u>	<u>\$ 427,738</u>	<u>\$ -</u>	<u>\$ 19,754,399</u>

NOTE 5 – CAPITAL ASSETS (Continued)

The total cost of the project has been estimated at approximately \$2,500,000, any costs in excess of the amount available from the Series 2016 bond proceeds will be paid by the Developer. Certain improvements will be conveyed to other governmental entities upon completion of the project.

Depreciation expense was charged to the maintenance and operations function.

NOTE 6 – LONG TERM LIABILITIES

Series 2016

On October 1, 2016, the District issued \$20,615,000 of Special Assessment Revenue Refunding and Improvement Bonds Series 2016, due May 1, 2037, with interest rates ranging from 3.375%-4.25%. The Bonds were issued to refund the District’s outstanding Capital Improvements Revenue Bonds, Series 2006 (the “Refunded Bonds”), acquire and construct certain assessable improvements (the “Project”), and pay certain costs associated with the issuance of the Bonds. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2017 through May 1, 2037.

The Series 2016 Bonds are subject to redemption at the option of the District prior to maturity. The Series 2016 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. For the Series 2016 Bonds, this occurred during the current fiscal year as the District collected prepaid assessments and prepaid \$20,000 of the Bonds.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2019.

Long-term debt activity

Changes in long-term liability activity for the fiscal year ending September 30, 2019 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2016	\$ 19,240,000	\$ -	\$ 730,000	\$ 18,510,000	\$ 730,000
Less: Original issue discount	24,713	-	1,373	23,340	-
Total	<u>\$ 19,215,287</u>	<u>\$ -</u>	<u>\$ 728,627</u>	<u>\$ 18,486,660</u>	<u>\$ 730,000</u>

At September 30, 2019, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2020	\$ 730,000	\$ 735,131	\$ 1,465,131
2021	760,000	710,494	1,470,494
2022	785,000	684,844	1,469,844
2023	815,000	655,406	1,470,406
2024	845,000	624,844	1,469,844
2025-2029	4,750,000	2,616,006	7,366,006
2030-2034	5,775,000	1,590,369	7,365,369
2035-2037	4,050,000	347,863	4,397,863
Total	<u>\$ 18,510,000</u>	<u>\$ 7,964,957</u>	<u>\$ 26,474,957</u>

NOTE 7 – DEVELOPER TRANSACTIONS

For the fiscal year ended September 30, 2019, Developer assessments in the general and debt service funds were \$42,955 and \$310,013, respectively.

NOTE 8 – CONCENTRATION

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 9 – MANAGEMENT COMPANY

The District has contracted with Wrathell, Hunt and Associates to perform management advisory services, which include financial and accounting 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 10 – 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 EAST 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, 2019**

	Budgeted Amounts <u>Original & Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Assessments			
Assessments	\$ 170,997	\$ 172,251	\$ 1,254
Interest Income	265	70	(195)
Total revenues	171,262	172,321	1,059
EXPENDITURES			
Current:			
General government	111,690	106,327	5,363
Maintenance and operations	59,572	47,691	11,881
Total expenditures	171,262	154,018	17,244
Excess (deficiency) of revenues over (under) expenditures	\$ -	18,303	\$ 18,303
Fund balance - beginning		11,622	
Fund balance - ending		\$ 29,925	

See notes to required supplementary information

**VERANDAH EAST 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 year ended September 30, 2019.



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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

**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 East 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 East Community Development District, Lee County, Florida ("District") as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 18, 2020.

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.

DeWitt & Associates

May 18, 2020



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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

**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 East Community Development District
Lee County, Florida

We have examined Verandah East 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, 2019. 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, 2019.

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 East Community Development District, Lee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

May 18, 2020



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of Verandah East Community Development District ("District") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 18, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United State; 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 May 18, 2020, 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 East 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 East 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.

Grau & Associates

May 18, 2020

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, 2018.

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, 2019.

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, 2019.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2019. 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 EAST
COMMUNITY DEVELOPMENT DISTRICT**

4

RESOLUTION 2020-07

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE VERANDAH EAST COMMUNITY DEVELOPMENT DISTRICT HEREBY ACCEPTING THE AUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

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 2019;

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

1. The Audited Financial Report for Fiscal Year 2019 heretofore submitted to the Board is hereby accepted for Fiscal Year 2019, for the period ending September 30, 2019; and
2. A verified copy of said Audited Financial Report for Fiscal Year 2019 shall be attached hereto as an exhibit to this Resolution in the District's "Official Record of Proceedings".

PASSED AND ADOPTED this 12th day of August, 2020.

VERANDAH EAST COMMUNITY DEVELOPMENT DISTRICT

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT**

5A

The News-Press
media group
news-press.com A GANNETT COMPANY

Attn:
VERANDAH EAST CDD
2300 GLADES RD STE 410W
BOCA RATON, FL 33431

STATE OF FLORIDA COUNTY OF LEE:

Before the undersigned authority personally appeared Nicholas Fensterm, who on oath says that he or she is a Legal Assistant of the News-Press, a daily newspaper published at Fort Myers in Lee County, Florida; that the attached copy of advertisement, being a Legal Ad in the matter of

Legal Notices

In the Twentieth Judicial Circuit Court was published in said newspaper in the issues of:

07/21/2020, 07/28/2020

Affiant further says that the said News-Press is a paper of general circulation daily in Lee County and published at Fort Myers, in said Lee County, Florida, and that the said newspaper has heretofore been continuously published in said Lee County, Florida each day and has been entered as periodicals matter at the post office in Fort Myers, in said Lee County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he or she has never paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Sworn to and Subscribed before me this 28th of July 2020, by legal clerk who is personally known to me.

Affiant

Nancy Heyrman
Notary State of Wisconsin, County of Brown

5.15.23

My commission expires

VERANDAH EAST COMMUNITY DEVELOPMENT DISTRICT

NOTICE OF PUBLIC HEARING TO CONSIDER THE ADOPTION OF THE FISCAL YEAR 2020/2021 BUDGET; NOTICE OF POSSIBLE REMOTE PROCEDURES DURING PUBLIC HEALTH EMERGENCY DUE TO COVID-19; AND NOTICE OF REGULAR BOARD OF SUPERVISORS' MEETING.

The Board of Supervisors ("Board") of the Verandah East Community Development District ("District") will hold a public hearing on August 12, 2020 at 1:00 p.m., at the Verandah Sales Office, 11571 Verandah Blvd., Ft. Myers, Florida 33905 for the purpose of hearing comments and objections on the adoption of the proposed budget ("Proposed Budget") of the District for the fiscal year beginning October 1, 2020 and ending September 30, 2021 ("Fiscal Year 2020/2021"). A regular board meeting of the District will also be held at that time where the Board may consider any other business that may properly come before it. A copy of the agenda and Proposed Budget may be obtained by contacting the offices of the District Manager, Wrathell, Hunt and Associates, LLC, by mail at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 or by phone at (561) 571-0010 ("District Manager's office"), during normal business hours, or by visiting the District's website, <https://www.verandahcdds.net/>.

