

***Lake Ashton II  
Community Development District***

***May 11, 2018***

# Lake Ashton II

## Community Development District

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May 4, 2018

### Board of Supervisors Lake Ashton II Community Development District

Dear Board Members:

A meeting of the Board of Supervisors of **Lake Ashton II Community Development District** is scheduled for **May 11, 2018 at 1:30 p.m. at the Lake Ashton Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida.** Following is the advance agenda:

1. Roll Call and Pledge of Allegiance
2. Audience Comments on Specific Items on the Agenda (*speakers will fill out a card and submit it to the District Manager prior to beginning of the meeting. Individuals providing speaker cards will also have an opportunity to speak prior to Board action.*)
3. Approval of the Minutes of Lake Ashton CDD and Lake Ashton II CDD Joint Meeting held on February 9, 2018 and Minutes of the Lake Ashton II CDD Meeting held on February 9, 2018
4. Unfinished Business
  - A. Consideration of Proposals for District Management
  - B. Consideration of Proposals for District Counsel
  - C. Discussion of Yellowstone Contract Management (*requested by Chairman Robertson*)
  - D. Ratification of Inspection Report for Southwest Water Management District
5. New Business / Supervisors Requests
  - A. Consideration of **Resolution #2018-02** Approving the Proposed Fiscal Year 2019 Budget and Setting the Public Hearing – *a copy of the budget will be provided under separate cover as soon as available*
  - B. Acceptance of Audit for Fiscal Year Ending September 30, 2017
  - C. Approval of Aquatic Plant Management Agreement with Applied Aquatic
  - D. Discussion of Procedures for the General Election
  - E. Consideration of Cleaning Contract for Fiscal Year 2019
  - F. Update on Hart Lake with FWC and S.W.F.W.M.D. Buffer Zone
  - G. Consideration of Landscape Maintenance Proposal for Parking Lot
  - H. Discussion and Consideration of Bi-Monthly Meetings (*requested by Vice Chairman Mecsecs*)
  - I. Discussion and Consideration of Policy when a Major Project (+\$25,000) is brought up for a vote on Appropriation of funds be done in Two Phases – Introduction and Consideration, then Voted on at Next Meeting (*requested by Vice Chairman Mecsecs*)
  - J. Security Update (*requested by Vice Chairman Mecsecs*)
6. Staff and Board Reports
  - A. Attorney
  - B. Engineer
  - C. CDD Manager – Number of Registered Voters in the District - **626**
  - D. Lake Ashton II Community Director
  - E. Public Safety
  - F. Landscaping and Lakes
  - G. Financial Reports
    - 1) Approval of Check Run Summary
    - 2) Combined Balance Sheet
7. General Audience Comments
8. Adjournment

**MINUTES OF THE JOINT MEETING FOR  
LAKE ASHTON COMMUNITY DEVELOPMENT DISTRICT  
AND  
LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT**

The joint meeting of the Board of Supervisors of the Lake Ashton Community Development District and Board of Supervisors of the Lake Ashton II Community Development District was held on February 9, 2018 at 11:00 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lakes Wales, Florida 33859.

Present and constituting a quorum were:

Carol Pontious  
Borden Deane  
Mike Costello  
Brenda VanSickle  
Bob Ference

Lake Ashton CDD Chairperson  
Lake Ashton CDD Vice Chairman  
Lake Ashton CDD Assistant Secretary  
Lake Ashton CDD Assistant Secretary  
Lake Ashton CDD Assistant Secretary

Doug Robertson  
Jim Mecsics  
Daniel Murphey  
Stanley Williams  
Carla Wright

Lake Ashton II CDD Chairman  
Lake Ashton II CDD Vice Chairman  
Lake Ashton II CDD Assistant Secretary  
Lake Ashton II CDD Assistant Secretary  
Lake Ashton II CDD Assistant Secretary

Also present were:

George Flint  
Andrew d'Adesky  
Christine Wells  
Mary Bosman  
Numerous Residents

District Manager  
District Counsel  
Lake Ashton CDD Community Director  
Lake Ashton II CDD Community Director

**FIRST ORDER OF BUSINESS**

**Roll Call / Pledge of Allegiance**

Mr. Flint called the roll and everyone recited the Pledge of Allegiance.

**SECOND ORDER OF BUSINESS**

**Audience Comments on Specific  
Items on the Agenda (*speakers will  
fill out a card and submit to the District  
Manager prior to beginning of meeting*)**

Ms. Pontious: Thank you. The purpose of this meeting today is for us to have an opportunity to meet together. We can speak to the members of the Board on the other side even though we can't speak to the members of the Board on our side, but this gives

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Lake Ashton & Lake Ashton II CDD

us all a chance to communicate and hopefully get on the same page. We have some agenda items that are pertinent to both of us, so we will move forward. Please remember as I call your name that we have a three minute limitation to speaking and because I am sure we are going to have a lot of opinions, we are going to stick to that. So three minutes, make it short and concise, and we will move on. The first one is Mr. John Castelli. Let's keep them in the order which they were handed to me. Mr. Howard Goodhand, Mr. Alex Vogt, and then Ms. Collette Farland-Vogt. Please be ready and we will move on forward.

Mr. Castelli: The developer is a very smart man. He wouldn't be selling the golf course if it was profitable. I feel that he can't afford it. It would be so expensive to run the golf course here. You would tack on \$5,000 on every household. I feel we need to get a lawyer to get an assessment of what it will cost. You have too many expenses. You have bridges, gold cart paths, the sprinkler system, chemicals, employees, the liability. Nobody is going to buy this golf course so let them give it to you.

Ms. Pontious: Howard.

Mr. Goodhand: My wife and I have built three houses here in Lake Ashton. We have paid off the CDD debt on one, and now we are in another house. When we sold the house on Limerick, we looked at other communities, and we decided that staying in Lake Ashton was the best thing for us. Paying the CDD debt we accepted, nothing is free. Now through some research I had found that there are going to be 1,600 homes when the building is done. That is 3,000 people. These Boards, the two of you, have to start looking to the future. Close your eyes and picture this, 3,000 people at the fitness center, or Monday Coffee, or at a CDD meeting. I got the last parking space today. Picture 3,000 people at a dance, or the entertainment center, or bingo. I think what we have to look at is restrictions, and I know that there is something on the agenda about ID cards, but I don't want to share this. I own part of this building. I pay some of your salaries. I don't want to share it. I am selfish. You should have to be a resident to enjoy these amenities.

Ms. Pontious: Alex.

Mr. Vogt: I want to comment on a few items. First is the consolidation of the CDDs. I think that is the wrong way to go. It is too hard to coordinate Winter Haven and

Lake Wales since we are two separate cities. I would like to know if that has ever been done with two separate cities before and what that costs and how that works because you want fair representation when you go vote for your CDD members. If you live in Winter Haven you cannot vote in Lake Wales. So I wanted to know if that has ever been done between two municipalities or two cities and I am not in favor of it. The second item I wanted to talk about is the potential purchase of some of the properties here. I think it would be a great idea. As Howard just spoke about the number of people we have here, we are probably going to need some more facilities and buying the sales office or the bank building across the street would be a great asset to provide more meeting rooms, card rooms, and things like that. I am in favor of buying those types of properties. The golf course is probably an item we have to be most careful on because it is a big expensive item and you have to get these things at fair market value or a good sale. Thank you.

Ms. Pontious: Collette.

Ms. Farland-Vogt: Good morning. I am just having the option today of talking because I know I have been to some of these meetings where if you don't sign up ahead of time, you don't always have the option during the meeting to talk and if I feel I want to make a comment I want to be able to. Right now I would like to just pass on saying anything other than I would like to have the option that if something is being talked about and I have a concern I will be allowed to speak.

Mr. Robertson: What specific item are you concerned about?

Ms. Farland-Vogt: I am concerned about the restaurant. I am concerned about the swimming pool and other facilities that are too crowded. I am concerned about the police and that we had to pay \$8,000 and we are told that these are not private roads, these are public roads. So if they are public roads, why am I paying, well I am not because I live in Winter Haven, but why are the people living in Lake Wales paying \$8,000?

Ms. Pontious: We aren't.

Ms. Farland-Vogt: So that is a rumor? See, that is why I would like to have the option on keeping my lips zipped until I need to and I thank you for letting me have an opportunity ahead of time.

Mr. Flint: On that point real quick because there is an issue, each District has a different public speaking policy. Lake Ashton II amended their public speaking policy to allow people who submit speaker cards at the beginning to also speak on the specific item, which is not the same as Lake Ashton I. I think the Boards need to agree what public speaking policy we are going to follow for purposes of the joint meeting since you have two different policies.

Mr. Robertson: I would like to make a comment then. What we have done is if somebody has a specific interest in a particular thing, we have our Board meeting and we discuss things, but before we take a vote, we give the individual their three minutes to make a comment because it just allows them to be more specific. It is still only the three minutes and so far it has worked pretty well. So that is what we have adopted.

Ms. Pontious: We have a lot of people here today.

Mr. Robertson: Yes.

Mr. Flint: You only have limited speaker cards. It is only people who submitted speaker cards would be able to speak on the item.

Ms. Pontious: Okay. I also want to tell us all that Mr. Tom Scali has submitted a request to speak. His topic is the golf course and he has done a visual for us to look at. I think the visual is 15-20 minutes. I told him that we probably don't have 15-20 minutes, but, Tom, if you can breeze us through what you have, we would be happy to listen.

Mr. Scali: I have seen the prospectus for the document release by the developer. Clearly this is not a prospectus, it is a document. However, I would hope that someone on the Board would walk us through, maybe explain what it means. I know there is no reality behind it, but we need to understand it. Secondly, are there any legal reasons why Lake Wales and Winter Haven CDDs cannot work together on this project? Someone just raised the question on how do we vote. Can we vote? Would we have a central Board? Hopefully legal can give us advice on that. Third, do both CDDs have the authority to purchase additional funds? It is my understanding that at least CDD I has an issue with its bonds. There is a condition in there saying that we cannot take additional monies unless they are paid off. I don't know if that is true for CDD II, but I would hope that our

attorneys can clarify if we are allowed to go out for additional funding. I don't need an answer now, but hopefully you will discuss this. How does the Board hope to go forward? Are we going to let the management company do the groundwork and provide recommendations to the Board? Are we going to develop an action plan from expertise within Lake Ashton? Some combination of both? Or should we hire an outside vendor who specializes in acquisitions? The main thing is to please communicate with the community. Keep us informed as to what is going on. This is the most important issue we have ever faced. This is a make-or-break financially. If we do not have the golf course, our property values will go down anywhere from \$10,000 to \$45,000 for the most expensive properties. That is a lot of money. We need to understand what is going on. The next slide is an organizational chart. The first thing we need to do is organize, while the second thing is to evaluate, and then we need to finally come to some decision. Because of the Sunshine Laws, we cannot have committees, so I would suggest developing consulting teams for real estate, the golf course, for financial planning, for legal, for consolidation of the two CDDs, one specific interface for the developer to develop a high level plan with assumptions and dates of completion. Each of those teams would go back and evaluate whatever data we have and refine what additional data is required. Again, two way communication with the residents is crucial. Finally, decisions. Each of the teams would come back with recommendations to the Board and then the Board ultimately makes the decision as to which way to go. I am not going to walk through each slide because there is too much detail, but again, I offer this as work that I have done that will hopefully help the Boards if you go down the path of using consulting teams. If we go to slide #10, it discusses considerations and concerns. We will have two restaurants, the Eagle's Nest and whatever the new name will be. How are we going to deal with that? More importantly, we need to secure the walking paths on the golf course no matter who owns it. I don't know Winter Haven. I do know Lake Wales. I don't know if it is documented or not, but that needs to be defined and both cities must guarantee us that those paths will remain open. Lastly, we need somehow to prevent additional development on the golf course's property. Hopefully if we decide to go

forward with purchasing the real estate, we can use some of those things for our future growth such as a second pool or maybe moving the CDD I gym across the street so we can enlarge the restaurant. Those are decisions the Boards will have to address or the committees would have to address. A committee needs to be formed to generate a set of requirements the developer must provide so we can get a true prospectus. We are talking about millions of dollars. We must be proactive.

Mr. Robertson: We have to be fair to everybody. I understand because I have personally met with you and gone through all of this, so I am not trying to be mean, but to be fair to everybody else you need to wrap it up.

Mr. Scali: Okay. Am I already beyond three minutes?

Mr. Robertson: Yes.

Mr. Scali: Then I will ask that you at least review the recommendations and take them into consideration.

Ms. Pontious: Thanks, Tom. You have done a fine job putting this together and we will review it.

Mr. d'Adesky: And it can be made available through the submittal of public record which can be requested.

Ms. Pontious: Christine may already have copies of those. Do you have any additional copies of Mr. Scali's presentation?

Ms. Wells: No.

Mr. Flint: I have a copy. I will make sure we make extras.

### **THIRD ORDER OF BUSINESS**

### **Discussion of Items Relative to CDD Coordination**

- A. Legal Consolidation of Lake Ashton CDD and Lake Ashton II CDD**
- B. Shared District Manager**
- C. Alternate Management Approach**
- D. Changes to Interlocal Agreement**

Ms. Pontious: The first topic on the agenda is Legal Consolidation of Lake Ashton CDD and Lake Ashton II CDD. Is there a person who put that on the agenda, and would you like to further explain?

Mr. Williams: All of those are not individual topics. I think we need to move forward and figure out how as a community we join, as many people have said. There are many different ways of doing that, combining CDDs, combining managers, there may be a myriad of different ways to do this. I am not suggesting one way or another. I am not proposing one way or another. I was hoping to get this discussed so we can at least figure some way to move forward as a group, maybe as suggested with committees of residents from both sides and maybe one Board member from both sides. We need to come together to see whether that path leads to a joint CDD as a possibility, maybe not, but what that might be and how do we go about doing that. So I guess my overall thought was can we do something to bring some committee together to look at the possible path, what the steps might be, and what the end result would look like.

Mr. Mecsics: Thanks, Stan. As you know, I always view Lake Ashton as one community. I always look at it like New York City. There is Manhattan and there is the Bronx. I am not saying who is the Bronx, and I am not saying who is Manhattan, but there are a lot of considerations as far as combining the CDDs. And yes our legal officer will tell you that there is a possibility, but it doesn't come without a cost. Right now, ladies and gentlemen, there are ways that we as two Boards can work together. I agree with Stan. We need to work much closer together, but I think that is something we need to keep in the back of our minds right now and we need to think about working together as two Boards and not one. As Mr. Scali said, we have a two hundred pound gorilla sitting in front of us that we have to go around or approach first. I always put things in priority being a military guy. While combining the CDDs is nice, I think if we continue these kind of Board meetings and continue communication between the two Boards we can explore other opportunities, but at this time I think we have much bigger obstacles that we have to overcome and work with.

Ms. Pontious: Andrew, can you give us some idea of what we would need to do to do a combination and do you have any cost projections?

Mr. d'Adesky: I think I presented it to both CDD Boards separately, but I will say it again here today, and while there are lots of ways to combine formally and informally.

The informal way to combine, one of which the CDDs have already taken is the interlocal agreement. You can always work on those interlocal agreements, tighten them up and be more specific. We have different Districts that have different interlocal agreements that specify different ways that they cooperate, but if you are talking about actually merging the CDDs, that is a statutory process. It is dictated by the statutes. To answer the public comment question, it has been done before by other Districts. The requirements are pretty specific and it is pretty specific on how the members are selected after the merger. Initially you select two members from one side, and two members from the other side, and then one extra member can be from either side per mutual agreement between the Districts. During the next election cycle, two people are elected from the former CDD I, two people are elected from the former CDD II, and one is elected at large by all citizens within the combined boundary of the merged CDD. In terms of the costs, the costs are variable. The largest and most significant cost, and this is for any establishment, expansion of the CDD, is what the cities are going to charge for their administrative fees. Frankly we have had some cities practically waive their fee, and we have had some take the statutory amount of \$15,000. Being conservative, we don't like to make an assumption that they are going to waive a fee. When you take that into account that you would have to pay a fee to Lake Wales, Winter Haven, and to the state, because ultimately this will be ruled on by the state judicial commission, it would probably be in the range of \$60,000 on the conservative side. Now granted if those fees were lower, which I cannot attest to, that would be a significantly lower cost. Our fees on our side aren't going to be very high on that because we are working for both CDDs. If there were two counsels, it would be much higher costs. The process itself is not very intensive. The biggest issue is coming to an agreement as to who is going to be on those Boards, what is going to happen to the assets, and what is going to happen going forward in terms of that. So once all of that is agreed to, that is really the biggest first step in going and getting those approvals. And to be clear, the state is the one who ultimately has the final say to approve whether it goes forward or not. Yes we have to pay a fee to Lake Wales and Winter Haven, but the state is the one who would decide.

Mr. Robertson: A couple things in the process. One, we are one community and we want to be one community and behave as one community. That can be accomplished, but there are two pieces. One is how we manage our amenities, which are the prime interaction with all of our residents. How do we book our rooms, how do we do different things like that? We can do that through a unified process where if someone wanted to book something at the HFC from over here they could. If we had a coordinated system, it would be transparent. The whole community would just work as one community working together. That could be done by a common staff that works between the two sides. That is one of the proposals we talked about, how we might accomplish this. The second piece is how we administer our funds and maintain our buildings. To maintain the HFC and the cost to maintain the HFC, one Board can easily handle those issues ourselves the same way CDD I can handle the clubhouse. So to combine the two CDDs to make decisions about how to maintain our buildings isn't really necessary. We are really quite competent at doing that right now I think. What the community would like to see is how we just operate as one community and that is through all of the amenities we have. If we have a single staff, single organization running that, responsible to both Boards, I think that would work very smoothly and everybody in the community would feel like they are just one community. So that is in essence one of the proposals I put on here to discuss. I think we can solve this without having to spend the money and going through the effort to formally put the two together. And we will have the opportunity to deal with that as to how well we can cooperate because as the big gorilla as it has been suggested is dealing with the golf course. The decision process we have to deal with right away is how to handle that. That is going to go forward much faster than joining the CDDs. We have a good opportunity to demonstrate to you that we can cooperate as two Boards and do something for the good of the community as a whole.

Mr. Ference: Doug, so I understand that you are not in favor of merging and you would rather have interlocal communication between the two CDDs?

Mr. Robertson: I think that at this point and time, if we do the stepwise process and combine the amenities activities so we look like and behave like one community as

we use our facilities and everything else like that, we can accomplish that ourselves and without having to go to the state to ask their permission. If we can accomplish that right now, we have to deal with the golf courses right now, we have to deal with those issues as two Boards, and if going through that process we find that is sufficient and we are doing really well, why would we spend the extra money to combine them?

Mr. Ference: So if we have an interlocal relationship, you still see that as our being one Lake Ashton?

Mr. Robertson: Absolutely. I think the example I am looking at, there was a pothole that I went and looked at, and our guy was here so we got a price.

Mr. Ference: How is that any different than what we are already doing now aside from just forming more committees to work together? We are not doing much more to encourage a unity just by having committees working together.

Mr. Robertson: Not just committees. Amenities employees that you are in the process of bidding, if we combined that into a single bid where we jointly find an amenities staff that was common to the whole community.

Mr. Ference: But we have a management style here to hire employees through our management company. Would you have us disengage that in favor of your model?

Mr. Robertson: No. I foresee that the same company would be offering the same services. I think that GMS could bid the process. If we were to be able to combine our two requirements into one joint RFP, I think that GMS would be very happy to do that and we can as we did when we rebid the security contract, every single employee that we thought that was important to the community that was on the security staff remained within the community. We didn't lose a single person that we wanted so the same process would remain here. We would keep every single staff member that we like and it could be integrated into a unified program.

Mr. Ference: I don't understand how it is interlocal if GMS were to manage both yours and ours. It would not be interlocal, it would be singularly done by one company.

Mr. Robertson: Yes. We would need one GMS contract that we would both support. The two Boards would support one contract.

Mr. Ference: But who is to decide that your security should be different from ours? I don't understand the distinction that you would rather have your own security, which you voted on as opposed to having the same one, but you want to have a management company managing both sides?

Mr. Robertson: Please be careful. We had eight votes in favor of a common security company. Our Board decided on a security company and your Board decided at the second vote, somebody changed their vote, and decided to split it in two. Our Board did not do that. We are still capable of having a single one. I am not trying to criticize anybody, but they voted and it ended up splitting it. We didn't have to split it. We could have had a common security system.

Mr. Ference: If we were to have a common security and common management system, wouldn't that lend itself to a true merger, not just interlocal relationships?

Mr. Robertson: You wouldn't have to spend all of the money to the government to put us together when we have already demonstrated that we can work together.

Mr. d'Adesky: I guess the question you are asking is practical similarity versus legal joinder. Technically even if it is the same security company, it is technically two different contracts, which they as we have seen, they have the freedom as a separate entity to choose a separate contract, as they do with the landscaper, pressure-washer, anybody else they use. So that is the difference between talking about an actual legal joinder and becoming one entity and having one contract versus agreeing mutually in a collaborative method to do so. That is two different things, so I hope that distinction makes sense.

Mr. Deane: At the present time, we have a management company. Their Board takes care of their management. I am trying to understand that.

Mr. d'Adesky: Can I clarify one thing that I think is very important? There are two separate functions that seems to be clear. There is a District management function, which is required by statute. You are required to have a manager that does certain functions, auditing, accounting, minutes, etc. That is a separate contract from onsite amenity management. So Lake Ashton II still currently has GMS performing the District

management functions. They do not have onsite amenity management. They directly employ those employees that are performing those functions. Lake Ashton operates differently. It sounds like the suggestion is to have one onsite amenity management contract servicing both communities. Technically it would still be two separate contracts, but you can jointly bid it as you could bid landscaping together, security together, etc., to get that economy of scale and perhaps get better offers and rates from those vendors.

Mr. Mecsecs: Our model is the employees, Mary Bosman and those folks work directly for the Board. There is no flow through, no management, and that is how we retained them on an economy of scale, but it does take a little bit more oversight from various different Board members. But as Andrew said, by law the District Manager is contracted with Mr. Flint.

Mr. Ference: But he is not responsible for Mary's relationship to you, is he?

Mr. Robertson: No.

Mr. Ference: So how do you provide Mary with vacation time, health insurance, retirement benefits, etc.? How do you do it when you hire her yourself? Are you skilled enough to be able to provide those services for each individual? How do you do that?

Mr. Mecsecs: We do that currently right now. We work through that, but there is no real science to that, but we do provide them with salaries, with a benefits package, all of the HR aspects. The Board does all of that.

Mr. Ference: But who does that for you? Who provides the 401K, retirement, vacation, insurance and all of that? How does it work?

Mr. Mecsecs: When we vote on those, that is partially what the Board agrees to as far as compensation and all of that.

Mr. Ference: So you have an insurance company that provides all of that?

Mr. Mecsecs: We offer them compensation so they can attain their own. It is different from what you have.

Mr. Ference: Okay. You just give them a salary, but they are responsible for their retirement and health insurance?

Mr. Mecsics: We give them a salary and there are certain statutory requirements like unemployment compensation, workman's comp, and those sorts of things. However, the benefits package such as insurance and that, we can give them so much money for that and then that leads to them being able to choose to do it their own way.

Mr. Ference: And that is the economy of scale to have them do it on their own?

Mr. Mecsics: I am not going to pick on my good friend George, but let's say Jim Mecsics is a janitor and I work here and make \$50,000 a year. Whatever else we put on them for what we call a burden rate in the contract, then that would give that. Sometimes when you have management companies, you get a multiple of that. So if Jim Mecsics has agreed to \$50,000 a year as a janitor, the management company could get a multiple of 1.5 times that salary, which would be \$75,000.

Mr. Ference: What management company? GMS? I didn't think GMS had anything to do with that, though?

Mr. Mecsics: They don't with us, but with you they do.

Mr. Ference: But how do you deal with individual people and their benefits?

Mr. Mecsics: We hire them directly.

Mr. Ference: But is it economy of scale for them to go out and find their own insurance coverage? I don't understand that. It seems to me it would be cheaper to do it the way we do.

