

**VERANDAH WEST
COMMUNITY DEVELOPMENT
DISTRICT**

August 12, 2020

BOARD OF SUPERVISORS

VIRTUAL PUBLIC

HEARING AND MEETING

AGENDA

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

August 5, 2020

Board of Supervisors
Verandah West Community Development District

<p><u>ATTENDEES:</u> Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.</p>

Dear Board Members:

The Board of Supervisors of the Verandah West Community Development District will hold a Virtual Public Hearing and Meeting on August 12, 2020 at 1:30 p.m., or immediately thereafter the adjournment of the Verandah East Community Development District meeting, 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 2020-08, 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 2020-09, 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 2020-10, 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

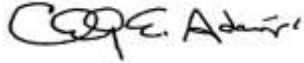
7. Consideration of Resolution 2020-11, Designating Dates, Times and Locations for Regular Meetings of the Board of Supervisors of the District for Fiscal Year 2020/2021 and Providing for an Effective Date
8. Qualified Elector Candidates for the 2020 General Election Cycle
 - A. Seat 1: Jeffrey P Jordan
 - B. Seat 3: Lorie L St. Lawrence
 - C. Seat 5: Gerald L Baldwin
9. Acceptance of Unaudited Financial Statements as of June 30, 2020
10. Approval of May 13, 2020 Virtual Public Hearing and 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, remotely, via Zoom at <https://us02web.zoom.us/j/82446166686> or by calling **1-929-205-6099**, followed by 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 TO PARTICIPATE

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

OR

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

MEETING ID: 824 4616 6686

VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICT

3

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

**VERANDAH WEST 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 Balance – 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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Verandah West Community Development District, Lee County, Florida (the "District") as of and for the fiscal year ended September 30, 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 thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated 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
Law & Accountants

May 18, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Verandah West Community Development District, Lee County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 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 liabilities of the District exceeded its assets plus deferred outflows of resources at the close of the most recent fiscal year resulting in a deficit net position balance of (\$1,898,305).
- The change in the District's total net position in comparison with the prior fiscal year was \$383,669 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 \$841,862 a decrease of (\$7,534) in comparison with the prior fiscal year. A portion of fund balance is restricted for debt service and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

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

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

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

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	NET POSITION	
	SEPTEMBER 30,	
	2019	2018
Current and other assets	\$ 874,629	\$ 860,852
Capital assets, net of depreciation	9,324,463	9,619,925
Total assets	10,199,092	10,480,777
Deferred outflows of resources	466,054	500,576
Total assets and deferred outflows of resources	10,665,146	10,981,353
Current liabilities	281,038	269,810
Long-term liabilities	12,282,413	12,993,517
Total liabilities	12,563,451	13,263,327
Deferred inflows of resources		
Net position		
Net investment in capital assets	(2,491,896)	(2,873,016)
Restricted	484,532	513,677
Unrestricted	109,059	77,365
Total net position	\$ (1,898,305)	\$ (2,281,974)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

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

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

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

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2019	2018
Revenues:		
Program revenues		
Charges for services	\$ 1,156,841	\$ 1,070,162
Operating grants and contributions	375,339	375,714
General revenues		
Unrestricted investment earnings	89	97
Total revenues	<u>1,532,269</u>	<u>1,445,973</u>
Expenses:		
General government	118,510	115,606
Maintenance and operations	371,830	410,241
Interest	658,260	680,418
Total expenses	<u>1,148,600</u>	<u>1,206,265</u>
Change in net position	<u>383,669</u>	<u>239,708</u>
Net position - beginning	<u>(2,281,974)</u>	<u>(2,521,682)</u>
Net position - ending	<u>\$ (1,898,305)</u>	<u>\$ (2,281,974)</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 \$1,148,600. The majority of the costs of the District's activities were paid by program revenues. As in the prior fiscal year, program revenues are comprised primarily of assessments. The majority of the change in expenses results from the decrease in interest. Based on the amortization schedule of the Bonds, as the balance outstanding of the Bonds decreases over time, the portion of each debt service payment allocated to principal increases accordingly thereby decreasing the amount allocated to interest.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2019.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2019, the District had \$14,452,417 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$5,127,954 has been taken, which resulted in a net book value of \$9,324,463. 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 \$12,470,000 in Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