It is anticipated that the public hearing and meeting will take place at the location provided above. In the event that the COVID-19 public health emergency prevents the hearing and meeting from occurring in-person, the District may conduct the public hearing and meeting by telephone or video conferencing communications media technology pursuant to governmental orders, including but not limited to Executive Orders 20-52, 20-69 and 20-150 issued by Governor DeSantis and any extensions or supplements thereof, and pursuant to Section 120.54(5)(b)2., Florida Statutes.

While it may be necessary to hold the above referenced meeting of the District's Board of Supervisors utilizing communications media technology due to the current COVID-19 public health emergency, the District fully encourages public participation in a safe and efficient manner. Toward that end, anyone wishing to listen and participate in the meeting can do so by accessing Zoom at <https://us02web.zoom.us/j/82446166686>, Meeting ID 824 4616 6686 or by dialing 1-929-205-6099, Meeting ID 824 4616 6686. Additionally, participants are encouraged to submit questions and comments to the District Manager no later than 2:00 p.m., on August 10, 2020 at 561-571-0010 or adamsc@whhassociates.com to facilitate the Board's consideration of such questions and comments during the meeting.

The public hearing and meeting are open to the public and will be conducted in accordance with the provisions of Florida law. The public hearing and meeting may be continued to a date, time, and place to be specified on the record at the meeting. There may be occasions when Board Supervisors or District Staff may participate by speaker telephone.

Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Manager's Office at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Manager's Office.

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

Chesley E. Adams, Jr.
District Manager
FNP-7/21 + 7/28/2020

of Affidavits 1

This is not an invoice

NANCY HEYRMAN
Notary Public
State of Wisconsin

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT**

5B

RESOLUTION 2020-08

THE ANNUAL APPROPRIATION RESOLUTION OF THE VERANDAH EAST COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGETS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2020, submitted to the Board of Supervisors (“**Board**”) of the Verandah East Community Development District (“**District**”) proposed budgets (“**Proposed Budget**”) for the fiscal year beginning October 1, 2020 and ending September 30, 2021 (“**Fiscal Year 2020/2021**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

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

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

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

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

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

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

SECTION 1. BUDGET

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Local Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.

- b. The Proposed Budget, attached hereto as **Exhibit "A,"** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes ("Adopted Budget")*, and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.
- c. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District's Local Records Office and identified as "The Budget for the Verandah East Community Development District for the Fiscal Year Ending September 30, 2021."
- d. The Adopted Budget shall be posted by the District Manager on the District's official website within thirty (30) days after adoption, and shall remain on the website for at least 2 years.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the District, for Fiscal Year 2020/2021, the sum of \$1,640,113 to be raised by the levy of assessments and/or otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$ 169,619
DEBT SERVICE FUND - (SERIES 2016)	<u>\$1,470,494</u>
TOTAL ALL FUNDS	\$1,640,113

SECTION 3. BUDGET AMENDMENTS

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within Fiscal Year 2020/2021 or within 60 days following the end of the Fiscal Year 2020/2021 may amend its Adopted Budget for that fiscal year as follows:

- a. The Board may authorize an increase or decrease in line item appropriations within a fund by motion recorded in the minutes if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may authorize an increase or decrease in line item appropriations within a fund if the total appropriations of the fund do not increase and if the aggregate change in the original appropriation item does not exceed \$10,000 or 10% of the original appropriation.

- c. By resolution, the Board may increase any appropriation item and/or fund to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.
- d. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

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

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

PASSED AND ADOPTED THIS 12th DAY OF AUGUST, 2020.

ATTEST:

**VERANDAH EAST COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

By: _____

Its: _____

Exhibit A

**VERANDAH EAST & VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICTS
PROPOSED BUDGET
FISCAL YEAR 2021
UPDATED JUNE 18, 2020**

**VERANDAH EAST & VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICTS
TABLE OF CONTENTS**

Description	Page Number(s)
Combined General Fund Budgets	1 - 2
Definitions of General Fund Expenditures	3 - 4
General Fund Budget - Verandah East	5 - 6
General Fund Budget - Verandah West	7 - 8
Debt Service Fund Budget - Verandah East - Series 2016 Bonds	9
Debt Service Fund - Verandah East - Series 2016 Bonds - Debt Service Schedule	10
Debt Service Fund Budget - Verandah West - Series 2013 Bonds	11
Debt Service Fund - Verandah West - Series 2013 A Bonds - Debt Service Schedule	12
Projected Assessments - Verandah East	13
Projected Assessments - Verandah West	14

**VERANDAH EAST & VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICTS
COMBINED GENERAL FUND BUDGETS
FISCAL YEAR 2021**

	Fiscal Year 2020				Proposed FY 2021 Budget
	Adopted FY 2020 Budget	Actual through 3/31/2020	Projected through 9/30/2020	Total Revenue and Expenditures	
REVENUES					
Assessment levy: on-roll - gross	\$ 340,444				\$ 382,653
Allowable discounts (4%)	(13,618)				(15,306)
Assessment levy: on-roll - net	326,826	\$ 328,494	\$ 9,748	\$ 338,242	367,347
Assessment levy: off-roll	61,453	25,137	25,139	50,276	19,155
Interest and miscellaneous	600	116	484	600	600
Total revenues	<u>388,879</u>	<u>353,747</u>	<u>35,371</u>	<u>389,118</u>	<u>387,102</u>
EXPENDITURES					
Professional & admin					
Supervisors	5,000	1,800	3,200	5,000	7,000
Management and accounting	124,960	62,480	62,480	124,960	124,960
Audit	14,900	14,900	-	14,900	14,900
Legal	10,000	10,591	-	10,591	10,000
Field management	21,163	10,582	10,581	21,163	21,163
Engineering	5,000	2,464	2,536	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	-	3,000	3,000	3,000
Assessment roll preparation	24,000	24,000	-	24,000	24,000
Telephone	775	387	388	775	775
Postage	500	237	263	500	500
Insurance	13,030	12,386	644	13,030	13,030
Printing & binding	1,614	807	807	1,614	1,614
Legal advertising	1,500	1,213	287	1,500	1,500
Office expenses & supplies	250	-	250	250	250
Website	1,410	705	705	1,410	1,410
ADA website compliance	400	199	201	400	400
Contingencies	1,500	675	825	1,500	1,500
Annual district filing fee	350	350	-	350	350
Total professional & admin	<u>247,632</u>	<u>153,291</u>	<u>94,932</u>	<u>248,223</u>	<u>249,632</u>
Water management					
Contractual services	115,000	47,985	67,015	115,000	115,000
Aquascaping/pipe cleanout	5,000	-	5,000	5,000	5,000
Utilities	-	-	-	-	3,000
Contingencies	15,000	213	7,000	7,213	6,000
Hurricane clean up	-	-	-	-	-
Total water management	<u>135,000</u>	<u>48,198</u>	<u>79,015</u>	<u>127,213</u>	<u>129,000</u>

**VERANDAH EAST & VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICTS
COMBINED GENERAL FUND BUDGETS
FISCAL YEAR 2021**