Mr. Robertson: What we want to do is bid this out if we decide to do it together, and we can bid it out to an outside amenities service company like GMS, they can give us the pricing that way, and we can also evaluate pricing doing it ourselves and managing it ourselves. Then we can weigh the two choices and see if it is worth the extra money to do it that way versus the other way. It still gives the entire community one common face to the community, one system to book something, one way of handling everything. I don't want to debate the actual costs because other companies may come in and be very competitive to what we are doing. We provide health care benefits. We provide all of those things so if there is not a lot of risk from their point-of-view, they don't have to mark up the pricing. So you can look at their cost of their bid versus an in-

house operation and we can decide as two Boards which one we like. I am willing to go with either one, whichever is the best solution.

Mr. Ference: But what about what you are doing now, not what you are proposing to do.

Mr. Robertson: Right now we manage ourselves. We have the experience to do this. I am not going to apologize for my experience.

Ms. VanSickle: The way it works right now we have two different CDDs in two different cities. We take care of the clubhouse and our amenities, you all take care of your clubhouse and your amenities. I think for the most part that works. I think what we need to work on is those two Boards working together, for the residents so it should be seamless, but because of the finances involved, taxes, and all of the legal fees to get that changed, do we want to go there right now or could that money be better spent on other things? I think we want to work together, the two Boards, but keep the CDDs separate. For big objects we might have to work on something together going forward, but for the time being, I think what we are doing is working. We just need to work together. For the residents it should be seamless, but behind the scenes, I think the two Boards is fine.

Mr. Costello: I agree with Brenda. We have to work together and I think one of the best things we can consider doing, the Sunshine Laws tie our hands so bad because of the fact that your people can't talk to your people, our people can't talk to our people, but I can go talk to any of you. It is insanity. It really is. But by the same token, if we are going to take the important things that involve both communities, like security, amenities, different aspects that both Boards can approve one person and allow the two of them to talk together and be more-or-less a liaison between the two communities, I think we would be able to prove to everybody that this is one community.

Mr. Robertson: In my written proposal that I submitted last time and sent to your Board, I said if we set up a common amenities organization and we can bid it any way we want, it gives both transparency to the community and then you assign the two Chairs of each Board to supervise that company. Obviously I don't want to be in conflict with Carol about anything. I would much rather resolve those things with the professional

District Manager and run things properly, and then only if we had something that was really different would we have to come back to both Boards and say we have a conflict. I cannot imagine anything of that nature because we are talking about how to run amenities. We are not talking about whether I change my roof now or later. That is your call when you want to do that. It is my call on when we want to do that on this side. So we are not trying to combine those things which are more controversial. We are just trying to run a consistent homogenous amenity.

Mr. Costello: And I agree with you. I think the key to it all is going to be communication. We have to communicate between the two CDDs.

Ms. VanSickle: One concern, though I like the idea of having the two Chairs liaison and talk together, but as far as supervising and controlling, this is a five member Board and I think any decisions need to be made by five members. That is my personal opinion. I have the upmost respect for our Chair, but I think anything important needs to come before all five of us. I am not looking to delegate that.

Mr. Deane: That is what has kept things running so smooth on our side. Everything is a joint decision and every made decision is voted on. It is not one person doing everything.

Mr. Robertson: That is not the suggestion. You misinterpreted it then because if GMS were to win the contract to provide the common amenities, you would be operating exactly the same way you are now. Our Board would be changing by hiring GMS to do the amenities. You don't supervise each individual member. You have delegated that to GMS. That is one of the models we just talked about. GMS would be the common thread for both of us. It is not an intention to concentrate power to one person. That is of no interest to me whatsoever. That is exactly how you are running it right now. You have a Board and GMS reports to you as a Board. We would still have that.

Ms. VanSickle: But you said the two Chairs would be overseeing that.

Mr. Robertson: Just for day-to-day. For any issues you have on a regular monthly basis it would be discussed.

Mr. Williams: Just for my clarification more than anybody else's, the standard contract is the same for all of the statutory requirements. We both have that. The only thing that is different is the amenity management. Under the current way it is done, all of the employees and contracts are managed on Lake Ashton's side by GMS and we are suggesting to do the same thing? Is that what we are suggesting that we do, too, Doug?

Mr. Robertson: No. I said that we should be bidding it so GMS can offer a complete amenities package, but we can also bid it and see if the Board might want to manage that managerial function through the Supervisors and hire its own employees. Either way, it still makes it look like one community. One method may be a little more expensive than the other, and we may decide if it is worth it or not worth it, but it still doesn't change how we as the Board decides. George comes back to us every meeting and reports on the activities that he is responsible for, and we as a Board decide the same things on the Lake Ashton CDD Board. But on a week-to-week basis, George makes decisions on how to run this facility on his own. It is a delegated responsibility to run the facility, to schedule people, to fix golf carts, etc. All those things don't come back to the Board. He brings back things that are beyond his delegated authority and the Board makes a decision. I am not trying to change that at all. Not one iota. I am retired. I don't want to do this all of the time.

Mr. Williams: So you are talking about putting the second part of the contract, the RFP two ways. One with a District Manager managing and hiring all of the amenities and all of the people and all of the contracts, and the other way for the Board to do it. And we will see what we come back with. I don't think that is much different than what we are doing now. Beyond that if it makes sense to go further then we can.

Mr. Mecics: It bears for us to consider this because both Boards are going to have to vote on that and agree to that. I agree with Mike that we need to communicate a heck of a lot more. Our Board has designated something to each of us to handle. I have public safety. What I would like to do is have your Board appoint one of your people to the same things because we can talk to each other. I can talk to Mike Costello or whoever else one-on-one without worrying about the Sunshine Laws. We can talk about public

safety issues. So I think in the interim we should move in that direction and then we will be acting as one.

Ms. VanSickle: But right now there is nothing preventing you and me from talking about security, Dan and me talking about landscaping, etc. I don't want to prohibit that in any way.

Mr. Costello: Let's try to designate one person from both sides to talk about common things that affect both sides in order to make it one community.

Mr. d'Adesky: That is what many of our larger CDDs do. They have one representative come forward with all of the concerns of the other District or other entity such as a HOA. They will come forward with one representative that will come do a report just like there are attorney's report, field reports, etc., you have a liaison report. They will come to the meeting and give a report on common interests and what the other Board is thinking of doing. That is just how some other people do it, and that is in line with what was just said.

Ms. Pontious: I just don't understand why we are not doing that when we have had the opportunity to do it. For instance in scheduling, there is no reason we can't schedule an event at the HFC from here or vice versa, yet we can't do that, and now we have reached a point where if you have an event over there you have to even buy tickets over there. You can't always buy the tickets over here. Those are the kinds of things that I think the community needs to have be more seamless. So whatever is happening within the community you can purchase tickets both places, you can make commitments both places, and there is not a line drawn someplace in the sand that says if you want to do that you have to hike over to the HFC to do it. I think that is where we have gone astray and we need to get back on target with the things like that which affect the residents.

Mr. Mecsics: We have two community directors sitting right here. There is no reason why they can't work together to come out with a common scheduling or a common way to buy tickets for both. It has always been there. Yes there may have been some conflicts, but I think we have two ladies that can work together on it so that would be my recommendation to do that and go forth and prosper.

Ms. Pontious: I think that is where we need to start. The things that affect the residents the most need to be seamless. The financials and behind the scenes things that have to go on, we can deal with that, but we would really like our residents to feel like they are welcome no matter where they are, in what room, in what building, and there is no discrimination based on where you live as to whether or not you can use this or that. I think that is where we have gone astray.

Mr. Robertson: We have two different software programs for scheduling that we can look at combining and sharing equally. We have Monday Morning Coffee that we could also do jointly, taking alternate turns. That would work very well. I know we had some issues around new member orientation. Carol and I met and discussed that, and we came up with a great solution already that has new members getting orientation packages immediately when they come in. Then when we meet with them and have a new members orientation social, we invite the Board members from both sides to come in and instead of telling them after they have been here for three months to put out their trash on Thursdays, they already know all of that. So they get to meet the Boards and have more in depth discussions having been here for a while. We have worked on that already and we have had very successful joint orientation meetings since then. So I think we are working to resolve those problems already.

Mr. Williams: As far as the RFP going out, how do we proceed to put out the two RFPs from the joint Boards?

Mr. Mecsics: Right now our Board has voted on doing the RFPs for legal services and for District management services. That has to be written, reviewed, and changed at our Board level, not as a joint.

Mr. d'Adesky: At this point, Lake Ashton I is contemplating a RFP for onsite amenities services. They are not bidding out District management services. Meanwhile Lake Ashton II, which does not have onsite services, is bidding out District management services and legal services. I guess if Lake Ashton II goes through with it, they will need to resolve those issues first. Now Lake Ashton I would need to amend the RFP to include as a service area both Districts and also specify that there will be two separate contracts

with both Districts. We have done RFPs like that, but that would require an amendment of the RFP. That is the status as of right now. And to be clear, you could have a different CDD manager and onsite amenity manager. Those are two different things and those are two different services. It just so happens that GMS overlaps, but GMS is one of the few entities in the state of Florida, and we know this from working with many other CDDs, is that they are one of the few entities that does both. There is one other that does both, but most specify in doing one or the other.

Mr. Williams: I guess I don't understand why it would have to be separate. The District management contract, which is statutory regulations and all of that, is the same for both CDDs. Exactly the same. Then why do we need two?

Mr. Deane: Because it is two CDDs and it is the law.

Mr. Flint: It could be a tri-party agreement.

Mr. d'Adesky: It could be a tri-party agreement George just said. We have that sometimes. We have it for landscaping, and it would have probably been one if the security had been the same.

Ms. VanSickle: We both use the same landscaping company. I think they do an excellent job. You have a contract with them, we have a contract with them. Residents drive around and see that it looks beautiful everywhere. The contracts work. I don't see any problem with keeping the contracts separate on what needs to be separate, but the residents experience needs to be seamless. I think the separate contracts are fine. We have our amenity management, you have your amenity management. As long as the residents are able to go back and forth seamlessly, not are you from the east or the west. That is what we need to get rid of. We need the experience to be the same.

Mr. Costello: Another thing we have to look at is communication that goes out. There are times where especially like after a hurricane, we had messages going out from two different CDDs that were so redundant you were getting the same message. It would be great if Mary and Christine could sit down and iron it out so they put out one communication to the entire community. Communication is a big part of the game here. If we want to be one community, we need to talk to each other about it.

Ms. VanSickle: I think communication is the biggest thing, as Mike just said. Have one e-mail blast sent out with information throughout the entire community. I have to give kudos to Lake Ashton II, you all did a good job after Hurricane Irma because you got the information out and I think you did a good job, but I would like to see that go to the entire community.

Mr. Flint: If this is something the Board wants to move forward with, obviously Lake Ashton CDD is already in the process, and if it is something Lake Ashton II CDD wants to move forward with, then you probably will want to both approve the same scope of work and bid documents, whether you are going to enter into separate agreements or not. Lake Ashton CDD has deferred it for thirty days so they haven't made a decision on their scope and it is going to be on their March agenda. So if Lake Ashton II CDD wants to do a joint bid, we can do that. Probably the best thing would be to appoint a representative from each Board to work on the scope of work together and then Lake Ashton II CDD can either continue their meeting this afternoon, or schedule another meeting for March to coincide with Lake Ashton CDD and deal with it that way. I see that as a way to move forward if that is the direction you want to move towards.

Ms. VanSickle: What is the benefit of putting it out together if you are going to have two different contracts? I see subtle differences between the two. We have different amenities that we are handling.

Mr. Flint: You may get a better cost because you have more facilities. You may or may not. I think one of the keys to the coordination and it is going to be better if you have one same amenity management company versus two just because the nature of it will be that coordination will be better. It is not to say that you can't come with ways to improve coordination with two different companies, it is just probably going to be easier to have one, but it is up to you all on that one.

Ms. VanSickle: Are you recommending one contract or two?

Mr. Flint: It is really up to you, but if you have one contract and you have a tri-party agreement, it is more limiting on each legal entity as far as terminating the agreement and things like that. That would be the shortcoming of a tri-party agreement,

the ability to take unilateral action if you decided you wanted to do that. If you have separate agreements, then you are free to do whatever you want to do.

Ms. VanSickle: I would be in favor of the two contracts because I think that works. Just like we have proven with landscaping, it works.

Ms. Pontious: I feel badly that it is this time of the year because Christine has been great with everything, but at the first appropriate time period, if the two of you can begin to look at the issues that affect both resident sides and come up with some solutions as to how we can get back on track with one thing versus two, and maybe we do part, they do part, but I think the Monday Morning Coffee meetings, the orientations, the scheduling of events, the ticketing, the messages going out, all of those are really valuable assets to have being one community. So if we can charge them with trying to move forward on those issues, that is going to be the resolution to a lot of our issues right there. That would be a good first step, so if you would do that, we would appreciate it. Shared District Manager, we have already discussed. Alternate Management Approach, done. What about Changes to the Interlocal Agreement?

Mr. Williams: That was a little bit separate from the other ones. At our meetings, we have had one or two residents come up and have had some concerns about current and future facilities. The first concern was about the current facilities. There have been rumors or talk over the last eight to ten years about maybe closing down certain amenities, like the bowling alley or whatever. Those are decided by individual Boards. The residents who talked to me were wondering if something could be done to the interlocal that would require more of a joint voice before a decision is made to close down an amenity. On the other hand, if we are going to provide a new amenity, such as another swimming pool, is there something we can do with an interlocal agreement where we share the cost and process of that? Those are the two things that have been brought up, the current amenities and future amenities, and is there something that needs to be added to the interlocal agreement that takes care of the concerns from both the east and the west.

Ms. VanSickle: I think my take on this, and correct me if I am wrong, but we each have our own amenities that we take care of. We have a bowling alley. We have the

restaurant. We have the outdoor pool. We both have tennis courts. You have pickleball courts. We have the indoor pool. When we have gone forward with things the side that has had to fund it is the side that has to maintain it. We are a little bit further down the line than you are, but as you build out, I see those as your responsibility. I know everybody gets to use everything, but we put a lot of money into that bowling alley. We refurbished the cinema. We see that as our responsibility and we do it for the community as an entire community. We are not saying it is just for this side. It is for everybody. So going forward, if you all decide to put in another pool, I think that is a responsibility you will have to maintain.

Mr. Williams: I disagree. With something as big as a pool, I don't think one side is going to be able to do that on their own. I don't believe that is going to be cost effective to do it on their own. And what would happen if we decided for instance that we want to expand the sports court, and take down a wall and do away with the racquetball courts? I think that would hurt some people. So before we did that, I would think it would behoove us to have some way of ensuring that you have a voice in that.

Ms. VanSickle: All of these meetings are public meetings and everyone is invited to speak. I make a point to attend Lake Ashton II's meetings and I know some of your people attend ours. I think that is a good thing.

Mr. Ference: Stan, I think going forward what you are saying is correct. If we are going to build a swimming pool to serve both communities, then I think we should share the cost and decide where it is going to be. But existing facilities, I think Brenda has spoken well about that. The existing facilities through the years have been our responsibility past, present, and I think future. I think if we decide that we want to turn something into something else, I don't know that we should look to people who don't have the history. I don't know if that is a reasonable request. Going forward, I think cooperation and sharing is very significant, but for existing amenities, I think we should each manage them, take care of them, past present, and future.

Mr. Murphey: I think what Stan is trying to say is all of the amenities, and I know at some point there was a possibility that you weren't going to go ahead and refurbish it

because it was cost prohibitive or whatever. Obviously that amenity affects a lot of people on the west side, too. I think what he is trying to say is rather than the Lake Ashton CDD Board unilaterally say you are going to close it down, we get a say. As Brenda said, people can come in and comment and give their opinions and so on, but maybe there is a way that we can do situations like that as a joint meeting rather than it just happening and we can't do anything.

Mr. Ference: We were talking about the kitchen being too small. We said maybe we should move the sports court out to make the kitchen larger because we feel that is required. So we want to close down the sports court and put it somewhere else or maybe wait until the future and design something else. I don't know.

*The record will reflect that the recording cut off at this time.*

**FOURTH ORDER OF BUSINESS**

**Implementation of Card Access  
for Amenities**

*After a brief discussion, it was determined that Mr. Costello and Mr. Mecsecs would work together on an analysis regarding this item.*

**FIFTH ORDER OF BUSINESS**

**Potential Purchase of Developer  
Assets Including Golf Courses,  
Sales Center, etc.**

Mr. Robertson: The piece that is missing that we need to talk about is he is losing money on the golf course operations. That is why it is not worth much because he is not making any money. Some people believe that the prices of the golf course membership, people think it is rather high, and some people have left the community and go golfing elsewhere. If we have 25% membership right now, one in four houses are members of the golf course and that results in a net loss if we are all built out of about \$400,000. That is \$235,000 a lot. That is under \$30 a month that the shortfall would occur. If we change our membership by getting people back and move up to 30% resident, then the cost of the golf course would be zero. It would be self-sustaining. The 30% people who play would pay for the entire golf course. If we had tiered memberships for people and

walkup arrangements where people who are members of this community can walk up and pay the daily fee, you can't reserve in advance because the people who pay the big bucks will get the nine o'clock slots and the eight o'clock slots, but if you want to come at two in the afternoon and pay a fee, you can play at the golf course in your own community. Right now we don't have that happening. So there are ways to get our membership up from 25% to 30%. That is not really an outrageous number. If you want us to do this, we would need somebody from each Board to negotiate with Mr. Maxwell, do a proper analysis of what the costs are so we can come back and give a full Board report, and see our way clear to purchasing these golf courses with not a single extra penny spent by the members if we do it the correct way, and if we fell short of our expectations, the size of the problem would be \$30 a month per household. I think that is a doable number versus selling to somebody outside of the community, but somebody has to negotiate that, and sit down with them to get the right numbers. And then at that point you would bring it back to both Boards, we have a public meeting so everybody here knows exactly what is going on, proper communication, this is the value of the piece and what it will cost, and go through all of the steps of why we think we can actually manage this golf course. Eventually the Boards will have to make that decision based on the feedback we got from the public. I think that is a doable solution rather than doing nothing and having it sold outside.

Mr. Deane: Does that include the pro shop and the coffee shop and everything else in there?

Mr. Robertson: That includes The Eagle's Nest and the golf courses.

Mr. Deane: What kind of revenues does The Eagle's Nest produce?

Mr. Robertson: I don't have those numbers right now. Based on the information he gave me, I have created an analysis on what I was able to work out on a per lot basis and based on reserves, I figured out if we do it this way, we can probably afford it and not hurt our community in the process. That is how I am approaching it for all of us. I don't have all of the numbers yet. That is why you have to designate somebody on this

Board to go and say you're authorized to deal with Mr. Jim Lee primarily, see all of the pieces, and say these numbers are valid and we can do it for that amount of money.

Mr. Ference: I am a member of the golf course and I would volunteer to be the Board member representing us.

Ms. Pontious: Can you tell us how many houses are remaining that he owes?

Mr. Flint: It is 289 houses.

Mr. Robertson: So that money is promised and guaranteed contractually if he takes that money as part of the negotiation, and we take over the operations. The other thing is, when you own the golf course as the community, we are probably more apt to look after it. I am sorry, but I know lots of people play on the golf course like I do and we drive out there where we probably shouldn't and we don't do things that we should because it is Maxwell's money, not ours. But if we own our own golf course, we would tend to take a little more care because it is our own as opposed to somebody else's. So that will help us. We can manage our costs and bring them down. I know we have some people who have experience running golf courses. I actually know that this poor gentleman beside me running a couple of Air Force Bases has also had four or five golf courses over the years. If you think about how running a golf course on an Air Force Base, all retired generals and everybody else in there trying to play golf every day, believe me, he has dealt with retired people and golf courses.

Ms. Pontious: This number does not reflect the maintenance building, nor any of the equipment, right?

Mr. Robertson: The equipment would be included. The maintenance building is the wild card. I know we talked about that when I talked about all of the other amenities. So that is where we are at with the golf course. Personally it doesn't scare me and I think those numbers are well within how we can manage it. The only decision to make today would be to appoint somebody to negotiate with Mr. Lee.

Mr. Costello: I have one question on that. What is the projected time before you complete the other side as far as building goes?

Mr. Robertson: Three to five years.

Mr. Costello: As time goes on, do you think the price will go down due to the fact that he wants to maintain these courses in order to sell houses, and are we better off maybe to hold back a little and maybe see where the price goes? I just don't see it going up, not for these courses.

Mr. Robertson: With passing time, he gets \$10,000 for every house he has sold so that is off the table because he has already gotten it. So there is \$2.6 million that has already gone into his pockets. If we take this step earlier, then we would be getting that revenue instead. That is one good point. There is not going to be any rush to get more members to come back because a lot of people have said that they don't like the way they are running it so they are not golfing there anymore. If we take it over and make it part of our community, then the choice becomes that I can go spend my \$30 outside somewhere else, or I can spend the money inside. I think we get more members to come back, which will help the community in the long run.

Mr. Costello: That makes sense. Personally I don't want to be in the position of looking into it because I don't know that much about it, but if you feel we should appoint two people, then let's appoint them and have them negotiate.

Mr. Ference: I think you are absolutely right. I play with guys who will go to Sebring before they play here because they pay \$17 or \$22. They try to play here and it costs \$25 for nine holes, but they can only play twice a month. Tiered memberships for people who are here seasonally should be available. And there should be some opportunities for people who play more than just twice a month. I think there is a way to arrange memberships so that the people who live here have who have an invested interest would play here more often if they had the opportunity between memberships and pricing.

Mr. Robertson: If we have that flexibility to look at all of these choices we can all get it right the first time. I don't know anything about this business. I am an engineer. When I design something I never get it right the first time. If we decide something and approve it, it will take a while to fine tune it, but we will get to the point where I think if

we would have all the members we need, then they would be able to enjoy the golf course, it would pay for itself, and it would maintain our property values.

Mr. Ference: Absolutely.

Mr. Robertson: Can I go on to the next piece?

Mr. Ference: Shouldn't we choose a member to represent the golf course?

Mr. Robertson: Let's finish the whole discussion first, then we can decide. The other pieces of property that he wants to sell are the retail sales center, the RV storage facility, the maintenance building, and Lake Ashton Realty. In the analysis I included everything. The first thing I would say is that I was told by George that Lake Ashton Realty is not an amenity and I don't even think we are allowed to own it as a CDD. It is a business. So we can eliminate that. I talked to him about the other items since they gave us a list of everything for sale. They said they would be quite happy to keep Lake Ashton Realty and run it themselves. They said they are really good at that business and know how to sell and entered a long term lease agreement on the property for their portion of the building. The total cost of all of the items to purchase is \$5.777 million. The estimated income, and of course we have to confirm these things, but he is telling us he will sell us these items because they are profitable and he sold things on multiples of earnings and profits. That is where he comes up with these numbers. If he can't justify these numbers, his price has to come down. His estimated income is \$687,000 off of these operations. A ten year note to pay for these at 5.5% I was told is \$640,000. So the expected revenue if we were to buy them, we would get \$43,000 a year more in income than we are paying to buy them. That would be for a ten year period. After that ten year period, that \$687,000 would just go into the pockets of our two CDDs to support ongoing operations. So in the long run, it would probably have a tendency to reduce the maintenance costs rather than increase them. The down payment that he would want would be 15%, which is around \$860,000. Actually it would be a little less because the Realty would go away. As a reference point again, the cost to purchase these things, there would be no assessment involved, would be a value of \$4,300 per lot to buy all of that

and we would expect a revenue of about \$680,000 after the first ten years and \$43,000 in the first ten years.

Mr. Costello: Do we have a way of verifying any of this?

Mr. Robertson: That is the whole point of doing this analysis to see if we want to even go talk to him any further. When I read those numbers and wrote them down this way, it looked like it was a doable thing. So we would have to go in and examine everything. When you acquire a business, they offer it up, you go in and go through the process of seeing are the sales where they are, are the products where they are, and once those things are confirmed, we come back to the Board and say this is our recommendation on how to proceed. Now this is a lot. So my recommendation is to start negotiations on the golf course and have a stipulation where we want the right of first refusal on all of these other activities. I don't really want to digest all of this at once, but if we can say we will start with the golf course because that is the highest priority and once we decide it is a good purchase, once we have assimilated that into our ongoing operations, we can then buy the second piece if we thought it was appropriate or ask for a right of first refusal for the second thing and do this on a two-base approach rather than try to do it all at once.

Mr. Deane: Your numbers would change dramatically. It would be \$4,700,000 and it would be a \$750,000 down payment assuming the income numbers are correct and wouldn't change. So the only cost involved would be the initial down payment, which changes by \$150,000. That makes a big difference.