	Governmental Activities
ASSETS	
Cash	\$ 133,769
Due from other governments	7,424
Assessments receivable	1,382
Restricted assets:	
Investments	732,054
Capital assets:	
Nondepreciable	5,587,688
Depreciable, net	3,736,775
Total assets	10,199,092
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	466,054
Total deferred outflows of resources	466,054
 LIABILITIES	
Accounts payable	25,628
Due to other government	7,139
Accrued interest payable	248,271
Non-current liabilities:	
Due within one year	650,000
Due in more than one year	11,632,413
Total liabilities	12,563,451
 NET POSITION	
Net investment in capital assets	(2,491,896)
Restricted for debt service	484,532
Unrestricted	109,059
Total net position	\$ (1,898,305)

See notes to the financial statements

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

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Primary government:				
Governmental activities:				
General government	\$ 118,510	\$ 118,510	\$ -	\$ -
Maintenance and operations	371,830	88,818	19,155	(263,857)
Interest on long-term debt	658,260	949,513	356,184	647,437
Total governmental activities	1,148,600	1,156,841	375,339	383,580
General revenues:				
Investment earnings				89
Total general revenues				89
Change in net position				383,669
Net position - beginning				(2,281,974)
Net position - ending				\$ (1,898,305)

See notes to the financial statements

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

	Major Funds		Total Governmental Funds
	General	Debt Service	
ASSETS			
Cash	\$ 133,769	\$ -	\$ 133,769
Investments	-	732,054	732,054
Due from other governments	7,424	-	7,424
Assessments receivable	633	749	1,382
Total assets	<u>\$ 141,826</u>	<u>\$ 732,803</u>	<u>\$ 874,629</u>
LIABILITIES			
Liabilities:			
Accounts payable	\$ 25,628	\$ -	\$ 25,628
Due to other government	7,139	-	7,139
Total liabilities	<u>32,767</u>	<u>-</u>	<u>32,767</u>
FUND BALANCES			
Restricted for:			
Debt service	-	732,803	732,803
Unassigned	109,059	-	109,059
Total fund balances	<u>109,059</u>	<u>732,803</u>	<u>841,862</u>
Total liabilities and fund balances	<u>\$ 141,826</u>	<u>\$ 732,803</u>	<u>\$ 874,629</u>

See notes to the financial statements

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

Fund balance - governmental funds \$ 841,862

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

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

Cost of capital assets	14,452,417	
Accumulated depreciation	<u>(5,127,954)</u>	9,324,463

Deferred outflows of resources resulting from current or advance refundings are reported in the government-wide financial statements but not on the fund financial statements.

466,054

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	(248,271)	
Bond discounts	187,587	
Bonds payable	<u>(12,470,000)</u>	<u>(12,530,684)</u>

Net position of governmental activities		<u>\$ (1,898,305)</u>
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See notes to the financial statements

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

	Major Funds		Total Governmental Funds
	General	Debt Service	
REVENUES			
Assessments	\$ 207,328	\$ 949,513	\$ 1,156,841
Developer assessments	19,155	338,582	357,737
Interest	89	17,602	17,691
Total revenues	<u>226,572</u>	<u>1,305,697</u>	<u>1,532,269</u>
EXPENDITURES			
Current:			
General government	118,510	-	118,510
Maintenance and operations	76,368	-	76,368
Culture and recreation			
Debt service:			
Principal	-	725,000	725,000
Interest	-	619,925	619,925
Total expenditures	<u>194,878</u>	<u>1,344,925</u>	<u>1,539,803</u>
Excess (deficiency) of revenues over (under) expenditures	31,694	(39,228)	(7,534)
Fund balances - beginning	<u>77,365</u>	<u>772,031</u>	<u>849,396</u>
Fund balances - ending	<u>\$ 109,059</u>	<u>\$ 732,803</u>	<u>\$ 841,862</u>

See notes to the financial statements

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

Net change in fund balances - total governmental funds	\$	(7,534)
Amounts reported for governmental activities in the statement of activities are different because:		
Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.		(295,462)
Bond discounts and deferred amounts on refunding are amortized over the lives of the bonds in the statement of activities, but are recorded as expenditures in the governmental funds.		(48,418)
Repayments of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.		725,000
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.		<u>10,083</u>
Change in net position of governmental activities	\$	<u><u>383,669</u></u>

See notes to the financial statements

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

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

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

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

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by registered voters living within the boundaries of the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2019 all of the Board members are registered voters within the District.