	Fiscal Year 2020			Total Revenue and Expenditures	Proposed FY 2021 Budget
	Adopted FY 2020 Budget	Actual through 3/31/2020	Projected through 9/30/2020		
Other fees and charges					
Property appraiser	1,740	1,505	235	1,740	1,740
Tax collector	5,107	2,182	2,925	5,107	5,740
Total other fees and charges	6,847	3,687	3,160	6,847	7,480
Total expenditures	389,479	205,176	177,107	382,283	386,112
Net increase/(decrease) of fund balance	(600)	148,571	(141,736)	6,835	990
Fund balance - beginning (unaudited)	100,333	138,983	287,554	138,983	145,818
Fund balance - ending (projected)	<u>\$ 99,733</u>	<u>\$ 287,554</u>	<u>\$ 145,818</u>	<u>\$ 145,818</u>	<u>\$ 146,808</u>

Combined Assessment Summary				
Description	Units	FY 2020	Proposed	Total
		Assessment	Assessment	Revenue
On-roll	1,642.00	\$ 233.18	\$ 233.04	\$ 382,651.68
Off-roll	87.40	219.16	219.16	19,154.58
Total units:	<u>1,729.40</u>		Total revenue:	<u>401,806.26</u>

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

EXPENDITURES

Supervisors	\$ 7,000
<p>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.</p>	
Management and accounting	124,960
<p>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.</p>	
Audit Fees	14,900
<p>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.</p>	
Legal	10,000
<p>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.</p>	
Field management	21,163
<p>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.</p>	
Engineering	5,000
<p>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.</p>	
Trustee	10,000
<p>Annual fees paid to U.S. Bank for acting as trustee, paying agent and registrar.</p>	
Dissemination agent	8,280
<p>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.</p>	
Arbitrage rebate calculation	3,000
<p>To ensure the Districts' compliance with all tax regulations, annual computations are necessary to calculate arbitrage rebate liability.</p>	
Assessment roll preparation	24,000
<p>The Districts have contracts with AJC Associates, Inc., to prepare the annual assessment rolls.</p>	
Telephone	775
<p>Telephone and fax machine services.</p>	
Postage	500
<p>Mailing of agenda packages, overnight deliveries, correspondence, etc.</p>	
Insurance	13,030
<p>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.</p>	

**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	1,410
ADA website compliance	400
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	
Utilities	3,000
Covers the costs of Electricity for CDD aerators.	
Contingencies	6,000
Miscellaneous water management expenses incurred throughout the year.	
Property appraiser	1,740
The property appraiser's fee is \$1.00 per parcel.	
Tax collector	5,740
The tax collector's fee is 1.5% of assessments collected.	
Total expenditures	386,112

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND BUDGET
FISCAL YEAR 2021**

	Fiscal Year 2020				Proposed FY 2021 Budget
	Adopted FY 2020 Budget	Actual through 3/31/2020	Projected through 9/30/2020	Total Revenue and Expenditures	
REVENUES					
Assessment levy: on-roll - gross	\$ 134,078				\$ 176,413
Allowable discounts (4%)	(5,363)				(7,057)
Assessment levy: on-roll - net	128,715	\$ 138,433	\$ 1,699	\$ 140,132	169,356
Assessment levy: off-roll	42,299	15,560	15,561	31,121	-
Interest and miscellaneous	265	53	212	265	263
Total revenues	171,279	154,046	17,472	171,518	169,619
EXPENDITURES					
Professional & admin					
Supervisors	2,206	794	1,412	2,206	3,064
Management and accounting	55,142	27,571	27,571	55,142	54,698
Audit	6,575	6,575	-	6,575	6,522
Legal	4,413	4,674	-	4,674	4,377
Field management	9,339	4,670	4,669	9,339	9,264
Engineering	2,206	1,087	1,119	2,206	2,189
Trustee	4,413	2,372	2,041	4,413	4,377
Dissemination agent	3,654	1,827	1,827	3,654	3,624
Arbitrage rebate calculation	1,324	-	1,324	1,324	1,313
Assessment roll preparation	10,591	10,591	-	10,591	10,505
Telephone	342	171	171	342	339
Postage	221	105	116	221	219
Insurance	5,750	5,466	284	5,750	5,704
Printing & binding	712	356	356	712	706
Legal advertising	662	535	127	662	657
Office expenses & supplies	110	-	110	110	109
Website	622	311	311	622	617
ADA website compliance	177	88	89	177	175
Contingencies	662	356	306	662	657
Annual district filing fee	154	154	-	154	153
Total professional & admin	109,275	67,703	41,833	109,536	109,269
Water management					
Contractual services	50,747	21,176	29,571	50,747	50,338
Aquascaping/Pipe Cleanout	2,206	-	2,206	2,206	2,189
Utilities	-	-	-	-	1,313
Contingencies	6,619	94	3,000	3,094	2,626
Total water management	59,572	21,270	34,777	56,047	56,466

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND BUDGET
FISCAL YEAR 2021**

	Fiscal Year 2020			Total Revenue and Expenditures	Proposed FY 2021 Budget
	Adopted FY 2020 Budget	Actual through 3/31/2020	Projected through 9/30/2020		
Other fees and charges					
Property appraiser	685	664	21	685	802
Tax collector	2,011	900	1,111	2,011	2,646
Total other fees and charges	<u>2,696</u>	<u>1,564</u>	<u>1,132</u>	<u>2,696</u>	<u>3,448</u>
Total expenditures	<u>171,543</u>	<u>90,537</u>	<u>77,742</u>	<u>168,279</u>	<u>169,183</u>
Net increase/(decrease) of fund balance	(264)	63,509	(60,270)	3,239	436
Fund balance - beginning (unaudited)	16,409	29,924	93,433	29,924	33,163
Fund balance - ending (projected)	<u>\$ 16,145</u>	<u>\$ 93,433</u>	<u>\$ 33,163</u>	<u>\$ 33,163</u>	<u>\$ 33,599</u>

Assessment Summary

Description	Units	FY 2020 Assessment	Proposed Assessment	Total Revenue
On-roll	757.00	\$ 233.18	\$ 233.05	\$ 176,418.85
Off-roll	0.00	219.16	219.17	0.00
Total units:	<u>757.00</u>		Total revenue:	<u>\$ 176,418.85</u>

**VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND BUDGET
FISCAL YEAR 2021**

	Fiscal Year 2020			Total Revenue and Expenditures	Proposed FY 2021 Budget
	Adopted FY 2020 Budget	Actual through 3/31/2020	Projected through 9/30/2020		
REVENUES					
Assessment levy: on-roll - gross	\$ 206,365				\$ 206,241
Allowable discounts (4%)	(8,255)				(8,250)
Assessment levy: on-roll - net	198,110	\$ 190,061	\$ 8,049	\$ 198,110	197,991
Assessment levy: off-roll	19,155	9,577	9,578	19,155	19,155
Interest and miscellaneous	335	63	272	335	337
Total revenues	<u>217,600</u>	<u>199,701</u>	<u>17,899</u>	<u>217,600</u>	<u>217,483</u>
EXPENDITURES					
Professional & admin					
Supervisors	2,794	1,006	1,788	2,794	3,936
Management and accounting	69,818	34,909	34,909	69,818	70,262
Audit	8,325	8,325	-	8,325	8,378
Legal	5,587	5,917	-	5,917	5,623
Field management	11,824	5,912	5,912	11,824	11,899
Engineering	2,794	1,377	1,417	2,794	2,811
Trustee	5,587	3,003	2,584	5,587	5,623
Dissemination agent	4,626	2,313	2,313	4,626	4,656
Arbitrage rebate calculation	1,676	-	1,676	1,676	1,687
Assessment roll preparation	13,409	13,409	-	13,409	13,495
Telephone	433	216	217	433	436
Postage	279	132	147	279	281
Insurance	7,280	6,920	360	7,280	7,326
Printing & binding	902	451	451	902	908
Legal advertising	838	678	160	838	843
Office expenses & supplies	140	-	140	140	141
Website	788	394	394	788	793
ADA website compliance	223	111	112	223	225
Contingencies	838	319	519	838	843
Annual district filing fee	196	196	-	196	197
Total professional & admin fees	<u>138,357</u>	<u>85,588</u>	<u>53,099</u>	<u>138,687</u>	<u>140,363</u>
Water management					
Contractual services	64,253	26,809	37,444	64,253	64,662
Aquascaping/Pipe Cleanout	2,794	-	2,794	2,794	2,811
Utilities	-	-	-	-	1,687
Contingencies	8,381	119	4,000	4,119	3,374
Total water management	<u>75,428</u>	<u>26,928</u>	<u>44,238</u>	<u>71,166</u>	<u>72,534</u>

**VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND BUDGET
FISCAL YEAR 2021**

	Fiscal Year 2020			Total Revenue and Expenditures	Proposed FY 2021 Budget
	Adopted FY 2020 Budget	Actual through 3/31/2020	Projected through 9/30/2020		
Other fees and charges					
Property appraiser	1,055	841	214	1,055	938
Tax collector	3,096	1,282	1,814	3,096	3,094
Total other fees and charges	<u>4,151</u>	<u>2,123</u>	<u>2,028</u>	<u>4,151</u>	<u>4,032</u>
Total expenditures	<u>217,936</u>	<u>114,639</u>	<u>99,365</u>	<u>214,004</u>	<u>216,929</u>
Net Increase/(decrease) of fund balance	(336)	85,062	(81,466)	3,596	554
Fund balance - beginning (unaudited)	83,924	109,059	194,121	109,059	112,655
Fund balance - ending (projected)	<u>\$ 83,588</u>	<u>\$ 194,121</u>	<u>\$ 112,655</u>	<u>\$ 112,655</u>	<u>\$ 113,209</u>

Assessment Summary

Description	Units	FY 2020 Assessment	Proposed Assessment	Total Revenue
On-roll	885.00	\$ 233.18	\$ 233.04	\$ 206,240.40
Off-roll	87.40	219.16	219.16	19,154.58
Total units:	<u>972.40</u>		Total revenue:	<u>\$ 225,394.98</u>

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND - SERIES 2016 BONDS
FISCAL YEAR 2021**

	Fiscal Year 2020			Total Revenue & Expenditures	Proposed FY 2021 Budget
	Adopted FY 2020 Budget	Actual through 3/31/2020	Projected through 9/30/2020		
REVENUES					
Assessment levy: on-roll - gross	\$ 1,188,999				\$ 1,507,189
Allowable discounts (4%)	(47,560)				(60,288)
Assessment levy: on-roll - net	1,141,439	\$ 1,197,739	\$ 22,819	\$ 1,220,558	1,446,901
Assessment levy: off-roll	304,444	56,216	167,862	224,078	-
Interest	-	6,341	-	6,341	-
Total revenues	<u>1,445,883</u>	<u>1,260,296</u>	<u>190,681</u>	<u>1,450,977</u>	<u>1,446,901</u>
EXPENDITURES					
Debt service					
Principal	730,000	-	730,000	730,000	760,000
Interest	735,131	367,566	367,565	735,131	710,494
Prepayment	-	-	-	-	-
Total debt service	<u>1,465,131</u>	<u>367,566</u>	<u>1,097,565</u>	<u>1,465,131</u>	<u>1,470,494</u>
Excess/(deficiency) of revenues over/(under) expenditures	(19,248)	892,730	(906,884)	(14,154)	(23,593)
Fund balance:					
Net increase/(decrease) in fund balance	(19,248)	892,730	(906,884)	(14,154)	(23,593)
Beginning fund balance (unaudited)	821,551	854,273	1,747,003	854,273	840,119
Ending fund balance (projected)	<u>\$ 802,303</u>	<u>\$ 1,747,003</u>	<u>\$ 840,119</u>	<u>\$ 840,119</u>	<u>816,526</u>
Use of fund balance					
Debt service reserve account balance (Required)					(375,000)
Interest expense - November 1, 2021					(342,422)
Projected fund balance surplus/(deficit) as of September 30, 2021					<u>\$ 99,104</u>

Verandah East
 Community Development District
 Series 2016
 \$20,615,000

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
11/01/2020	-	-	355,246.88	355,246.88
05/01/2021	760,000.00	3.375%	355,246.88	1,115,246.88
11/01/2021	-	-	342,421.88	342,421.88
05/01/2022	785,000.00	3.750%	342,421.88	1,127,421.88
11/01/2022	-	-	327,703.13	327,703.13
05/01/2023	815,000.00	3.750%	327,703.13	1,142,703.13
11/01/2023	-	-	312,421.88	312,421.88
05/01/2024	845,000.00	3.750%	312,421.88	1,157,421.88
11/01/2024	-	-	296,578.13	296,578.13
05/01/2025	880,000.00	3.750%	296,578.13	1,176,578.13
11/01/2025	-	-	280,078.13	280,078.13
05/01/2026	910,000.00	3.750%	280,078.13	1,190,078.13
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	\$17,780,000.00	-	\$7,229,825.12	\$25,009,825.12

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

	Fiscal Year 2019				Proposed FY 2021 Budget
	Adopted FY 2020 Budget	Actual through 3/31/2020	Projected through 9/30/2020	Total Revenue & Expenditures	
REVENUES					
Assessment levy: on-roll - gross	\$ 950,902				\$ 950,902
Allowable discounts (4%)	(38,036)				(38,036)
Assessment levy: on-roll - net	912,866	\$ 869,992	\$ 42,873	\$ 912,865	912,866
Assessment levy: off-roll	335,976	80,343	255,633	335,976	334,856
Interest	-	5,383	-	5,383	-
Total revenues	<u>1,248,842</u>	<u>955,718</u>	<u>298,506</u>	<u>1,254,224</u>	<u>1,247,722</u>
EXPENDITURES					
Debt service					
Principal	650,000	-	650,000	650,000	675,000
Interest	595,850	297,900	297,925	595,825	566,700
Prepayment	-	-	65,000	65,000	-
Total expenditures	<u>1,245,850</u>	<u>297,900</u>	<u>1,012,925</u>	<u>1,310,825</u>	<u>1,241,700</u>
Excess/(deficiency) of revenues over/(under) expenditures	2,992	657,818	(714,419)	(56,601)	6,022
Fund balance:					
Net increase/(decrease) in fund balance	2,992	657,818	(714,419)	(56,601)	6,022
Beginning fund balance (unaudited)	685,942	732,802	1,390,620	732,802	676,201
Ending fund balance (projected)	<u>\$ 688,934</u>	<u>\$ 1,390,620</u>	<u>\$ 676,201</u>	<u>\$ 676,201</u>	<u>682,223</u>
Use of fund balance					
Debt service reserve account balance (required)					(448,350)
Interest expense - November 1, 2021					(269,850)
Projected fund balance surplus/(deficit) as of September 30, 2021					<u>\$ (35,977)</u>