Mr. Robertson: What we really want what I thought in my mind is separating it because we really want to solve this golf course problem first, and then this other piece looks reasonable enough to say we have the right of first refusal so we can look at that when we have the time and management talent to do the second piece and we will also have the history of working with them on the first one. So my suggestion was that we don't pursue all of these other buildings until we have dealt with the golf course issue.

Mr. Deane: I agree with the way you are going, but I heard you wanted to do it all at one time.

Mr. Robertson: That is why I had this conversation. I told him if he expected me to go in front of the Board and our community and ask for a big operations and maintenance assessment to do these things, he was crazy. It would never happen. I am not going to recommend it or even offer it so come up with a way to make this work for us. Mr. Maxwell is I think 77 and doesn't really want to own these things anymore, so I said give me a way to be able to buy these things without scaring myself and all of our residents with a high O&M cost and come up with a cash flow that makes sense to us. So that is what I have started with now. Another thing I asked, why ten years and not fifteen. Then at fifteen years our positive cash flow is much better and allows us to do this. I have to do one iteration to figure out whether this was an unbreakable problem we couldn't deal with or if it was something we could adjust and I came to the conclusion in my analysis that we could actually accomplish this. I wouldn't want to put the burden on all of our current residents to buy this out so I would try to extend this as far as I could so that was paid for by the members who lived here over time. But to try to charge everybody right up front is not fair to the community and I didn't want to do that. I can't tell you what the numbers are. Whoever you select will have to negotiate and try to get the longest term spread out number that we can deal with. This is money Mr. Maxwell doesn't want to spend himself. Yes he wants it for his children and their trust funds, but when the money comes in is not as important. So I think I would try to push for a longer period of time. I would give ten years to start with, but try to negotiate for longer.

Ms. VanSickle: That is one of my major concerns. If he is losing money on this and wants to get rid of it, how much are we going to be indebting our residents? It is good to think about if we do things differently we might make money, but at one time people thought we were going to get rich off the restaurant and that didn't happen. So I would like to see us go very cautiously. I don't know anything about owning a golf course. From what I hear, it is not a particularly good position to be into, so I want to see a lot of research and hard numbers before we even consider doing this.

Mr. Robertson: Absolutely.

Mr. Costello: I think we also need a lot more input from the community.

Mr. Robertson: Yes, we do. Having public meetings to share the information that we have learned is the way to go. Having all of this documentation that you want to see is the way to go. The question is do we say no thank you and let him do what he wants, or do we try and negotiate with him to get the best possible deal we can have? And again, it is a community-wide communication and joint Board decision as to whether that it is something we want to do. The first step is to authorize somebody to at least talk to them.

Several residents: You.

Ms. VanSickle: How about the two Chairs?

A resident: How about an expert in buying and selling golf courses? You wouldn't pay this much for a golf course that is losing money.

Mr. Robertson: The way we are structured we cannot respond. That is why we have our forms in front and comments later. We cannot just make this into an open town hall meeting with back and forth. That is not how we are authorized to operate. That is why we have the joint public meetings to communicate. The Boards have to decide now whether we want to continue some form of dialogue with Mr. Maxwell or if we want to say no thank you and let him go his own way.

Mr. Ference: You would be our obvious choice, Doug. You play golf. You understand the circumstances. Would you not accept the responsibility to do that?

Mr. Robertson: I would agree to do that, and again, each meeting we have, I would bring back information as we learn it because it is not my decision. I will only bring back the terms under which Mr. Maxwell will enter into an agreement and have the justification for these things to see if we like those numbers or don't like those numbers. And he has already stated he would much rather sell it to us. He has done that successfully with every other golf course he has owned when he has developed communities. He wants to work with us rather than go outside. So everybody has a pony in this game. It is not he wants it to come to us if we can come to a reasonable thing. He wants to negotiate a settlement if he can get that because he knows he is losing money. That is why he is saying often a golf course is worth \$100,000 a hole. We have thirty-six holes, so that is \$3.6 million. He is saying he will sell it for \$400,000. That is

acknowledgement that he is not making money and is a pretty good starting point of him saying come talk to me and we can come up with a solution that says he doesn't have to own it anymore and the community can embrace it and make it successful.

Mr. Deane: Like you said before, we need a lot more hard numbers. I think we should negotiate. That is my opinion.

Mr. Robertson: We will need a joint meeting or if we have separate Board meetings we can make a recommendation and if you want me, I will be willing to do it on your behalf and if my Board wants I can do it on my Board's behalf, but you have to decide.

Mr. Murphey: The first thing we have to do is get an appraisal of the golf course property rather than taking his numbers.

Mr. Robertson: We already have an appraisal that was done by a bank. That is already done. It is \$6.29 million from a bank in January 2016.

Mr. Murphey: They appraised the golf course?

Mr. Robertson: Yes.

Mr. Williams: Is there any prohibition for the CDD to accept a loan or financial contract with Maxwell to buy it? I know in order to get another bond issue, we would have to pay off the bond or get the bondholders approval, but would we also have to get the approval of the bondholders to take on that financial responsibility?

Mr. d'Adesky: If we are talking about entering into a private note, the city is authorized to engage in all forms of indebtedness that any other corporate entity could enter into in addition to issuing bonds. So we can have notes, we can have private mortgages, we can enter into other agreements. I think private financing here has been discussed, which may be a better rate than bonds, and CDDs are authorized to do that. Now granted this is an asset that is in both CDDs so once again we are talking about something that we are going to need to come to an agreement, alter the interlocal agreement, come up with some cost sharing and some delegation because once again it is in both CDDs. So that is just looking forward. And on a separate topic, we have worked with companies that specialize in analyzing golf courses because that is kind of a specialized asset so if you would like us to recommend to you we can.

Mr. Flint: The financing also depends on what the pledged repayment is going to be. You have trust indentures in both communities which preclude you from issuing additional debt, pledging the same, basically a lien of assessments against the homes within the community. So depending on what the pledged repayment of that private loan is, it could be precluded. When we get the details that will be part of the analysis.

Mr. Robertson: There is no reasonable way to pledge any asset but the golf course.

Mr. Flint: If it is a revenue of the golf course it is repaying the note on the golf course and you probably don't have a problem, but we would have bond counsel look at it just to make sure you didn't have an issue. I also want to mention, we manage three or four CDDs that own golf courses. I know more about golf courses than I really want to know, just like Jim, and we have also been involved with two CDDs that have acquired golf courses and we are working on an acquisition right now on another CDD. I know Andrew was also involved with one CDD that looked at acquiring one. I kind of see what you are doing right now as a preliminary due diligence process and depending on that, there is an entity called the National Golf Foundation, which is a consultant that has been really involved in just about every CDD acquisition of golf courses and they are somewhat seen as an independent entity that has good qualifications and is well-respected. So you might want to get to a point where we ask for a proposal from them, and that is a shared expense between both CDDs. They will come in and analyze all of the assets, they will look at the equipment, the condition of the course, the business side of it, and they will also come up with an opinion of value. There are a number of different tasks and you can pay for all of them, or for some, depending on what you want to do, but they are probably who we would recommend the most. Mr. Darrin Mossing has been involved in those other acquisitions and is heavily involved on the accounting for the Viera East CDD in Brevard County where that CDD owns a golf course. So we have a fair amount of experience on that to the extent that you all want that. I am going to volunteer Darrin to be happy to work with you guys even though he is my boss.

Mr. Costello: What is the success rate of the club owned communities that have bought golf courses?

Mr. Flint: Our general experience is that golf courses can be run to cover their operating expenses, but they typically can't cover their operating expenses and debt service. So it is usually going to be one or the other. We haven't seen an instance where it has covered the note and the operating. So in those couple instances, there has been an increase in the operations and maintenance assessments to cover the operating losses that are projected here on the spreadsheet, and you can probably figure they are annually going to lose anywhere between \$200,000 to \$300,000 a year for each golf course. And that is kind of what he is showing on here. He is not hiding that fact. Depending on how they are operated, they can break even operationally, but then you have your equipment and various other expenses to factor in.

Mr. Costello: You have larger liability and maintenance bills right down the line.

Mr. d'Adesky: In another community we've worked with, once they actually got that analysis from an expert who specializes in golf courses and looked at the capital outlay that would be required, that was so inefficient that they decided to not go through with the purchase.

Mr. Robertson: What was the alternative solution?

Mr. d'Adesky: To leave it under private ownership. It was an offer to sell it to the CDD or maybe someone else.

Mr. Flint: We are happy to help in that process if you want that.

Mr. Robertson: Yes, please. I wasn't going to do all this work myself because I don't have that expertise. I was planning to utilize GMS as our District Manager and as we get further in that process where we go ahead and talk to Mr. Maxwell and get some hard numbers or better numbers, from there we can hire a consultant to help us in the proper analysis of that. So that is what we have to decide. Should we proceed at all, take the first big step, or not?

Ms. Pontious: So we will move forward and that means we need another joint meeting to come up with the results and share that information?

Mr. Robertson: If we are authorizing this we would have to have motions. We need two motions then.

Mr. Deane: Can we make a single motion for the joint CDD meeting?

Mr. Flint: No.

Mr. d'Adesky: It should be two separate motions.

ON MOTION by Mr. Deane seconded by Ms. VanSickle with all in favor the Board designated the Chair, Carol Pontious as the Lake Ashton CDD liaison representative for preliminary due diligence to meet with the owner of the golf courses to get more information on potentially buying them.

ON MOTION by Mr. Mecsecs seconded by Mr. Murphey with all in favor the Board designated the Chair, Doug Robertson as the Lake Ashton II CDD liaison representative for preliminary due diligence to meet with the owner of the golf courses to get more information on potentially buying them.

**SIXTH ORDER OF BUSINESS**

**Supervisors Requests and  
General Audience Comments**

Ms. Pontious: Do we have any additional Supervisors requests for today?

Mr. Costello: Yes. I would like to request that all of the people who are here attend all of our meetings. It is good to see this many people here today.

Ms. Pontious: All right. Then we will finish with General Audience Comments.

Ms. Farland-Vogt: I am glad we are going to consider buying the golf course. I recently read two articles from the Washington Post and the Economist magazine and I think that we all know that golfing is on a decline. Both the Washington Post and the Economist had the same three points, that it is a combination that it takes too much time, it is too costly, and the golf courses over the last few years, they have been making them harder and more difficult. So I think you are not going to have to just be looking at the cost for us and the possibility that we won't be able to meet the costs, but you are also going to have to look at if you choose to go forward and buy the golf course, I hope you will possibly look into redesigning or coming up with strategies to make those of us who don't golf here make it more friendly for my age and gender. I am glad you are looking to doing this, though. I would also like to make a comment that for forty minutes you

had a discussion about it being seamless, but then I heard one of the members say, if I heard correctly and if I didn't please correct me, that you didn't want to pay for something if Lake Ashton II purchased something. When I bought in Lake Ashton, I didn't realize that I lived on the west side. I have a comment on the bowling alley. I am just saying if you chose to close it. I am willing to pay for it. If we buy the building over here, I am willing to pay for part of that cost. If we need a pool on the west side or if we need any other amenities on this side, I am willing to pay for the costs for one community. I am really sad that it is so broken up. Please think about that. We are one community.

Mr. Jack VanSickle: I am glad you are looking at numbers. Doug, you put together some good numbers from your RV lot. A little more info for you: there are 60 covered spaces, there are 50 uncovered spaces, and the current price as of February 1, 2018 with tax is \$197 a month for covered spaces. Look at the new costs. I will give it to my Supervisor so she will have it and maybe she can pass it on to you. That is a money maker. The golf courses are probably not so you may want to consider that also because you have revenue and there is a waiting list to get into a covered space and the empty or outside storage is starting to fill up. So that is a way to recoup some costs. There is very little maintenance on that building.

Ms. Janice Gordon: I have two things I would like to bring up. One, when you assessed the number of lots, did you include the ones that are unsold?

Mr. Robertson: Yes.

Ms. Gordon: Then how would you get the assessment from people who haven't even signed a contract or bought here yet? How would they pay?

Mr. Flint: The developer is paying for those right now.

Ms. Gordon: Okay. So he would pay those. Two, I am curious to know what the median age of golfers is. Does anybody have that statistic? Because if the median age is, let's say 75 or 70, and you take a ten year loan, that puts them in their eighties, so are the people who are now moving in of that median age, or are they younger, and are they golfers? Those are just questions I would like for you to consider before you enter into

an agreement not only to purchase the golf course, but to maintain it and also the salaries and benefits you were talking about that are going to be associated with this purchase.

Mr. Scali: I would like to propose that there be one financial budget you allocate the differences between the CDDs by the number of lots and there is no such thing as the east paying for the bowling alley versus the west paying for whatever pickleball courts they are proposing. One budget, divided by the number of lots and we don't have to go any further as far as consolidation. That methodology could work so I propose that.

Mr. Vogt: I want to thank the Boards for the meeting today. Good discussion on purchasing the amenities. I want to talk a little bit to both Boards about what has been happening here with some of the traffic control and stop signs. I am a retired civil engineer. I worked for the DOT for almost thirty years. I talked a little bit with Jim Mecsics about what could be done and I wanted to talk a little more on that. What we really need is a plan here, not just enforcement. It puts the hammer down now, but a month from now people are back to doing the same things they have always done. A good plan would be to do an evaluation. First, we need to decide when it is a problem, if we have a problem, and you do it ahead of time so you know what you are trying to fix. You can evaluate it later on after you do some fixing. You do some engineering, look at what you can change engineering wise, do some education, more education than just saying you have to stop at stop signs. Two Monday Morning Coffees ago, a police officer explained how they were enforcing the laws. You need to go beyond that and get the word out to a lot more people. And you also need to encourage a final evaluation before you do the enforcement. Enforcement should be the last thing when we want to target the specific violators. Ultimately I think we have a great and safe community. I don't think we have a big traffic problem, but I am willing to volunteer and help with any committee you want to put together and come up with some solutions if we need some.

Mr. Castelli: I would like to have both CDDs to have a survey to all of the residents and have their feedback, do you want to buy the golf course or do you not want to buy the golf course because I am not a golfer and I really don't care if we have a golf course, but there are golfers here, so others may want to buy the golf course. Leave me out of it.

I would like to say beware because any time Maxwell offers you something, you are going to get burned. We have been burned before. Thank you.

Ms. Angela Littlewood: The Board is going to have to bear with me because I am going to talk numbers and my husband will tell you I have to take my shoes and socks off to count to twenty. The retail sales center, \$2.1 million, is that based on the sales that they are getting from that now? Or is it the price of the building?

Mr. Deane: The price of the building.

Mr. Robertson: Yes. The price of the building based on the revenue and profit he is making from the operations. He sold seventy resales at the retail office. That is how he has priced that. He has a price per square foot of the building that he leases out and that is how he has come up with the sales price.

Ms. Littlewood: But we are not going to get that profit, are we? That profit will go away if we can't buy the Lake Ashton Realty, then we are not going to get any money from new sales. So what we are basically doing is buying the building and then we are going to be renting it out and get income for the rent.

Mr. Robertson: Exactly what you just said.

Mr. Flint: There are two different items. One is the building itself, which is the \$2.1 million. He has priced it at seventeen and a half dollars a square foot lease times \$9,750 at an 8% cap rate.

Ms. Littlewood: So we are going to get that price.

Mr. Flint: Yes. And the other one is the business, which we are not buying.

Ms. Littlewood: And what are the taxes on that building?

Mr. Flint: We don't pay taxes.

Ms. Littlewood: There is no state tax?

Mr. Deane: No. It is a CDD.

Ms. Littlewood: Okay. So the building is worth \$2.13 million?

Mr. Flint: That is what he is saying.

Mr. d'Adesky: Those are the numbers he is giving. And just as a reminder because I know for some people this is the first time, it is not really structured as a back-and-forth

question and answer session. Everybody has to kind of move through their allotted three minutes and not expect answers to each question.

Ms. Littlewood: Then I am glad you have answered my questions. Thank you.

Mr. Bob Zelazny: I have a couple comments. Doug, I think you have done a tremendous job bringing the numbers together to evaluate where we need to go. It is amazing to me that we have sat here for forty minutes and have talked about nuts and bolts on this and it took us that long to get to let's just move forward and evaluate. This is government at its worst, I am sorry. We have three things on the agenda today. One is the legal consolidation, one is shared District Manager, and alternate management approach. It went nowhere. Thirty minutes nowhere other than just discussing between yourselves, we do it this way, you do it that way. One of the subjects Stan brought up was the interlocal agreements to make sure we have amenities. Brenda says we don't really need them. I think we do. I was the one who went to our Board to ask for that. Right now there is one interlocal agreement that says you use the west facilities, we use the east facilities. I think there should be an interlocal agreement that says you have to maintain the facilities to a certain standard and keep them open because when I bought, I bought all of the facilities and amenities to include the bowling alley, to include the theater, etc. The interlocal agreement should have it so everyone has a say on what the outcome of those facilities are. To your point on the swimming pool that we should pay and if you build it there, when we did the Focus 2020, which was a community-wide survey, we received about 400 responses. The majority of the people that wanted another outdoor pool was from the east side. Unfortunately you don't have a lot of property unless you take something out of here and that would mean we would have to build it in the west side. A majority of the responses were from the east, saying they wanted another outdoor pool. I think what we were asking is for an interlocal agreement that says a new facility or amenity should be a shared cost between the two CDDs and an existing amenity should be the way it is in the interlocal agreement now. But the interlocal agreement needs to say that we on the west have a say towards something on the east and vice versa so you don't close facilities on the east or vice versa. Anyway, I hope we

agree that we are going to move forward and figure out what we are going to move forward with. This isn't a crisis. I will tell you, whether or not you are a golfer, if you bought your home for \$350,000, when that golf course goes away, your house will be worth \$250,000. For argument's sake it might not be that amount, but if the golf course goes away, your property values are going to go down significantly. That will be true whether you are a golfer or not.

Mr. Tom Smith: You know, recently in the news I have been hearing a lot about trust, but verify. Now I remember the negotiations we just did with the same party who gave us three lots that were overpriced and they weren't the original lots that we wanted and it was basically said well if you don't agree to this, sue me. That is what I was told by the Board. This is the way this guy negotiates. So I don't know if the Board, and I am sorry to even say this, is capable of negotiating with this guy. I think that if we are going to do the golf course, which is a make-it-or-break-it for this community, we need some professionals in here that are going to really negotiate. I don't think if he wants to open it up as a public golf course, I don't think these golf courses, with all of the golf courses in the area that somebody is going to buy it for it awhile. So I think we should look at some alternatives, but we should really get somebody in here that can really negotiate because what is he going to do with these buildings if we don't buy them? Who is going to come in and buy them right away? So my thought is just don't rush into this because I don't believe he is holding all of the cards at this time. Like I said before, verify everything because I don't trust him.

Ms. Victoria Howell: One thing I do want to bring up as the gentleman before said about the storage, the RV storage unit, yes, he wants \$2 million for that. Come on. It is 60 covered and a small area for outside. I have had my RV in there and I know years ago it started at \$50. Now he just raised it with no clause whatsoever proves to you that he is making money. He raised the price and now if you want to pay monthly it is \$200 a month for under cover. I don't think we need to ruin everybody's little bit of enjoyment if you want to park your boat or an extra vehicle, why are we being punished? That is what I feel like that we are being punished. He wants to prove to people that he can make

more income. He just raised that. I personally called Jim Lee and asked for a price because I am thinking the people who have RVs would want to buy that, but he never even called me back to give me a price. The \$2 million, he can keep it. I will take my RV out and go somewhere else. It is very convenient and we would really like to keep it here, but if you are going to do that, it is too expensive. He is not giving you anything.

Mr. Frederick Sutherland: My opinion is that we'd have to search long and hard to find somebody more qualified than Doug Robertson to negotiate this deal.

Mr. Fred Poole: One of my observations is that you all are saying me more than we. If you want to have a unified community, you have got to talk as if you are unified. You have got to approach everything as if you are unified. I heard too many people up here saying we do it this way or we do it that way. It is how the community does it. I encourage you to think about the community rather than your own position, power, and Boards. Thank you.

## **SEVENTH ORDER OF BUSINESS      Adjournment**

Ms. Pontious: All right. Seeing no additional speakers, I think we are ready to adjourn for today and we thank you for attending.

Mr. Costello: Before we adjourn, can we have both sides in agreement that we will have another meeting like this in April or May?

Mr. Robertson: May.

Mr. Flint: They have a meeting scheduled in May.

Mr. Costello: It is already set? Great.

Mr. Flint: Well their next meeting is scheduled in May so you could do a joint meeting again like this in between both of yours.

Mr. Robertson: And if we get data sooner, we can have another Board meeting.

Mr. Costello: Okay. Thanks.

Ms. Pontious: Are we ready to adjourn then? Thank you to everyone for attending and giving your input.

February 9, 2018

Lake Ashton & Lake Ashton II CDD

ON MOTION by Mr. Costello seconded by Mr. Mecsics with  
all in favor the meeting was adjourned.

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

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

**MINUTES OF MEETING  
LAKE ASHTON II  
COMMUNITY DEVELOPMENT DISTRICT**

A meeting of the Board of Supervisors of the Lake Ashton II Community Development District was held on February 9, 2018 at 1:30 p.m. at Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida 33884.

Present and constituting a quorum were:

Doug Robertson	Chairman
Jim Mecsecs	Vice Chairman
Daniel Murphey	Assistant Secretary
Stanley Williams	Assistant Secretary
Carla Wright	Assistant Secretary

Also present were:

George Flint	District Manager
Andrew d'Adesky	District Counsel
Alan Rayl	District Engineer
Mary Bosman	Community Director
Numerous Residents	

**FIRST ORDER OF BUSINESS**

**Roll Call and Pledge of Allegiance**

Mr. Flint called the meeting to order at approximately 1:30 p.m., called the roll and the pledge of allegiance was recited. All Supervisors were present.

**SECOND ORDER OF BUSINESS**

**Audience Comments on Specific Items on the Agenda** *(speakers will fill out a card and submit it to the District Manager prior to beginning of the meeting. Individuals providing speaker cards will also have an opportunity to speak prior to Board action.)*

Mr. Flint: There are speaker cards if you have comments on the agenda. If you have comments that are not on an agenda item, there will be an opportunity at the end

of the meeting under general audience comments. I will hand the speaker cards that I received to the Chairman.

Mr. Robertson: Mr. Zelazny has a comment having to do with the minutes of the meeting. Bob, do you want to discuss that now?

Mr. Zelazny: Yes. There was a quote on Page 20 that was attributed to me. I think the comment was either made by Stan or Dan.

Mr. Flint: It was on Page 18.

Mr. Robertson: Collette, do you have any comments?

Ms. Farland-Vogt: No, but I would like to have the option of being able to discuss something.

Mr. Williams: There are a number of issues with the minutes. I think what happened was that there was a problem with the recording device several times and a lot of statements were cut off, so you have different statements that don't make sense. I don't know if we need to just say for the public record that there was an interruption in the recording.

Mr. Flint: We can mark the minutes as a draft and defer them to your May meeting. If you have comments, we can make corrections, or we can make a note at the beginning of the agenda, that due to technical difficulties, there were issues with the audio.

Mr. Williams: There was a section where Bob was talking about something and I made a statement and the two were combined.

Mr. Flint: We can go back and review the recording. Tell me how you want to handle it. We can defer action on the minutes and re-review the minutes again and take comments from the Board.

Mr. d'Adesky: There is no requirement for verbatim minutes, so if something was mixed up, we can say "*discussion ensued*".

Mr. Williams: I don't think there's any need to revise the minutes.

Mr. Robertson: Alan had a comment on the merger with east and west. John wanted to talk about credit cards. Do you want to speak now, John?

Mr. Velebir: Yes. John Velebir, 5205 Green Drive. I want to speak on the discussion item on the joint meeting. At the joint meeting this morning, I was heartened to see your discussion about one community. You were passing out a proposal that Jim made on an alternative plan to formally merge the two Boards. We would have an interlocal agreement to allow us to operate. I don't think anyone in the community has seen it and if there was a way to see your proposal, that would be helpful. You are relying on gentlemen's agreements. You are elected members and can make a few changes. Any of those agreements should be formalized in writing and have some sort of enforced law. I'm heartened to see the "*one community*" attitude. It makes it a little more on our side than the other side.