The Board has the responsibility for:

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

The District is related to Verandah East 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 Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Assessments

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

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

The District reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity

Restricted Assets

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

Deposits and Investments

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

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

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

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

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

Prepaid Items

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

Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Infrastructure	20 - 30
Improvements	10 - 20

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Refunding of Debt

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

Unearned Revenue

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

Long-Term Obligations

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

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

Deferred Outflows/Inflows of Resources

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position (Continued)

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

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

Other Disclosures

Use of Estimates

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

NOTE 3 – BUDGETARY INFORMATION

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

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

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments

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

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
Money Market Mutual Funds - First American Government Obligations Class Y	\$ 732,054	S&P AAAm	Weighted average of the fund portfolio: 26 days
	<u>\$ 732,054</u>		

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

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

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

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

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

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

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

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

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

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 5,587,688	\$ -	\$ -	\$ 5,587,688
Total capital assets, not being depreciated	5,587,688	-	-	5,587,688
Capital assets, being depreciated				
Improvements other than buildings	338,418	-	-	338,418
Infrastructure	8,526,311	-	-	8,526,311
Total capital assets, being depreciated	8,864,729	-	-	8,864,729
Less accumulated depreciation for:				
Improvements other than buildings	314,047	13,294	-	327,341
Infrastructure	4,518,445	282,168	-	4,800,613
Total accumulated depreciation	4,832,492	295,462	-	5,127,954
Total capital assets, being depreciated, net	4,032,237	(295,462)	-	3,736,775
Governmental activities capital assets, net	\$ 9,619,925	\$ (295,462)	\$ -	\$ 9,324,463

Depreciation expense was charged to maintenance and operations function.

NOTE 6 – LONG-TERM LIABILITIES

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

Some or all of the Series 2013 Bonds are subject to optional, mandatory and extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. This occurred during the current fiscal year as the District collected assessments from lot closings and prepaid \$95,000 of the Series 2013 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 requirement. The District was in compliance with the requirements at September 30, 2019.

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2013	\$ 13,195,000	\$ -	\$ 725,000	\$ 12,470,000	\$ 650,000
Less: bond discount	201,483	-	13,896	187,587	-
Total	\$ 12,993,517	\$ -	\$ 711,104	\$ 12,282,413	\$ 650,000

NOTE 6 – LONG-TERM LIABILITIES (Continued)

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	\$ 650,000	\$ 595,850	\$ 1,245,850
2021	675,000	569,850	1,244,850
2022	705,000	542,850	1,247,850
2023	735,000	514,650	1,249,650
2024	765,000	485,250	1,250,250
2025-2029	4,465,000	1,810,750	6,275,750
2030-2033	4,475,000	573,500	5,048,500
Total	<u>\$ 12,470,000</u>	<u>\$ 5,092,700</u>	<u>\$ 17,562,700</u>

NOTE 7 – DEVELOPER TRANSACTIONS

For the fiscal year ended September 30, 2019, Developer assessments in the general and debt service funds were \$19,155 and \$338,582 respectively.

NOTE 8 – CONCENTRATION

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

NOTE 9 – MANAGEMENT AGREEMENTS

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

NOTE 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 WEST COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget - Positive (Negative)
	Original and Final		Actual Amounts		Positive (Negative)
REVENUES					
Assessments	\$ 198,107		\$ 207,328		\$ 9,221
Developer assessments	19,154		19,155		1
Interest	335		89		(246)
Total revenues	217,596		226,572		8,976
EXPENDITURES					
Current:					
General government	142,168		118,510		23,658
Maintenance and operations	75,428		76,368		(940)
Total expenditures	217,596		194,878		22,718
Excess (deficiency) of revenues over (under) expenditures	\$ -		31,694		\$ 31,694
Fund balance - beginning			77,365		
Fund balance - ending			\$ 109,059		

See notes to required supplementary information

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

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

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal 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 West Community Development District
Lee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Verandah West Community Development District, Lee County, Florida (the "District") as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion 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.