Verandah West

Community Development District

Series 2013

\$15,920,000

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
11/01/2020	-	-	283,350.00	283,350.00
05/01/2021	675,000.00	4.000%	283,350.00	958,350.00
11/01/2021	-	-	269,850.00	269,850.00
05/01/2022	700,000.00	4.000%	269,850.00	969,850.00
11/01/2022	-	-	255,850.00	255,850.00
05/01/2023	730,000.00	4.000%	255,850.00	985,850.00
11/01/2023	-	-	241,250.00	241,250.00
05/01/2024	765,000.00	5.000%	241,250.00	1,006,250.00
11/01/2024	-	-	222,125.00	222,125.00
05/01/2025	800,000.00	5.000%	222,125.00	1,022,125.00
11/01/2025	-	-	202,125.00	202,125.00
05/01/2026	845,000.00	5.000%	202,125.00	1,047,125.00
11/01/2026	-	-	181,000.00	181,000.00
05/01/2027	885,000.00	5.000%	181,000.00	1,066,000.00
11/01/2027	-	-	158,875.00	158,875.00
05/01/2028	930,000.00	5.000%	158,875.00	1,088,875.00
11/01/2028	-	-	135,625.00	135,625.00
05/01/2029	980,000.00	5.000%	135,625.00	1,115,625.00
11/01/2029	-	-	111,125.00	111,125.00
05/01/2030	1,030,000.00	5.000%	111,125.00	1,141,125.00
11/01/2030	-	-	85,375.00	85,375.00
05/01/2031	1,080,000.00	5.000%	85,375.00	1,165,375.00
11/01/2031	-	-	58,375.00	58,375.00
05/01/2032	1,140,000.00	5.000%	58,375.00	1,198,375.00
11/01/2032	-	-	29,875.00	29,875.00
05/01/2033	1,195,000.00	5.000%	29,875.00	1,224,875.00
Total	\$11,755,000.00	-	\$4,469,600.00	\$16,224,600.00

**Verandah East
Community Development District
Projected Assessments
Fiscal Year 2020-2021
2016 Series Bonds**

*****PRELIMINARY*****

**Lee County
16 years remaining**

Neighborhoods	Parcel #	Bond Designation	Debt Service Assessment	O & M Assessment	Total Assessment	Outstanding Principal after 2020-2021 tax payment
Arlington Oaks	119	SF 100-1	\$ 3,755.00	\$ 233.04	\$ 3,988.04	\$ 42,409.78
Brantley Oaks	117	SF 100-2	3,500.00	233.04	3,733.04	39,523.93
Whispering Oaks	118	SF-100-2	3,500.00	233.04	3,733.04	39,523.93
Torey Pines	127S	SF-85-1	2,963.00	233.04	3,196.04	33,439.13
Cedar Hammock	124	SF 85-2	2,600.00	233.04	2,833.04	29,360.62
Edgewater Trace	127N	SF 75	2,662.85	233.04	2,895.89	30,051.74
Palmetto Grove	120	SF 70-2	2,000.00	233.04	2,233.04	22,568.94
Sabal Point	121	SF 70-3	1,400.00	233.04	1,633.04	15,809.57
Otter Bend	123	Villa 60-1	1,600.00	233.04	1,833.04	18,068.08
Citrus Creek	122	Villa 60-2	1,300.00	233.04	1,533.04	14,680.21
Woodhaven	126	Villa 60-3	2,000.00	233.04	2,233.04	22,568.94
Willow Bend	128	SF 50	1,616.00	233.04	1,849.04	18,255.35
Ambleswind Cove	132	SF 50	1,616.00	233.04	1,849.04	18,255.35
Heritage Preserve	131	SF 50	1,616.00	233.04	1,849.04	18,255.35
Magnolia Pointe	129/130	SF 50	1,616.00	233.04	1,849.04	18,255.35
Willow Ridge	132	SF 50	1,616.00	233.04	1,849.04	18,255.35
Fairway Cove	125	SF 50	1,616.00	233.04	1,849.04	18,255.35

Fiscal Year 2019 - 2020 assessments:						
		SF 100-1	\$ 3,755.00	\$ 233.18	\$ 3,988.18	\$ 44,448.08
		SF 100-2	3,500.00	233.18	\$ 3,733.18	41,423.53
		SF 85-1	2,963.00	233.18	\$ 3,196.18	35,046.28
		SF 85-2	2,600.00	233.18	\$ 2,833.18	30,771.75
		SF 75	2,662.85	233.18	\$ 2,896.03	31,523.37
		SF 70-2	2,000.00	233.18	\$ 2,233.18	23,653.65
		SF 70-3	1,400.00	233.18	\$ 1,633.18	16,569.41
		Villa 60-1	1,600.00	233.18	\$ 1,833.18	18,936.47
		Villa 60-2	1,300.00	233.18	\$ 1,533.18	15,916.43
		Villa 60-3	2,000.00	233.18	\$ 2,233.18	23,653.65
		SF 50	1,616.00	233.18	\$ 1,849.18	19,132.74

**Verandah West
Community Development District
Projected Assessments
Fiscal Year 2020-2021
2013 Series**

*****PRELIMINARY*****

**Lee County
12 years remaining**

Neighborhoods	Bond Designation	Debt Service Assessment	O & M Assessment	Total Assessment	Outstanding Principal after 2020-2021 tax payment
Hammock Creek	River Village	\$ 2,245.81	\$ 233.04	\$ 2,478.85	\$ 19,107.74
Oak Bend	River Village	2,245.81	233.04	2,478.85	19,107.74
Sanctuary Pointe	Custom SF 100	2,245.81	233.04	2,478.85	19,107.74
Shadetree Pointe	Custom SF 100	2,245.81	233.04	2,478.85	19,107.74
Mossy Oak	Custom SF 100	2,245.81	233.04	2,478.85	19,107.74
Cypress Marsh	Custom SF 85	1,641.22	233.04	1,874.26	13,963.79
River Point	Custom SF 85	1,641.22	233.04	1,874.26	13,963.79
Winding River West	Production 70-1 (NO BUYDOWN)	1,628.14	233.04	1,861.18	14,385.30
Shady Bend	Production 70-2	1,122.91	233.04	1,355.95	9,553.87
Royal Palm (Lots 1-11, 22-25)	Single Family 65	1,042.70	233.04	1,275.74	8,871.45
Royal Palm (Lots 12-21)	Single Family 50	777.43	233.04	1,010.47	6,614.46
Orange Tree Bend	SF 60/Villa 55	950.17	233.04	1,183.21	8,084.17
Bramble Cove	Villa 50	777.43	233.04	1,010.47	6,614.46
Lakeview	Villa 50	777.43	233.04	1,010.47	6,614.46
Preserves Edge	Villa 50	777.43	233.04	1,010.47	6,614.46
Idlewild	Coach Home - L	580.46	233.04	813.50	4,938.62
Pebblebrook	Coach Home - L	580.46	233.04	813.50	4,938.62
Cottonwood Bend	Town Homes	518.32	233.04	751.36	4,409.91