Mr. Robertson: It's all one sided.

Mr. Velebir: The developer's proposal is a scare tactic as if to say, "*If you don't maintain the golf courses, your property values are going to plunge*". I don't think anyone can support that. A community right next door, Traditions, has no golf course but a similar demographic. The houses are smaller and cheaper, but if you look at it on a personal basis, there is not a 30% difference in the value. This idea that we have to buy these golf courses to prevent plunging property values is erroneous. People that actually live on golf courses may be affected, but the entire community is not going to see their values plunge. I have a client in Vero Beach where the developer actually decided to make the golf course into lots. Do we really need two golf courses? Could we have one golf course and turn the other golf course into a park or nature area? There could be an alternate solution to two golf courses, particularly when George Davidson asked about that. In his experience, these golf courses tend to operate at a \$200,000 to \$300,000 operating deficit every year. That's a lot to ask everyone in the community to pick up that deficit. If you are going to be working with the developer, we looked at maybe engaging a professional in golf course evaluations. Obviously, evaluations are critical on what it's going to cost us going forward. Thank you for your time.

Mr. Robertson: I don't think we have any other comments; therefore, we will proceed with the first order of business.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the  
December 8, 2017 Meeting**

Mr. Robertson: We have the minutes of the December 8, 2017 meeting. Are there any issues that haven't been addressed? I didn't see any.

Mr. Williams: Just that substantial change on Page 18.

Mr. Robertson: It was Mr. Williams.

Mr. Flint: You can approve the minutes subject to me reviewing the recording and making the necessary corrections. If I have any questions, I will call you.

Mr. Williams: That's fine.

On MOTION by Mr. Murphey seconded by Mr. Mecsics with all in favor the Minutes of the December 8, 2017 Meeting were approved; subject to the District Manager reviewing the recording.

**FOURTH ORDER OF BUSINESS    Unfinished Business**

**A. Consideration of RFP for District Management**

Mr. Robertson: The RFP was provided under separate cover.

Mr. Mecsics: At our last meeting, we voted for an RFP for District Manager and legal services. I don't know if there would be a conflict of interest. I was asked to help write these RFPs because I had some experience doing that. Based upon our operating rules, the District Manager does everything required under the Florida Statute to provide those kinds of services. Other services, such as personnel, work directly for the company. That's not included in that RFP. This is just for the District Manager's services position. I am providing this for folks to take a look at. It's open for comments, if you have any.

Ms. Wright: Jim, I asked you about one section. You might want to clarify that section, which was in Section E, just so we are all on the same page.

Mr. Mecsics: Under 18E where it says, "*A list and description of security services*", should say, "*A list and description of the District management services projects undertaken for each of the last three (3) years, including the scope of services provided, the name of the project owner and a contact name and phone number*".

Ms. Wright: F says "A listing of the total annual dollar value of the work as described above under G".

Mr. Mecsecs: It should say "below".

Mr. Mecsecs: Are there any other comments?

**B. Consideration of RFP for District Counsel**

Mr. Mecsecs: You also have the RFP for legal services. It's simple, based on service per hour. Right now, Andrew's company does that for us. That is what I propose. I gave ourselves a lot of time to change what we have, based on the normal operation. If there are any changes, I am welcome to hearing them. Just so folks will understand the RFP process, once the Board approves the final versions of the RFP, each Board Member will receive a copy of the proposals, with a note saying "You should not solicit any potential bidders under any circumstances". If they are approached, they should refer any interest to Mary Bosman. I am going to ask for authorization from the Board to do that, because I am an evaluator and I don't want anyone to have a conflict of interest. Once the RFPs are released, and the Board consents to Mary, as the primary manager of the process, he will be assisted by myself, as designated by the Board to assist in the process. The most important thing is that Andrew will help me. Answering questions consistently and being available to every bidder, is paramount, because we don't want any bid protests at the end. We don't want someone to come back to say that some other folks were given an unfair advantage. We set up these procedures to offer a fair evaluation of the proposals as they come in. I will entertain a motion that we accept these RFPs, with the corrections noted, and authorization for me to work with Mary to publish the notice. We can talk about certain things with Mr. Flint, because he is a potential bidder. Advertising in the newspaper for this type of service is not practical, but there are companies like that out there. I was asked to make a list of companies that we could contact, including GMS. We have a deadline of March 30<sup>th</sup> for receipt of all of the RFPs.

Mr. Mecsics moved to authorize Supervisor Mecsics to work with the Community Director on the Request for Proposals process to obtain proposals for District management and District Counsel services and Mr. Murphey seconded the motion.

Mr. Robertson: Is there any discussion?

Mr. Murphey: This is an opportunity to see alternatives. We may get an ever better offer from GMS than we currently have. Who knows. They work hard.

Mr. Williams: Is the east going out for the same services?

Mr. d'Adesky: No. They are going out for onsite management services. We do not have onsite management.

Mr. Williams: But they are also going out for management services.

Mr. d'Adesky: No.

Mr. Williams: Then I misunderstood.

On VOICE VOTE with all in favor the prior motion passed 5-0 and was approved.

**FIFTH ORDER OF BUSINESS      New Business / Supervisors Requests**

**A. Consideration of Aquatic Plant Management Agreement with Applied Aquatic**

Mr. Flint: We have a current agreement with Applied Aquatic. They perform the lake maintenance for the District. We have one specific agreement for Rattlesnake Lake. It has an automatic renewal scheduled for this month. There is a provision in their existing agreement, allowing them to institute an inflationary increase of 3%. You will see in their letter that they chose to waive that increase and to perform services at the same price. There is an addendum that would go with this agreement, with the general terms and conditions that the CDD wants. They override provisions in their terms and conditions that are not acceptable to us. Are there any questions?

Mr. Robertson: At the last minute, they provided an addendum?

Mr. Flint: Yes. It has the standard terms and conditions. It's not in this packet, but attached to prior agreements. For example, they have an indemnification provision.

Mr. Robertson: Are you satisfied with their addendum?

Mr. Flint: Ours will override theirs. Theirs attaches to their agreement, but we attach ours, they sign it, and overrides any provisions. It was attached to their previous agreement. They are used to that form, because we use it in all of the other agreements.

On MOTION by Mr. Murphey seconded by Mr. Mecsics, with all in favor the Aquatic Plant Management Agreement with Applied Aquatic was approved.

**B. Discussion of Correspondence Regarding Keeping CDD Lands Compliant with S.W.F.W.M.D. Permits and FWC Water Access Regulations (*requested by Chairman Robertson*)**

Mr. Robertson: After the hurricane, the Southwest Florida Water Management District (S.W.F.W.M.D.) came to look at the dog park and a fallen tree on Hart Lake. At that time, we were told that we were encroaching into their permitted area. LA II CDD owns land between resident lots and Hart Lake. There's a legal obligation to leave 25 feet of undisturbed grass between the lake, before we can do any mowing. Over the years, that has not been complied with, for whatever reason, and now we are maintaining several acres beyond where we are allowed to be and are in non-compliance with our permits. We wanted to put out a notice to the community stating where we can legally cut. From there down to Hart Lake, we want to leave it natural, so that is what this notice is for. Having done that for Hart Lake, I received feedback that we should be doing it on Rattlesnake Lake. S.W.F.W.M.D. is responsible for the land, under our permit rules, to maintain from the property line to the water line. If you get into the water, there's an issue with different jurisdictions and it becomes the responsibility of the Florida Fish & Wildlife Commission (FWC). They allow us, if we chose to, to cull some vegetation in the water line, so we can have water access, which I think that the Board would be looking to do for individuals if they wanted to clear some of the vegetation. We already have to have a 25-foot buffer with knee high grass, between our property and the water line. Why would anybody want to go in and cut vegetation? That is something we can deal with if someone wants to ask us to do it, but

at this point in time, I don't anticipate that many people would want to invest their own money in cleaning up the water, if we have three feet of grass. I would like to have a motion to issue a Lake Ashton II CDD plants notice to the community.

Mr. Mecsics moved to issue the Lake Ashton II CDD compliance notice to the community, and Ms. Wright seconded the motion.

Mr. Robertson: Is there any further discussion?

Mr. Murphey: I wish that we could've talked about this before we made motions. Alan was out there the other day staking this out. I think he put a flag at the end of the property line and then measured whatever the map showed and put a wind stake in with a flag, showing the wetland, according to the maps you have. What you are saying is that all of this area that Yellowstone and previous companies were mowing for years, from that wetland stake towards the lake, we are not allowed to mow.

Mr. Rayl: Correct. The stakes are the wetland buffer of the actual wetland line.

Mr. Murphey: So that is the wetland buffer. Tell me where we are allowed to mow.

Mr. Rayl: Anywhere upland of the buffer.

Mr. Murphey: Where you put the stakes, which in some cases, is on top of that berm behind our houses. On down towards the lake, we are not allowed to mow.

Mr. Rayl: That is the platted buffer on the wetland line on the plats of the development. It's in the plat that it is supposed to be maintained in its natural state.

Mr. Murphey: My point is, that area has been mowed even before there were houses there. I have been talking to people who lived in Lake Ashton for 10 to 20 years when there wasn't any wet. It was an orchard. Now after all of these years, we are being told that we can't mow the area there.

Mr. Rayl: It is similar to what we found at the Pebble Beach Dog Park. There were some inadvertent likely impacts that were made. Through the years, we held those lines, but they may have been mowing to the lake a little more than previously.

Mr. d'Adesky: But now that we know about it, we can't knowingly go in and mow it.

Mr. Murphey: Is this the responsibility of S.W.F.W.M.D. or FWC?

Mr. Rayl: S.W.F.W.M.D.

Mr. Murphey: How do we get an exception from S.W.F.W.M.D. to allow us to keep maintaining that area the same way it's been maintained for the last 10 plus years?

Mr. Rayl: I was going to mention that in my report. Water lines are now static. Things change over the years, especially when there has been development adjacent to it. On Lake Hart, the buffer stays turf grass through the entire distance. On Rattlesnake Lake, so far it varies. It goes in and out. In some places, the water was at the top of my boots and the buffer was in the water, per the plat. In other places, it was upland. What I wanted to suggest to the Board was an option to have discussions with S.W.F.W.M.D. to revisit that line and the buffers. The buffer is not consistent throughout the development. In most places, its 25 feet, in some places its 15 feet and in a few places, there's no buffer at all, as shown on the plat. I think it's worth your time to have discussions with S.W.F.W.M.D. about the urgency of the wetland monitoring.

Mr. Murphey: I agree. Also, S.W.F.W.M.D. has been out here before and I know George has been out there. S.W.F.W.M.D. sees what's being maintained. When I say maintained, I mean mowed. They never said anything.

Mr. Rayl: It's not obvious. There is a lot of vegetation out there.

Mr. Murphey: We are going to have a lot of people, including myself, that are not going to be happy if all of a sudden, we are getting 20 feet of their backyard. We are going to have to let the grass start growing up, so you get a natural state.

Mr. Robertson: All we are trying to do is define where we are legally allowed to go. My suggestion is that we should comply with that and ask S.W.F.W.M.D. for some variances where we think it's appropriate. I don't mind getting variances at this point in time. Just like with the dog park, we said we didn't want to do the dog park until we had S.W.F.W.M.D.'s approval. They consider us to be a cooperative entity. If we are compliant, we can ask for a variance.

Mr. Murphey: I can't argue with you, as long as we identify where all of these things are. We can look at it and if we are out of compliance, hopefully there is a way to

get a variance, or like Mr. Rayl said, maybe adjust where the wetland begins or ends, because it's not exactly set, because of development; however, there are people living there now. One of us can meet with S.W.F.W.M.D.

Mr. Robertson: If we can get ourselves compliant and act quickly, it won't grow very much. Being in compliance is probably a better starting point than saying, "*I cheated and I want to keep on cheating*".

Mr. Murphey: We didn't know we were cheating.

Mr. Robertson: I know, but we also had to provide a pond on the other side for storage. To start with, I want to get a variance. I would support that motion.

Mr. Murphey: Are we going to need a motion?

Mr. Robertson: It would cost money for signage, etc., so I recommend a motion.

Mr. Flint: You have a current motion on the floor.

On VOICE VOTE with Ms. Wright, Mr. Mecsics, Mr. Robertson, and Mr. Williams in favor, and Mr. Murphey dissenting the prior motion was approved; passing 4-1.

Mr. Robertson: The second motion would be to take all actions necessary to work with S.W.F.W.M.D. to obtain a variance for us to continue to maintain and mow down to the native grasses.

On MOTION by Mr. Mecsics seconded by Mr. Robertson with all in favor the Board approved taking all actions necessary to work with the S.W.F.W.M.D. to obtain a variance for the District to continue to maintain and mow down to the native grasses.

**C. Discussion of Window Repairs in Fitness Center (*requested by Chairman Robertson*)**

Mr. Robertson: We received a final quote to repair the windows in the Fitness Center. Is there a motion from the Board to approve the bid for the window repairs in the Fitness Center?

Mr. Murphey: I hope there's an end to this at some point.

Mr. Robertson: Yes there is. The others are in and working properly. We did some from the inside and some from the outside. We found that the least expensive option was to go from the inside and keep the window the same size. The first ones, we cut down half an inch and re-installed with stucco and a drain underneath the window. That is a less expensive solution.

Mr. Williams: Did we have that area inspected?

Mr. Robertson: Yes. We checked the wall.

Mr. Williams: There must be 10 windows back there.

Mr. Robertson: There are nine.

On MOTION by Mr. Mecsecs, seconded by Mr. Robertson, with all in favor the Board approved moving forward with the window repairs.
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**D. Discussion on Security (*requested by Supervisor Williams*)**

Mr. Williams: I have two items. Awhile back the Board approved an 8:00 p.m. to 4:00 a.m. roving patrol. On certain dates that changed. I'm just wondering how it changed without it coming back to the Board.

Mr. Mecsecs: On page 17 of the minutes, someone asked if additional personnel to cover the HFC was going to be included on the agenda, to cover the time that no one was here. We discussed security services and providing some weekend coverage, because no one was assigned here. It was temporary over Christmas and at the last meeting we modified that, so we would get someone in here from a staffing standpoint.

Mr. Williams: Without a motion and approval, we can change it.

Mr. Mecsecs: We talked about it.

Mr. Williams: I understand what you read, but it wasn't a motion.

Mr. Mecsecs: We didn't have to do a motion, because we didn't change the scope of the contract. All we changed was the location. I'm not trying to belabor this, but it's a valid point. When we get someone to cover those hours, that officer still has to perform checks.

Mr. Williams: Absolutely.

Mr. Mecsecs: This is a stop gap measure, based on discussion at the last meeting.

Mr. Williams: Were you going to say something, Andrew?

Mr. d'Adesky: No. It seemed like the Board intended to have some flexibility, based on previous direction.

Mr. Robertson: I thought we discussed that when staff takes a lunch break around noon, the security person covers the desk, so there wasn't a half-hour window on weekdays. They would be there to give staff a break and still have coverage at the front desk.

Mr. Williams: The second item was that I would like to hear some updates. I understand that you get all kinds of statistics about what they do and what they are finding. At least I haven't heard anything. As part of our process, is there some way that we can get an update on what security has seen or doing?

Mr. Mecsecs: Yes. I will send George information about the patrols and signage.

Mr. Williams: Or at least a summary, so we know what's going on, because as we look at security in the future, we have some idea of what's been happening in the past.

Mr. Mecsecs: Yes. It's no problem.

Mr. Robertson: Good idea.

Mr. Williams: When does the current security company contract expire?

Mr. Flint: I will get you an answer.

Mr. Williams: The reason that I am asking is, I don't know how you feel about this Jim, but I continue to hear from a lot of people that we really don't need 24 hour road enforcement. What they are looking at is \$60,000 for an additional 12 hours.

Mr. Murphey: It is a lot of money.

Mr. Mecsecs: It's less than \$1.00 or 99 cents per home.

Mr. Williams: When you break it down like that, it doesn't look like a lot of money.

Mr. Mecsecs: We are saving money.

Mr. Murphey: \$1,800.

Mr. Williams: Still, you are saving money that we are spending. Maybe it can go in somewhere else. I'm passing that along.

Mr. Murphey: I spoke to them and asked a lot of questions. He doesn't agree on a lot of things.

Mr. Williams: I spoke to the east security officer and I believe he has 18 hour patrols. I asked them if they had any issues, problems, robberies, etc. and he said no. We have people going around in a car. They are CAP members. As far as I am concerned, they are doing the same thing. There are days that you have patrols. I'm just bringing it up as something to consider.

Mr. Mecsecs: That's a good thing. We have a lot of CAP members. I was a CAP member. Driving around the community, gives you a different perspective. When those patrolmen out there providing security, they were also looking for things such as broken lights and the condition of the roads. We have the community watch and CAP. I don't want to offend anyone from CAP, but it's not the same. Our security officers get 40 hours of training, but CAPs only get 6.5 to 7 hours of training. I think those guys are great, but it's a whole security system. If we were having robberies, breaking and entering, etc., I would be looking for a new security company. An officer riding around late at night or during the day, provides a visual deterrence. I'm looking at a company that does vetting on all contractors. Its voluntary. They get a card and it costs the contractors \$35. Its free to us. They give us a listing of contractors. It's sort of like saying, "*Your contractors are already vetting*". They had a background check, etc. It actually gives you more confidence for the safety and security of our community. We are looking at that as well. I wish I could tell you that we had a couple of breaking and entering, but we don't. It tells you that the system is working. That's a good point.

Mr. Robertson: One of the things that we looked at is our amenities for people to have when they come in here. There's an expectation. We used to have 24 hour security in the facility. At noon, they are no longer here, so they are no longer providing 24 hour security. If an event happens, are we liable? Could a fast and fancy lawyer come at us? We bought the 24 hour security and now someone is injured. Is that a liability that we have to consider in this process?

Mr. d'Adesky: When you bought your house and sold it, one of the things that you have to consider is what the developer was doing. A lot of times, the developer in many communities, and this community is no exception, makes certain promises and assignments. If they say there's 24 hour security, it's not the CDD's duty to maintain promises that the developer said in perpetuity. It's this Board's duty to preserve the amenities and public assets to the best of their abilities. I said before and respectfully, it's a secondary benefit because there are no burglaries and break-ins in private homes. It's not our responsibility. That is the police department's responsibility to support the residents of this community, but primarily, we are looking at the amenities. Could we be sued? Of course. Someone could try, but we are not obligated to provide 24 hour security for the building; however, in looking at the best interest of protecting the facilities and the building from damage and people's use of the building, I think it's reasonable to say that's in the Board's best interest, but that's your policy decision.

Mr. Robertson: Thanks, Andrew. Is there any further discussion on security? If not, we will move on.

Mr. Flint: A three year contract expiring March 31, 2020, with a 30-day termination.

**E. Discussion on Credit Cards (*requested by Supervisor Williams*)**

Mr. Williams: I know that we talked about credit cards in the past. I had some questions from residents and I was thinking that when we first approved it, we approved a \$5,000 level on the credit card and provided Doug with the authority to use it for anything below that. I could not find anything in the minutes. My understanding was the purpose of that was to maintain supplies coming in, taking care of things and replacing anything that was broken. We have gone beyond that. I'm not saying that I would've done anything different. We looked at the lobby as a project to remodel and restore. I don't know if we are over \$5,000. We did it item by item and added it to all of our costs. I don't think it's fair to continue doing it item by item. I think it's fair to say to leave it at the same level. I really don't care, but my proposal would be to use the credit card only for maintaining supplies and fixing things that are broken. Otherwise, as a Board, we should have something to say about it.

Ms. Wright: The original agreement and discussion was to authorize the Chairman to have the ability to spend up to \$5,000 without bringing it to the Board, partly to stop us from having a Board meeting every two or three weeks, when something was needed and was under that \$5,000 limit. We gave Doug the authority to use the credit card. We did not make any specific parameters of exactly what it was for, whether supplies or furniture or replacements. We simply authorized him \$5,000 without bringing it to the Board. That was for our convenience as much as anything.

Mr. Robertson: That's true, but in a lot of cases this came in very handy, if something was going to cost us \$50 to \$100 or \$1,800, it was under my authority to do it, but I agree with you, Stan, that maybe we should revisit it.

Mr. Williams: I would like to be notified when you have an expenditure like that, because we purchased and ordered a couple of things that were a substantial cost, such as our desk.

Mr. Murphey: The Board approved the desk.

Mr. Williams: I am just using that as an example. There has been a couple of fairly large purchases. When I say large, I mean \$1,000 to \$3,000. I asked Mary to keep us more informed on what's going on. I doubt very seriously that we would just agree on anything that you bought. Your intentions are good. As Carla said, it makes it very convenient, so you don't have to wait three months.

Ms. Bosman: The payment of those invoices are in the check run. Every time we get this, it is good information. They can be downloaded online. Do you want to have a Board meeting when Doug wants to spend \$3,000?

Mr. Williams: No. I'm just saying that you bought a vending machine.

Ms. Bosman: If its already been invoiced, you can check at any time.

Mr. Robertson: I understand. I think the issue was the media room. I bought some things to make it functional. I had a couple of things that I am going to bring up today that are within signing authority, but if you think I'm going in a new direction, I don't want to just do it on my own. I don't think it's appropriate. I agree with you. Regarding the vending machine, we had a lot of requests for people to be able to get

snacks after they are exercising. The cost of the vending machine is a little over \$2,000. I can purchase it, but I would rather that the Board decide about the vending machine. That's an example. I don't want to go out for these items wholeheartedly on my own.

Mr. Mecsics: When we discussed it, that is what we had there as far as the integrity. I think communication is great. I agree with Carla that we should not have a meeting in that situation, just I had certain ideas about security. If you had something that you were assigned and you did that at your discretion, then that's the way it is.

Mr. Williams: It was just a discussion.

Mr. Robertson: That is a good discussion. I appreciate the feedback.

#### **F. Discussion on Vending Machine Information**

Mr. Robertson: As we were just saying, there are two options. One way would be to purchase it. Another way would be to get a lease.

Ms. Wright: A free lease?

Mr. Robertson: A free lease where a vendor would put in a vending machine for us and manage it. We could find out how profitable it was for us and if it was something we would like to take further control of. We have a way of offering that service at no expense or no risk for ourselves, if the Board chooses to have a vending machine to support activities in the HFC. Is there a discussion or motion?

Mr. Williams: I am not here on a day-to-day basis, but I assume Mary has a lot of feedback and so does Karen. If they think it would be something that residents are interested in, then I am all for it.

Mr. Robertson: I agree.

Mr. d'Adesky: Could it be subject to us reviewing the agreement to make sure that it is legal?

Mr. Robertson: Yes, of course.

Mr. d'Adesky: When its free, there's probably a termination provision.

Mr. Williams: There was a lot of feedback from Mary. She considers this the way to solve the problem.

Mr. Murphey: I agree.

Mr. Robertson: I would like for Mary and me to be authorized to engage in a contract that is satisfactory to our lawyers and protects us.

Ms. Wright moved to approve the lease of a vending machine and authorize the Chair and Community Director to engage into a contract, subject to review and approval by District Counsel, and Mr. Murphey seconded the motion.

Mr. Williams: Are we getting anything financially out of this?

Ms. Bosman: Its service only.

Mr. Williams: So we are not getting any kind of monetary compensation. I just read in the newspaper yesterday morning about a child that crawled into a Beef O'Brady's claw machine. If this is provided by an outside company, I assume that we would have liability.

Mr. d'Adesky: They are going to sue you, but the vendor that services it would be responsible. They must provide a survey to make sure that you have enough customers to make it serviceable. On top of that, they would be the ones stocking and servicing it. I would have to look at the final contract to make sure that they are not applying any liability on us. As a government, we can't indemnify.

Mr. Robertson: That was a very good discussion.

Mr. Williams: My main concern was a child reaching up and grabbing something.

On VOICE VOTE with all in favor the prior motion passed 5-0 and was approved.

*Residents shouted "No".*

Mr. Robertson: This is not how a community works. We have to follow a process.

Mr. Williams: Is it approved after District Counsel approves it or is it a done deal?

Mr. d'Adesky: If it is sufficient, I will provide it to the Chairman for execution.

Mr. Robertson: If he has concerns, then we obviously won't do it and will bring it back to the Board.

**G. Discussion of Items on Joint Meeting Agenda**

Mr. Robertson: Is there any further discussion from our joint meeting today?