Law & Accountants

May 18, 2020



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CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have examined Verandah West Community Development District, Lee County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 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 West Community Development District, Lee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

May 18, 2020



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

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of Verandah West Community Development District ("District") as of and for the fiscal year ended September 30, 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 States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated 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 West Community Development District, Lee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

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

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 WEST
COMMUNITY DEVELOPMENT DISTRICT

4

RESOLUTION 2020-08

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

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICT

5A

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

VERANDAH WEST 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.

STATE OF FLORIDA COUNTY OF LEE:
Before the undersigned authority personally appeared Nicholas Penstrom, 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

The Board of Supervisors ("Board") of the Verandah West Community Development District ("District") will hold a public hearing on August 12, 2020 at 1:30 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/>.

Legal Notices

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.

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

07/21/2020, 07/28/2020

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.

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.

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.

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

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.

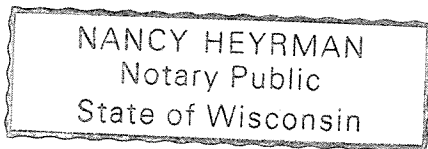
Each person who decides to appeal any decision made by the Board with respect to any matter considered at the public hearing or meeting is advised that person will need a record of proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including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

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

[Signature]
Affiant

[Signature]
Notary State of Wisconsin, County of Brown

05.15.23
My commission expires



of Affidavits 1
This is not an invoice

VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICT

5B

VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICT

6

RESOLUTION 2020-10

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE VERANDAH WEST 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 West 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, 2021 ("**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 WEST 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 WEST COMMUNITY
DEVELOPMENT DISTRICT**

Secretary / Assistant Secretary

By: _____

Its: _____

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

Exhibit A: Budget

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

VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICT

7

RESOLUTION 2020-11

A RESOLUTION OF THE VERANDAH WEST 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 West 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 WEST 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 WEST COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

Exhibit A

VERANDAH WEST 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	1:30 P.M.*
January 13, 2021	Regular Meeting	1:30 P.M.*
May 12, 2021	Regular Meeting	1:30 P.M.*
August 11, 2021	Public Hearing & Regular Meeting	1:30 P.M.*

Exception

***Meeting Time:** Meetings are expected to commence at 1:30 P.M., or immediately thereafter the adjournment of the meeting of the Verandah East CDD, scheduled to commence at 1:00 P.M.

VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICT

9

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

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

	Major Funds		Total Governmental Funds
	General	Debt Service Series 2013	
ASSETS			
Cash (SunTrust)	\$188,769	\$ -	\$ 188,769
Investments			
Revenue account	-	208,735	208,735
Reserve account	-	448,350	448,350
Prepayment	-	2,174	2,174
Due from general fund	-	20,329	20,329
Undeposited funds	1,596	-	1,596
Due from other governments	4,866	-	4,866
Total assets	\$195,231	\$ 679,588	\$ 874,819
LIABILITIES			
Liabilities:			
Accounts payable	\$ 1,000	\$ -	\$ 1,000
Due to debt service fund	20,329	-	20,329
Due to other governments	6,186	-	6,186
Total liabilities	27,515	-	27,515
Fund balances:			
Restricted for:			
Debt service	-	679,588	679,588
Unassigned	167,716	-	167,716
Total fund balances	167,716	679,588	847,304
Total liabilities and fund balances	\$195,231	\$ 679,588	\$ 874,819