Fiscal year 2019 - 2020 assessments:	River Village	\$ 2,245.81	\$ 233.18	\$ 2,478.99	\$ 20,386.44
	Custom SF 100	2,245.81	233.18	2,478.99	20,386.44
	Custom SF 85	1,641.22	233.18	1,874.40	14,898.25
	Production 70-1	1,628.14	233.18	1,861.32	15,347.97
	Production 70-2	1,122.91	233.18	1,356.09	10,193.22
	Single Family 65	1,042.70	233.18	1,275.88	9,465.13
	Single Family 50	777.43	233.18	1,010.61	7,057.10
	SF 60/Villa 55	950.17	233.18	1,183.35	8,625.16
	Villa 50	777.43	233.18	1,010.61	7,057.10
	Coach Home - L	580.46	233.18	813.64	5,269.11
	Town Homes	518.32	233.18	751.50	4,705.03

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT**

6

RESOLUTION 2020-09

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE VERANDAH EAST COMMUNITY DEVELOPMENT DISTRICT MAKING A DETERMINATION OF BENEFIT AND IMPOSING SPECIAL ASSESSMENTS FOR FISCAL YEAR 2020/2021; PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF SPECIAL ASSESSMENTS, INCLUDING BUT NOT LIMITED TO PENALTIES AND INTEREST THEREON; CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENTS TO THE ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Verandah East Community Development District ("**District**") is a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

WHEREAS, the District is located in Lee County, Florida ("**County**"); and

WHEREAS, the District has constructed or acquired various infrastructure improvements and provides certain services in accordance with the District's adopted capital improvement plan and Chapter 190, *Florida Statutes*; and

WHEREAS, the Board of Supervisors ("**Board**") of the District hereby determines to undertake various operations and maintenance and other activities described in the District's budget ("**Adopted Budget**") for the fiscal year beginning October 1, 2020 and ending September 30, 2020 ("**Fiscal Year 2020/2021**"), attached hereto as **Exhibit "A,"** and

WHEREAS, the District must obtain sufficient funds to provide for the operation and maintenance of the services and facilities provided by the District as described in the Adopted Budget; and

WHEREAS, the provision of such services, facilities, and operations is a benefit to lands within the District; and

WHEREAS, Chapter 190, *Florida Statutes*, provides that the District may impose special assessments on benefitted lands within the District; and

WHEREAS, it is in the best interests of the District to proceed with the imposition of the special assessments for operations and maintenance in the amount set forth in the Adopted Budget; and

WHEREAS, the District has previously levied an assessment for debt service, which the District desires to collect for Fiscal Year 2020/2021; and

WHEREAS, Chapter 197, *Florida Statutes*, provides a mechanism pursuant to which such special assessments may be placed on the tax roll and collected by the local tax collector

("Uniform Method"), and the District has previously authorized the use of the Uniform Method by, among other things, entering into agreements with the Property Appraiser and Tax Collector of the County for that purpose; and

WHEREAS, it is in the best interests of the District to adopt the assessment roll ("**Assessment Roll**") attached to this Resolution as **Exhibit "B,"** and to certify the portion of the Assessment Roll related to certain developed property ("**Tax Roll Property**") to the County Tax Collector pursuant to the Uniform Method and to directly collect the portion of the Assessment Roll relating to the remaining property ("**Direct Collect Property**"), all as set forth in **Exhibit "B;"** and

WHEREAS, it is in the best interests of the District to permit the District Manager to amend the Assessment Roll adopted herein, including that portion certified to the County Tax Collector by this Resolution, as the Property Appraiser updates the property roll for the County, for such time as authorized by Florida law.

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

SECTION 1. BENEFIT & ALLOCATION FINDINGS. The provision of the services, facilities, and operations as described in **Exhibit "A"** confers a special and peculiar benefit to the lands within the District, which benefit exceeds or equals the cost of the assessments. The allocation of the assessments to the specially benefitted lands is shown in **Exhibits "A" and "B,"** and is hereby found to be fair and reasonable.

SECTION 2. ASSESSMENT IMPOSITION. Pursuant to Chapter 190, *Florida Statutes*, and using the procedures authorized by Florida law for the levy and collection of special assessments, a special assessment for operation and maintenance is hereby imposed and levied on benefitted lands within the District and in accordance with **Exhibits "A" and "B."** The lien of the special assessments for operations and maintenance imposed and levied by this Resolution shall be effective upon passage of this Resolution. Moreover, pursuant to Section 197.3632(4), *Florida Statutes*, the lien amount shall serve as the "maximum rate" authorized by law for operation and maintenance assessments.

SECTION 3. COLLECTION AND ENFORCEMENT; PENALTIES; INTEREST.

- A. **Tax Roll Assessments.** The operations and maintenance special assessments and previously levied debt service special assessments imposed on the Tax Roll Property shall be collected at the same time and in the same manner as County taxes in accordance with the Uniform Method, as set forth in **Exhibits "A" and "B."**
- B. **Direct Bill Assessments.** The operations and maintenance special assessments and previously levied debt service special assessments imposed on the Direct Collect Property shall be collected directly by the District in accordance with Florida law, as set forth in **Exhibits "A" and "B."**

C. **Future Collection Methods.** The decision to collect special assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

SECTION 4. ASSESSMENT ROLL. The Assessment Roll, attached to this Resolution as **Exhibit “B,”** is hereby certified for collection. That portion of the Assessment Roll which includes the Tax Roll Property is hereby certified to the County Tax Collector and shall be collected by the County Tax Collector in the same manner and time as County taxes. The proceeds therefrom shall be paid to the District.

SECTION 5. ASSESSMENT ROLL AMENDMENT. The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution, and shall amend the Assessment Roll in accordance with any such updates, for such time as authorized by Florida law, to the County property roll. After any amendment of the Assessment Roll, the District Manager shall file the updates in the District records.

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

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board.

PASSED AND ADOPTED this 12th day of August, 2020.

ATTEST:

**VERANDAH EAST COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

By: _____

Its: _____

Exhibit A: Budget

Exhibit B: Assessment Roll (Uniform Method)
Assessment Roll (Direct Collect)

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT**

7

RESOLUTION 2020-10

A RESOLUTION OF THE VERANDAH EAST COMMUNITY DEVELOPMENT DISTRICT DESIGNATING DATES, TIMES AND LOCATIONS FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT FOR FISCAL YEAR 2020/2021 AND PROVIDING FOR AN EFFECTIVE DATE

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

WHEREAS, the Board of Supervisors of the District (“Board”) is statutorily authorized to exercise the powers granted to the District; and

WHEREAS, all meetings of the Board shall be open to the public and governed by the provisions of Chapter 286, *Florida Statutes*; and

WHEREAS, the Board is statutorily required to file annually, with the local governing authority and the Florida Department of Economic Opportunity, a schedule of its regular meetings.

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

SECTION 1. ADOPTING REGULAR MEETING SCHEDULE. Regular meetings of the District’s Board shall be held during Fiscal Year 2020/2021 as provided on the schedule attached hereto as **Exhibit A**.