Mr. Williams: Two things were brought up that fell by the wayside. The first one was the interlocal agreement. I brought it up, but folks on the other side didn't think it was viable or something we needed to look at. I think there is a concern and it is worthwhile to pursue it, but I don't know how we go about that. It felt like it got ignored. If we want 20/20 information, we have to do something.

Mr. Mecsics: Stan, we are both getting stuck on the interlocal agreement and I'm glad that you talked about it, because I think we need it. Whatever we do here affects the east. I recommend that we appoint one of our Board members to interface with whatever Board member they have on the east side to look at such things. One of our residents came by the other day, during office hours and asked, "*Has there ever been any thought about looking at all of our resources from one perspective?*" I never thought of that myself. Maybe we should have someone be appointed as our focal point, so when issues come up they can interface with the east side. Do we have a volunteer?

Mr. Williams: I will do it.

Mr. Mecsics: Is there anything else?

Mr. Williams: The other item was amenities management. That was talked about, but nothing was decided.

Mr. Murphey: It's a Board function.

Mr. Williams: There was a lot of talk about looking at having one District Manager of the amenities. I thought that sounded like a good idea, but again, it failed.

Mr. Robertson: There is a process that we are going through right now with the RFPs. I don't think that precludes us from looking at ways to cooperate in the future. Right now, we have to continue what we are doing. I understand that doesn't prevent us from looking at ways of going forward. Regarding having an interlocal agreement, I don't think that the one we have right now is working. Its sufficient for the moment, but I anticipate that it won't be sufficient going forward. All of these things that we are talking about would need an adjustment. If you were going to take on that

responsibility, that would be great. It allows us to show that we are keeping the interlocal agreement live and current, so we don't get ourselves in a non-communication trap. When the parking lot company paved the parking lot, I had an opportunity to look at all of the streets again, identifying depressions around the parking lot and bumps around the community. We marked all of those and there are 20. We did a patch job last year, so they are willing to do milling around it and filling it in. The price to do that is \$1,900. It was Alan's recommendation that we set aside \$25,000 a year towards maintaining the roads. This year's cost for the patching was \$1,900. Do we want a motion or do you just want me to do that within my authority?

Mr. Williams: I sent you pictures of a place where residents were complaining about water piling up around their mailboxes. Is that part of it?

Mr. Robertson: We went through with the experts and they pointed out the ones that they were going to work on. There was nothing that would cost a significant amount of money. After it rains, they looked at them. One was from sprinkler heads that were left on for an hour. The worst one is on Dunmore Drive, opposite my house. Roots caused the concrete to raise, so it's no longer draining to its proper spot.

Mr. Williams: That's one that I sent to you a year ago.

Mr. Robertson: They are going to saw cut it to provide delineation.

Mr. Williams: So that's in there?

Mr. Robertson: Yes, it is.

Mr. Williams: So I can tell those people that it is going to be fixed.

Mr. Robertson: Yes. It is under \$2,000 for this year. From the \$25,000, we would have some money to actually build roads that are needed in the future. Ongoing from year-to-year, we can probably maintain a lot fairly efficiently.

Mr. Williams: When is the work intended to be completed?

Mr. Robertson: That's part of the parking lot work. They will be doing it at the same time, so there are no mobilization costs.

Mr. Mecsics: In regards to that, Alan and I talked before the meeting regarding service of the road. I'm an engineer and I know that a lot of folks are talking about

engineering work. Some people want to put asphalt down and we don't want that at all. Are there some pictures that they can give to us so they can see what it is going to look like? I trust you and believe in you, but I would like for them to see that, so we can see what it looks like from that perspective.

Mr. Rayl: I can provide some pictures.

Mr. Robertson: I received a lot of requests to fix the internet access in this building. We had meetings with ARC and they can't get on the internet. Many times, they had limited access. We asked Mary to come up with a plan for us to have proper coverage through the entire building, so that our cellphones work and we have internet access. Quite often when we have an activity and people are on their phones, our system goes down because its 10 to 15-year-old technology. For \$2,000 to \$2,500, we can have internet access. I haven't reviewed the proposal yet, which is with CDW. They have systems that work, so everyone can get access. I didn't want to approve it myself. I wanted the Board to participate.

Mr. Murphey: You started to talk about the parking lot and pickleball courts. Do you have any updates on a timeframe?

Mr. Robertson: They are currently working on another project. That's why they are doing it in stages. They have the silt fencing in. We always maintained a policy that we want to have our ponds working properly. We had two spots on the new pond where there was a lot of erosion. My criteria in working with Alan was that if you can get the mowers to mow, then we are okay. We have two spots where you can't mow. In one area, it's too steep and there's an erosion ditch. When we start filling the ditch, we are going to take the dirt and get that fixed at the same time.

Mr. Williams: A couple of meetings ago, we were talking about the possibility of having stop signs at the end of Pebble Beach at the HFC building and then coming the other way. I think we should look at the original plans to see if the builders put those in.

Mr. Rayl: I looked at the plans that were approved for the extension of the development. They showed a stop sign and stop bar at Pebble Beach Boulevard. There will be free flow through that intersection.

Mr. Williams: So, if we want to do that we have to do it at our expense.

Mr. Rayl: Correct. The stop sign is holding the street sign right now. There is no stop bar. That is the only thing that the developer is lacking in the improvements that were proposed and approved. Anything above and beyond that would be on us to do.

Mr. Robertson: I am still trying to get them to pay for it.

Mr. Mecsecs: I spoke with a traffic engineer and graciously offered to help him. He is a civil engineer that focusses on traffic. He is going to be working with me on coming up with a traffic engineering plan.

## **SEVENTH ORDER OF BUSINESS      General Audience Comments**

*(This item was taken out of order)*

Mr. Zelazny: I have a couple of issues regarding the joint meeting. One of the agenda items was to discuss the consolidation of CDD #1 versus CDD #2 and make it a joint operation. It's a great idea to have one community and one overseeing body; however, I think it was premature to take it to a joint body when a presentation was not made to our members on what you want to do. Maybe your constituents don't want to do that. Maybe they don't want to do it by virtue of the model that was presented to the Board members, but before we go to the other side, let us know what you proposed, so we agree with it. Secondly, I think Stan is right. We still need to aggressively seek to improve the interlocal agreement between the two communities on amenities. That could be the first step in moving towards one community. The third item is on the discussion with the golf course and other facilities. I encourage having a larger group represent the community, rather than a smaller group. I don't know what the right number is. A bigger number than two would help. I think that the Board should have a series of workshops led by residents within the community to provide recommendations to the Board on the advantages and disadvantages of purchasing all or none of the above items. Then find possible usage for those items.

Ms. Farland-Vogt: Collette Farland-Vogt, 5300 Hogan Lane. I was at the meeting this morning and I would like to see the meetings tightened up. I was there for two

hours. Stan mentioned that he did not know where we stood about whether or not we are going to share amenities. You had a discussion for 40 minutes and then another CDD Board member said something totally opposite of what it seemed and they wanted to put into motion what the people had just said, which confused the audience. Then you come to this meeting and are not sure of what exactly is going to happen. That's how rumors start. There are so many rumors going around Lake Ashton. At the end of the discussion on each topic, I want to hear what direction you are going to go in and what Board members need to do what. There needs to be tightening up of the meetings. I stayed for two hours and I felt like it was a waste. Thank you.

Mr. Robertson: With the Sunshine Law, this is the only time that we can discuss things. You are right in one respect. A lot of times it is just a discussion that we are having. We are not making any decisions. We might say that we are talking about buying the golf course, but obviously we can't make a decision right now. I sympathize with your point, but unfortunately because of the Sunshine Law, we can't discuss things outside of these meetings and we all have to make these types of decisions.

Mr. Cinquino: Alan Cinquino, 5413 Hogan Lane. I understand when the park sustained damage from the hurricane, when S.W.F.W.M.D. came out and said that we were intruding. How did it start with the decision that we were intruding by mowing into the buffer zone? Where did that become an issue?

Mr. Robertson: S.W.F.W.M.D. saw the intrusion and said that it had to stop.

Mr. Cinquino: They themselves?

Mr. Robertson: They themselves.

Mr. Cinquino: In the interim, I understand what action we are taking to comply. I'm not sure that I agree. I would rather not comply, but obviously that's your decision. How long do you think it will take if we comply before we get approval for a variance? How much grass is covered and how long do you anticipate the process will take?

Mr. Rayl: This is a non-standard action by the District. The wetland lines that we have are shown on the plats. Usually the wetlands are covered with conservation easements. It's not going to be a variance. They don't have a process for that. It would

involve modified permits. Some areas could be restated at the wetland line, resurveyed and then evaluated. It's a non-sequitur and doesn't have a timeframe like the permit for the pickleball courts.

Mr. Cinquino: That's what I suspected as a government non-standard type of operation. I would like for you to reconsider your motion to comply. I don't think 15 years of doing this needs to be overturned immediately. It is of no threat or inconvenience to anyone. If anything, it will be an inconvenience to the people that are used to having that area mowed. I noticed that they just staked out behind Lake Rattlesnake where I live today. I don't think we need to change anything until we get a firm decision. Maybe we need to comply, but I don't see the reason that we have to comply. It is just something that I wish you would reconsider, because I think that we could all possibly see this process taking a year or more to get finalized. The other subject that I wanted to address is that I'm opposed to merging the CDDs. I have no problem with joint amenities, economic and social purposes. We are one community, but since I have lived here, it's been so contentious in the east, as opposed to the west. This is much more community friendly. I'm not looking to pick a battle with them, but look at the latest situation with the traffic. When we have a problem here, we talked about it. If people weren't stopping at the stop sign, we would have a police car out there and put up a sign to monitor the speed. That is a nice passive way to treat your community. You don't get into these gestapo tactics and invite the police out and write tickets. Yet all of these people with \$174 tickets were legitimate stops. In addition, Lake Wales doesn't even have their sidebars in the correct place, so their interpretation is that you need to stop twice at a stop sign. This kind of nonsense is not what we need in our community. The bottom line is that I like the way you operate here and right now, let's keep it the way we have it.

Ms. Corley: My name is Carol Corley. I requested to speak on the dog park. I was going to hold that to the end, but since it was brought up several times, I wanted to find out what is happening. We drove by it today and the gate was open, so is it available. If not, when is it going to be available? Thank you.

Mr. Robertson: We have approval from S.W.F.W.M.D. verbally that we don't have to change the dog park at all, which means that it provides water to our CDD. The requirement was that the golf course sign, a document saying that this is how it would be. Alan says that we have done enough and soon as the golf course is laid, the Board has already authorized me to transfer the land and sign the contract. The gate is open because the landscaper needed to mow, but we were told that we are not allowed to use it. I think we are within days of getting final certification and we will get the sign transferred. Hopefully, within the next month or six weeks we can get that done.

Ms. Corley: Thank you for the update.

## **SIXTH ORDER OF BUSINESS Staff and Board Reports**

### **A. Attorney - Update on the Sunshine Laws**

Mr. d'Adesky: I will start working on those projects. Supervisor Murphey mentioned earlier that we should navigate any communications through George and I or whoever is your counsel and your manager, to avoid any potential Sunshine issues to make sure that everything appears right. That's all I have to say.

### **B. Engineer**

Mr. Rayl: I had a few action items to report back on after our last meeting. One was the intersection and we covered that. There's the ability to still get assistance from the developer, which is very much to our benefit. On December 28, S.W.F.W.M.D. sent out a request for additional information. All they asked for was that one of the forms be completed with the golf course as the owner, signing that they are submitting for this permit. It is dated today for that signed document to get back into that consultant's hands. He said that he was going to upload it today as of noon, but he has not been back to the office. Once that is submitted, it will allow S.W.F.W.M.D. to finalize the permit modification as Mr. Robertson said. The boundaries of the dog park will have to change. Once that permit is issued, that clears the issue on the land and it could be transferred to the golf course. We have been out here this week staking the wetland buffers. I expect to be back out here tomorrow finishing Rattlesnake Lake. I am happy

to say that the pickleball courts are now under construction. They mobilized and have their construction stakes out. Mr. Robertson said that they will be taking some excess material off of the site to fix a few erosion areas on Pond #16 in the new section with that excess material. The last thing I had was in the new section, Ponds #1 and #16, are not S.W.F.W.M.D. compliant. We are going to look for the developer to bring those up, before we receive it, so we don't have to go in and make repairs, like we do on the other systems on the other ponds. That is all I have in my report.

Mr. Robertson: I met Mr. Maxwell last week at a gym meet. He will transfer the dog park. There was some discussion about some other issues to try to link it into something else and that didn't happen so they said yes, they will give us the dog park.

**C. CDD Manager**

Mr. Flint: I don't have anything.

Mr. Robertson: George is a very important person. I speak to him on a regular basis and get guidance on what we are doing here. I appreciate his support.

**D. Lake Ashton II Community Director**

Ms. Bosman: Due to the complexity with the agendas for the last two meetings, I'm going to be brief. First of all, our median is completed. The guardhouse was painted. It is painted once every 10 years. I think that is reasonable. I invite you to come down to the hallway and look into the cleanup rooms. They all look good. Also, because of the actions taken today by the Board, we will be proceeding with the french doors. I believe there was a situation where you received a better price. When the contractor replaces the windows, they will install the doors. We have a new person at the front desk, in response to the Board's vote on a new staff member. Her name is Rosemary Stoner and she agreed to work on a flexible schedule; sometimes working full-time and other times working part-time. I think that is an ideal employee. Her personality is wonderful. I invite you to stop in and say hello to her.

**E. Public Safety**

Mr. Mecsics: Our security is led by Brian. He has undergone some surgery. Please keep him in your thoughts. There has been some police presence. We are going

to have selected traffic enforcement. That doesn't mean tickets for everything, just for speeding. It is clearly at their discretion.

**F. Landscaping and Lakes**

Mr. Murphey: I have nothing new to report. We continue to monitor the lakes and ponds. We continue to have a problem with one of the ponds, which is the one going from Hogan Lane to the driving range. That pond is surrounded by trees and houses, so it doesn't get any movement. When we had a heavy rain the other day, I went by there the next morning and it looked good, but now it is starting to scum up again. I have been in constant contact with Applied Aquatic. Unfortunately, they just can't spray it and kill everything. They have to do it over time. I know the residents over there have been patient, but I did have one resident look into a bubbler system.

Mr. Flint: It's an aerator.

Mr. Murphey: An aerator in that pond. If they can't get it under control soon, I'm going to come back to the Board and try to get approval for that. We obtained some prices for different possibilities. It's really an awful pond. It is unbelievable that the flowers they planted out here survived the freeze, after so many other plants and trees died. They are certainly taking their job seriously.

**G. Financial Reports**

**1) Approval of Check Run Summary**

Mr. Flint: You have the check run summary through the end of January with Checks 1867 through 19467, totaling \$954,255.10. You will note that there is a \$400,000 check in here that moves funds from the general fund into the State Board of Administration, which is your investment account. You will also see some transfers to the trustee for the debt service fund. Those are not expenses, but the movement of funds. We get the money from the county in one check and we have to transfer that to the debt service fund. Are there any questions on the check run summary?

Mr. Robertson: You can see some very large amounts because the funds are going from one pocket to another so we didn't just spend \$900,000. Are there any issues with the check run? If not, we need a motion to accept it.

On MOTION by Mr. Murphey seconded by Mr. Mecsecs with all in favor the Check Run Summary was approved.

## 2) Combined Balance Sheet

Mr. Flint: You also have the unaudited financial statements through December 31<sup>st</sup>. This represents the first three months of fiscal year 2018. No action is required by the Board on the financials. If you have any questions, I will try to answer them. As of the end of December, we are collected 50% on our on-roll and off-roll assessments.

Mr. Murphey: Are collections running as we expected?

Mr. Flint: Yes. You need to keep in mind that the developer's property is now on the tax roll. He typically waits until March. That is a significant portion of your on-roll assessments and will impact your percent collected. If he pays on March 31<sup>st</sup>, you are going to see a lower percentage, compared to prior years when it was direct billed.

Mr. John Kemp: At the last Board meeting, we asked what the cost of hurricane repair was. I'm still waiting for a response. What did it cost us to fix the building? Secondly, at the last meeting, we talked about how much money was spent on non-approved projects that were not in the budget? I can give you a couple of examples, such as the fitness center windows, parking lot, lights, french doors and landscaping the parking lot. None of those were in the budget this year. We asked how much money was left in capital project reserves. If you were going to spend any more money out of that, there should be a report on how that number goes down. Last time the Board said that they had money and approved two other items. Today, Dan just said, "*We have money*" and I'm asking how much money and where is it coming from? Thank you.

Mr. Robertson: George, could we have that for the next meeting?

Mr. Flint: We can put a summary together of the hurricane expenses, unless Carla already did that.

Ms. Wright: I'm working on it.

Mr. Flint: We can assist Carla with that. The unapproved expenses are hard to quantify, because you have discretionary funds in a number of different line items. How you classify something as an unbudgeted expense is difficult.

**SEVENTH ORDER OF BUSINESS      General Audience Comments**

Mr. Ellwanger: Joseph Ellwanger, 1209 Sawgrass Drive. My first question for this room is landscaping for the lift station at Oakmont and Sawgrass Drive. The Sales Office said that it is this Board's responsibility. Yes, I understand that we are passing the buck here, but they say that this group has to pick what is going to be planted before they can plant it. I'm thinking that since a year had passed, the developer has not had to spend that money. Could there be some communication from this Board and the developer? It is surprising, because he has two lots that are non-sellable until he does that. That's my first item. Secondly, I have comments pertaining to Item 5A. Does the golf course fall under any different qualifications with S.W.F.W.M.D.? Many of their ponds are landscaped down to the water level and are not cut. Since you are talking about Pond #16, which is near to where I live, I'm certainly interested to see how that is going to be handled. Regarding Item 5E, the discussion on credit cards, may I suggest that this group come up with a dollar amount for discussion, so the discretion is not upon one individual to charge to a credit card.

Mr. Robertson: We have already done that.

Mr. Ellwanger: I am the treasurer of a couple of organizations that are bonded. I worked with the county and the U.S. Government on expenditures and budgets. Our Chairman has certain discretionary limits. The way that you have this structured is very dangerous. These accounts have nothing to do with who has the credit card, but when you say that this person can spend \$5,000 at their discretion on anything they want, the chance for abuse is huge. In groups where the Chairman has a credit card, they have a per instance and per month agreement. I think maybe you want to consider an initial deposit of \$1,000 and put a condition not-to-exceed \$5,000 without calling a meeting to have to prove it. That would be my recommendation. The way you have it set up, as long as they don't go over \$5,000, they could spend the entire treasury and there's nothing that you can say about it. You are always asking about liability. With this kind of lax financial oversight, you aren't exercising your fiduciary duties to control the budget. Thank you.

Mr. Reagan: I am Ronald Reagan. This community gets 24-hour security, but when I bought my house, I had the impression that we would have 24-hour security upfront. I don't know if they are getting liability about that. That's all I have to say. Thanks.

Mr. Urban: Jan Urban. Correct me if I am wrong, but is the vending company going to put the machine in, collect the money and leave?

Ms. Bosman: Yes.

Mr. Urban: I have a lot of experience with vending machines. I was the CPA President of my school. The way it worked is they put the vending machine in, without a percentage of the sales on the vending machine, back in cash. If you do it this way, I am going to wash cars for \$5 each in front of the HFC and use your water. The vending machine company will use our electricity. It could be an insignificant amount, but that's not the idea. They get \$1.00 for a package of M&Ms, which is 25 cents an ounce or \$64 a pound for M&Ms. Do we want to pay them \$65 a pound for M&Ms or do we want to find a company where they are going to cut us a check every month?

Mr. Zelazny: I have two issues. First, I want to talk about the 20/20 study group that came out. A number of members on the committee are here today. There were 400 responses to a community-wide survey, which is over 1,000 hours of time that it took for residents to come up with a plan. That plan started with recommendations to the Board almost a year ago. It was followed up three months after that, and you received a final report in August. No action was taken whatsoever, to my knowledge on any of the recommendations. The recommendations were near term, mid-term and long-term. Half of the short-term has already passed and no action was taken by the Board, whatsoever. There were 1,000 hours of man-hours from these people and they deserve more than just being put to the side and into a drawer. Lastly, I think that the frequency of the meetings need to be increased from every three months. Look at how long it has taken just to move on the pickleball courts and how long it has taken us to get repairs done. We need to be able to make decisions quicker. I recommend that we move to meeting every other month, instead of every three months. Thank you.

Mr. Thomas: I am Jarrett Thomas and I live at 5361 Hogan Lane. I wanted to comment about the vending machine concept. I'm opposed to it, because of the litter it's going to create from wrappers and snacks. I expect that word will get around and the landscapers and construction workers here will find out that there are vending machines here, since they are some distance from being able to buy a soda down the road. People can bring their own drinks and snacks. We are playing cards tonight and I will bring whatever I want. Having a vending machine will cause a litter problem and unauthorized people coming into the building to use the vending machine.

Ms. Crary-Leh: I am Gloria Crary-Leh of 5072 Pebble Beach Boulevard. I have experience dealing with S.W.F.W.M.D. They hold all of the cards. If we don't treat them nicely, they are going to hit us with fines. I know this firsthand because I was one of the neighbors that removed that forest of dead trees. It was a procedure and a half. I had to get approval from everyone. One thing they told me is to have somebody licensed and insured. There was a whole litany of things that had to be in compliance, because if it's not, it's going to be inspected and you are going to get slammed with fines, both you and your community. Let's be careful. Secondly, I've been sitting through these meetings and what stood out was that I honestly don't see how we can be one CDD, even with the interlocal agreement. I don't know. My suggestion is to be cautious and proceed with caution. Thank you.

Mr. Kemp: I'm sorry. I feel like I have to follow up now, because something happened between the time I spoke and the time I sat down. My issue about the landscaping and the lakes and the buffer zones, I thought had been decided, but apparently it was decided differently than what I was under the impression of. I guess what I'm asking you is that you reconsider whether you are going to comply. The other issue that I was disturbed by is after I complimented you about your community friendliness regarding the police, you announced that you are now putting a police officer out there.

Mr. Mecsecs: Negative.

Mr. Kemp: Did I misunderstand?

Mr. Mecsics: Yes, you did. The Winter Haven police come out here to enforce speeding. As far as the interlocal agreement, that's not happening here.

Mr. Kemp: So nothing is changing here.

Mr. Mecsics: No, but you have patrols on Pebble Beach and Hogan.

Mr. Kemp: Then I reinstitute my compliment. The other question is will you and when will you reconsider the motion that you passed to maintain or not maintain regarding the landscaping? What is the procedure?

Mr. Robertson: We passed a motion to comply with the S.W.F.W.M.D. and asked for an evaluation to see what we are allowed to do. There is an obligation to be compliant, but that's a passive obligation at this point in time. Right now, we were advised to let it grow back, which will take some time.

Mr. Kemp: So you feel that compliance is the best issue?

Mr. Robertson: Absolutely, at this point in time. We are going to start a discussion with them that says what we can do and are allowed to do. We were complying in the past. I would expect that they would be cooperative with us.

Mr. Kemp: Okay. Thank you.

Mr. Robertson: Are there any further comments? Not hearing any,

**EIGHTH ORDER OF BUSINESS                      Adjournment**

There not being any further business,

On MOTION by Mr. Williams seconded by Mr. Murphey with all in favor, the meeting was adjourned.

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Secretary / Assistant Secretary

---

Chairman / Vice Chairman



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## Southwest Florida Water Management District

2379 Broad Street, Brooksville, Florida 34604-6899  
(352) 796-7211 or 1-800-423-1476 (FL only)  
SUNCOM 628-4150 TDD only 1-800-231-6103 (FL only)  
On the Internet at: [WaterMatters.org](http://WaterMatters.org)

**Bartow Service Office**  
170 Century Boulevard  
Bartow, Florida 33830-7700  
(863) 534-1448 or  
1-800-492-7862 (FL only)

**Sarasota Service Office**  
6750 Fruitville Road  
Sarasota, Florida 34240-9711  
(941) 377-3722 or  
1-800-320-3503 (FL only)

**Tampa Service Office**  
7601 Highway 301 North  
Tampa, Florida 33637-6759  
(813) 985-7481 or  
1-800-836-0797 (FL only)

April 02, 2018

Lake Ashton II, CDD  
500 South Florida Avenue, Suite 700  
Lakeland, FL 33801

Subject: REMINDER of Inspection Report Coming Due  
Permit No: 44027710.001  
Project Name: Lake Ashton West - Atlee Addition

A condition of your permit requires that you submit an inspection report to the District in accordance with a specific schedule. This inspection report is due on June 20, 2018. This letter was generated to remind you of this requirement in sufficient time for you to complete the inspection and submit the report to the District by the due date.