**VERANDAH WEST
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	\$ 4,411	\$ 199,941	\$ 198,110	101%
Special assessment: off-roll	3,192	14,366	19,155	75%
Interest & miscellaneous	7	84	335	25%
Total revenue	<u>7,610</u>	<u>214,391</u>	<u>217,600</u>	99%
EXPENDITURE				
Professional & administrative				
Supervisor fees	782	1,788	2,794	64%
Management and accounting	11,636	52,364	69,818	75%
Audit	-	8,325	8,325	100%
Legal	1,814	8,211	5,587	147%
Field management	1,971	8,868	11,824	75%
Engineering	71	2,875	2,794	103%
Trustee	2,753	5,756	5,587	103%
Dissemination agent	771	3,470	4,626	75%
Arbitrage	-	363	1,676	22%
Assessment roll preparation	-	13,409	13,409	100%
Telephone	72	325	433	75%
Postage	10	188	279	67%
Insurance	-	6,920	7,280	95%
Printing & binding	150	677	902	75%
Legal advertising	365	1,043	838	124%
Office expenses and supplies	-	-	140	0%
Website	-	394	788	50%
Contingencies	52	479	838	57%
ADA website compliance	-	111	223	50%
Annual district filing fee	-	196	196	100%
Total professional & admin	<u>20,447</u>	<u>115,762</u>	<u>138,357</u>	84%
Water management				
Contractual services	5,362	37,533	64,253	58%
Aquascaping	-	-	2,794	0%
Contingencies	37	316	8,381	4%
Total water management	<u>5,399</u>	<u>37,849</u>	<u>75,428</u>	50%

**VERANDAH WEST
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	-	841	1,055	80%
Tax collector	-	1,282	3,096	41%
Total other fees & charges	-	2,123	4,151	51%
Total expenditures	<u>25,846</u>	<u>155,734</u>	<u>217,936</u>	71%
 Excess/(deficiency) of revenues over/(under) expenditures	 (18,236)	 58,657	 (336)	
 Fund balances - beginning	 <u>185,952</u>	 <u>109,059</u>	 <u>83,924</u>	
Fund balances - ending	<u>\$ 167,716</u>	<u>\$ 167,716</u>	<u>\$ 83,588</u>	

**VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND 202 - SERIES 2013
FOR THE PERIOD ENDED JUNE 30, 2020**

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Special assessment: on-roll	\$ 20,329	\$ 915,526	\$ 912,866	100%
Special assessment: off-roll	-	335,976	335,976	100%
Interest income	4	6,084	-	N/A
Total revenues	<u>20,333</u>	<u>1,257,586</u>	<u>1,248,842</u>	101%
EXPENDITURES				
Debt service				
Principal	-	650,000	650,000	100%
Prepayment	-	65,000	-	N/A
Interest	-	595,800	595,850	100%
Total debt service	<u>-</u>	<u>1,310,800</u>	<u>1,245,850</u>	105%
Excess/(deficiency) of revenues over/(under) expenditures	20,333	(53,214)	2,992	
Fund balances - beginning	659,255	732,802	685,942	
Fund balances - ending	<u>\$ 679,588</u>	<u>\$ 679,588</u>	<u>\$ 688,934</u>	

VERANDAH WEST
COMMUNITY DEVELOPMENT DISTRICT

10

DRAFT

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

The Board of Supervisors of the Verandah West Community Development District held a Virtual Public Hearing and Meeting on May 13, 2020 at 1:30 p.m., immediately after the adjournment of the Verandah East Community Development District meeting, at <https://us02web.zoom.us/j/81953911769> and 1-929-205-6099, Meeting ID 819 5391 1769.

Present were:

Jeffrey Jordan	Chair
Susie McIntyre	Vice Chair
Gerald Baldwin	Assistant Secretary
Paul Zampiceni	Assistant Secretary
Lorie St. Lawrence	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 1:32 p.m. Supervisors Jordan, McIntyre, Baldwin and Zampiceni were 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.