SECTION 2. FILING REQUIREMENT. In accordance with Section 189.015(1), *Florida Statutes*, the District’s Secretary is hereby directed to file a schedule of the District’s regular meetings annually with Lee County and the Florida Department of Economic Opportunity.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 12th day of August, 2020.

Attest:

**VERANDAH EAST COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

Exhibit A

VERANDAH EAST COMMUNITY DEVELOPMENT DISTRICT		
BOARD OF SUPERVISORS FISCAL YEAR 2020/2021 MEETING SCHEDULE		
LOCATION		
<i>Verandah Sales Office, 11571 Verandah Blvd., Fort Myers, Florida 33905</i>		
DATE	POTENTIAL DISCUSSION/FOCUS	TIME
October 14, 2020	Regular Meeting	1:00 P.M.
January 13, 2021	Regular Meeting	1:00 P.M.
May 12, 2021	Regular Meeting	1:00 P.M.
August 11, 2021	Public Hearing & Regular Meeting	1:00 P.M.

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT**

9

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
UNAUDITED
JUNE 30, 2020**

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Major Funds			Total Governmental Funds
	General	Debt Service Series 2016	Capital Projects Series 2016	
ASSETS				
Cash (SunTrust)	\$ 85,000	\$ -	\$ -	\$ 85,000
Investments				
Revenue account	-	454,017	-	454,017
Reserve account	-	375,000	-	375,000
Prepayment	-	4	-	4
Construction account	-	-	109,809	109,809
Due from other governments	6,409	-	-	6,409
Due from general fund	-	14,118	-	14,118
Total assets	<u>\$ 91,409</u>	<u>\$ 843,139</u>	<u>\$ 109,809</u>	<u>\$ 1,044,357</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,000	\$ -	\$ -	\$ 1,000
Due to debt service fund	14,118	-	-	14,118
Due to other governments	4,778	-	-	4,778
Total liabilities	<u>19,896</u>	<u>-</u>	<u>-</u>	<u>19,896</u>
Fund balances:				
Restricted for:				
Debt service	-	843,139	-	843,139
Capital projects	-	-	109,809	109,809
Unassigned	71,513	-	-	71,513
Total fund balances	<u>71,513</u>	<u>843,139</u>	<u>109,809</u>	<u>1,024,461</u>
Total liabilities and fund balances	<u>\$ 91,409</u>	<u>\$ 843,139</u>	<u>\$ 109,809</u>	<u>\$ 1,044,357</u>

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND 001
FOR THE PERIOD ENDED JUNE 30, 2020**

	Current Month	Year to Date	Budget	% of Budget
REVENUE				
Special assessment: on-roll	\$ 1,621	\$ 141,300	\$ 128,715	110%
Special assessment: off-roll	5,187	23,341	42,299	55%
Interest & miscellaneous	3	62	265	23%
Total revenue	<u>6,811</u>	<u>164,703</u>	<u>171,279</u>	96%
EXPENDITURE				
Professional & administrative				
Supervisors	706	1,500	2,206	68%
Management and accounting	4,595	41,357	55,142	75%
Audit	-	6,575	6,575	100%
Legal	1,433	6,485	4,413	147%
Field management	778	7,004	9,339	75%
Engineering	56	2,271	2,206	103%
Trustee	2,175	4,547	4,413	103%
Dissemination agent	305	2,741	3,654	75%
Arbitrage	-	287	1,324	22%
Assessment roll preparation	-	10,591	10,591	100%
Telephone	29	257	342	75%
Postage	13	127	221	57%
Insurance	-	5,466	5,750	95%
Printing & binding	59	534	712	75%
Legal advertising	288	823	662	124%
Office expenses and supplies	-	-	110	0%
Website	-	311	622	50%
Contingencies	57	536	662	81%
ADA website compliance	-	88	177	50%
Annual district filing fee	-	154	154	100%
Total professional & admin expenses	<u>10,494</u>	<u>91,654</u>	<u>109,275</u>	84%
Water management				
Contractual services	4,235	29,721	50,747	59%
Aquascaping	-	-	2,206	0%
Contingencies	29	175	6,619	3%
Total water management	<u>4,264</u>	<u>29,896</u>	<u>59,572</u>	50%

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND 001
FOR THE PERIOD ENDED JUNE 30, 2020**

	<u>Current Month</u>	<u>Year to Date</u>	<u>Budget</u>	<u>% of Budget</u>
Other fees and charges				
Property appraiser	-	664	685	97%
Tax collector	-	900	2,011	45%
Total other fees & charges	-	1,564	2,696	58%
Total expenditures	<u>14,758</u>	<u>123,114</u>	<u>171,543</u>	72%
 Excess/(deficiency) of revenues over/(under) expenditures	 (7,947)	 41,589	 (264)	
 Fund balances - beginning	 79,460	 29,924	 16,409	
Fund balances - ending	<u>\$ 71,513</u>	<u>\$ 71,513</u>	<u>\$ 16,145</u>	

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND 201 - SERIES 2016
FOR THE PERIOD ENDED JUNE 30, 2020**

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Special assessment: on-roll	\$ 14,118	\$ 1,222,703	\$ 1,141,439	107%
Special assessment: off-roll	-	224,078	304,444	74%
Interest	4	7,216	-	N/A
Total revenues	<u>14,122</u>	<u>1,453,997</u>	<u>1,445,883</u>	N/A
EXPENDITURES				
Debt service				
Principal	-	730,000	730,000	100%
Interest	-	735,131	735,131	100%
Total debt service	<u>-</u>	<u>1,465,131</u>	<u>1,465,131</u>	N/A
Total expenditures	<u>-</u>	<u>1,465,131</u>	<u>1,465,131</u>	N/A
Net change in fund balances	14,122	(11,134)	(19,248)	
Fund balances - beginning	829,017	854,273	821,551	
Fund balances - ending	<u>\$ 843,139</u>	<u>\$ 843,139</u>	<u>\$ 802,303</u>	

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND 302 - SERIES 2016
FOR THE PERIOD ENDED JUNE 30, 2020**

	Current Month	Year to Date
REVENUES		
Interest	\$ 1	\$ 7,671
Total revenues	1	7,671
EXPENDITURES		
Construction in progress	-	959,095
Total expenditures	-	959,095
Excess/(deficiency) of revenues over/(under) expenditures	1	(951,424)
Fund balances - beginning	109,808	1,061,233
Fund balances - ending	\$ 109,809	\$ 109,809

**VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT**

10

DRAFT

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

The Board of Supervisors of the Verandah East Community Development District held a Virtual Public Meeting on May 13, 2020 at 1:00 p.m., at <https://us02web.zoom.us/j/81953911769>, and 1-929-205-6099, Meeting ID 819 5391 1769.

Present were:

David Moore	Chair
Richard Shields, Jr.	Vice Chair
Mark Santasiero	Assistant Secretary
Jacqueline Voiles	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	Assistant Regional Manager
Alyssa Willson	District Counsel
Brent Burford	District Engineer

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mrs. Adams called the meeting to order at 1:05 p.m. Supervisors Moore, Shields Santasiero and Voiles were present. Supervisor Truxton was not present.