Inspection reports provide assurance to the District that the surface water management system is properly operated and maintained. The inspection report must include the District form "Statement of Inspection for Proper Operation and Maintenance" available at [http://www.swfwmd.state.fl.us/files/database/site\\_file\\_sets/18/04.10R-023.pdf](http://www.swfwmd.state.fl.us/files/database/site_file_sets/18/04.10R-023.pdf). The form must be certified by a Florida registered Professional Engineer.

Information can be submitted online using eCompliance by visiting the District's Environmental Resource Permitting System in ePermitting located on the District's website at <http://WaterMatters.org/LogInERP>. If you do not have an account you can sign up by clicking the "Register Now" button.

If any maintenance procedures or remedial actions are necessary prior to submittal of the certified District form, please advise the District in writing. The inspection report must be submitted to the District by the date above.

If you have already complied with this requirement, please notify us so we can update our customer records. If you have questions, please contact the Bartow Service Office at (863) 534-1448 or (800) 492-7862 (FL only).

Sincerely,

Kelly Farson  
Staff Regulatory Support Technician  
Regulatory Support Bureau  
Regulation Division

For  
Georges  
Alan

**RESOLUTION 2018-02**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2019 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the District Manager has heretofore prepared and submitted to the Board of Supervisors of **Lake Ashton II Community Development District** (the "Board") prior to June 15, 2018, a proposed operating budget for Fiscal Year 2019; and

WHEREAS, the Board has considered the proposed budget and desires to set the required public hearing thereon.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT:**

1. The operating budget proposed by the District Manager for Fiscal Year 2019 attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said budget.
2. A public hearing on said approved budget is hereby declared and set for the following date, hour and location:

**DATE:** \_\_\_\_\_  
**HOUR:** \_\_\_\_\_  
**LOCATION:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

3. The District Manager is hereby directed to submit a copy of the proposed budget to Polk County at least 60 days prior to the hearing set above.

4. Notice of this public hearing shall be published in the manner prescribed in Florida law.

5. This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2018.**

ATTEST:

**BOARD OF SUPERVISORS  
OF THE LAKE ASHTON II COMMUNITY  
DEVELOPMENT DISTRICT**

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

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

**LAKE ASHTON II  
COMMUNITY DEVELOPMENT DISTRICT  
POLK COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2017**

**DRAFT**

**LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT  
POLK COUNTY, FLORIDA**

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**DRAFT**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Lake Ashton II Community Development District  
Polk County, Florida

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

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

**DRAFT**

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

### **Report on Other Legal and Regulatory Requirements**

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

XXXX, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$26,520,150.
- The change in the District's total net position in comparison with the prior fiscal year was \$31,235,543, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2017, the District's governmental funds reported combined ending fund balances of \$1,431,758, an increase of \$30,136,350 in comparison with the prior fiscal year. The total fund balance is restricted for debt service and capital projects, assigned for subsequent year's expenditures, and the remainder is unassigned 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. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

#### Fund Financial Statements

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

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### Governmental Funds

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

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

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

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

### Notes to the Financial Statements

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	NET POSITION SEPTEMBER 30,	
	2017	2016
Current and other assets	\$ 1,452,127	\$ 731,076
Capital assets, net of depreciation	34,415,588	34,374,641
Total assets	35,867,715	35,105,717
Current liabilities	202,565	30,091,110
Long-term liabilities	9,145,000	9,730,000
Total liabilities	9,347,565	39,821,110
Net position		
Net investment in capital assets	25,270,588	3,614,641
Restricted	446,577	-
Unrestricted	802,985	(8,330,034)
Total net position	\$ 26,520,150	\$ (4,715,393)

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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 debt extinguishment gain which occurred due to the bond restructuring in the current fiscal year.

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

	CHANGES IN NET POSITION	
	FOR THE FISCAL YEAR ENDED SEPTEMBER 30,	
	2017	2016
Revenues:		
Program revenues		
Charges for services	\$ 1,785,716	\$ 1,450,142
Operating grants and contributions	416,169	357
Capital grants and contributions	607,613	-
General revenues		
Unrestricted investment earnings	6,635	495
Miscellaneous	43,869	16,271
Total revenues	<u>2,860,002</u>	<u>1,467,265</u>
Expenses:		
General government	418,636	295,765
Maintenance and operations	1,177,796	1,055,281
Interest	1,098,604	1,577,877
Total expenses	<u>2,695,036</u>	<u>2,928,923</u>
Special item - gain on extinguishment of debt	31,070,577	-
Change in net position	31,235,543	(1,461,658)
Net position - beginning	(4,715,393)	(3,253,735)
Net position - ending	<u>\$ 26,520,150</u>	<u>\$ (4,715,393)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2017 was \$2,695,036. The costs of the District's activities were funded by program revenues. Program revenues increased from the prior fiscal year as Developer contributions and past due assessments were collected pursuant to the bond restructuring which occurred in the current fiscal year. Expenses decreased from the prior fiscal year due to lower interest costs due to the bond restructuring.

GENERAL BUDGETING HIGHLIGHTS

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

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2017, the District had \$36,862,992 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$2,447,404 has been taken, which resulted in a net book value of \$34,415,588. More detailed information about the District's capital assets is presented in the notes of the financial statements.

### Capital Debt

At September 30, 2017, the District had \$9,145,000 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 projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Lake Ashton II Community Development District's Finance Department at 5385 N. Nob Hill Road, Sunrise, Florida, 33351.

**LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT  
POLK COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2017**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 581,168
Investments	207,129
Assessments receivable	2,417
Deposits	25,440
Restricted assets:	
Investments	635,973
Capital assets:	
Nondepreciable	23,308,813
Depreciable, net	11,106,775
Total assets	35,867,715
<b>LIABILITIES</b>	
Accounts payable	20,369
Accrued interest payable	182,196
Non-current liabilities:	
Due within one year	260,000
Due in more than one year	8,885,000
Total liabilities	9,347,565
<b>NET POSITION</b>	
Net investment in capital assets	25,270,588
Restricted for debt service	416,539
Restricted for capital projects	30,038
Unrestricted	802,985
Total net position	\$ 26,520,150

See notes to the financial statements

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**LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT  
POLK COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

Functions/Programs	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		
Governmental activities:					
General government	\$ 418,636	\$ 418,636	\$ -	\$ -	\$ -
Maintenance and operations	1,177,796	842,364	389,000	607,613	661,181
Interest on long-term debt	1,098,604	524,716	27,169	-	(546,719)
Total governmental activities	2,695,036	1,785,716	416,169	607,613	114,462
General revenues:					
Unrestricted investment earnings					6,635
Miscellaneous					43,869
Total general revenues					50,504
Special item - gain on extinguishment of debt					31,070,577
Change in net position					31,235,543
Net position - beginning					(4,715,393)
Net position - ending					\$ 26,520,150

See notes to the financial statements

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**LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT  
POLK COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2017**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
<b>ASSETS</b>				
Cash	\$ 581,168	\$ -	\$ -	\$ 581,168
Investments	207,129	605,935	30,038	843,102
Assessments receivable	1,519	898	-	2,417
Due from other funds	8,098	-	-	8,098
Deposits	25,440	-	-	25,440
Total assets	<u>\$ 823,354</u>	<u>\$ 606,833</u>	<u>\$ 30,038</u>	<u>\$ 1,460,225</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 20,369	\$ -	\$ -	\$ 20,369
Due to other funds	-	8,098	-	8,098
Total liabilities	<u>20,369</u>	<u>8,098</u>	<u>-</u>	<u>28,467</u>
Fund balances:				
Restricted for:				
Debt service	-	598,735	-	598,735
Capital projects	-	-	30,038	30,038
Assigned to:				
Subsequent year's expenditures	273,254	-	-	273,254
Unassigned	529,731	-	-	529,731
Total fund balances	<u>802,985</u>	<u>598,735</u>	<u>30,038</u>	<u>1,431,758</u>
Total liabilities and fund balances	<u>\$ 823,354</u>	<u>\$ 606,833</u>	<u>\$ 30,038</u>	<u>\$ 1,460,225</u>

See notes to the financial statements

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**LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT  
POLK COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2017**

Total fund balances - governmental funds \$ 1,431,758

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

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

Cost of capital assets	36,862,992	
Accumulated depreciation	<u>(2,447,404)</u>	34,415,588

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	(182,196)	
Bonds payable	<u>(9,145,000)</u>	<u>(9,327,196)</u>
Net position of governmental activities		<u>\$ 26,520,150</u>

See notes to the financial statements

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**LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT  
POLK COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
<b>REVENUES</b>				
Assessments	\$ 1,261,000	\$ 524,716	\$ -	\$ 1,785,716
Developer contributions	389,000	25,000	113,750	527,750
Interest	6,635	2,169	38	8,842
Miscellaneous	43,869	-	-	43,869
Total revenues	<u>1,700,504</u>	<u>551,885</u>	<u>113,788</u>	<u>2,366,177</u>
<b>EXPENDITURES</b>				
Current:				
General government	263,938	455	83,750	348,143
Maintenance and operations	724,918	-	-	724,918
Debt service:				
Principal	-	305,000	-	305,000
Interest	-	1,571,850	-	1,571,850
Capital outlay	70,493	-	-	70,493
Total expenditures	<u>1,059,349</u>	<u>1,877,305</u>	<u>83,750</u>	<u>3,020,404</u>
Excess (deficiency) of revenues over (under) expenditures	641,155	(1,325,420)	30,038	(654,227)
<b>OTHER FINANCING SOURCES (USES)</b>				
Restructuring gain	-	30,790,577	-	30,790,577
Total other financing sources (uses)	<u>-</u>	<u>30,790,577</u>	<u>-</u>	<u>30,790,577</u>
Net change in fund balances	641,155	29,465,157	30,038	30,136,350
Fund balances - beginning	161,830	(28,866,422)	-	(28,704,592)
Fund balances - ending	<u>\$ 802,985</u>	<u>\$ 598,735</u>	<u>\$ 30,038</u>	<u>\$ 1,431,758</u>

See notes to the financial statements

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

Net change in fund balances - total governmental funds	\$ 30,136,350
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(452,878)
The statement of activities reports noncash contributions as revenues, but these revenues are not reported in the governmental fund financial statements.	493,825
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	305,000
The gain on the cancellation of debt not yet due is not recognized in the governmental fund financial statements, but is reported as a special item in the statement of activities.	280,000
The change in accrued interest on long-term liabilities between the current and prior fiscal years is recorded in the statement of activities, but not in the governmental fund financial statements.	473,246
Change in net position of governmental activities	<u>\$ 31,235,543</u>

See notes to the financial statements

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**LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Lake Ashton II Community Development District ("District") was created on March 2, 2005 by Ordinance 05-005 of the Polk County, Florida, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, and was thereafter expanded by Ordinance 05-042 on July 27, 2005. 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 qualified electors of the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

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

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

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

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

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

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

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

### Assessments

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted budget and levied annually at a public hearing of the District. Debt Service Assessments are levied when Bonds are issued and assessed and collected on an annual basis. The District may collect assessments directly or utilize the uniform method of collection (Chapter 197.3632, Florida Statutes). Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the Debt Service Assessments on their property subject to various provisions in the Bond documents.

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 funds are used to account for the accumulation of resources for the annual payment of principal and interest on debt.

### Capital Projects Fund

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

As a general rule, the effect of inter-fund 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 Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

The State Board of Administration's ("SBA") Local Government Surplus Funds Trust Fund ("Florida PRIME") is a "2a-7 like" pool. A "2a-7 like" pool is an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The District has reported its investment in Florida PRIME at amortized cost for financial reporting purposes.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

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	30
Equipment and other	10

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

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

#### Capital Assets (Continued)

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

#### Unearned Revenue

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

#### Long-Term Obligations

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

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

#### Deferred Outflows/Inflows of Resources

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

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

#### Fund Equity/Net Position

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

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

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

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

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.

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

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

**Fund Equity/Net Position (Continued)**

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

**Other Disclosures**

**Use of Estimates**

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

**NOTE 3 – BUDGETARY INFORMATION**

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

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

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

**NOTE 4 – DEPOSITS AND INVESTMENTS**

**Deposits**

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

**Investments**

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

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
Investment in Local Government Surplus Funds Trust Fund (Florida PRIME)	\$ 207,129	S&P AAAM	Weighted average of the fund portfolio: 51 days
Fidelity Govt Portfolio CI III	635,973	N/A	N/A
	<u>\$ 843,102</u>		

## NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

### Investments (Continued)

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

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

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

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

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

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

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

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

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the District's investments have been reported at amortized cost above.

*External Investment Pool* – With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2017, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

**DRAFT**

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables at September 30, 2017 were as follows:

Fund	Receivable	Payable
General	\$ 8,098	\$ -
Debt service	-	8,098
Total	<u>\$ 8,098</u>	<u>\$ 8,098</u>

The outstanding balances between funds result primarily from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. In the case of the District, the balances between the general fund and the debt service fund relate to assessments held in the debt service fund that have not yet been transferred to the general fund.

**NOTE 6 – CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land & land improvements	\$ 22,814,988	\$ 493,825	\$ -	\$ 23,308,813
Total capital assets, not being depreciated	<u>22,814,988</u>	<u>493,825</u>	<u>-</u>	<u>23,308,813</u>
Capital assets, being depreciated				
Infrastructure	13,522,004	-	-	13,522,004
Equipment and other	32,175	-	-	32,175
Total capital assets, being depreciated	<u>13,554,179</u>	<u>-</u>	<u>-</u>	<u>13,554,179</u>
Less accumulated depreciation for:				
Infrastructure	1,991,020	450,733	-	2,441,753
Equipment and other	3,506	2,145	-	5,651
Total accumulated depreciation	<u>1,994,526</u>	<u>452,878</u>	<u>-</u>	<u>2,447,404</u>
Total capital assets, being depreciated, net	<u>11,559,653</u>	<u>(452,878)</u>	<u>-</u>	<u>11,106,775</u>
Governmental activities capital assets	<u>\$ 34,374,641</u>	<u>\$ 40,947</u>	<u>\$ -</u>	<u>\$ 34,415,588</u>

The Developer contributed land valued at \$493,825 pursuant to the settlement agreement entered in the current fiscal year.

Depreciation expense was charged to the maintenance and operations function.

**NOTE 7 – LONG TERM LIABILITIES**

**Series 2005**

On August 5, 2005, the District issued \$22,525,000 of Capital Improvement Revenue Bonds, Series 2005 consisting of \$7,705,000 Term Bonds Series 2005A due on May 1, 2036 with a fixed interest rate of 5.375% and \$14,820,000 Term Bonds Series 2005B due in November 1, 2010 with a fixed interest rate of 4.875%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2007 through May 1, 2036.

## **NOTE 7 – LONG TERM LIABILITIES (Continued)**

### **Series 2005 (Continued)**

The Series 2005A Bonds are subject to redemption at the option of the District prior to their maturity on or after May 1, 2014. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. This occurred during the current fiscal year as the District collected assessments from lot closings and prepaid \$45,000 of the Series 2005A Bonds. See Note 14 – Subsequent Events for additional call amounts subsequent to the fiscal year end.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was not in compliance with the requirements at September 30, 2017.

The Developer had previously failed to make payment on the special assessments for the 2005A Bonds which ultimately secure the Bonds. As a result, certain debt service payments were made, in part, by draws on the debt service reserve account. As a result of these payments and other payments of default related expenses, there is a deficit of approximately \$58,000 in the Series 2005A debt service reserve account at September 30, 2017.

### **Series 2006**

On November 20, 2006, the District issued \$25,445,000 of Capital Improvement Revenue Bonds, Series 2006 consisting of \$5,025,000 Term Bonds Series 2006A due on May 1, 2038 with a fixed interest rate of 5.300% and \$20,420,000 Term Bonds Series 2006B due in November 1, 2011 with a fixed interest rate of 5.000%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2009 through May 1, 2038. The Series 2006B were not initially paid off when due.

The Series 2006A Bonds are subject to redemption at the option of the District prior to their maturity on or after May 1, 2016. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established certain 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. The District was in compliance with the requirements at September 30, 2017.

The Developer owns almost all of the benefitted property associated with the Series 2006 Bonds. The Developer had not paid its share of the assessments for the prior and current fiscal years. As a result of the delinquent assessments, the District did not have sufficient funds to make the Series 2006A and Series 2006B debt service payments due during fiscal years 2010 – 2017. During the current fiscal year, the District entered into a settlement agreement with the Developer in full satisfaction of past owed assessment amounts from the Developer. In accordance with the agreement, the Developer contributed funds of \$389,000 to the general fund and conveyed land valued at \$493,825 to the District. In addition, \$995,000 and \$20,420,000 of the Series 2006A and Series 2006B Bonds were forgiven along with all of the overdue interest, respectively. This thereby cured the default.

**NOTE 7 – LONG TERM LIABILITIES (Continued)**

**Long-term debt activity**

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2005	\$ 5,385,000	\$ -	\$ 200,000	\$ 5,185,000	\$ 160,000
Series 2006	25,375,000	-	21,415,000	3,960,000	105,000
Total	<u>\$ 30,760,000</u>	<u>\$ -</u>	<u>\$ 21,615,000</u>	<u>\$ 9,145,000</u>	<u>\$ 265,000</u>

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

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2018	\$ 265,000	\$ 462,922	\$ 727,922
2019	280,000	474,409	754,409
2020	295,000	459,441	754,441
2021	315,000	443,671	758,671
2022	330,000	426,834	756,834
2023-2027	1,945,000	1,849,253	3,794,253
2028-2032	2,540,000	1,268,738	3,808,738
2033-2037	2,870,000	511,815	3,381,815
2038	305,000	16,165	321,165
Total	<u>\$ 9,145,000</u>	<u>\$ 5,913,248</u>	<u>\$ 15,058,248</u>

**NOTE 8 – DEVELOPER TRANSACTIONS**

The Developer owns a portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by the Developer.

See Note 10 – Event of Default for details about funds contributed by the Developer related to the Bond restructuring.

**NOTE 9 – CONCENTRATION**

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

**NOTE 10 – EVENT OF DEFAULT**

As a result of the delinquent assessments and the missed debt service payments by the Developer, the District declared the occurrence of an event of default in accordance with the Bond Indenture. The occurrence of an event of default creates certain remedial rights and remedies in favor of the Trustee. Pursuant to the Indenture, the owners of a majority in aggregate principal amount of the Bonds then outstanding may direct the Trustee with regard to such rights and remedies following an event of default and upon provision of indemnity satisfactory to the Trustee and in accordance with provisions of the Indenture.

The event of default was cured in the current fiscal year as the District entered a settlement agreement and restructured the Bonds. Due to the restructuring, the District incurred \$83,750 of costs in the capital projects fund related to the Bond restructuring in the current fiscal year. In addition, pursuant to the bond restructuring funding agreement, the Developer contributed \$25,000 and \$113,750 to the debt service and capital projects funds, respectively.

#### **NOTE 11 – INTERLOCAL AGREEMENT**

In a prior year, the District and Lake Ashton Community Development District (the "Parties") entered into an interlocal agreement whereby the Parties agreed to grant non-exclusive right to their residents of the Amenities located within each Party's boundaries. Furthermore, the Parties agreed to jointly construct certain roadway connections and that the actual costs associated with the maintenance and operation of the roadways that have been incurred and paid will be prorated between the Parties based on the number of platted lots that have been approved as of September 15 of each fiscal year. This occurred in a prior fiscal year as Lake Ashton CDD performed certain roadways repairs costing a total of \$292,300 and billed the District \$79,929 for its portion of the cost. This amount has been paid in full. During a prior fiscal year, the Interlocal Agreement with Lake Ashton CDD was amended to automatically make all current and future roadways and appurtenances owned by and located within each District subject to the Interlocal Agreement as of the date of acquisition or control by the respective District without need for further amendment. Also, the Districts agreed to each reimburse the other for prior roadway costs paid under the Interlocal Agreement to the other District. Accordingly, the District was reimbursed \$190,219 during a prior fiscal year.

#### **NOTE 12 – MANAGEMENT COMPANY**

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

#### **NOTE 13 – RISK MANAGEMENT**

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

#### **NOTE 14 – SUBSEQUENT EVENTS**

##### **Bond Payments**

Subsequent to fiscal year end, the District prepaid a total of \$80,000 of the Series 2005A Bonds. The prepayments were considered extraordinary mandatory redemptions as outlined in the Bond Indenture.

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

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original & Final		
<b>REVENUES</b>			
Developer contributions	\$ 515,531	\$ 389,000	\$ (126,531)
Assessments	743,486	1,261,000	517,514
Interest	-	6,635	6,635
Miscellaneous	-	43,869	43,869
Total revenues	1,259,017	1,700,504	441,487
<b>EXPENDITURES</b>			
Current:			
General government	135,140	263,938	(128,798)
Maintenance and operations	761,105	724,918	36,187
Capital outlay	362,773	70,493	292,280
Total expenditures	1,259,018	1,059,349	199,669
Excess (deficiency) of revenues over (under) expenditures	\$ (1)	641,155	\$ 641,156
Fund balance - beginning		161,830	
Fund balance - ending		\$ 802,985	

See notes to required supplementary information

**DRAFT**

**LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT  
POLK COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

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

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

To the Board of Supervisors  
Lake Ashton II Community Development District  
Polk 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 Lake Ashton II Community Development District, Polk County, Florida ("District") as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated XXXX, 2018.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

### **Purpose of this Report**

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

XXXX, 2018

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

To the Board of Supervisors  
Lake Ashton II Community Development District  
Polk County, Florida

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

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

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

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

XXXX, 2018

**DRAFT**

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

To the Board of Supervisors  
Lake Ashton II Community Development District  
Polk County

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Lake Ashton II Community Development District, Polk County, Florida ("District") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated XXXX, 2018.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

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

**Purpose of this Letter**

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

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

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

We wish to thank Lake Ashton II Community Development District, Polk 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.

XXXX, 2018

**DRAFT**

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2012-01 Financial Condition Assessment

2013-01: Financial Condition Assessment

2014-01: Financial Condition Assessment

2015-01: Financial Condition Assessment

2016-01: Financial Condition Assessment

Current Status: Recommendation has been implemented.

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

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

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

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

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

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

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

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

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



TF :: (800) 408-8882 T :: (863) 533-8882 F :: (863) 534-3322

March 2, 2018

Lake Ashton II CDD  
5385 N. Nob Hill Rd.  
Sunrise, FL 33351

RE: Aquatic Plant Management Agreement

The present term for aquatic plant maintenance for the ponds associated with Lake Ashton II CDD is due for automatic renewal in April 2018. It is the desire of AAM, Inc., to continue the maintenance program. Per term and condition 14 on the back of your agreement, even if we do not receive a signed copy back your contract will automatically renew.

AAM has decided to waive the 3% increase for this coming year. We also would like to thank you for your loyalty with AAM, Inc.

Please review the proposal. If there are any questions, concerns or need for clarification, do not hesitate to call. If all meets with your approval, sign and return the **FILE COPY** of the agreement to our office.

We look forward to being of continued service. If you have any questions, please contact our office.

Sincerely,

Wade L. Pharis  
Vice President

Enclosure



Renewal



FILE COPY

P.O. Box 1469  
Eagle Lake, FL 33839  
1-800-408-8882

### AQUATIC PLANT MANAGEMENT AGREEMENT

Submitted to:

Date: March 2, 2018

Name Lake Ashton II CDD  
Address 5385 N. Nob Hill Rd.  
City Sunrise, FL 33351  
Phone 863.875.8704

This Agreement is between Applied Aquatic Management, Inc. hereafter called "AAM" and Lake Ashton II CDD hereafter called "Customer".