40 **THIRD ORDER OF BUSINESS** **Administration of Oath of Office Ms. Lorie**
 41 **St. Lawrence (the following to be provided**
 42 **in a separate package)**
 43

44 Mrs. Adams, a Notary of the State of Florida and duly authorized, administered at the
 45 Oath of Office to Ms. St. Lawrence. The following items were briefly explained:

- 46 **A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- 47 **B. Membership, Obligations and Responsibilities**
- 48 **C. Financial Disclosure Forms**
 - 49 **I. Form 1: Statement of Financial Interests**
 - 50 **II. Form IX: Amendment to Form 1, Statement of Financial Interests**
 - 51 **III. Form 1F: Final Statement of Financial Interests**
- 52 **D. Form 8B – Memorandum of Voting Conflict**

53 Ms. St. Lawrence accepted compensation. Ms. Willson discussed penalties associated
 54 with violating the Sunshine Law and discouraged postings about District Business online, such
 55 as Facebook, etc., as it could potentially be construed as public record.

56

57 **FOURTH ORDER OF BUSINESS** **Consideration of Resolution 2020-03,**
 58 **Designating Ms. Lorie St. Lawrence as**
 59 **Assistant Secretary to the District, and**
 60 **Providing for an Effective Date**
 61

62 Mrs. Adams presented Resolution 2020-03.

63

64 **On MOTION by Mr. Jordan and seconded by Mr. Baldwin, with all in favor,**
 65 **Resolution 2020-03, Designating Ms. Lorie St. Lawrence as Assistant Secretary**
 66 **to the District, and Providing for an Effective Date, was adopted.**

67

68

69 **FIFTH ORDER OF BUSINESS** **Public Hearing to Hear Public Comments**
 70 **and Objections to the Adoption of the**
 71 **Amended and Restated Rules of**
 72 **Procedure, Pursuant to Section 190.11(5),**
 73 **190.011 (15) and 190.035, Florida Statutes**
 74 **[2019]**

- 75 **A. Affidavits of Publication**
 - 76 • **Notice of Rule Development**
 - 77 • **Notice of Rule Making**

78 The affidavits of publication were included for informational purposes.

79 **B. Consideration of Resolution 2020-04, Adopting Amended and Restated Rules of**
80 **Procedure; Providing a Severability Clause; and Providing an Effective Date**

81 Ms. Willson outlined the changes to the Amended and Restated Rules of Procedure,
82 which were made to comply with the changes in the Statutes; no other changes were made
83 since they were presented at the last meeting.

84 **Mr. Adams opened the Public Hearing.**

85 No members of the public spoke

86 **Mr. Adams closed the Public Hearing.**

87 Mr. Adams presented Resolution 2020-04.

88

89 **On MOTION by Mr. Zampiceni and seconded by Mr. Jordan, with all in favor,**
90 **Resolution 2020-04, the Amended and Restated Rules of Procedure; Providing**
91 **a Severability Clause; and Providing an Effective Date was adopted.**

92

93

94 **SIXTH ORDER OF BUSINESS**

Consideration of Resolution 2020-05,
Approving Proposed Budgets 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

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104 Mr. Adams presented Resolution 2020-05. He reviewed the proposed Fiscal Year 2021
105 budget. Assessment levels would remain essentially the same as in prior years, partially due to
106 SOLitude Lake Management (SOLitude) holding its fees the same, year-over-year.

106

107 **On MOTION by Mr. Jordan and seconded by Mr. Zampiceni, with all in favor,**
108 **Resolution 2020-05, Approving Proposed Budgets for Fiscal Year 2020/2021**
109 **and Setting a Public Hearing Thereon Pursuant to Florida Law for August 12,**
110 **2020 at 1:30 p.m., immediately following adjournment of the Verandah East**
111 **CDD meeting, at the Verandah Sales Office, 11571 Verandah Blvd., Ft. Myers,**
112 **Florida 33905, or, if necessary, remotely by communications media technology**
113 **and/or telephone, pursuant to the Florida Governor’s Executive Orders;**
114 **Addressing Transmittal, Posting and Publication Requirements; Addressing**
115 **Severability; and Providing an Effective Date, was adopted.**

116 SEVENTH ORDER OF BUSINESS

117 Consideration of Resolution 2020-06,
118 Implementing Section 190.006(3), Florida
119 Statutes, and Requesting that the Lee
120 County Supervisor of Elections Begin
121 Conducting the District’s General Elections;
122 Providing for Compensation; Setting for
123 the Terms of Office; Authorizing Notice of
124 the Qualifying Period; and Providing for
125 Severability and an Effective Date

126 Mr. Adams stated that Seats 1, 3 and 5, currently held by Mr. Jordan, Ms. St. Lawrence
127 and Mr. Baldwin, respectively, would be up for election at the November 2020 General
128 Election. The qualifying period begins on June 8th and the pre-qualifying period begins near the
129 end of May. Interested candidates should apply with the Lee County Supervisor of Elections
130 office or on its website.