In consideration of the COVID-19 pandemic, this meeting was being held virtually, via Zoom, and telephonically, as permitted under the Florida Governor’s Executive Orders, which allow local governmental public meetings to occur by means of communications media technology, including virtually and telephonically. The meeting was advertised to be held virtually and telephonically and the meeting agenda was posted on the District’s website.

SECOND ORDER OF BUSINESS

Public Comments [3 minutes per person]

There being no public comments, the next item followed.

38 **THIRD ORDER OF BUSINESS**

Consideration of Resolution 2020-04, Approving a Proposed Budget for Fiscal Year 2020/2021 and Setting a Public Hearing Thereon Pursuant to Florida Law; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date

39
40
41
42
43
44
45
46
47 Mr. Adams reviewed the proposed Fiscal Year 2021 budget. Assessment levels would
48 remain essentially the same as in prior years, partially due to SOLitude Lake Management
49 (SOLitude) holding its fees the same, year-over-year.

50 Mr. Adams presented Resolution 2020-04.

51

52 **On MOTION by Mr. Moore and seconded by Mr. Shields, with all in favor,**
53 **Resolution 2020-04, Approving a Proposed Budget for Fiscal Year 2020/2021**
54 **and Setting a Public Hearing Thereon Pursuant to Florida Law for August 12,**
55 **2020 at 1:00 p.m., at the Verandah Sales Office, 11571 Verandah Blvd., Ft.**
56 **Myers, Florida 33905, or, if necessary, remotely by communications media**
57 **technology and/or telephone, pursuant to the Florida Governor’s Executive**
58 **Orders; Addressing Transmittal, Posting and Publication Requirements;**
59 **Addressing Severability; and Providing an Effective Date, was adopted.**

60

61

62 **FOURTH ORDER OF BUSINESS**

Consideration of Resolution 2020-05, Implementing Section 190.006 (3), Florida Statutes, and Requesting that the Lee County Supervisor of Elections Begin Conducting the District’s General Elections; Providing for Compensation; Setting for the Terms of Office; Authorizing Notice of the Qualifying Period; and Providing for Severability and an Effective Date

63
64
65
66
67
68
69
70
71
72 Mr. Adams stated that Seats 3, 4 and 5, currently held by Ms. Violes, Mr. Truxton and
73 Mr. Moore, respectively, will be up for election at the November 2020 General Election. The
74 qualifying period begins on June 8th and the pre-qualifying period begins near the end of May.
75 Interested candidates should apply with the Lee County Supervisor of Elections office or on its
76 website.

77 Mr. Adams presented Resolution 2020-05.

78

79

80

81

82

83

84

On MOTION by Mr. Moore and seconded by Ms. Voiles, with all in favor, Resolution 2020-05, Implementing Section 190.006 (3), Florida Statutes, and Requesting that the Lee County Supervisor of Elections Begin Conducting the District’s General Elections; Providing for Compensation; Setting for the Terms of Office; Authorizing Notice of the Qualifying Period; and Providing for Severability and an Effective Date, was adopted.

85

86

87 **FIFTH ORDER OF BUSINESS**

Consideration of Resolution 2020-06, Adopting an Internal Controls Policy Consistent with Section 218.33, Florida Statutes; Providing an Effective Date

88

89

90

91

92 Mr. Adams presented Resolution 2020-06. Due to recent legislative changes,
93 governmental entities are now required to formally adopt, by resolution, an internal controls
94 policy to prevent and detect fraud, waste and abuse, consistent with the Florida Statutes. The
95 District Manager already employs these procedures and policies as part of their annual audit
96 process.

97

98

99

100

On MOTION by Mr. Shields and seconded by Mr. Moore, with all in favor, Resolution 2020-06, Adopting an Internal Controls Policy Consistent with Section 218.33, Florida Statutes; Providing an Effective Date, was adopted.

101

102

103 **SIXTH ORDER OF BUSINESS**

Discussion/Consideration: SOLitude Lake Management, LLC, Lake and Wetland Maintenance Contract Renewal

104

105

106

107 Mrs. Adams recommended renewal of SOLitude’s Lake and Wetland Maintenance
108 contract instead of going out to bid. As the District’s service provider of over ten years,
109 SOLitude agreed to uphold their current contract amount.

110

111

112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146

On MOTION by Mr. Moore and seconded by Mr. Shields, with all in favor, renewing the Lake and Wetland Maintenance Contract with SOLitude Lake Management, LLC, in a not-to-exceed cost of \$115,164, for the first and second years, was approved.

SEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of March 31, 2020

Mrs. Adams presented the Unaudited Financial Statements as of March 31, 2020. Mr. Adams noted on-roll assessments were at 108% due to the timing of when the budget was approved and the lien rolls were transmitted to the Tax Collector’s office. Since some off-roll units transferred to on-roll, the on-roll collections were higher and the off-roll assessments would reflect a shortage, off-setting the on-roll collections overage.

Mr. Moore asked about Capital Projects and noted that he executed the Johnson Engineering certification that the Heritage Preserve project was completed, which would be presented to the Lee County Board of Supervisors for acceptance. Kolter expected to complete the Edgewater Trace community at the end of July and present documents this summer. Mr. Adams stated that a reimbursement requisition was recently processed and, including that with the other pending submittals, he expected that the construction fund would be depleted. The Financials were accepted.

EIGHTH ORDER OF BUSINESS

Approval of January 8, 2020 Public Hearing and Regular Meeting Minutes

Mrs. Adams presented the January 8, 2020 Public Hearing and Regular Meeting Minutes.

On MOTION by Mr. Shields and seconded by Ms. Voiles, with all in favor, the January 8, 2020 Public Hearing and Regular Meeting Minutes, as presented, were approved.

NINTH ORDER OF BUSINESS

Staff Reports

147 **A. District Counsel: *Hopping Green & Sams, P.A.***

148 Ms. Willson stated that she would continue monitoring state and local legislation
149 related to COVID-19 and provide updates.

150 **B. District Engineer: *Johnson Engineering, Inc.***

151 Mr. Burford stated he would advise Mr. Tilton on the upcoming July completion of the
152 Edgewater Trace community and when to prepare the certifications.

153 **C. District Manager: *Wrathell, Hunt & Associates, LLC***

154 **I. 678 Registered Voters in District as of April 15, 2020**

155 **II. NEXT MEETING DATE: August 12, 2020 at 1:00 P.M.**

156 **o QUORUM CHECK**

157 Supervisors Moore, Shields, Santasiero and Voiles confirmed their attendance at the
158 August 12, 2020 meeting, which will most likely be held remotely.

159 Mrs. Adams stated that a conservation sign was installed behind a resident’s home. A
160 notification letter was sent to the resident advising them to remove the vegetation items that
161 were dumped in the preserve or a fine would be imposed.

162

163 **TENTH ORDER OF BUSINESS**

Supervisors’ Requests

164

165 There being no Supervisors’ requests, the next item followed.

166

167 **ELEVENTH ORDER OF BUSINESS**

Adjournment

168

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

170

171 **On MOTION by Mr. Moore and seconded by Mr. Shields, with all in favor, the**
172 **meeting adjourned at 1:30 p.m.**

173

174

175

176

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

177
178
179
180
181
182
183
184

Secretary/Assistant Secretary

Chair/Vice Chair