The parties hereto agree as follows

- A. AAM agrees to provide aquatic management services for a period of 12 months in accordance with the terms and conditions of this Agreement in the following sites:

Nine (9) ponds associated with Lake Ashton II CDD  
Winter Haven, Florida

- B. The AAM management program will include the control of the following categories of vegetation for the specified sum:

- |                                    |          |
|------------------------------------|----------|
| 1. Submersed vegetation control    | Included |
| 2. Emersed vegetation control      | Included |
| 3. Floating vegetation control     | Included |
| 4. Filamentous algae control       | Included |
| 5. Shoreline grass & brush control | Included |

Service shall consist of a minimum of monthly inspections and/or treatments as needed to maintain control of noxious growth throughout the term of our service.

- C. Customer agrees to pay AAM the following amounts during the term of this Agreement:

The terms of this agreement shall be: 4/1/18 thru 3/31/19

Agreement will automatically renew as per Term & Condition 14.

Start-up Charge	NA	Due at the start of work
Maintenance Fee	\$725.00	Due monthly as billed x 12.
Total Annual Cost	\$8,700.00	

Invoices are due and payable within 30 days. Overdue accounts may accrue a service charge of 1 1/2% per month

- D. AAM agrees to commence treatment within NA days, weather permitting, from the date of execution or receipt of the proper permits.
- E. Customer acknowledges that he has read and is familiar with the additional terms and conditions printed on the reverse side which are incorporated in this agreement.

Submitted: Wade L. Pharis, VP

Date: 3/2/2018

Accepted

Date:

AAM

Customer



PO Box 1469  
Eagle Lake, FL 33839-1469  
Phone: 863.533.8882  
Fax: 863.534.3322

### Customer Information

To make sure we have the correct information, please fill this out and return to our office.

Affiliation: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Billing Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Phone # \_\_\_\_\_

Fax # \_\_\_\_\_

Email \_\_\_\_\_

We look forward to being of continued service.

Thank you

**NOTICE OF QUALIFYING PERIOD FOR CANDIDATES FOR THE  
BOARD OF SUPERVISORS OF THE  
LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT**

Notice is hereby given that the qualifying period for candidates for the office of Supervisor of the Lake Ashton II Community Development District will commence at noon of June 18, 2018 and close at noon on June 22, 2018. Candidates must qualify for the office of Supervisor with the Polk County Supervisor of Elections located at 250 South Broadway, Bartow, Florida 33830 and the telephone number is 863-534-5888. All candidates shall qualify for individual seats in accordance with section 99.061, Florida Statutes, and must also be qualified electors of the District. A qualified elector is any person at least 18 years of age who is a citizen of the United States, a legal resident of the State of Florida and of the District, and who is registered to vote with the Polk County Supervisor of Elections. Campaigns shall be conducted in accordance with Chapter 106, Florida Statutes.

The Lake Ashton II Community Development District has two seats up for election, specifically seat #1 and seat #3. Each seat carries a four-year term of office. Elections are nonpartisan and will be held at the same time as the general election on November 06, 2018, in the manner prescribed by law for general elections.

For additional information, please contact the Polk County Supervisor of Elections.



RECEIVED  
APR 10 2018

BY: [Signature]  
APR 10 2018

BY: [Signature]

April 17, 2018

Jennifer McConnell  
Lake Ashton II Community Development District  
5385 North Nob Hill Road  
Sunrise, Florida 33351

**RE: Lake Ashton II Community Development District Registered Voters**

Dear Ms. McConnell,

In response to your request, there are currently **626** voters within the Lake Ashton II Community Development District. This number of registered voters in said District is as of **April 15, 2018**.

Please do not hesitate to contact us if we can be of further assistance.

Sincerely,

*Lori Edwards*

Lori Edwards  
Supervisor of Elections  
Polk County, Florida

P.O. Box 1460, Bartow, FL 33831  
PHONE: (863) 534-5888 Fax: (863) 845-2718

**PolkElections.com**

**LAKE ASHTON II  
COMMUNITY DEVELOPMENT DISTRICT**

**Check Run Summary GF**

*2/1/2018 - 4/30/2018*

<i>Date</i>	<i>Check Numbers</i>	<i>Amount</i>
<i>2/7/2018</i>	<i>1947-1958</i>	<i>\$36,996.53</i>
<i>2/27/2018</i>	<i>1959-1979</i>	<i>\$47,446.64</i>
<i>2/28/2018</i>	<i>1980</i>	<i>\$448.40</i>
<i>3/13/2018</i>	<i>1981-1994</i>	<i>\$194,137.56</i>
<i>3/20/2018</i>	<i>1995-2009</i>	<i>\$9,525.62</i>
<i>3/21/2018</i>	<i>2010</i>	<i>\$500.00</i>
<i>4/4/2018</i>	<i>2011-2028</i>	<i>\$56,909.42</i>
<i>4/17/2018</i>	<i>2029-2039</i>	<i>\$210,373.23</i>
<i>4/20/2018</i>	<i>2040</i>	<i>\$400,000.00</i>
<b>Total</b>		<b><u><u>\$956,337.40</u></u></b>

**Check Run Summary CR**

<i>Date</i>	<i>Check Numbers</i>	<i>Amount</i>
<i>2/27/2018</i>	<i>5</i>	<i>\$5,275.00</i>
<i>3/19/2018</i>	<i>6-7</i>	<i>\$62,885.85</i>
<i>4/18/2018</i>	<i>8</i>	<i>\$27,260.00</i>
<b>Total</b>		<b><u><u>\$95,420.85</u></u></b>

\*\*\* CHECK DATES 02/01/2018 - 04/30/2018 \*\*\*

LAKE ASHTON II - GENERAL FUND

BANK A LAKE ASHTON II - GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
2/07/18	00051	1/31/18	30745931	201801	320	57200	43100		AMERIGAS	*	1,552.58	1,552.58	001947
			PROPANE #627267684										
2/07/18	00092	1/31/18	167310	201801	320	57200	46500		APPLIED AQUATIC MANAGEMENT, INC.	*	725.00	875.00	001948
			JAN 18-AQUATIC PLANT MGMT										
		1/31/18	167311	201801	320	57200	46500			*	150.00		
			JAN 18-AQUATIC PLANT MGMT										
2/07/18	00081	2/01/18	02012018	201802	320	57200	23000		MARY BOSMAN	*	250.00	250.00	001949
			REIMB-HEALTH INSURANCE										
2/07/18	00140	1/31/18	01312018	201801	320	57200	34100		RYAN A BUSWELL	*	175.00	175.00	001950
			TECH SUPPORT										
2/07/18	00070	1/16/18	822788	201801	320	57200	34800		FLORIDA PEST CONTROL	*	125.00	125.00	001951
			PEST CONTROL SVC										
2/07/18	00011	2/01/18	165	201802	310	51300	34000		GMS - SO FLORIDA, LLC	*	3,950.67	4,622.84	001952
			MGMT FEES-FEB 18										
		2/01/18	165	201802	310	51300	35100			*	83.33		
			COMPUTER TIME-FEB 18										
		2/01/18	165	201802	310	51300	31300			*	500.00		
			DISSEM AGNT SVC-FEB 18										
		2/01/18	165	201802	310	51300	51000			*	3.60		
			SUPPLIES-FEB 18										
		2/01/18	165	201802	310	51300	42000			*	21.64		
			POSTAGE-FEB 18										
		2/01/18	165	201802	310	51300	42500			*	18.60		
			COPIES-FEB 18										
		2/01/18	165	201802	310	51300	51000			*	45.00		
			GOOGLE EMAIL-FEB 18										
2/07/18	00126	1/31/18	CDDII-15	201801	320	57200	46010		MAGIC GENIE CLEANING SERVICES, INC.	*	3,280.00	3,280.00	001953
			JANUARY HFC CLEANING										
2/07/18	00150	1/31/18	17-101-1	201801	310	51300	31100		RAYL ENGINEERING & SURVEYING, LLC	*	2,681.81	2,681.81	001954
			SERVICE THRU-01/31/18										

LKA2 LAKE ASHTON 2 MPHILLIPS

\*\*\* CHECK DATES 02/01/2018 - 04/30/2018 \*\*\*

LAKE ASHTON II - GENERAL FUND  
BANK A LAKE ASHTON II - GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
2/07/18	00152	2/01/18	E4010467	201802	320-57200-34500				SERVIC THRU-02/01/18	*	4,953.03		
									SECURITAS SECURITY SERVICES USA, INC			4,953.03	001955
2/07/18	00087	2/01/18	02012018	201802	320-57200-23000				REIMB-HEALTH INSURANCE	*	204.44		
									KAREN VANKIRK			204.44	001956
2/07/18	00158	1/23/18	JAN-18	201801	320-57200-46020				DRAIN SYSTEM FOR GUTTERS	*	5,275.00		
									WARREN CONSTRUCTION MANAGEMENT LLC			5,275.00	001957
2/07/18	00067	1/31/18	INV-0000	201801	320-57200-46200				JAN 18-LANDSCAPE MAINT	*	13,001.83		
									YELLOWSTONE LANDSCAPE			13,001.83	001958
2/27/18	00051	2/14/18	30751818	201802	320-57200-43100				PROPANE #627979468	*	1,212.74		
									AMERIGAS			1,212.74	001959
2/27/18	00074	2/19/18	161958	201802	320-57200-34500				SPRING BUSHINGS	*	128.00		
									ARTS GOLF CARTS INC.			128.00	001960
2/27/18	00076	1/31/18	00344047	201801	320-57200-41000				7900 COUNTY ROAD 653	*	244.74		
		2/04/18	05018300	201802	320-57200-41000				6052 PEBBLE BEACH BLVD	*	837.78		
									BRIGHT HOUSE NETWORKS			1,082.52	001961
2/27/18	00140	2/23/18	02232018	201802	320-57200-34100				TECH SUPPORT	*	166.25		
									RYAN A BUSWELL			166.25	001962
2/27/18	00064	2/16/18	FEB-18	201802	320-57200-43200				FEB 18 - ELECTRIC	*	1,693.54		
									CITY OF WINTER HAVEN			1,693.54	001963
2/27/18	00084	1/31/18	AR319632	201801	320-57200-51000				BLACK TONER CARTRIDGE	*	8.00		
		2/05/18	AR320830	201802	320-57200-51000				SERVIC THRU 11/05-02/04	*	466.00		
		2/05/18	AR320830	201802	320-57200-51000				SERVIC THRU 02/05-05/04	*	107.48		
									DEX IMAGING			581.48	001964

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\*\*\* CHECK DATES 02/01/2018 - 04/30/2018 \*\*\*

LAKE ASHTON II - GENERAL FUND  
BANK A LAKE ASHTON II - GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
2/27/18	00113	2/09/18	12408	201802	320	57200	46030		YARD WASTE SIGNS W/ STAKE	*	280.00		
EXTREME GRAPHICS											280.00	001965	
2/27/18	00003	1/31/18	6-079-45	201801	310	51300	42000		DELIVERIES THRU-01/31/18	*	14.41		
		2/05/18	6-086-87	201802	310	51300	42000		DELIVERIES THRU-02/13/18	*	101.54		
FEDEX											115.95	001966	
2/27/18	00161	2/13/18	170431	201802	320	57200	34510		REPLACE BAD SPEAKER	*	59.80		
		2/13/18	170434	201802	320	57200	34510		NEW SPEAKER/STROBE	*	480.50		
THE HARTLINE ALARM CO INC											540.30	001967	
2/27/18	00086	1/22/18	6080444	201801	320	57200	46020		SUPPLIES	*	254.49		
		1/25/18	3051993	201801	320	57200	46020		SUPPLIES	*	67.34		
		1/31/18	7052747	201801	320	57200	46020		SUPPLIES	*	129.97		
		2/02/18	5052987	201802	320	57200	46020		SUPPLIES	*	34.36		
		2/05/18	2053328	201802	320	57200	46020		SUPPLIES	*	94.77		
		2/08/18	9053737	201802	320	57200	46030		SUPPLIES	*	183.16		
		2/12/18	5054144	201802	320	57200	46020		SUPPLIES	*	67.65		
		2/20/18	7055119	201802	320	57200	46020		SUPPLIES	*	80.10		
HOME DEPOT CREDIT SERVICES											911.84	001968	
2/27/18	00040	1/31/18	79659	201801	310	51300	31500		JAN 18 - LEGAL SERVICES	*	906.49		
LATHAM, SHUKER, EDEN & BEAUDINE LLP											906.49	001969	
2/27/18	00170	1/01/18	JAN-18	201801	320	57200	23000		JAN 18 - HEALTH INSURANCE	*	250.00		
		2/01/18	FEB-18	201802	320	57200	23000		FEB 18 - HEALTH INSURANCE	*	250.00		
		1/01/18	JAN-18	201801	320	57200	23000		JAN 18 - HEALTH INSURANCE	V	250.00-		
		2/01/18	FEB-18	201802	320	57200	23000		FEB 18 - HEALTH INSURANCE	V	250.00-		
JAMES MARGESON											.00	001970	

LKA2 LAKE ASHTON 2 MPHILLIPS

\*\*\* CHECK DATES 02/01/2018 - 04/30/2018 \*\*\*

LAKE ASHTON II - GENERAL FUND  
BANK A LAKE ASHTON II - GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
2/27/18	00107	1/03/18	10104465	201801	320-57200-46400			TAYLOR TEST SUPPLIES	*	21.58		
		1/17/18	10104500	201801	320-57200-46400			POOL & PATIO PURCHASES	*	503.99		
								POOL & PATIO CENTER			525.57	001971
2/27/18	00101	3/01/18	10129557	201803	320-57200-46400			WATER MANAGEMENT	*	540.00		
								POOLSURE			540.00	001972
2/27/18	00080	2/14/18		201802	320-57200-34900			SERVICE THRU-02/14/18	*	164.47		
								REPUBLIC SERVICES #654			164.47	001973
2/27/18	00152	2/08/18	E4016325	201802	320-57200-34500			SERVICE THRU-02/08/18	*	4,671.88		
		2/15/18	E4022144	201802	320-57200-34500			SERVICE THRU-02/15/18	*	4,759.04		
		2/22/18	E4025247	201802	320-57200-34500			SERVICE THRU-02/22/18	*	4,671.88		
								SECURITAS SECURITY SERVICES USA, INC			14,102.80	001974
2/27/18	00062	2/13/18	FEB-18	201802	320-57200-43000			FEB 18 - ELECTRIC	*	10,299.93		
								TAMPA ELECTRIC COMPANY			10,299.93	001975
2/27/18	00036	10/31/17	89997	201710	320-57200-46030			SVC CALL-CLEAN SENSOR	*	106.25		
								TRADITION CENTRAL AIR, INC.			106.25	001976
2/27/18	00153	2/22/18	11449141	201802	320-57200-46020			SLIP RESISTANT MAT	*	448.00		
		2/22/18	11449141	201802	320-57200-46020			SLIP RESISTANT MAT	V	448.00-		
								ULINE			.00	001977
2/27/18	00119	4/23/18	68057216	201804	320-57200-51000			KYOCERA COPIER-04/23/18	*	138.68		
								WELLS FARGO VENDOR FIN SERV			138.68	001978
2/27/18	00067	2/01/18	INV-0000	201802	320-57200-46200			FEB 18-LANDSCAPE MAINT	*	13,001.83		
								YELLOWSTONE LANDSCAPE			13,001.83	001979
2/28/18	00153	2/22/18	11449141	201802	320-57200-46020			SLIP RESISTANT MAT	*	448.40		
								ULINE			448.40	001980

LKA2 LAKE ASHTON 2 MPHILLIPS

\*\*\* CHECK DATES 02/01/2018 - 04/30/2018 \*\*\*

LAKE ASHTON II - GENERAL FUND  
BANK A LAKE ASHTON II - GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
3/13/18	00051	2/27/18	30757977 #628624898	201802	320-57200-43100			AMERIGAS PROPANE	*	1,174.70	1,174.70	001981
3/13/18	00092	2/28/18	167922	201802	320-57200-46500			FEB 18-AQUATIC PLANT MGMT	*	725.00		
		2/28/18	167923	201802	320-57200-46500			FEB 18-AQUATIC PLANT MGMT	*	150.00		
								APPLIED AQUATIC MANAGEMENT, INC.			875.00	001982
3/13/18	00076	2/01/18	00344047 7900 COUNTY ROAD 653	201802	320-57200-41000			BRIGHT HOUSE NETWORKS	*	244.74	244.74	001983
3/13/18	00061	12/28/17	C712181	201712	320-57200-60000			PREVENTATIVE MAINTENANCE	*	1,060.00		
								COMMERICAL FITNESS			1,060.00	001984
3/13/18	00070	2/28/18	823792	201802	320-57200-34800			PEST CONTROL SVC	*	125.00		
								FLORIDA PEST CONTROL			125.00	001985
3/13/18	00011	3/01/18	166	201803	310-51300-34000			MGMT FEES-MAR 18	*	3,950.67		
		3/01/18	166	201803	310-51300-35100			COMPUTER TIME-MAR 18	*	83.33		
		3/01/18	166	201803	310-51300-31300			DISSEM AGNT SVC-MAR 18	*	500.00		
		3/01/18	166	201803	310-51300-42000			POSTAGE-MAR 18	*	22.56		
		3/01/18	166	201803	310-51300-42500			COPIES-MAR 18	*	127.50		
								GMS - SO FLORIDA, LLC			4,684.06	001986
3/13/18	00161	2/21/18	171150	201802	320-57200-34510			SVC CHARGE & LABOR	*	148.00		
		2/22/18	171188	201802	320-57200-34510			MONTHLY MAINTENANCE	*	130.00		
								THE HARTLINE ALARM CO INC			278.00	001987
3/13/18	00016	3/13/18	03132018	201803	300-20700-10100			TXFER OF TAX RCPTS	*	95,168.11		
								LAKE ASHTON II C/O US BANK			95,168.11	001988
3/13/18	00168	3/13/18	03132018	201803	300-20700-10300			TXFER OF TAX RCPTS	*	69,185.95		
								LAKE ASHTON II C/O US BANK			69,185.95	001989

LKA2 LAKE ASHTON 2 MPHILLIPS

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LAKE ASHTON II - GENERAL FUND  
BANK A LAKE ASHTON II - GF

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3/13/18	00107	2/28/18	10216798	201802	320-57200-46400			POOL & PATIO PURCHASES POOL & PATIO CENTER	*	1,301.91	1,301.91	001990
3/13/18	00150	2/28/18	17-101-1	201802	310-51300-31100			SERVICE THRU-02/28/18 RAYL ENGINEERING & SURVEYING, LLC	*	6,076.38	6,076.38	001991
3/13/18	00152	3/01/18	E4030895	201803	320-57200-34500			SECURITY SVC - 03/01/18	*	4,671.88		
		3/08/18	E4039843	201803	320-57200-34500			SECURITY SVC - 03/08/18	*	4,671.88		
								SECURITAS SECURITY SERVICES USA, INC			9,343.76	001992
3/13/18	00094	2/21/18	02212018	201802	320-57200-51000			FEBURARY CC CHARGES	*	563.99		
		2/21/18	02212018	201802	320-57200-49400			FEBURARY CC CHARGES	*	282.16		
		2/21/18	02212018	201802	320-57200-46020			FEBURARY CC CHARGES	*	721.91		
		2/21/18	02212018	201802	320-57200-46030			FEBURARY CC CHARGES	*	254.34		
		2/21/18	02212018	201802	320-57200-46000			FEBURARY CC CHARGES	*	333.88		
		2/21/18	02212018	201802	320-57200-34500			FEBURARY CC CHARGES	*	14.67		
								WELLS FARGO			2,170.95	001993
3/13/18	00171	2/06/18	Q-JNVG68	201803	320-57200-41000			WIRELESS ACCESS POINT/BRK	*	3,397.00		
								CDW-G, LLC			3,397.00	001994
3/20/18	00081	3/01/18	03012018	201803	320-57200-23000			REIMB-HEALTH INSURANCE	*	250.00		
								MARY BOSMAN			250.00	001995
3/20/18	00076	3/04/18	00344047	201803	320-57200-41000			7900 COUNTY ROAD 653	*	106.78		
		3/06/18	05018300	201803	320-57200-41000			6052 PEBBLE BEACH BLVD	*	696.79		
		3/09/18	00344047	201803	320-57200-41000			7900 COUNTY ROAD 653	*	60.84		
								BRIGHT HOUSE NETWORKS			864.41	001996
3/20/18	00159	2/28/18	1	201802	310-51300-49000			AMORT SCHEDULE S05A	*	250.00		
								DISCLOSURE SERVICES LLC			250.00	001997

LKA2 LAKE ASHTON 2 MPHILLIPS

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LAKE ASHTON II - GENERAL FUND

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3/20/18	00154	2/27/18	PWO-5776	201802	320-57200-46020				ELECTRIC SCISSOR LIFT	*	288.49		
		2/27/18	PWO-5776	201803	320-57200-46020				ELECTRIC SCISSOR LIFT	V	288.49-		
									FLORIDA LIFT SYSTEMS, INC.			.00	001998
3/20/18	00011	3/16/18	167	201803	310-51300-49000				EMAIL SERVICE - MAR 18	*	27.75		
									GMS - SO FLORIDA, LLC			27.75	001999
3/20/18	00136	2/19/18	44943	201802	320-57200-46030				CLEANED/SEALED ROOF LEAKS	*	318.50		
									JURIN ROOFING SERVICES, INC.			318.50	002000
3/20/18	00016	3/20/18	03202018	201803	300-20700-10100				TXFER OF TAX RCPTS	*	179.77		
									LAKE ASHTON II C/O US BANK			179.77	002001
3/20/18	00168	3/20/18	03202018	201803	300-20700-10300				TXFER OF TAX RCPTS	*	130.69		
									LAKE ASHTON II C/O US BANK			130.69	002002
3/20/18	00040	2/27/18	80134	201802	310-51300-31500				FEB 18 - LEGAL SERVICES	*	1,702.26		
									LATHAM, SHUKER, EDEN & BEAUDINE LLP			1,702.26	002003
3/20/18	00170	3/01/18	03012018	201803	320-57200-23000				REIMB-HEALTH INSURANCE	*	250.00		
									JAMES MARGESON			250.00	002004
3/20/18	00172	2/15/18	00000170	201802	320-57200-46020				ADJUST STRIKES ON FRAME	*	116.50		
									PRECISION SAFE & LOCK, LLC			116.50	002005
3/20/18	00152	3/15/18	E4044343	201803	320-57200-34500				SECURITY SVC - 03/15/18	*	4,644.22		
									SECURITAS SECURITY SERVICES USA, INC			4,644.22	002006
3/20/18	00153	2/22/18	95137281	201802	320-57200-46020				CARPET DECK PANEL TRUCK	*	448.40		
		2/22/18	95137281	201804	320-57200-46020				CARPET DECK PANEL TRUCK	V	448.40-		
									ULINE			.00	002007
3/20/18	00087	3/01/18	03012018	201803	320-57200-23000				REIMB-HEALTH INSURANCE	*	204.44		
									KAREN VANKIRK			204.44	002008

LKA2 LAKE ASHTON 2 MPHILLIPS

\*\*\* CHECK DATES 02/01/2018 - 04/30/2018 \*\*\*

LAKE ASHTON II - GENERAL FUND  
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3/20/18	00119	5/23/18	68166844	201805	320-57200-51000				KYOCERA COPIER-05/23/18	*	138.68		
									WELLS FARGO VENDOR FIN SERV			138.68	002009
3/21/18	00170	1/01/18	JAN-18	201801	320-57200-23000				JAN 18 - HEALTH INSURANCE	*	250.00		
		2/01/18	FEB-18	201802	320-57200-23000				FEB 18 - HEALTH INSURANCE	*	250.00		
									JAMES MARGESON			500.00	002010
4/04/18	00051	3/13/18	30762350	201803	320-57200-43100				PROPANE #629290948	*	1,360.10		
		3/29/18	30768106	201803	320-57200-43100				PROPANE #629934869	*	1,292.96		
									AMERIGAS			2,653.06	002011
4/04/18	00092	3/23/18	168322	201803	320-57200-46500				MAR 18-AQUATIC PLANT MGMT	*	700.00		
		3/31/18	168525	201803	320-57200-46500				MAR 18-AQUATIC PLANT MGMT	*	725.00		
									APPLIED AQUATIC MANAGEMENT, INC.			1,425.00	002012
4/04/18	00167	3/27/18	03272018	201803	300-36900-10100				REFUND-BIRTHDAY PARTY	*	900.00		
									DOROTHY ARTHUR			900.00	002013
4/04/18	00074	3/20/18	20782	201803	320-57200-34500				GOLF CART REPAIRS	*	317.33		
									ARTS GOLF CARTS INC.			317.33	002014
4/04/18	00140	3/26/18	03262018	201803	320-57200-12000				TECH SUPPORT	*	315.00		
									RYAN A BUSWELL			315.00	002015
4/04/18	00064	3/16/18	MAR-18	201803	320-57200-43200				MAR 18 - WATER	*	1,960.43		
									CITY OF WINTER HAVEN			1,960.43	002016
4/04/18	00003	3/13/18	6-124-24	201803	310-51300-42000				DELIVERIES THRU-03/13/18	*	26.24		
									FEDEX			26.24	002017
4/04/18	00011	4/02/18	168	201804	310-51300-34000				MGMT FEES - APR 18	*	3,950.67		
		4/02/18	168	201804	310-51300-35100				COMPUTER TIME - APR 18	*	83.33		