131 Mr. Adams presented Resolution 2020-06.

132
133 **On MOTION by Mr. Baldwin and seconded by Mr. Jordan, with all in favor,**
134 **Consideration of Resolution 2020-06, Implementing Section 190.006(3), Florida**
135 **Statutes, and Requesting that the Lee County Supervisor of Elections Begin**
136 **Conducting the District’s General Elections; Providing for Compensation;**
137 **Setting for the Terms of Office; Authorizing Notice of the Qualifying Period; and**
138 **Providing for Severability and an Effective Date, was adopted.**

141 EIGHTH ORDER OF BUSINESS

142 Consideration of Resolution 2020-07,
143 Adopting an Internal Controls Policy
144 Consistent with Section 218.33, Florida
145 Statutes; Providing an Effective Date

146 Mr. Adams presented Resolution 2020-07. Due to recent legislative changes,
147 governmental entities are now required to formally adopt, by resolution, an internal controls
148 policy, consistent with the Florida Statutes. The District Manager already employs these
149 procedures and policy as part of their annual audit process.

150
151 **On MOTION by Mr. Jordan and seconded by Mr. Baldwin, with all in favor,**
152 **Resolution 2020-07, Adopting an Internal Controls Policy Consistent with**
153 **Section 218.33, Florida Statutes; Providing an Effective Date, was adopted.**

156 **NINTH ORDER OF BUSINESS**

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

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160 Mrs. Adams recommended renewal of the SOLitude Lake and Wetland Maintenance
161 contract instead of going out to bid. As the service provider of over ten years agreed to uphold
162 their current contract amount.

163

On MOTION by Mr. Jordan and seconded by Ms. McIntyre, 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.

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170 **TENTH ORDER OF BUSINESS**

Acceptance of Unaudited Financial Statements as of March 31, 2020

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173 Mrs. Adams presented the Unaudited Financial Statements as of March 31, 2020. The
174 Financials were accepted.

175

176 **ELEVENTH ORDER OF BUSINESS**

Approval of January 8, 2020 Regular Meeting Minutes

177
178

179 Mrs. Adams presented the January 8, 2020 Regular Meeting Minutes.

180

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

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185 **TWELFTH ORDER OF BUSINESS**

Staff Reports

186
187

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

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

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

191 There being no report, the next item followed.

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

I. 896 Registered Voters in District as of April 15, 2020

192
193

194 II. NEXT MEETING DATE: August 12, 2020 at 1:30 P.M.

195 • QUORUM CHECK

196 Supervisors Jordan, McIntyre, Baldwin, Zampiceni and St. Lawrence confirmed their
197 attendance at the August 12, 2020 meeting.

198 Mr. Zampiceni asked who monitored the lakes as he received numerous complaints
199 from residents who observed others fishing and requests about the status of replacing the “No
200 Fishing” signs that were tossed into the lake. Mrs. Adams stated that the HOA is responsible for
201 enforcement and replacement of the signs.

202 Mrs. Adams stated that a conservation sign was installed behind a resident’s home. A
203 notification letter was sent to the resident advising them to remove the vegetation items that
204 were dumped in the preserve or a fine would be imposed. Two weeks ago the resident stated
205 he would address the matter. If it is not removed soon, she may engage a service to remove
206 the debris, which could necessitate seeking reimbursement of the costs from the resident.

207

208 THIRTEENTH ORDER OF BUSINESS Supervisors’ Requests

209

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

211

212 FOURTEENTH ORDER OF BUSINESS Adjournment

213

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

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216 **On MOTION by Mr. Zampiceni and seconded by Ms. McIntyre, with all in favor,**
217 **the meeting adjourned at 2:03 p.m.**

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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Secretary/Assistant Secretary

Chair/Vice Chair