LKA2 LAKE ASHTON 2 MPHILLIPS

\*\*\* CHECK DATES 02/01/2018 - 04/30/2018 \*\*\*

LAKE ASHTON II - GENERAL FUND  
BANK A LAKE ASHTON II - GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
4/02/18	168		201804	310-51300-31300						*	500.00		
			DISSEM AGNT SVC - APR 18										
4/02/18	168		201804	310-51300-35110						*	27.75		
			WEBSITE ADMIN - APR 18										
4/02/18	168		201804	310-51300-42000						*	24.44		
			POSTAGE - APR 18										
4/02/18	168		201804	310-51300-42500						*	33.60		
			COPIES - APR 18										
			GMS - SO FLORIDA, LLC									4,619.79	002018
4/04/18	00161	3/15/18	171811	201803	320-57200-34510					*	195.00		
			FIRE ALARM MONITORING										
		3/21/18	172172	201803	320-57200-34510					*	130.00		
			MONTHLY MAINTENANCE										
			THE HARTLINE ALARM CO INC									325.00	002019
4/04/18	00086	3/21/18	6035 322	201803	320-57200-46020					*	424.87		
			SUPPLIES										
		3/21/18	6035 322	201803	320-57200-46030					*	294.35		
			SUPPLIES										
			HOME DEPOT CREDIT SERVICES									719.22	002020
4/04/18	00126	2/28/18	CDDII-16	201802	320-57200-46010					*	3,280.00		
			FEBRUARY HFC CLEANING										
		3/31/18	CDDII-17	201803	320-57200-46010					*	3,280.00		
			MARCH HFC CLEANING										
			MAGIC GENIE CLEANING SERVICES, INC.									6,560.00	002021
4/04/18	00101	4/01/18	10129558	201804	320-57200-46400					*	540.00		
			WATER MANAGEMENT										
			POOLSURE									540.00	002022
4/04/18	00150	3/28/18	17-101-1	201803	310-51300-31100					*	2,154.40		
			SERVICE THRU-03/28/18										
			RAYL ENGINEERING & SURVEYING, LLC									2,154.40	002023
4/04/18	00080	3/14/18	0654-000	201803	320-57200-34900					*	164.47		
			SERVICE THRU-03/14/18										
			REPUBLIC SERVICES #654									164.47	002024
4/04/18	00152	3/22/18	E4049229	201803	320-57200-34500					*	4,834.38		
			SECURITY SVC - 03/22/18										
		3/29/18	E4052345	201803	320-57200-34500					*	4,671.88		
			SECURITY SVC - 03/29/18										
			SECURITAS SECURITY SERVICES USA, INC									9,506.26	002025

LKA2 LAKE ASHTON 2 MPHILLIPS

\*\*\* CHECK DATES 02/01/2018 - 04/30/2018 \*\*\*

LAKE ASHTON II - GENERAL FUND  
BANK A LAKE ASHTON II - GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
4/04/18	00062	3/14/18	MAR-18 MAR 18 - ELECTRIC	201803	320-57200-43000			TAMPA ELECTRIC COMPANY	*	9,755.21	9,755.21	002026
4/04/18	00094	3/22/18	03222018 MARCH CC CHARGES	201803	320-57200-51000				*	180.97		
		3/22/18	03222018 MARCH CC CHARGES	201803	320-57200-46020				*	851.46		
		3/22/18	03222018 MARCH CC CHARGES	201803	320-57200-49000				*	639.00		
		3/22/18	03222018 MARCH CC CHARGES	201803	320-57200-46030				*	183.98		
		3/22/18	03222018 MARCH CC CHARGES	201803	310-51300-49000			WELLS FARGO	*	110.77	1,966.18	002027
4/04/18	00067	3/01/18	INV-0000 MAR 18 - LANDSCAPE MAINT	201803	320-57200-46200			YELLOWSTONE LANDSCAPE	*	13,001.83	13,001.83	002028
4/17/18	00092	3/31/18	168526 AQUATIC PLANT MGMT SVC	201803	320-57200-46500			APPLIED AQUATIC MANAGEMENT, INC.	*	150.00	150.00	002029
4/17/18	00076	4/05/18	50183001 6052 PEBBLE BEACH BLVD	201804	320-57200-41000			BRIGHT HOUSE NETWORKS	*	696.79	696.79	002030
4/17/18	00084	3/27/18	AR331761 TONER	201803	320-57200-51000			DEX IMAGING	*	8.00	8.00	002031
4/17/18	00070	3/31/18	LA0177-0 PEST CONTROL SVC-MARCH 18	201803	320-57200-34800			FLORIDA PEST CONTROL	*	125.00	125.00	002032
4/17/18	00011	4/09/18	169 EMAIL SVC-FEB 2018	201802	310-51300-35100			GMS - SO FLORIDA, LLC	*	27.75	27.75	002033
4/17/18	00022	4/03/18	16579 AUDIT FYE 09/30/18	201804	310-51300-32200			GRAU & ASSOCIATES	*	1,500.00	1,500.00	002034
4/17/18	00095	4/27/18	45242 SUPPLIES	201804	320-57200-46020			JEN-KEN KILNS	*	315.00	315.00	002035

LKA2 LAKE ASHTON 2 MPHILLIPS

\*\*\* CHECK DATES 02/01/2018 - 04/30/2018 \*\*\*

LAKE ASHTON II - GENERAL FUND  
BANK A LAKE ASHTON II - GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
4/17/18	00016	4/17/18	041718	201804	300-20700-10100			LAKE ASHTON II C/O US BANK	*	117,408.09	117,408.09	002036
			TXFER OF TAX RCPTS									
4/17/18	00168	4/17/18	041718	201804	300-20700-10300			LAKE ASHTON II C/O US BANK	*	85,354.12	85,354.12	002037
			TXFER OF TAX RCPTS									
4/17/18	00040	4/13/18	80446	201803	310-51300-31500			LATHAM, SHUKER, EDEN & BEAUDINE LLP	*	565.00	565.00	002038
			LEGAL SVC FEES THRU MARCH									
4/17/18	00152	4/12/18	E4064853	201804	320-57200-34500			SECURITAS SECURITY SERVICES USA, INC	*	4,671.88	4,671.88	002039
			SECURITY SVC THRU 4/12/18									
4/20/18	00019	4/20/18	04202018	201804	300-15100-10000			STATE BOARD OF ADMINISTRATION	*	400,000.00	400,000.00	002040
			TXFR EXCESS FUNDS 4/20/18									
										TOTAL FOR BANK A	956,337.40	
										TOTAL FOR REGISTER	956,337.40	

\*\*\* CHECK DATES 02/01/2018 - 04/30/2018 \*\*\*

LAKE ASHTON II - CAPITAL PROJ  
BANK B LAKE ASHTON II - CR

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
2/27/18	00003	2/12/18	02122018	201802 600-20700-10000		REIMB-DRAIN SYSTEM GUTTER LAKE ASHTON II - GF	*	5,275.00	5,275.00	000005
3/19/18	00003	3/16/18	03162018	201803 600-20700-10000		REIMB-ALL TERRAIN CK#1867 LAKE ASHTON II - GF	*	4,093.75	4,093.75	000006
3/19/18	00004	3/08/18	5987	201803 600-53800-63010		PICKLEBALL COURT	*	11,694.80		
		3/08/18	5987	201803 600-53800-63000		PARKING LOT	*	33,063.30		
		3/08/18	5987	201803 600-53800-63010		SIDE WORK/PICKLEBALL	*	11,797.00		
		3/08/18	5987	201803 600-53800-64000		PATCHING ROADS/PROPERTY	*	2,237.00		
						Varsity Courts, Inc.			58,792.10	000007
4/18/18	00158	4/03/18	84-2018	201804 600-53800-66000		REMOVE/INSTALL WINDOWS/DR WARREN CONSTRUCTION MANAGEMENT LLC	*	27,260.00	27,260.00	000008
								TOTAL FOR BANK B	95,420.85	
								TOTAL FOR REGISTER	95,420.85	

**LAKE ASHTON II**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**BALANCE SHEET**  
**March 31, 2018**

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>ASSETS:</b>				
Cash	\$223,638	---	\$15,399	\$239,037
Petty Cash	\$100	---	---	\$100
Investments - State Board	\$363,812	---	\$457,873	\$821,686
Due from Capital Projects	\$15,925	---	---	\$15,925
<b>Series 2005A</b>				
Reserve A	---	\$287,340	---	\$287,340
Prepayment A	---	\$43,498	---	\$43,498
Revenue A	---	\$320,245	---	\$320,245
Deferred Cost A/B	---	\$9	---	\$9
Due From General Fund	---	\$3,365	---	\$3,365
<b>Series 2006A</b>				
Reserve A	---	\$78,732	---	\$78,732
Revenue A	---	\$224,629	---	\$224,629
Deferred Cost A/B	---	\$579	---	\$579
Due From General Fund	---	\$2,446	---	\$2,446
COI	---	---	\$28	\$28
<b>Series 2006B</b>				
Deposits	\$25,440	---	---	\$25,440
<b>TOTAL ASSETS</b>	<u>\$628,915</u>	<u>\$960,843</u>	<u>\$473,300</u>	<u>\$2,063,058</u>
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$52,995	---	---	\$52,995
DUE TO OTHER	\$1,350	---	---	\$1,350
DUE TO DEBT SERVICE - SERIES 2005A	\$3,365	---	---	\$3,365
DUE TO DEBT SERVICE - SERIES 2006	\$2,446	---	---	\$2,446
DUE TO GENERAL FUND	---	---	\$15,925	\$15,925
FICA PAYABLE	\$48	---	---	\$48
FEDERAL W/H PAYABLE	\$38	---	---	\$38
<b>FUND EQUITY AND OTHER CREDITS:</b>				
<b>FUND BALANCES:</b>				
<b>NONSPENDABLES:</b>				
DEPOSITS - TECO	\$25,440	---	---	\$25,440
<b>RESTRICTED FOR:</b>				
DS-SERIES 2005A	---	\$654,457	---	\$654,457
CAPITAL PROJECTS	---	---	\$457,375	\$457,375
UNASSIGNED FOR GENERAL FUND	\$543,233	---	---	\$543,233
UNASSIGNED FOR DS-SERIES 2006A	---	\$306,386	---	\$306,386
<b>TOTAL LIABILITIES &amp; FUND EQUITY &amp; OTHER CREDITS</b>	<u>\$628,915</u>	<u>\$960,843</u>	<u>\$473,300</u>	<u>\$2,063,058</u>

## LAKE ASHTON II

### COMMUNITY DEVELOPMENT DISTRICT

#### GENERAL FUND

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

For The Period Ending

March 31, 2018

	ADOPTED BUDGET	PRORATED THRU 3/31/2018	ACTUAL THRU 3/31/2018	VARIANCE
<b>REVENUES:</b>				
SPECIAL ASSESSMENTS - TAX COLLECTOR	\$1,218,686	\$877,696	\$877,696	\$0
INTEREST EARNED	\$1,500	\$750	\$1,683	\$933
RENAL FEES	\$5,000	\$2,500	\$7,390	\$4,890
TOTAL REVENUES	\$1,225,186	\$880,946	\$886,769	\$5,823
<b>EXPENDITURES:</b>				
<b>ADMINISTRATIVE:</b>				
ARBITRAGE	\$2,500	\$600	\$600	\$0
ANNUAL AUDIT	\$5,600	\$2,000	\$2,000	\$0
ATTORNEY	\$20,000	\$10,000	\$7,425	\$2,575
COMPUTER TIME	\$1,000	\$500	\$528	(\$28)
DISSEMINATION	\$6,000	\$3,000	\$3,000	\$0
DUES, LICENSES, SUBSCRIPTIONS	\$175	\$175	\$175	\$0
INSURANCE	\$30,558	\$30,558	\$30,033	\$525
LEGAL ADVERTISING	\$500	\$250	\$59	\$191
MANAGEMENT	\$47,408	\$23,704	\$23,704	(\$0)
OFFICE SUPPLIES	\$300	\$150	\$49	\$101
OTHER CURRENT CHARGES	\$2,000	\$1,000	\$1,346	(\$346)
POSTAGE	\$1,500	\$750	\$801	(\$51)
PRINTING & BINDING	\$1,200	\$600	\$430	\$170
TELEPHONE	\$50	\$25	\$0	\$25
TRUSTEE FEES	\$6,500	\$0	\$0	\$0
TOTAL ADMINISTRATIVE EXPENDITURES	\$125,290	\$73,311	\$70,148	\$3,163
<b>FIELD EXPENDITURES</b>				
ATHLETIC EQUIPMENT	\$6,000	\$3,000	\$1,060	\$1,940
BUILDING CONTRACT SERVICES	\$46,920	\$23,460	\$30,278	(\$6,818)
BUILDING GROUNDS MAINTENANCE & SUPPLIES	\$16,700	\$8,350	\$64,759	(\$56,409)
CONTINGENCY	\$20,000	\$10,000	\$3,406	\$6,594
ENGINEERING	\$12,000	\$6,000	\$4,191	\$1,809
HFC SPECIAL EVENTS	\$3,000	\$1,500	\$440	\$1,060
LANDSCAPE /LAKE CONTRACT SERVICES	\$152,712	\$76,356	\$85,381	(\$9,025)
OFFICE SUPPLIES/PRINTING/BINDING	\$10,000	\$5,000	\$3,606	\$1,394
PERMITS/INSPECTIONS	\$1,500	\$750	\$0	\$750
PERSONNEL EXPENSES	\$214,455	\$107,228	\$89,974	\$17,253
PLANT/TREE REPLACEMENT	\$10,000	\$5,000	\$0	\$5,000
POND REPAIRS	\$0	\$0	\$4,550	(\$4,550)
SECURITY CONTRACT SERVICES	\$246,300	\$123,150	\$125,798	(\$2,648)
UTILITIES	\$207,767	\$103,883	\$97,352	\$6,531
TOTAL FIELD EXPENDITURES	\$947,354	\$473,677	\$510,794	(\$37,118)
FIRST QUARTER OPERATING RESERVES	\$205,797	\$0	\$0	\$0
TOTAL PROJECT EXPENDITURES	\$205,797	\$0	\$0	\$0
TOTAL EXPENDITURES	\$1,278,441	\$546,988	\$580,943	(\$33,955)
<b>OTHER SOURCES/(USES):</b>				
INTERFUND TRANSFER IN/(OUT)	(\$220,000)	\$0	\$0	\$0
TOTAL OTHER SOURCES/(USES)	(\$220,000)	\$0	\$0	\$0
EXCESS REVENUES (EXPENDITURES)	(\$273,254)		\$305,826	
FUND BALANCE - Beginning	\$273,254		\$262,847	
FUND BALANCE - Ending	\$0		\$568,673	



**LAKE ASHTON II**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**CAPITAL PROJECTS**

Statement of Revenues, Expenditures and Changes in Fund Balances  
For The Period Ending  
March 31, 2018

	ADOPTED BUDGET	PRORATED THRU 3/31/2018	ACTUAL THRU 3/31/2018	VARIANCE
<b><u>REVENUES:</u></b>				
CAPITAL RESERVE - TRANSFER IN	\$220,000	\$0	\$0	\$0
INTEREST EARNED	\$0	\$0	\$2,873	\$2,873
<b>TOTAL REVENUES</b>	<b>\$220,000</b>	<b>\$0</b>	<b>\$2,873</b>	<b>\$2,873</b>
<b><u>EXPENDITURES:</u></b>				
BANK CHARGES	\$0	\$0	\$249	(\$249)
<b><u>CAPITAL PROJECTS - FY18</u></b>				
ATHLETIC EQUIPMENT	\$0	\$0	\$1,060	(\$1,060)
POND REPAIRS AND MAINTENANCE	\$25,000	\$12,500	\$9,150	\$3,350
PICKLEBALL COURTS	\$30,000	\$15,000	\$29,042	(\$14,042)
PAVING PARKING LOT/LIGHTS	\$90,000	\$45,000	\$33,063	\$11,937
ROAD REPAIRS	\$75,000	\$37,500	\$7,826	\$29,674
DRAIN SYSTEM/GUTTERS	\$0	\$0	\$5,275	(\$5,275)
OTHER CAPITAL PROJECT EXPENSES	\$540,139	\$270,070	\$0	\$270,070
<b>TOTAL EXPENDITURES</b>	<b>\$760,139</b>	<b>\$380,070</b>	<b>\$85,665</b>	<b>\$294,405</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>(\$540,139)</b>		<b>(\$82,792)</b>	
FUND BALANCE - Beginning	\$540,139		\$540,139	
FUND BALANCE - Ending	<u>\$0</u>		<u>\$457,347</u>	

**LAKE ASHTON II**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**DEBT SERVICE FUND - SERIES 2005A**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*For The Period Ending*  
*March 31, 2018*

	ADOPTED BUDGET	PRORATED THRU 3/31/2018	ACTUAL THRU 3/31/2018	VARIANCE
<b><u>REVENUES:</u></b>				
SPECIAL ASSESSMENTS - ON ROLL	\$436,872	\$312,096	\$312,096	\$0
SPECIAL ASSESSMENTS - PREPAYMENTS	\$0	\$0	\$40,219	\$40,219
INTEREST EARNED	\$1,000	\$500	\$1,752	\$1,252
<b>TOTAL REVENUES</b>	<b>\$437,872</b>	<b>\$312,596</b>	<b>\$354,067</b>	<b>\$41,471</b>
<b><u>EXPENDITURES:</u></b>				
<b><u>SERIES 2005A:</u></b>				
INTEREST - 11/1	\$139,347	\$139,347	\$139,347	\$0
SPECIAL CALL - 11/1	\$30,000	\$30,000	\$80,000	(\$50,000)
INTEREST - 5/1	\$139,347	\$0	\$0	\$0
PRINCIPAL - 5/1	\$160,000	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$468,694</b>	<b>\$169,347</b>	<b>\$219,347</b>	<b>(\$50,000)</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>(\$30,822)</b>		<b>\$134,720</b>	
FUND BALANCE - Beginning	\$185,650		\$519,737	
FUND BALANCE - Ending	<u>\$154,828</u>		<u>\$654,457</u>	

# LAKE ASHTON II

## COMMUNITY DEVELOPMENT DISTRICT

### DEBT SERVICE FUND - SERIES 2006A

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

For The Period Ending

March 31, 2018

	ADOPTED BUDGET	PRORATED THRU 3/31/2018	ACTUAL THRU 3/31/2018	VARIANCE
<b>REVENUES:</b>				
ASSESSMENTS - OFF ROLL	\$315,038	\$226,889	\$226,889	\$0
OTHER REVENUE SERVICES	\$79,288	\$79,288	\$79,288	\$0
<b>TOTAL REVENUES</b>	<b>\$394,326</b>	<b>\$306,177</b>	<b>\$306,675</b>	<b>\$497</b>
<b>EXPENDITURES:</b>				
<b>SERIES 2006A</b>				
INTEREST - 11/1	\$79,288	\$79,288	\$79,288	\$0
INTEREST - 5/1	\$104,940	\$0	\$0	\$0
PRINCIPAL - 5/1	\$105,000	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$289,228</b>	<b>\$79,288</b>	<b>\$79,288</b>	<b>\$0</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>\$105,098</b>		<b>\$227,387</b>	
FUND BALANCE - Beginning	\$0		\$78,999	
FUND BALANCE - Ending	<u>\$105,098</u>		<u>\$306,386</u>	

**LAKE ASHTON II**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**CAPITAL PROJECTS - SERIES 2006**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*For The Period Ending*  
*March 31, 2018*

	ADOPTED BUDGET	PRORATED THRU 3/31/2018	ACTUAL THRU 3/31/2018	VARIANCE
<b><u>REVENUES:</u></b>				
INTEREST EARNED	\$0	\$0	\$44	\$44
<b>TOTAL REVENUES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$44</b>	<b>\$44</b>
<b><u>EXPENDITURES:</u></b>				
COI	\$0	\$0	\$30,054	(\$30,054)
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,054</b>	<b>(\$30,054)</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>\$0</b>		<b>(\$30,010)</b>	
FUND BALANCE - Beginning	\$0		\$30,038	
FUND BALANCE - Ending	<u>\$0</u>		<u>\$28</u>	

**Lake Ashton II**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**ASSESSMENT RECEIPTS**  
**FISCAL YEAR ENDING SEPTEMBER 30, 2018**

<b>TOTAL ASSESSED AMOUNTS</b>										
300-363-100      300-363-100      300-363-102										
\$1,310,415.55      \$465,964.51      \$338,750.00      \$2,115,130.06										
001      021      022										
<b>DATE RECEIVED</b>	<b>GROSS TAX RECEIVED</b>	<b>DISCOUNTS</b>	<b>PROPERTY APPRAISERS</b>	<b>INTEREST/ PENALTIES</b>	<b>COMMISSIONS</b>	<b>NET AMOUNT RECEIVED</b>	<b>GENERAL FUND 61.95%</b>	<b>DS S2005 22.03%</b>	<b>DS S2006 16.02%</b>	<b>TOTAL 100.00%</b>
11/15/2017	\$19,515.63	\$780.64	\$0.00	\$0.00	\$374.70	\$18,360.29	\$11,375.00	\$4,044.78	\$2,940.50	\$18,360.29
11/17/2017	\$49,722.15	\$1,988.92	\$0.00	\$0.00	\$954.67	\$46,778.56	\$28,981.36	\$10,305.35	\$7,491.85	\$46,778.56
11/22/2017	\$12,361.78	\$649.02	\$0.00	\$0.00	\$234.25	\$11,478.51	\$7,111.44	\$2,528.72	\$1,838.35	\$11,478.51
12/06/17	\$148,583.08	\$5,943.44	\$0.00	\$0.00	\$2,852.79	\$139,786.85	\$86,604.07	\$30,795.13	\$22,387.65	\$139,786.85
12/13/17	\$308,443.04	\$12,337.96	\$0.00	\$0.00	\$5,922.11	\$290,182.97	\$179,781.04	\$63,927.49	\$46,474.44	\$290,182.97
12/20/17	\$491,082.62	\$19,643.70	\$0.00	\$0.00	\$9,428.78	\$462,010.14	\$286,235.48	\$101,781.13	\$73,993.53	\$462,010.14
01/16/18	\$419,444.96	\$12,569.10	\$0.00	\$0.00	\$8,137.52	\$398,738.34	\$247,035.84	\$87,842.31	\$63,860.19	\$398,738.34
02/15/18	\$34,624.79	\$692.51	\$0.00	\$0.00	\$678.64	\$33,253.64	\$20,602.08	\$7,325.80	\$5,325.76	\$33,253.64
01/31/18	\$815.99	\$0.00	\$0.00	\$0.00	\$0.00	\$815.99	\$505.54	\$179.76	\$130.69	\$815.99
03/15/18	\$15,744.65	\$157.43	\$0.00	\$0.00	\$311.74	\$15,275.48	\$9,463.83	\$3,365.20	\$2,446.45	\$15,275.48
04/13/18	\$528,265.54	\$31.48	\$0.00	\$0.00	\$10,564.68	\$517,669.38	\$320,718.81	\$114,042.90	\$82,907.67	\$517,669.38
<b>TOTALS</b>	<b>\$2,028,604.23</b>	<b>\$54,794.20</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$39,459.88</b>	<b>\$1,934,350.15</b>	<b>\$1,198,414.49</b>	<b>\$426,138.58</b>	<b>\$309,797.08</b>	<b>\$1,934,350.15</b>

Percentage Collected      96%